

# 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, 2012 [JAPAN GAAP]

April 2, 2012

Listed company name: Kewpie Corporation  
Listed exchange: 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 13, 2012  
Scheduled date for dividend payment: -  
Quarterly supplementary data: 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, 2012 (From December 1, 2011 to February 29, 2012)

#### (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 29, 2012	119,931	3.7	4,968	19.9	5,224	17.7	3,378	52.9
Three months ended February 28, 2011	115,689	4.5	4,143	(5.7)	4,438	(0.8)	2,210	(6.8)

(Note) Comprehensive income: Three months ended February 29, 2012 ¥ 4,802million (Increase of 85.7%)  
Three months ended February 28, 2011 ¥ 2,586million (-%)

	Net income per share	Net income per share - diluted
	Yen	Yen
Three months ended February 29, 2012	22.56	-
Three months ended February 28, 2011	14.57	-

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of February 29, 2012	285,267	188,511	57.1
As of November 30, 2011	275,790	185,293	58.0

(Reference) Shareholder's equity: As of February 29, 2012 ¥ 162,837million  
As of November 30, 2011 ¥ 160,008million

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## 2. Dividends

	Annual dividend per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Total
Fiscal year 2011	-	9.00	-	9.00	18.00
Fiscal year 2012	-	-	-	-	-
Fiscal year 2012 (forecast)	-	9.50	-	9.50	19.00

(Note) Revision to the recently published forecast of dividends: None

## 3. Forecasts of consolidated operating results for the fiscal year ending November 30, 2012 (From December 1, 2011 to November 30, 2012)

(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, 2012	246,000	3.1	10,800	14.3	10,800	6.8	5,900	49.0	39.41
Year ending November 30, 2012	500,000	2.8	23,500	12.9	23,600	7.7	12,000	27.0	80.15

(Note) Revision to the recently published forecast of consolidated operating results: None

## 4. Other

- (1) Changes in significant subsidiaries during the current quarter: None  
(Changes in specific subsidiaries resulting in the change in the scope of consolidation)
- (2) Application of special accounting treatments for the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies and estimates, and restatements
  - a) Changes in accounting policies due to revision of accounting standards: None
  - b) Changes in accounting policies due to reasons other than "a)" (above): None
  - c) Changes in accounting estimates: None
  - d) Restatements: None
- (4) Number of issued shares (common stock)
  - a) Number of issued shares at the end of each period (including treasury stock):
 

February 29, 2012	153,000,000 shares
November 30, 2011	153,000,000 shares
  - b) Number of treasury stock at the end of each period:
 

February 29, 2012	3,274,289 shares
November 30, 2011	3,274,000 shares
  - c) Average number of issued shares during each period:
 

December 1, 2011 to February 29, 2012	149,725,870 shares
December 1, 2010 to February 28, 2011	151,694,752 shares

(Status of implementation of quarterly review procedures)

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

(Statement for an appropriate usage of the forecasts of operating results and other special notes)

Forecasts and other forward looking statements contained in this summary are based on available information and assumptions considered reasonable. As a result, the forecasts of operating results may differ significantly from the actual operating results due to various uncertain factors.

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## I. Consolidated financial statements for the first quarter

### 1. Consolidated Balance Sheets

(Millions of yen)

	Previous fiscal year (As of November 30, 2011)	Current first quarter (As of February 29, 2012)
<b>Assets</b>		
Current assets		
Cash and deposits	19,553	30,856
Notes and accounts receivable-trade	64,875	61,471
Securities	5,000	5,000
Purchased goods and products	10,936	11,402
Work in process	650	726
Raw materials and supplies	5,291	5,483
Other	5,062	5,786
Allowances for doubtful accounts	(260)	(157)
<b>Total current assets</b>	<b>111,110</b>	<b>120,570</b>
Fixed assets		
Tangible fixed assets		
Buildings and structures	126,175	126,302
Accumulated depreciation	(79,048)	(79,814)
Net book value	47,127	46,488
Machinery, equipment and vehicles	125,481	125,606
Accumulated depreciation	(103,196)	(103,445)
Net book value	22,284	22,161
Land	40,759	40,760
Construction in progress	2,146	3,021
Other	12,017	12,604
Accumulated depreciation	(8,263)	(8,516)
Net book value	3,754	4,088
<b>Total tangible fixed assets</b>	<b>116,072</b>	<b>116,519</b>
Intangible fixed assets	2,301	2,207
Investments and other assets		
Investment securities	19,796	19,773
Prepaid pension costs	16,745	16,406
Other	10,507	10,532
Allowances for doubtful accounts	(742)	(742)
<b>Total investments and other assets</b>	<b>46,306</b>	<b>45,970</b>
<b>Total fixed assets</b>	<b>164,680</b>	<b>164,697</b>
<b>Total assets</b>	<b>275,790</b>	<b>285,267</b>

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(Millions of yen)

	Previous fiscal year (As of November 30, 2011)	Current first quarter (As of February 29, 2012)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	39,259	39,110
Short-term loans payable	7,237	8,541
Accrued income taxes	3,192	3,143
Reserves	2,181	4,846
Other	24,149	17,160
Total current liabilities	76,019	72,802
Non-current liabilities		
Bonds	500	10,500
Long-term loans payable	663	517
Reserves	2,421	2,429
Asset retirement obligations	315	317
Other	10,576	10,189
Total non-current liabilities	14,477	23,954
Total liabilities	90,497	96,756
<b>Net assets</b>		
Shareholders' equity		
Paid-in-capital	24,104	24,104
Capital surplus	29,434	29,434
Earned surplus	113,622	115,653
Treasury stock	(3,386)	(3,386)
Total shareholders' equity	163,774	165,805
Accumulated other comprehensive income		
Unrealized holding gains (losses) on securities	1,210	1,921
Unrealized gains (losses) on hedges	(2)	6
Foreign currency translation adjustments	(4,973)	(4,895)
Total accumulated other comprehensive income	(3,766)	(2,967)
Minority interests	25,284	25,673
Total net assets	185,293	188,511
Total liabilities and net assets	275,790	285,267

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## 2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Consolidated Statements of Income)

(Three months ended February 29, 2012)

(Millions of yen)

	Previous first quarter (From December 1, 2010 to February 28, 2011)	Current first quarter (From December 1, 2011 to February 29, 2012)
Net sales	115,689	119,931
Cost of sales	88,301	90,768
Gross profit	27,388	29,162
Selling, general and administrative expenses	23,245	24,194
Operating income	4,143	4,968
Non-operating income		
Interest income	47	43
Dividends income	107	103
Equity in earnings of affiliates	68	45
Gains on valuation of derivatives	105	91
Other	74	101
Total non-operating income	404	385
Non-operating expenses		
Interest expenses	50	38
Bond issuance cost	-	52
Other	58	37
Total non-operating expenses	108	128
Ordinary income	4,438	5,224
Extraordinary gains		
Insurance income	-	324
Compensation income	-	146
Gains on extinguishment of tie-in shares	74	-
Other	41	61
Total extraordinary gains	115	531
Extraordinary losses		
Losses on disposal of fixed assets	204	141
Losses on adjustment for changes of accounting standard for asset retirement obligations	214	-
Other	6	0
Total extraordinary losses	425	142
Income before income taxes and minority interests	4,128	5,614
Income taxes	1,737	1,661
Income before minority interests	2,391	3,952
Minority interests	180	574
Net income	2,210	3,378

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(Consolidated Statements of Comprehensive Income)

(Three months ended February 29, 2012)

(Millions of yen)

	Previous first quarter (From December 1, 2010 to February 28, 2011)	Current first quarter (From December 1, 2011 to February 29, 2012)
Income before minority interests	2,391	3,952
Other comprehensive income		
Unrealized holding gains (losses) on securities	434	741
Unrealized gains (losses) on hedges	13	9
Foreign currency translation adjustments	(252)	97
Share of other comprehensive income of associates accounted for using equity method	0	0
Total other comprehensive income	195	849
Comprehensive income	2,586	4,802
(Breakdown)		
Comprehensive income attributable to owners of the parent	2,426	4,177
Comprehensive income attributable to minority interests	160	625

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## 3. Consolidated Statements of Cash Flows

(Millions of yen)

	Previous first quarter (From December 1, 2010 to February 28, 2011)	Current first quarter (From December 1, 2011 to February 29, 2012)
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	4,128	5,614
Depreciation and amortization	3,100	3,201
Equity in losses (earnings) of affiliates	(68)	(45)
Increase (decrease) in reserves	2,381	2,564
Decrease (increase) in prepaid pension costs	246	338
Interest and dividends income	(155)	(147)
Interest expenses	50	38
Losses (gains) on sales and disposal of fixed assets	191	127
Decrease (increase) in notes and accounts receivable-trade	5,632	3,435
Decrease (increase) in inventories	(1,449)	(713)
Increase (decrease) in notes and accounts payable-trade	(1,433)	(178)
Other	(7,367)	(6,948)
Sub-total	5,256	7,287
Interest and dividends income received	174	181
Interest paid	(111)	(33)
Income taxes paid	(5,739)	(3,109)
Net cash provided by (used in) operating activities	(420)	4,326
<b>Cash flows from investing activities</b>		
Purchases of tangible fixed assets	(3,531)	(3,180)
Purchases of intangible fixed assets	(85)	(50)
Purchases of investment securities	(43)	(109)
Proceeds from redemption of investment securities	-	1,000
Payments of loans receivable	(64)	(15)
Collection of loans receivable	42	193
Other	54	(165)
Net cash provided by (used in) investing activities	(3,628)	(2,328)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	344	778
Proceeds from long-term loans payable	-	500
Repayment of long-term loans payable	(10,457)	(122)
Proceeds from issuance of bonds	-	9,947
Cash dividends paid	(1,517)	(1,347)
Cash dividends paid to minority shareholders	(214)	(236)
Repurchase of treasury stock	(1)	(0)
Other	(132)	(200)
Net cash provided by (used in) financing activities	(11,978)	9,318
Effects of exchange rate changes on cash and cash equivalents	(126)	30
Increase (decrease) in cash and cash equivalents	(16,153)	11,347
Cash and cash equivalents at the beginning of the fiscal year	33,121	24,509
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	7	-
Cash and cash equivalents at the end of the period	16,976	35,856



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## 4. Notes regarding assumption of a going concern

None

## 5. Segment information

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

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

(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)	Amount reported on the consolidated statements of income (Note 2)
Net sales									
(1) Net sales to outside customers	41,220	4,249	21,015	19,417	1,424	28,362	115,689	-	115,689
(2) Intersegment net sales or transfers	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" of ¥(1,128) million mainly include operating expenses of ¥1,150 million that cannot be allocated to segments, such as expenses pertaining to the Company's general control departments and consolidated subsidiaries K. System Co., Ltd. and Kewpie Ai Co., Ltd.

2. Adjustments are made between the "Profit of the segment" and the "Operating income" reported in the Consolidated Statements of Income.

### (2) Current first quarter (From December 1, 2011 to February 29, 2012)

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

(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)	Amount reported on the consolidated statements of income (Note 2)
Net sales									
(1) Net sales to outside customers	42,973	3,966	21,090	22,405	1,435	28,059	119,931	-	119,931
(2) Intersegment net sales or transfers	1,010	107	1,235	156	2,260	5,665	10,435	(10,435)	-
Total	43,984	4,074	22,325	22,562	3,696	33,724	130,367	(10,435)	119,931
Profit of the segment	3,098	120	1,518	518	260	642	6,159	(1,191)	4,968

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- (Notes) 1. “Adjustments” of ¥(1,191) million mainly include operating expenses of ¥1,213 million that cannot be allocated to segments, such as expenses pertaining to the Company’s general control departments and consolidated subsidiaries K. System Co., Ltd. and Kewpie Ai Co., Ltd.
2. Adjustments are made between the “Profit of the segment” and the “Operating income” reported in the Consolidated Statements of Income.

## 6. Notes regarding the significant changes in the amount of shareholders’ equity

None

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## II. Supplementary data

(Notes)

1. Fraction error may occur due to rounding figures less than 100 million.
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. It may differ significantly from the actual operating results due to various factors.

### 1. Summary of net sales

(Billions of yen)

Net Sales	Segment	1st quarter	2nd quarter	2nd quarter (Accumulated)	3rd quarter	3rd quarter (Accumulated)	4th quarter	Year
Fiscal Year 2010	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
Fiscal Year 2011 (A)	Condiments and processed foods	41.2	44.5	85.7	44.5	130.2	43.3	173.5
	Health function products	4.2	5.0	9.2	4.3	13.5	5.0	18.5
	Egg products	21.0	22.1	43.1	21.0	64.1	21.6	85.7
	Salads and prepared foods	19.4	20.8	40.2	23.2	63.4	22.4	85.8
	Common business operations	1.4	1.5	2.9	1.4	4.3	1.5	5.8
	Distribution system	28.4	29.2	57.6	30.0	87.6	29.5	117.1
	Total	115.7	123.0	238.7	124.5	363.2	123.2	486.4

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(Billions of yen)

Net Sales	Segment	1st quarter	2nd quarter	2nd quarter (Accumulated)	3rd quarter	3rd quarter (Accumulated)	4th quarter	Year
Fiscal Year 2012 (B)	Condiments and processed foods	43.0						185.6
	Health function products	4.0						21.0
	Egg products	21.1						86.4
	Salads and prepared foods	22.4						88.1
	Common business operations	1.4						5.3
	Distribution system	28.1						113.6
	Total	119.9						500.0
Change (B)-(A)	Condiments and processed foods	1.8						12.1
	Health function products	(0.3)						2.5
	Egg products	0.1						0.7
	Salads and prepared foods	3.0						2.3
	Common business operations	0.0						(0.5)
	Distribution system	(0.3)						(3.5)
	Total	4.2						13.6

## (Notes)

1. Figures of "Year" in Fiscal Year 2012 indicate forecast figures disclosed on January 12, 2012.
2. Figures of "2nd quarter" are differences between "2nd quarter (Accumulated)" and "1st quarter".
3. Figures of "3rd quarter" are differences between "3rd quarter (Accumulated)" and "2nd quarter (Accumulated)".
4. Figures of "4th quarter" are differences between "Year" and "3rd quarter (Accumulated)".

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## 2. Summary of operating income

(Billions of yen)

Operating Income	Segment	1st quarter	2nd quarter	2nd quarter (Accumulated)	3rd quarter	3rd quarter (Accumulated)	4th quarter	Year
Fiscal Year 2010	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
Fiscal Year 2011 (A)	Condiments and processed foods	3.4	3.8	7.2	4.0	11.2	3.2	14.4
	Health function products	0.2	0.7	0.9	0.2	1.1	0.4	1.5
	Egg products	0.7	0.6	1.3	1.3	2.6	1.2	3.8
	Salads and Prepared foods	0.2	0.5	0.7	0.9	1.6	0.6	2.2
	Common business operations	0.3	0.1	0.4	0.1	0.5	0.2	0.7
	Distribution system	0.4	1.0	1.4	1.0	2.4	0.6	3.0
	Adjustments (Elimination and/or corporate)	(1.1)	(1.3)	(2.4)	(1.3)	(3.7)	(1.1)	(4.8)
	Total	4.1	5.3	9.4	6.4	15.8	5.0	20.8

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(Billions of yen)

Operating Income	Segment	1st quarter	2nd quarter	2nd quarter (Accumulated)	3rd quarter	3rd quarter (Accumulated)	4th quarter	Year
Fiscal Year 2012 (B)	Condiments and processed foods	3.1						15.5
	Health function products	0.1						2.0
	Egg products	1.5						4.6
	Salads and prepared foods	0.5						2.5
	Common business operations	0.3						0.6
	Distribution system	0.6						3.2
	Adjustments (Elimination and/or corporate)	(1.2)						(4.9)
	Total	5.0						23.5
Change (B)-(A)	Condiments and processed foods	(0.3)						1.1
	Health function products	(0.1)						0.5
	Egg products	0.8						0.8
	Salads and prepared foods	0.3						0.3
	Common business operations	(0.1)						(0.1)
	Distribution system	0.2						0.2
	Adjustments (Elimination and/or corporate)	(0.1)						(0.1)
	Total	0.8						2.7

(Notes)

1. Figures of "Year" in Fiscal Year 2012 indicate forecast figures disclosed on January 12, 2012.
2. Figures of "2nd quarter" are differences between "2nd quarter (Accumulated)" and "1st quarter".
3. Figures of "3rd quarter" are differences between "3rd quarter (Accumulated)" and "2nd quarter (Accumulated)".
4. Figures of "4th quarter" are differences between "Year" and "3rd quarter (Accumulated)".

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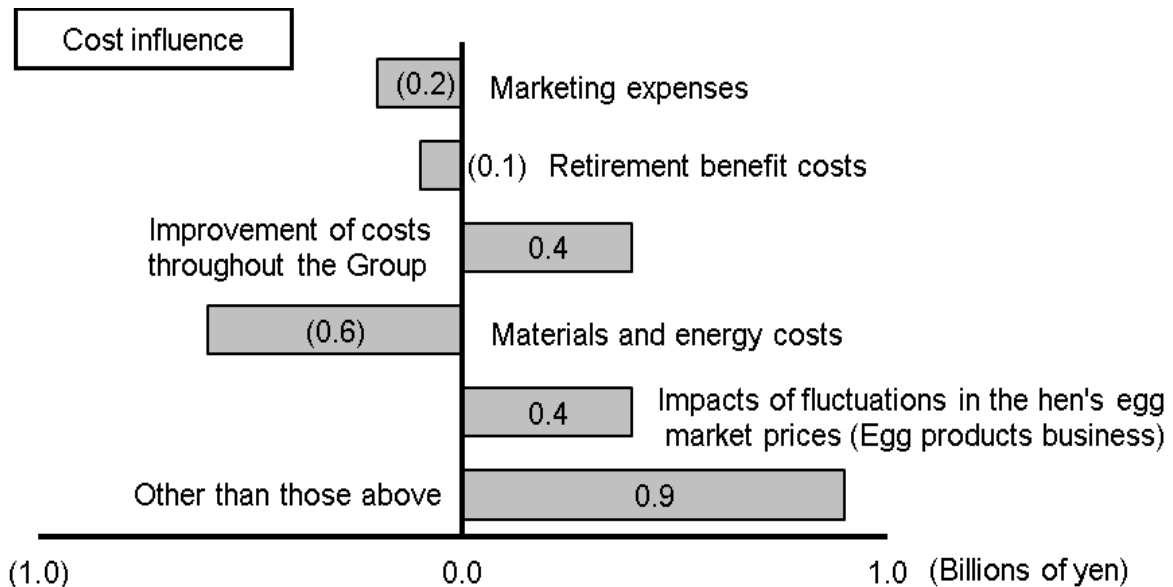
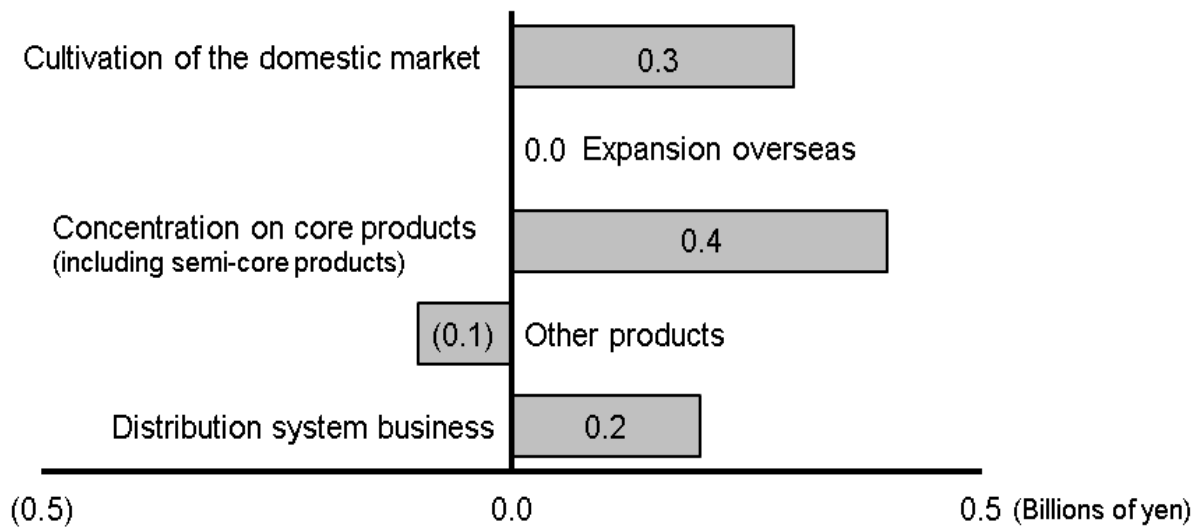
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### 3. Changes in operating income during the first three months of the fiscal year 2012 (from December 1, 2011 to February 29, 2012) in comparison with the fiscal year 2011

(Billions of yen)

	Fiscal year 2011 (A)	Fiscal year 2012 (B)	Change (B)-(A)
1st quarter	4.1	5.0	0.8



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## 4. Results of main components of selling, general and administrative expenses

(Billions of yen)

	1st quarter 2010	1st quarter 2011 (A)	1st quarter 2012 (B)	Change (B)-(A)
Sales promotion expenses	4.2	4.4	4.5	0.1
Advertising and general publicity expenses	1.9	1.9	2.0	0.1
Transportation and storage costs	6.0	6.5	6.8	0.3
Payroll expenses	5.5	5.8	6.0	0.2
Research and development costs	0.6	0.7	0.7	0.0

## 5. Non-operating income and expenses, extraordinary gains and losses

– Results, forecasts and principal items of changes during the first three months of the fiscal year 2012 in comparison with the fiscal year 2011

(Billions of yen)

	1st quarter 2011 (A)	1st quarter 2012 (B)	Principal items of changes (B)-(A)	Fiscal year 2011	Fiscal year 2012 (Forecast)
Non-operating income and expenses, net	0.3	0.3	Increase in bond issuance cost (0.1)	1.1	0.1
Extraordinary gains and losses, net	(0.3)	0.4	Increase in insurance income 0.3 Increase in compensation income 0.1 Decrease in losses on asset retirement obligations 0.2	(4.3)	(1.1)

## 6. Principal items of changes in balance sheets

(Billions of yen)

	Fiscal year 2011 (A)	1st quarter 2012 (B)	Change (B)-(A)	Principal items of changes
(Assets)				
Current assets	111.1	120.6	9.5	Increase in cash and deposits 11.3 Decrease in receivables-trade (3.4)
Fixed assets				
Tangible and intangible fixed assets	118.4	118.7	0.3	Increase resulting from purchases 3.3 Decrease resulting from depreciation (3.2)
Investment and other assets	46.3	46.0	(0.3)	Decrease in prepaid pension costs (0.3)
(Liabilities)				
	90.5	96.8	6.3	Increase in bonds 10.0 Increase in reserves 2.7 Decrease in accrued expenses (6.2)
(Net assets)				
	185.3	188.5	3.2	Increase in earned surplus 2.0 Increase in unrealized holding gains on securities 0.7 Increase in minority interests 0.4