

Kewpie Corporation

1-4-13 Shibuya, Shibuya-ku, Tokyo 150-0002, Japan Tel:03-3486-3331



SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST QUARTER OF THE FISCAL YEAR ENDING NOVEMBER 30, 2011 [JAPAN GAAP]

April 6, 2011

Listed company name: Kewpie Corporation
Listed exchanges: Tokyo Stock Exchange
Security code number: 2809
URL: <http://www.kewpie.co.jp/english/>
Representative: Minesaburo Miyake, President and Representative Director
Contact: Nobuo Inoue,
Director and General Manager of Operation Promote Department
Scheduled date for filing quarterly securities report: April 14, 2011
Scheduled date for dividend payment: -
Supplementary data for the first quarter: Yes
Quarterly results briefing: None

(Amounts are rounded down to the nearest million yen)

1. Consolidated business results for the first quarter of the fiscal year ending November 30, 2011 (From December 1, 2010 to February 28, 2011)

(1) Consolidated operating results (Accumulated)

(Percentage figures represent changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended February 28, 2011	115,689	4.5	4,143	(5.7)	4,438	(0.8)	2,210	(6.8)
Three months ended February 28, 2010	110,720	1.6	4,393	67.6	4,475	65.5	2,370	67.0

	Net income per share	Net income per share -diluted
	Yen	Yen
Three months ended February 28, 2011	14.57	-
Three months ended February 28, 2010	15.63	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 28, 2011	268,197	181,755	58.6	1,035.25
As of November 30, 2010	287,957	180,901	54.2	1,029.26

(Reference) Shareholder's equity: As of February 28, 2011: ¥157,041 million
As of November 30, 2010: ¥156,134 million

2. Dividends

	Dividend per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year 2010	-	8.00	-	10.00	18.00
Fiscal year 2011	-				
Fiscal year 2011 (forecast)		9.00	-	9.00	18.00

(Note) Revision to the forecast of dividends in the current quarter: None

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3. Forecasts of consolidated operating results for the fiscal year ending November 30, 2011 (From December 1, 2010 to November 30, 2011)

(Percentage figures represent changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending May 31, 2011	237,000	2.6	11,000	(6.9)	11,200	(7.8)	5,500	(11.9)	36.26
Year ending November 30, 2011	482,000	2.3	22,400	1.3	22,600	(0.7)	10,800	1.8	71.20

(Note) Revision to the forecast of consolidated operating results in the current quarter: None

4. Other

(1) Changes in significant subsidiaries during the current quarter: None

(Note) Changes in specific subsidiaries resulting in the change in scope of consolidation during the current quarter are referred to here.

(2) Application of simplified accounting treatments and special accounting treatments: Applied

(Note) Application of simplified accounting treatments and special accounting treatments for quarterly consolidated financial statements is referred to here.

a) Simplified accounting treatments:

No significant event

b) Special accounting treatments:

None

(3) Changes in accounting principles and procedures, and disclosures

a) Changes resulting from revision to accounting standards: Yes

(i) Application of Accounting Standard for Asset Retirement Obligations

From the first quarter of the current fiscal year, "Accounting Standard for Asset Retirement Obligations" (Accounting Standards Board of Japan [ASBJ] Statement No.18, March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No.21, March 31, 2008) are applied.

As a result of the above, operating income and ordinary income decreased by ¥4 million, respectively, and income before income taxes and minority interests (December 1, 2010 to February 28, 2011) decreased by ¥219 million.

The amount of changes in asset retirement obligations due to the application of these accounting standards for asset retirement obligations is ¥388 million.

(ii) Application of "Accounting Standard for Equity Method of Accounting for Investments" and "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method"

From the first quarter of the current fiscal year, "Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No.16, issued on March 10, 2008) and "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" (Practical Issues Task Force [PITF] No.24, March 10, 2008) are applied.

There was no effect from this change on income.

b) Changes other than "a)" (above): None

(Note) Significant changes in accounting principles and procedures, and disclosures for quarterly consolidated financial statements are referred to here.

(4) Number of issued shares (common stock)

a) Number of issued shares at the end of each period (including treasury stock):

February 28, 2011 155,464,515 shares

November 30, 2010 155,464,515 shares

b) Number of treasury stock at the end of each period:

February 28, 2011 3,769,943 shares

November 30, 2010 3,768,621 shares

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- c) Average number of issued shares during three months ended February 28:
- | | |
|-------------------|--------------------|
| February 28, 2011 | 151,694,752 shares |
| February 28, 2010 | 151,698,073 shares |

(Status of implementation of quarterly review procedures)

This summary of consolidated financial statements is outside of the scope of the quarterly review procedures based on Financial Instruments and Exchange Act. As of the time of its disclosure, review procedures for quarterly financial statements based on Financial Instruments and Exchange Act have not been finished.

(Statement for an appropriate usage of the estimate information and other notes)

The forecast information in this data is reported based on available information and assumptions considered reasonable. As a result, the estimate of operating results may differ significantly from the actual operating results due to various uncertain factors.

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1. Quarterly consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

	Current first quarter (As of February 28, 2011)	Summary of previous fiscal year (As of November 30, 2010)
Assets		
Current assets		
Cash and deposits	13,604	29,718
Notes and accounts receivable-trade	59,248	64,701
Securities	5,000	5,000
Purchased goods and products	10,934	10,372
Work in process	982	733
Raw materials and supplies	4,926	4,319
Other	5,994	5,656
Allowances for doubtful accounts	(353)	(359)
Total current assets	100,337	120,142
Fixed assets		
Tangible fixed assets		
Buildings and structures	127,484	126,716
Accumulated depreciation	(79,440)	(78,482)
Net book value	48,044	48,233
Machinery, equipment and vehicles	125,653	126,661
Accumulated depreciation	(103,772)	(103,827)
Net book value	21,880	22,834
Land	40,770	40,752
Construction in progress	3,042	2,507
Other	11,524	11,181
Accumulated depreciation	(8,038)	(7,815)
Net book value	3,486	3,366
Total tangible fixed assets	117,223	117,693
Intangible fixed assets	2,236	2,315
Investments and other assets		
Investment securities	20,457	19,495
Prepaid pension costs	17,513	17,753
Other	11,219	11,343
Allowances for doubtful accounts	(790)	(785)
Total investments and other assets	48,400	47,806
Total fixed assets	167,860	167,815
Total assets	268,197	287,957

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(Millions of yen)

	Current first quarter (As of February 28, 2011)	Summary of previous fiscal year (As of November 30, 2010)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	37,730	39,078
Short-term loans payable	9,951	19,953
Accrued income taxes	2,250	5,737
Reserves	4,534	2,129
Asset retirement obligations	98	-
Other	15,974	24,848
Total current liabilities	70,541	91,747
Non-current liabilities		
Bonds	500	500
Long-term loans payable	1,425	1,548
Reserves	2,462	2,488
Asset retirement obligations	291	-
Other	11,222	10,769
Total non-current liabilities	15,901	15,307
Total liabilities	86,442	107,055
Net assets		
Shareholders' equity		
Paid-in-capital	24,104	24,104
Capital surplus	29,432	29,432
Earned surplus	110,293	109,600
Treasury stock	(3,848)	(3,847)
Total shareholders' equity	159,981	159,290
Valuation and translation adjustments		
Unrealized holding gains on securities	1,530	1,111
Unrealized holding losses on hedges	(6)	(20)
Foreign currency translation adjustments	(4,463)	(4,247)
Total valuation and translation adjustments	(2,940)	(3,156)
Minority interests	24,713	24,767
Total net assets	181,755	180,901
Total liabilities and net assets	268,197	287,957

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(2) Consolidated statements of income

(Millions of yen)

	Previous first quarter (From December 1, 2009 to February 28, 2010)	Current first quarter (From December 1, 2010 to February 28, 2011)
Net sales	110,720	115,689
Cost of sales	84,198	88,301
Gross profit	26,522	27,388
Selling, general and administrative expenses	22,128	23,245
Operating income	4,393	4,143
Non-operating income		
Interest income	50	47
Dividends income	77	107
Equity in earnings of affiliates	82	68
Gains on valuation of derivatives	-	105
Other	80	74
Total non-operating income	290	404
Non-operating expenses		
Interest expenses	89	50
Foreign exchange losses	57	-
Other	61	58
Total non-operating expenses	208	108
Ordinary income	4,475	4,438
Extraordinary gains		
Prior period adjustments	3	-
Gains on sales of fixed assets	6	13
Subsidies received	40	-
Gains on extinguishment of tie-in shares	-	74
Other	2	28
Total extraordinary gains	52	115
Extraordinary losses		
Prior period adjustments	2	-
Losses on disposal of fixed assets	58	204
Losses on adjustment for changes of accounting standard for asset retirement obligations	-	214
Other	7	6
Total extraordinary losses	68	425
Income before income taxes and minority interests	4,459	4,128
Income taxes	1,821	1,737
Income before minority interests	-	2,391
Minority interests	267	180
Net income	2,370	2,210

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(3) Consolidated statements of cash flows

(Millions of yen)

	Previous first quarter (From December 1, 2009 to February 28, 2010)	Current first quarter (From December 1, 2010 to February 28, 2011)
Cash flows from operating activities		
Income before income taxes and minority interests	4,459	4,128
Depreciation and amortization	3,041	3,100
Equity in losses (earnings) of affiliates	(82)	(68)
Losses (gains) on valuation of investment securities	4	-
Increase (decrease) in reserves	2,942	2,381
Decrease (increase) in prepaid pension costs	193	246
Interest and dividends income	(127)	(155)
Interest expenses	89	50
Losses (gains) on sales and disposal of fixed assets	53	191
Decrease (increase) in notes and accounts receivable-trade	(1,073)	5,632
Decrease (increase) in inventories	(1,244)	(1,449)
Increase (decrease) in notes and accounts payable-trade	4,862	(1,433)
Other	(5,689)	(7,367)
Sub-total	7,431	5,256
Interest and dividends income received	153	174
Interest paid	(122)	(111)
Income taxes paid	(6,069)	(5,739)
Net cash provided by (used in) operating activities	1,392	(420)
Cash flows from investing activities		
Purchases of tangible fixed assets	(2,264)	(3,531)
Purchases of intangible fixed assets	(86)	(85)
Purchases of investment securities	(5)	(43)
Payments of loans receivable	(270)	(64)
Collection of loans receivable	55	42
Other	460	54
Net cash provided by (used in) investing activities	(2,110)	(3,628)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,783	344
Repayment of long-term loans payable	(251)	(10,457)
Proceeds from stock issuance to minority shareholders	90	-
Cash dividends paid	(1,441)	(1,517)
Cash dividends paid to minority shareholders	(182)	(214)
Repurchase of treasury stock	(1)	(1)
Other	(66)	(132)
Net cash provided by (used in) financing activities	(68)	(11,978)
Effects of exchange rate changes on cash and cash equivalents	73	(126)
Increase (decrease) in cash and cash equivalents	(712)	(16,153)
Cash and cash equivalents at the beginning of the fiscal year	27,831	33,121
Increase in cash and cash equivalents from newly consolidated subsidiaries	205	-
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	-	7
Cash and cash equivalents at the end of the period	27,323	16,976

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(4) Notes regarding assumption of a going concern

None

(5) Segment information

a) Overview of reported segments

The reported segments of the Company are those units for which separate financial statements can be obtained among the constituent units of the Group and which are regularly examined by the Board of Directors for making decisions on the allocation of management resources and for assessing business performance. These segments are categorized by product and service, and consist of “Condiments and processed foods,” “Health function products,” “Egg products,” “Salads and prepared foods,” “Common business operations” and “Distribution system.”

The following are the overview of each segment:

Condiments and processed foods: Mayonnaise, dressings, vinegar, jams, pasta sauces and sweet corn

Health function products: Baby foods, medical foods, nursing care foods and hyaluronic acid

Egg products: Liquid egg, frozen egg, dried egg, egg spread, thick omelet and shredded egg

Salads and prepared foods: Salads, delicatessen foods, boxed lunches, rice balls and packaged salads

Common business operations: Sale of food products

Distribution system: Transportation and warehousing of food products

b) Information on amounts of sales and profit or loss by the reported segment

Current first quarter (From December 1, 2010 to February 28, 2011)

(Millions of yen)

	Condiments and processed foods	Health function products	Egg products	Salads and prepared foods	Common business operations	Distribution system	Total	Adjustments (Note 1)	Book value on the Consolidated Statements of Income (Note 2)
Sales									
(1) Sales to customers	41,220	4,249	21,015	19,417	1,424	28,362	115,689	-	115,689
(2) Internal sales or transfers to/from segments	1,080	138	1,071	117	3,489	5,459	11,358	(11,358)	-
Total	42,301	4,387	22,087	19,534	4,914	33,822	127,048	(11,358)	115,689
Profit of the segment	3,366	245	678	215	329	435	5,271	(1,128)	4,143

(Notes) 1. “Adjustments” (¥1,128 million) is mainly composed of an unclassifiable operating expense of ¥1,150 million which is related to the general control division in the head office of the Company, and K. System Co., Ltd. and Kewpie Ai Co., Ltd., consolidated subsidiaries.

2. Total amount of “Profit of the segment” matches the amount of “Operating income”

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reported in the Consolidated statements of income.

(Additional Information)

From the first quarter of the current fiscal year, “Accounting Standard for Disclosures about Segments of an Enterprise and Related information” (ASBJ Statement No.17, March 27, 2009) and “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No.20, March 21, 2008) are applied.

(6) Notes regarding the significant changes in the amount on shareholders' equity

None

(7) Significant subsequent events

The Great Eastern Japan Earthquake damaged the Group's factories and warehouses in Tohoku and Kanto Districts. Some of the buildings, equipment and inventories were damaged, but the impact of them on the operating activities and the amount of substantial damages, including construction expense for repairs, are under investigation.

For the factories in Tohoku and Kanto Districts, equipment inspection has been completed and the manufacturing function is almost recovered, while it will probably take time to stabilize the Group's supply of products due to various reasons such as unavailability of raw materials and fuels, logistical difficulties and rolling power outages.

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2. Supplementary data

(Notes)

1. Figures less than 100 million are rounded.
2. The forecast information in this supplementary data is reported based on available information as of the date hereof and assumptions on uncertain factors which may have an effect on the future operating results. The estimated operating results may differ significantly from the actual operating results due to various uncertain factors.

(1) Summary of net sales

(Billions of yen)

Net Sales	Segment	1st quarter	2nd quarter	1st half	3rd quarter	3rd quarter (Accumulated)	4th quarter	Year
Fiscal Year 2009	Condiments and processed foods	40.6	47.4	88.0	44.0	132.0	43.7	175.7
	Health function Products	3.9	4.5	8.4	4.3	12.7	4.6	17.3
	Egg products	19.9	19.8	39.7	19.2	58.9	20.6	79.5
	Salads and prepared foods	19.9	20.8	40.7	20.9	61.6	19.1	80.7
	Common business operations	1.8	1.7	3.5	1.8	5.3	1.8	7.1
	Distribution system	22.9	22.8	45.7	23.0	68.7	23.3	92.0
	Total	109.0	117.0	226.0	113.2	339.2	113.0	452.2
Fiscal Year 2010 (A)	Condiments and processed foods	39.7	45.7	85.4	43.1	128.5	43.2	171.7
	Health function products	3.9	4.4	8.3	4.6	12.9	4.9	17.8
	Egg products	19.5	20.9	40.4	20.9	61.3	21.8	83.1
	Salads and prepared foods	18.4	19.4	37.8	20.5	58.3	19.8	78.1
	Common business operations	2.0	1.7	3.7	1.6	5.3	1.4	6.7
	Distribution system	27.2	28.2	55.4	29.1	84.5	29.2	113.7
	Total	110.7	120.2	230.9	119.9	350.8	120.2	471.0

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(Billions of yen)

Net Sales	Segment	1st quarter	2nd quarter	1st half	3rd quarter	3rd quarter (Accumulated)	4th quarter	Year
Fiscal Year 2011 (B)	Condiments and processed foods	41.2						177.0
	Health function products	4.2						18.5
	Egg products	21.0						86.0
	Salads and prepared foods	19.4						81.0
	Common business operations	1.4						5.5
	Distribution system	28.4						114.0
	Total	115.7						482.0
Increase (Decrease) (B)-(A)	Condiments and processed foods	1.6						5.3
	Health function products	0.4						0.7
	Egg products	1.5						2.9
	Salads and prepared foods	1.0						2.9
	Common business operations	(0.6)						(1.2)
	Distribution system	1.1						0.3
	Total	5.0						11.0

(Notes)

1. Figures of "Year" in Fiscal Year 2011 indicate forecast figures disclosed on January 12, 2011.
2. Figures of "2nd quarter" are differences between "1st half" and "1st quarter".
3. Figures of "3rd quarter" are differences between "3rd quarter (Accumulated)" and "1st half".
4. Figures of "4th quarter" are differences between "Year" and "3rd quarter (Accumulated)".
5. Figures less than 100 million are rounded.

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(2) Summary of operating income

(Billions of yen)

Operating Income	Segment	1st quarter	2nd quarter	1st half	3rd quarter	3rd quarter (Accumulated)	4th quarter	Year
Fiscal Year 2009	Condiments and processed foods	1.8	3.8	5.6	4.6	10.2	3.6	13.8
	Health function products	0.1	0.3	0.4	0.2	0.6	0.0	0.6
	Egg products	1.2	0.9	2.1	1.1	3.2	0.4	3.6
	Salads and prepared foods	0.0	0.6	0.6	0.6	1.2	0.1	1.3
	Common business operations	0.1	0.1	0.2	0.2	0.4	0.0	0.4
	Distribution system	0.3	0.6	0.9	0.5	1.4	0.8	2.2
	Adjustments (Elimination and/or corporate)	(1.0)	(1.2)	(2.2)	(1.0)	(3.2)	(1.1)	(4.3)
	Total	2.6	5.0	7.6	6.1	13.7	4.0	17.7
Fiscal Year 2010 (A)	Condiments and processed foods	3.1	5.7	8.8	4.1	12.9	3.7	16.6
	Health function products	0.3	0.3	0.6	0.4	1.0	0.4	1.4
	Egg products	1.1	1.1	2.2	1.1	3.3	0.6	3.9
	Salads and Prepared foods	0.2	0.4	0.6	0.5	1.1	0.5	1.6
	Common business operations	0.4	0.1	0.5	0.2	0.7	(0.2)	0.5
	Distribution system	0.6	0.9	1.5	0.9	2.4	0.4	2.8
	Adjustments (Elimination and/or corporate)	(1.1)	(1.3)	(2.4)	(1.2)	(3.6)	(1.0)	(4.6)
	Total	4.4	7.4	11.8	6.1	17.9	4.2	22.1

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(Billions of yen)

Operating Income	Segment	1st quarter	2nd quarter	1st half	3rd quarter	3rd quarter (Accumulated)	4th quarter	Year
Fiscal Year 2011 (B)	Condiments and processed foods	3.4						15.4
	Health function products	0.2						1.7
	Egg products	0.7						4.7
	Salads and prepared foods	0.2						2.1
	Common business operations	0.3						0.4
	Distribution system	0.4						2.8
	Adjustments (Elimination and/or corporate)	(1.1)						(4.7)
	Total	4.1						22.4
Increase (Decrease) (B)-(A)	Condiments and processed foods	0.3						(1.2)
	Health function products	(0.0)						0.3
	Egg products	(0.4)						0.8
	Salads and prepared foods	0.0						0.5
	Common business operations	(0.0)						(0.1)
	Distribution system	(0.1)						0.0
	Adjustments (Elimination and/or corporate)	(0.0)						(0.1)
	Total	(0.3)						0.3

(Notes)

1. Figures of "Year" in Fiscal Year 2011 indicate forecast figures disclosed on January 12, 2011.
2. Figures of "2nd quarter" are differences between "1st half" and "1st quarter".
3. Figures of "3rd quarter" are differences between "3rd quarter (Accumulated)" and "1st half".
4. Figures of "4th quarter" are differences between "Year" and "3rd quarter (Accumulated)".
5. Figures less than 100 million are rounded.

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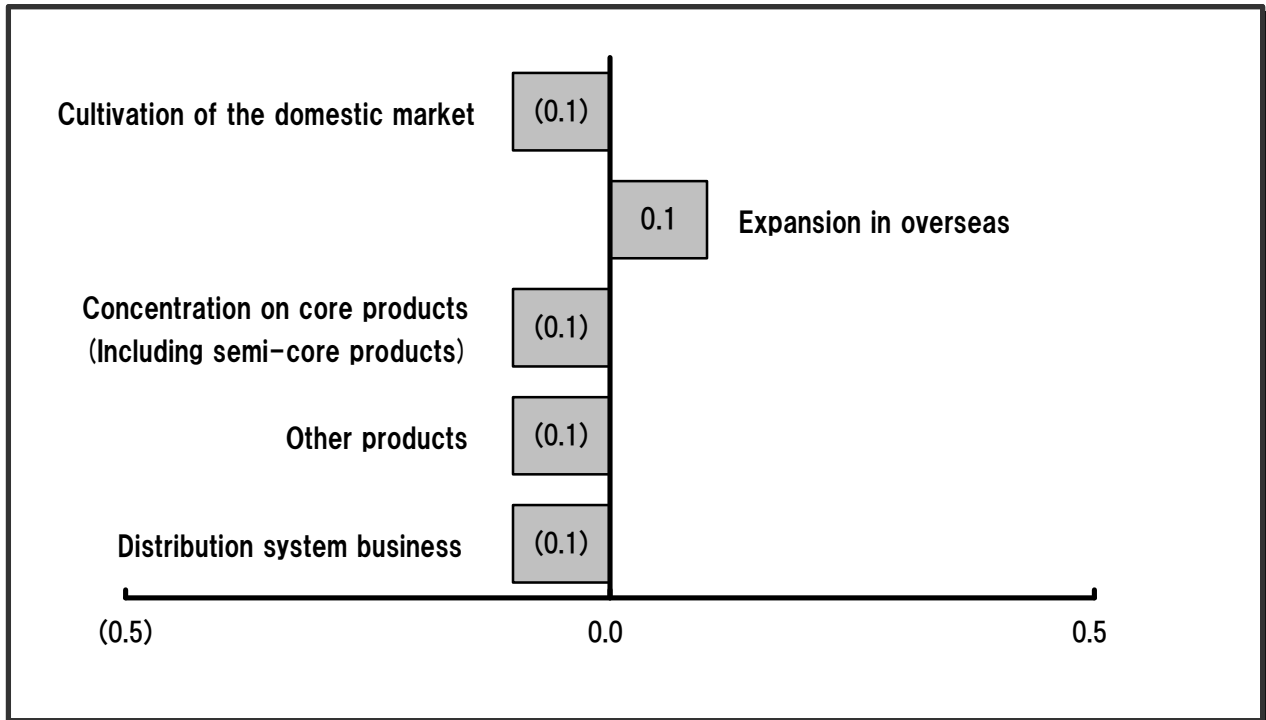
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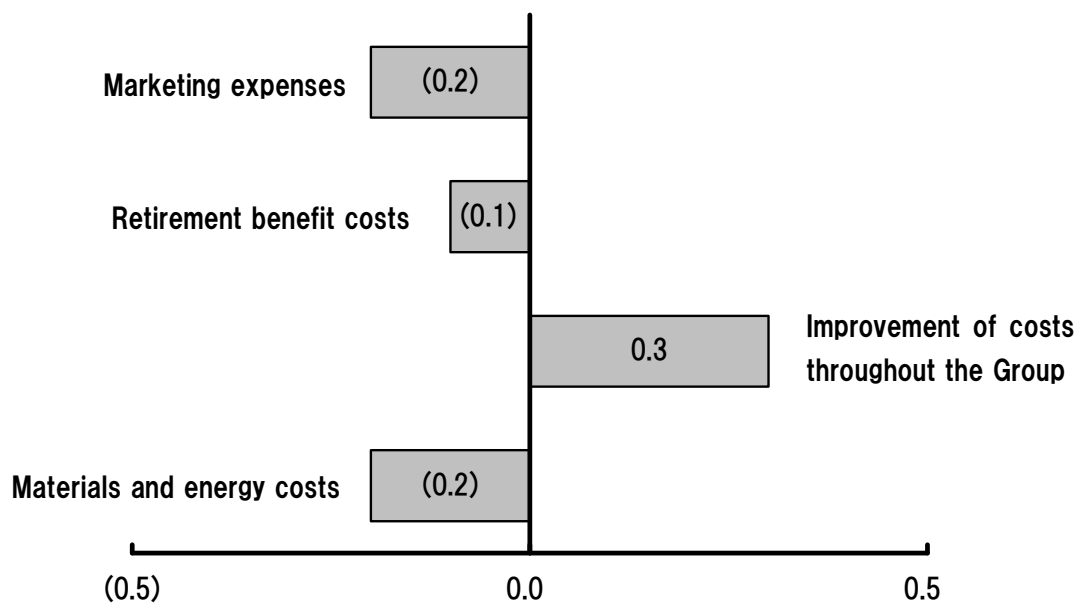
(3) Changes in operating income for the first quarter of the fiscal year 2011 in comparison with the fiscal year 2010

(Billions of yen)

	1st quarter 2010	1st quarter 2011	Increase (Decrease)
Operating income	4.4	4.1	(0.3)



Principal costs included in operating income above are as follows.



* In addition, operating income decreased by ¥0.4 billions resulting from fluctuations in the hens' egg market prices.

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(4) Main components of selling, general and administrative expenses

(Billions of yen)

	1st quarter 2010 (A)	1st quarter 2011 (B)	Increase (Decrease) (B-A)
Sales promotion expenses	4.2	4.4	0.2
Advertising and general publicity expenses	1.9	1.9	0.0
Transportation and storage costs	6.0	6.5	0.5
Payroll expenses	5.5	5.8	0.3
Research and development costs	0.6	0.7	0.1

(5) Non-operating income and expenses, extraordinary gains and losses

- Results and forecasts and principal items of changes during the first three months of the fiscal year 2011 in comparison with those of the previous year

(Billions of yen)

	1st quarter 2010 (A)	1st quarter 2011(B)	Principal items of increase or decrease (B)-(A)	Fiscal year 2010	Fiscal year 2011 (Forecast)
Non-operating income and expenses, net	0.1	0.3	Increase in gains on valuation of derivatives Decrease in foreign exchange losses	0.7	0.2
Extraordinary gains and losses, net	(0.0)	(0.3)	Increase in losses on asset retirement obligations Increase in losses on disposal of fixed assets	(1.4)	(1.8)

(6) Principal items of changes in balance sheets

(Billions of yen)

	Fiscal year 2010(A)	1st quarter 2011 (B)	Increase (Decrease) (B)-(A)	Principal items of increase (decrease)
(Assets)				
Current assets	120.1	100.3	(19.8)	Decrease in cash and deposits (16.1) Decrease in receivables-trade (5.5) Increase in inventories 1.4
Fixed assets				
Tangible and intangible fixed assets	120.0	119.5	(0.5)	Increase resulting from purchase 2.8 Decrease resulting from depreciation (3.1)
Investment and other assets	47.8	48.4	0.6	Increase in investment securities 1.0 Decrease in prepaid pension costs (0.2)
(Liabilities)				
	107.1	86.4	(20.7)	Decrease in loans payable (10.1) Decrease in accrued income taxes (3.5) Increase in reserves 2.4 Decrease in accounts payable-other (2.6) Decrease in accrued expenses (6.3)
(Net assets)				
	180.9	181.8	0.9	Increase in earned surplus 0.7 Increase in unrealized holding gains on securities 0.4