

February 4, 2019

Consolidated Financial Results

Kikkoman Corporation Flash Report for First Nine Months of Fiscal 2019

Nine-month period ended December 31, 2018

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, 2019
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, 2018 (April 1, 2018 to December 31, 2018)

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, 2018 -Dec. 31, 2018	343,390	5.3	30,859	3.6	31,225	5.5	22,340	9.3
Apr. 1, 2017 -Dec. 31, 2017	326,250	8.1	29,789	13.4	29,588	15.3	20,444	(8.7)

(Note) Comprehensive Income

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

April 1, 2017 to December 31, 2017: ¥ 28,121 million (10.6 %)

	Earnings per share (yen)	Earnings per share (Assuming full dilution) (yen)
Apr. 1, 2018 -Dec. 31, 2018	116.37	—
Apr. 1, 2017 -Dec. 31, 2017	105.93	—

2) Financial Position

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio
Dec. 31, 2018	359,266	268,293	73.2%
Mar. 31, 2018	343,929	253,289	72.1%

(Reference) Total shareholders' equity

December 31, 2018: ¥ 263,132 million

March 31, 2018: ¥ 248,072 million

(Note) From the beginning of the first quarter of the consolidated fiscal year under review, "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of Japan ("ASBJ") Guidance No. 28, February 16, 2018), etc., have been applied, and therefore the figures for the consolidated financial position as of March 31, 2018 are those after the said standards, etc. are applied retroactively.

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, 2017 -Mar. 31, 2018	—	22.00	—	17.00	39.00
Apr. 1, 2018 -Mar. 31, 2019	—	20.00	—		
Apr. 1, 2018 -Mar. 31, 2019 (Estimated)				20.00	40.00

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

Dividends per share at the end of the six-month period ended September 30, 2017, are 17.00 yen for ordinary dividends and 5.00 yen for commemorative dividends, respectively.

3. Forecasts of Business Performance for the Fiscal Year Ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(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, 2018- Mar.31, 2019	450,800	4.7	37,600	3.0	36,200	0.6	25,500	6.9	132.83

(Note) Revisions to recently announced forecasts of business performance: None

[Notes]

- 1) Changes in important subsidiaries during the first nine months (Changes in certain specific subsidiaries resulting in a revised scope of consolidation): No
- 2) Application of special accounting methods in preparation for the consolidated quarterly financial statements: Yes

(Note) For details, please refer to the attachments to this report, Page 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)
December 31, 2018 — 193,883,202 shares March 31, 2018 — 210,383,202 shares
- ② Treasury stock at end of period
December 31, 2018 — 1,904,925 shares March 31, 2018 — 18,403,085 shares
- ③ Shares outstanding during the period (cumulative for period, consolidated)
December 31, 2018 — 191,979,406 shares December 31, 2017 — 193,000,377 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 steady recovery while the European economy also continued to grow moderately. Overall, the global economy remained relatively strong. The Japanese economy, too, continued to revitalize at a modest pace.

In this environment, the overall domestic sales of the Group rose year on year in the Foods—Manufacturing and Sales business due to year-on-year increases in sales of food products and beverages, despite year-on-year decreases in the sales of soy sauce, 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 2019 were as follows.

<Consolidated Financial Statements>

(Millions of yen, %)

(Millions of yen, %)

	Nine months Ended December 31,2017		Nine months Ended December 31,2018		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
	4.1.2017 – 12.31.2017		4.1.2018 – 12.31.2018							
	Amount	%	Amount	%	Amount	YoY	%		Amount	YoY
Net Sales	326,250	100.0	343,390	100.0	17,140	105.3	—	(2,030)	19,170	105.9
Operating Profit	29,789	9.1	30,859	9.0	1,069	103.6	(0.1)	(69)	1,139	103.8
Ordinary Profit	29,588	9.1	31,225	9.1	1,637	105.5	0.0	(59)	1,696	105.7
Profit attributable to owners of parent	20,444	6.3	22,340	6.5	1,895	109.3	0.2	(46)	1,942	109.5
Exchange Rate (¥/US\$)	111.82		110.82		(1.00)					
(¥/EUR)	128.59		129.38		0.79					

<Reporting Segments>

(Millions of yen, %)

		Nine months Ended December 31,2017		Nine months Ended December 31,2018		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.2017 – 12.31.2017		4.1.2018 – 12.31.2018							
		Amount	%	Amount	%	Amount	YoY	%		Amount	YoY
Domestic Foods— Manufacturing and Sales	Net Sales	133,989	100.0	136,193	100.0	2,204	101.6	—	—	2,204	101.6
	Operating Profit	9,562	7.1	9,865	7.2	302	103.2	0.1	—	302	103.2
Domestic Others	Net Sales	16,137	100.0	16,236	100.0	98	100.6	—	—	98	100.6
	Operating Profit	1,093	6.8	1,322	8.1	229	121.0	1.3	—	229	121.0
Overseas Foods— Manufacturing and Sales	Net Sales	66,530	100.0	69,598	100.0	3,067	104.6	—	(383)	3,450	105.2
	Operating Profit	13,653	20.5	14,180	20.4	527	103.9	(0.1)	(58)	586	104.3
Overseas Foods— Wholesale	Net Sales	130,132	100.0	142,716	100.0	12,584	109.7	—	(1,696)	14,280	111.0
	Operating Profit	5,906	4.5	6,061	4.2	154	102.6	(0.3)	(14)	169	102.9
Adjustments	Net Sales	(20,540)	100.0	(21,355)	100.0	(814)	—	—	49	(863)	—
	Operating Profit	(426)	—	(570)	—	(143)	—	—	3	(147)	—
Consolidated Total	Net Sales	326,250	100.0	343,390	100.0	17,140	105.3	—	(2,030)	19,170	105.9
	Operating Profit	29,789	9.1	30,859	9.0	1,069	103.6	(0.1)	(69)	1,139	103.8
Exchange Rate (¥/US\$)		111.82		110.82		(1.00)					
(¥/EUR)		128.59		129.38		0.79					

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* (sweet sake for cooking) and wines. Sales for each division were as follows.

■Soy Sauce Division

Sales of the *Itsudemo Shinsen* (always fresh) series of soy sauce continued to increase 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 in the home-use sector increased year on year, reflecting the strong performance of the *Gumen* series, a straight type that does not need to be diluted, and higher sales of *Koidashi Hon Tsuyu*, in condensed *tsuyu* product lines. Sales of *tare* products rose year on year, reflecting the strong performance of the mainstay *Wagaya wa Yakinikuyasan* series and increased sales of the new *Cho Shogayaki no Tare* and products for industrial- and foodservice-use. Sales of the *Uchi no Gohan* series (handy Japanese-style seasoning mixes) were lower than the year-ago level. Sales grew year on year for Del Monte seasonings due to the strong performance of high value-added products such as Lycopene-Rich. As a result, sales rose year on year for the Food Products Division.

■Beverages Division

Sales grew year on year for soy milk beverages, with the rising health awareness, due to the growth of products designated as Food for Specified Health Uses, soy milk beverages such as Chocolate-Mint and Non-Adjusted 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.

Sales rose year on year for Del Monte beverages, reflecting the strong performance of Lycopene-Rich, salt-free tomato juice and salt-free vegetable 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, *Noko Jukusei Hon Mirin*, a new product, was introduced and sales rose for high value-added products such as *Komekoji Kodawari-jikomi Hon Mirin*. However, sales failed to grow for *Houjun Hon Mirin*. In the industrial-use sector, sales also fell year on year because of a year-on-year decrease posted for products in large containers. Sales dropped year on year for domestic wines, attributable to a subpar performance in the home-use sector. Sales declined for imported wines reflecting factors such as the effects of the sales termination for products handled by Kikkoman Food Products Company. As a result, sales decreased 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 1.6% year on year to ¥136,193 million, and operating profit increasing 3.2% year on year to ¥9,865 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 clinical diagnostic reagents and hygiene inspection agents were strong. Sales rose year on year for the logistics business. As a result, sales increased year on year for the Others Division.

As a result of the above, the Others segment recorded higher sales and higher profit, with net sales increasing 0.6% year on year to ¥16,236 million and operating profit increasing 21.0% year on year to ¥1,322 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 increased year on year, reflecting a strong performance in key markets such as Britain and France.

In the Asia and Oceania market, sales rose in China. Sales also grew in the Philippines and Thailand. As a result, sales grew year on year in the Asia and Oceania market.

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.

Sales grew in China, Hong Kong and South Korea. As a result, sales for the Del Monte Division increased year on year.

■Other Foods Division

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

Sales through medical doctors remained strong, but sales through general retailers failed to grow. As a result, sales fell year on year for the Other Foods Division.

As a result of the above, the Foods—Manufacturing and Sales segment recorded higher sales and higher profit, with net sales increasing 4.6% year on year to ¥69,598 million and operating profit increasing 3.9% year on year to ¥14,180 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 9.7% year on year to ¥142,716 million and operating profit increasing 2.6% year on year to ¥6,061 million.

As a result of the aforementioned segment results, the Company reported consolidated net sales for the first nine months of fiscal 2019 of ¥343,390 million increasing 5.3% year on year, operating profit of ¥30,859 million increasing 3.6%, ordinary profit of ¥31,225 million increasing 5.5%, and profit attributable to owners of parent of ¥22,340 million increasing 9.3%.

2) Explanation of financial position

(Assets)

Current assets as of December 31, 2018 were ¥152,889 million, up ¥9,041 million from March 31, 2018. This was mainly due to increases in notes and accounts receivable-trade as well as merchandise and finished goods. Noncurrent assets were ¥206,377 million, up ¥6,295 million. This was largely attributable to increases in construction in progress, machinery, equipment and vehicles, net, as well as buildings and structures, net, despite a decrease in investment securities.

As a result, total assets increased ¥15,337 million from March 31, 2018, to ¥359,266 million.

(Liabilities)

Current liabilities were ¥58,325 million, up ¥843 million from March 31, 2018. This was mainly owing to an increase in short-term loans payable, despite a decrease in provision for bonuses. Noncurrent liabilities were ¥32,647 million, down ¥510 million. This was largely due to a decrease in deferred tax liabilities, despite increases in other liabilities, long-term loans payable as well as net defined benefit liability among others.

As a result, total liabilities increased ¥333 million from March 31, 2018, to ¥90,972 million.

(Net Assets)

Net assets were ¥268,293 million, up ¥15,003 million from March 31, 2018, mainly due to an increase in profit attributable to owners of parent, despite decreases in retained earnings and treasury stock due to the cancellation of treasury stock.

As a result, the equity ratio was 73.2% (up from 72.1% on March 31, 2018).

Effective from the beginning of the first quarter of the consolidated fiscal year, “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, February 16, 2018), etc. are applied and comparisons are made with figures as of March 31, 2018 that were retroactively recalculated.

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

Consolidated earnings forecasts for the year ending March 31, 2019, remain unchanged from the forecasts accompanying the Flash Report for First Six Months of Fiscal 2019, disclosed on November 1, 2018.

There are no significant changes to business risks that might affect business performance from the disclosures in the latest securities report (submitted on June 26, 2018).

2. Consolidated Quarterly Financial Statements and Main Notes

1) Consolidated Quarterly Balance Sheets

	(Millions of yen)	
	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	22,196	23,300
Notes and accounts receivable-trade	58,452	64,818
Short-term investment securities	2,892	130
Merchandise and finished goods	37,760	40,294
Work in process	10,894	10,671
Raw materials and supplies	4,991	5,407
Other	7,159	8,980
Allowance for doubtful accounts	(499)	(715)
Total current assets	143,847	152,889
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	41,240	43,531
Machinery, equipment and vehicles, net	36,768	39,463
Land	20,779	20,921
Lease assets, net	213	235
Construction in progress	7,264	13,670
Other, net	3,856	3,885
Total property, plant and equipment	110,121	121,708
Intangible assets		
Goodwill	5,081	5,127
Other	5,440	5,456
Total intangible assets	10,522	10,583
Investments and other assets		
Investment securities	65,151	59,643
Long-term loans receivable	773	1,108
Net defined benefit asset	7,371	7,703
Deferred tax assets	2,863	2,679
Other	4,303	3,922
Allowance for doubtful accounts	(1,027)	(971)
Total investments and other assets	79,437	74,085
Total noncurrent assets	200,081	206,377
Total assets	343,929	359,266

	(Millions of yen)	
	As of March 31, 2018	As of December 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable-trade	21,535	22,720
Short-term loans payable	3,692	6,202
Lease obligations	33	46
Accounts payable-other	17,737	16,682
Income taxes payable	3,433	4,786
Provision for bonuses	2,497	839
Provision for directors' bonuses	115	88
Other	8,436	6,959
Total current liabilities	57,481	58,325
Noncurrent liabilities		
Long-term loans payable	13,000	13,202
Lease obligations	40	73
Deferred tax liabilities	7,309	5,988
Provision for directors' retirement benefits	712	705
Provision for environmental measures	124	290
Net defined benefit liability	4,783	4,952
Other	7,187	7,433
Total noncurrent liabilities	33,157	32,647
Total liabilities	90,639	90,972
Net assets		
Shareholders' equity		
Capital stock	11,599	11,599
Capital surplus	13,915	13,695
Retained earnings	238,660	222,183
Treasury stock	(35,616)	(3,628)
Total shareholders' equity	228,558	243,849
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	20,956	17,283
Deferred gains or losses on hedges	(38)	(2)
Foreign currency translation adjustment	(2,050)	1,292
Remeasurements of defined benefit plans	647	709
Total accumulated other comprehensive income	19,514	19,283
Non-controlling interests	5,216	5,160
Total net assets	253,289	268,293
Total liabilities and net assets	343,929	359,266

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 2019)

	(Millions of yen)	
	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Net sales	326,250	343,390
Cost of sales	196,162	208,920
Gross profit	130,087	134,469
Selling, general and administrative expenses	100,297	103,609
Operating profit	29,789	30,859
Non-operating income		
Interest income	192	191
Dividends income	937	1,052
Equity in earnings of affiliates	217	200
Rent income	534	521
Gain on valuation of derivatives	1,214	3,007
Other	1,234	1,535
Total non-operating income	4,330	6,510
Non-operating expenses		
Interest expenses	274	90
Foreign exchange losses	1,086	2,348
Other	3,170	3,705
Total non-operating expenses	4,532	6,144
Ordinary profit	29,588	31,225
Extraordinary income		
Gain on sales of property, plant and equipment	5	393
Gain on sales of investment securities	2,386	—
Total extraordinary income	2,392	393
Extraordinary loss		
Loss on retirement of noncurrent assets	147	66
Loss on valuation of investment securities	607	—
Loss on valuation of golf club membership	—	7
Loss on bond retirement	1,668	—
Provision for environmental measures	—	259
100th anniversary project cost	391	—
Total extraordinary loss	2,813	332
Profit before income taxes	29,166	31,286
Income taxes	8,432	8,601
Profit	20,734	22,685
Profit attributable to non-controlling interests	290	345
Profit attributable to owners of parent	20,444	22,340

(Consolidated Quarterly Statements of Comprehensive Income)
(During the first nine months of fiscal 2019)

	(Millions of yen)	
	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	20,734	22,685
Other comprehensive income		
Valuation difference on available-for-sale securities	3,198	(3,491)
Deferred gains or losses on hedges	18	36
Foreign currency translation adjustment	3,829	3,863
Remeasurements of defined benefit plans, net of tax	287	68
Share of other comprehensive income of associates accounted for using equity method	53	(190)
Total other comprehensive income	7,387	287
Comprehensive income	28,121	22,972
Total comprehensive income attributable to:		
Owners of parent	27,765	22,782
Non-controlling interests	356	189

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

No applicable items.

(Notes Regarding Significant Changes in Shareholders' Equity)

Based on the resolution made at the Board of Directors' meeting held on April 26, 2018, 16,500,000 shares of treasury stock were cancelled on May 15, 2018. As a result, capital surplus declined by ¥220 million to ¥13,695 million, retained earnings by ¥31,779 million to ¥222,183 million, and treasury stock by ¥31,999 million to ¥3,628 million as of December 31, 2018.

(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.

(Additional Information)

(Application of "Partial Amendments to Accounting Standard for Tax Effect Accounting," etc.)

From the beginning of the first quarter of the consolidated fiscal year, "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, February 16, 2018), etc. have been applied, and therefore deferred tax assets are stated under investments and other assets, and deferred tax liabilities are stated under noncurrent liabilities.

(Segment Information, etc.)

I. First nine months of fiscal 2018 (April 1, 2017 to December 31, 2017)

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	132,870	5,738	57,777	129,864	326,250	—	326,250
Intragroup sales or transfers	1,119	10,399	8,753	268	20,540	(20,540)	—
Total sales	133,989	16,137	66,530	130,132	346,791	(20,540)	326,250
Operating profit	9,562	1,093	13,653	5,906	30,216	(426)	29,789

(Notes)

1. Adjustments of ¥ (426) 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 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.