Kikkoman Corporation

ANNUAL REPORT 2010

Year ended March 31, 2010

Profile

KIKKOMAN CORPORATION takes pride in enriching the lives of consumers throughout the world with the distinctive qualities of its food seasonings. The No. 1 producer of soy sauce in the world, Kikkoman has grown from humble beginnings in the 17th century to become a company that provides a comprehensive range of foodstuffs, fine wines, superb dining, and effective biotechnology. We are constantly searching for new recipes to enhance the flavors of Western and Oriental cuisines, drawing on more than 350 years of natural brewing experience. Superseding these activities is a higher goal of contributing to the health and happiness of the communities in the almost 100 countries in which we operate.

Contents

Forward-Looking Statements:
Statements made in this annual report with respect to the Kikkoman Group's present plans, outlook, strategies and projections regarding future business results inherently involve risks and uncertainties. Potential risks and uncertainties include, without limitation, general economic conditions, conditions in the group's business domains and exchange rates. Please be aware that actual results could differ significantly from forecasts because of these risks and uncertainties.

On the Front Cover

Fricassée de légumes marinés au soja
Marinated vegetables fricassee with soy sauce

Arrange potato puree on the plate in an oblong shape, and top with an assortment of vegetables (green peas, cauliflower, broccoli, miniature okra, ruby onions, mustard greens, alicoco, lentils, fiddlehead ferns, horsetail greens, lily bulbs, micro-tomatoes). Dress with avocado oil and soy sauce.

Financial Highlights

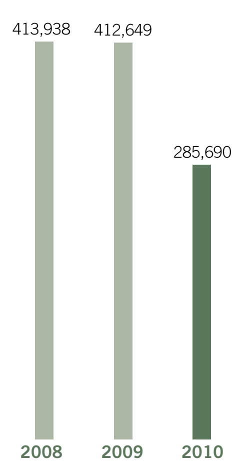
Kikkoman Corporation and Consolidated Subsidiaries

Years ended March 31	Millions of yen 2010	2009	2008	2007	2006	Thousands of U.S. dollars (Note 5) 2010
For the year:						
Net sales	**¥285,690**	¥412,649	¥413,938	¥392,611	¥359,906	**$3,071,935**
Operating income	**21,085**	20,368	23,854	21,646	18,557	**226,720**
Net income	**8,602**	2,746	11,447	10,739	10,125	**92,494**
At year-end:						
Total assets	**¥311,175**	¥310,873	¥342,287	¥348,995	¥331,781	**$3,345,967**
Property, plant and equipment, net	**97,955**	96,671	134,042	133,522	114,062	**1,053,279**
Interest-bearing debt (Note 1)	**97,081**	102,083	78,716	70,616	69,396	**1,043,881**
Net assets (Note 2)	**167,086**	161,817	199,415	206,919	–	**1,796,623**
Shareholders' equity, net	**–**	–	–	–	168,676	**–**

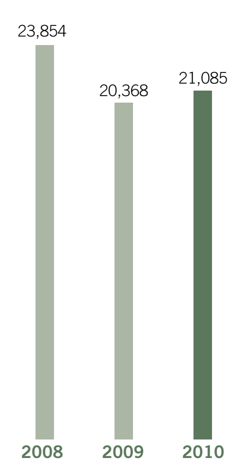
	Yen					U.S. dollars (Note 5)
Per share data:						
Net income (Note 3)	**¥41.65**	¥13.59	¥59.16	¥55.49	¥51.80	**$0.44**
Diluted net income	**–**	13.59	59.12	55.45	51.79	**–**
Cash dividends applicable to the year (Note 4)	**15.00**	15.00	15.00	15.00	12.00	**0.16**

Notes: 1. Interest-bearing debt refers to all liabilities on the consolidated balance sheets on which interest is paid.
2. ASBJ Statement No. 5 "Accounting Standard for Presentation of Net Assets in the Balance Sheet" has been adopted from the year ended March 31, 2007.
3. Net income per share is computed based on the weighted average number of shares outstanding during the year.
4. The fiscal year ended March 31, 2007 dividend includes a commemorative dividend of ¥3.00 per share.
5. U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥93=US$1.00.
6. Tone Coca-Cola Bottling Co., Ltd. was removed from the scope of consolidation as of March 31, 2009. This change affects results starting in fiscal 2009, the year ending March 31, 2010.

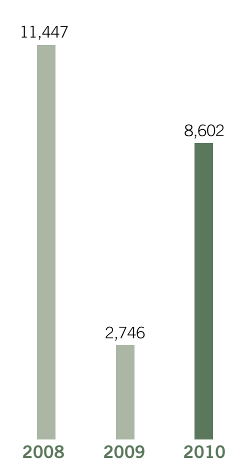
Net sales (Millions of yen)



Operating income (Millions of yen)



Net income (Millions of yen)



Kikkoman Exhibits at Japan Industry Pavilion, Expo 2010 Shanghai China

Expo 2010 Shanghai China began on May 1. Kikkoman Corporation has two projects located in the Japan Industry Pavilion at the Expo: the *Ryoutei* “紫 MURASAKI.”, and a Kikkoman booth built on the theme “seasoning your life.” *Ryoutei* is a Japanese restaurant which serves *Kaiseki-ryori*, an ultimate form of Japanese cuisine.

At *Ryoutei* “紫 MURASAKI.”, chefs from renowned Japanese restaurants will serve dishes that represent the peak of Japanese dining culture, making skillful use of fresh seasonal ingredients while receiving diners with the sincere hospitality for which Japan is known.

Meanwhile, at the Kikkoman booth based on the theme of “seasoning your life,” iron artwork and video images of happy mealtime scenes convey the appeal of the Kikkoman brand to visitors.

From September 14 to 26 at the Japan Industry Pavilion, the Company will hold “KIKKOMAN WEEK,” a program of games and events that will offer visitors an opportunity to become familiar with Japanese food culture and soy sauce.

Expo 2010 Shanghai China is a major international event drawing attention from all over the world. The Kikkoman Group sees the Expo as an ideal opportunity to promote our philosophy of promoting international exchange of food culture. Throughout our participation at Expo 2010 Shanghai China we will distribute samples and conduct promotion activities such as consumer campaigns in order to raise awareness of the Kikkoman brand.

Entrance of *Ryoutei* “紫 MURASAKI.”

One of the dishes offered at *Ryoutei* “紫 MURASAKI.”

Message From the Management

The Fiscal Year in Review

Although the global economy showed signs of picking up during the fiscal year ended March 31, 2010, much uncertainty remained. The Japanese economy is also on a recovery track, but domestic demand remains low and the outlook is not optimistic.

Given this environment and as a result of the elimination of the Coca-Cola business from the scope of consolidation, the Kikkoman Group in Japan saw net sales fall significantly. Within foods–manufacturing and sales, food products performed well, although soy sauce and *sake* and wine struggled, and in beverages, soy milk performed strongly, leading to increased sales. Overseas, our business started to recover in the second half of the year, despite the global recession that began in the previous year. Although overall sales rose on a local-currency basis, currency translation effects from the strong yen resulted in lower sales year on year.

On the other hand, operating income rose year on year as a result of higher sales within Foods–Manufacturing and Sales, and the effects of changes in inventory accounting methods, which offset the impact of a strong yen and the elimination of the Coca-Cola business.

Left:
Yuzaburo Mogi
Chairman of the Board and
Chief Executive Officer

Right:
Mitsuo Someya
President and Chief Operating Officer

As a result, consolidated net sales decreased 30.8% to ¥285,690 million, while operating income rose 3.5% to ¥21,085 million. Net income rose 213.2% to ¥8,602 million, due in part to a loss recorded in the previous year on the partial sale of our investment in Tone Coca-Cola Bottling Co., Ltd. and an increase in corporate tax paid.

Management Principles and Business Areas

The management principles of the Kikkoman Group are based on the following three pillars:

1. To pursue the fundamental principle "consumer-oriented"
2. To promote the international exchange of food culture
3. To become a company whose existence is meaningful to the global society

We believe that the future performance and prosperity of the Group are direct results of customer satisfaction. Based on this conviction, the Kikkoman Group pays keen attention to the opinions of consumers and observes the market in order to offer products and services that will be of value to them.

Moreover, as a manufacturer of food products, our fundamental mission is to offer consumers a stable supply of safe and high-quality products at a reasonable price. Moving forward, we will continue our efforts in this area.

Business Areas of the Kikkoman Group
The Kikkoman Group will pursue global operations in the following fields:
1. Manufacturing and marketing food products
2. Providing products and services related to food and health

Medium-Term Management Plan

We have adopted a medium-term management plan covering the period from fiscal 2011 to fiscal 2013.

Consolidated Targets for Fiscal 2013:

Net sales:	**320,000 million yen** (Average annual growth of 3.9% from fiscal 2009)
Operating income:	**26,000 million yen**
Operating income ratio to net sales:	**8.1%**
Return on assets (ROA):	**7.4%**

Key Issues for the Kikkoman Group's Medium-Term Management Plan

1. Cultivate existing markets and develop new markets overseas
2. Increase earnings in domestic business
3. Capture synergies through capital and business alliances
4. Fulfill our social responsibilities

Long-Term Management Strategy and Key Topics

Kikkoman Corporation established "Global Vision 2020" in April 2008. This plan expresses our vision for the future of the Kikkoman Group and the basic strategy for reaching our goals by 2020.

Vision for the Future:
1. Make Kikkoman soy sauce a truly global seasoning
2. Be a company that supports healthy lifestyles through food
3. Be a company whose existence is meaningful to the global society

Basic Strategy
1. Global soy sauce strategy
2. Global strategy for oriental food wholesale
3. Del Monte business strategy
4. Health-related business strategy

Basic Approach to Corporate Governance

Kikkoman believes that responding to changes in the business environment, and bolstering management of the Group as a whole to raise corporate value, are fundamental to the success of managing a company that meets the demands of its shareholders.

At the same time, one of our most important priorities is executing sound governance to fulfill our corporate responsibility to all stakeholders.

Corporate Governance Framework

Kikkoman is organized as a "company with auditors" as defined under Japanese corporate law. We have taken steps to improve and enhance our corporate governance framework with the aims of realizing greater management transparency, clarifying responsibilities, accelerating decision-making, and strengthening management oversight.

In March 2001, Kikkoman introduced a corporate officer system and delegated authority to the officers with a view to clarifying responsibilities and accelerating the decision-making processes. In June 2002, we elected outside directors and outside corporate auditors, and established the Nominating Committee and Remuneration Committee. These actions were designed to achieve greater management transparency and strengthen management oversight.

The Kikkoman Group shifted to a holding company structure in October 2009. By enhancing value creation in each of the operating companies, and through their rights and responsibilities of those companies under the newly formulated management strategy, we will maximize the corporate value of the entire Group.

Enhancing Internal Control Systems

Establishing an internal control system that ensures proper implementation of operations is an important compliance issue. Based on this belief, we are making Group-wide efforts to reinforce a framework that ensures effective and efficient operations in line with laws and regulations.

In order to enhance internal control systems, we have been making necessary revisions to the basic policy determined by the Board of Directors in May 2006. In response to rules regarding the evaluation and supervision of internal control reporting under the Financial Instruments and Exchange Act that went into effect in April 2008, we established a new Internal Control Department in November 2008. Additionally, we formulated another basic policy regarding internal controls over financial reporting and created a framework for enhancing such controls.

Basic Policy on Distribution of Profits

Kikkoman considers its shareholder dividends policy to be a key management issue. Our basic policy is to reward shareholders with a distribution of profits, backed by strong financial performance on a consolidated basis, while using funds to strengthen the company's corporate foundation, and future businesses.

On a long-term basis, we will deploy internal reserves in ways that create robust corporate value. Our future plans include market and strategic investments to expand our international operations, streamline production facilities, conduct research and development targeting new businesses, and cultivate new demand.

In fiscal 2010, we paid an annual dividend of ¥15 per share of common stock, and we forecast a dividend of ¥15 per share in the next fiscal year as well.

Outlook for the Current Fiscal Year

In North America, we believe it is important to maintain growth in soy sauce, and are strengthening efforts to develop new markets targeting new users in the home-use sector. In addition, we will focus on health foods to foster new business beyond the soy sauce segment.

In Europe, we are expanding the soy sauce market with the goal of maintaining double-digit growth. Alongside cultivating existing key markets, we will also develop new markets, including Central and Eastern Europe and Russia.

In Asia, we aim to grow our soy sauce and Del Monte businesses. In China, we will leverage our participation in Expo 2010 Shanghai China to lead to further growth. At our R&D base in Singapore, we will advance the development of new products for Asian markets.

In the foods–wholesale business, we will continue to take advantage of the increasing interest in Japanese food overseas to achieve strong growth in every operating region.

In the soy sauce market in Japan, we will work to stimulate home-use demand by using television commercials and making proposals for 750ml bottles of select products introduced last year. In foodservice and industrial-use sectors, in addition to continuing to provide safe, high-quality products, we will also further our efforts to leverage the company's collective strengths by providing technical support and other services.

In food products, we will strive to extend our market share by further expanding sales of *tsuyu* (soy sauce soup base) and *tare* (dipping and marinade sauces). In addition, we will work to expand the market for the *Uchi-no-Gohan* (a handy Japanese-style seasoning mix) as we continue to target strong growth.

Within beverages, we will work to achieve growth centered on soy milk, the pillar of this business segment, and strive to establish the Del Monte brand in the chilled products market.

Our *sake* and wine business will focus on increasing market share in home-use *mirin* (sweet *sake* for cooking), while developing high-value-added wine products to exert a competitive advantage in the premium wine market.

In the biochemical business, we will pursue growth through sales of clinical diagnostic reagents and hygiene-monitoring systems, along with other products.

In June 2008, we commenced full-scale use and active promotion of a new corporate brand logo and slogan "seasoning your life." We intend to continue pursuing active communications while focusing on consumers' perspectives to fulfill their expectations and thereby enhance our corporate value.

The Kikkoman Group is determined to make every effort to tackle these issues aggressively. Moving forward, we will work wholeheartedly to raise Kikkoman's corporate value and increase our presence as a company.

July 2010

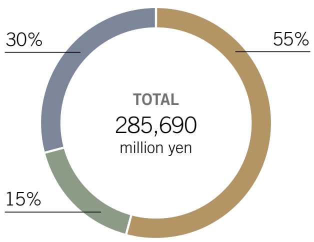
Yuzaburo Mogi
Chairman of the Board and Chief Executive Officer

Mitsuo Someya
President and Chief Operating Officer

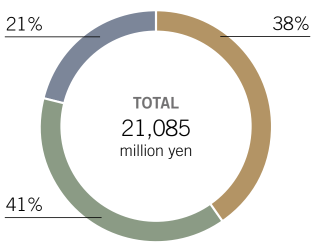
KIKKOMAN at a Glance

KIKKOMAN CORPORATION

Net Sales



Operating Income



■ Domestic
■ Overseas Foods—Manufacturing and Sales
■ Overseas Foods—Wholesale

Domestic

FOODS–MANUFACTURING AND SALES

Soy Sauce P. 11

Food Products P. 11

Overseas

FOODS–MANUFACTURING AND SALES

Soy Sauce P. 12

Other Foods P. 13

Beverages P. 11

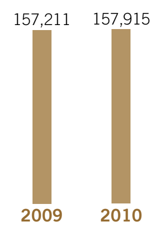
OTHERS

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.

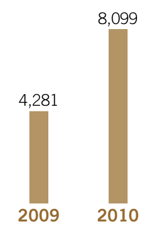
P. 12

***Sake* and Wine** P. 11

Net Sales (Millions of yen)



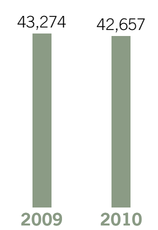
Operating Income (Millions of yen)



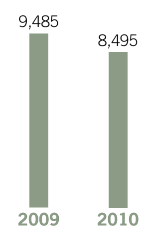
In order to facilitate a previous-year comparison, the Coca-Cola business is excluded from results for the year ended March 31, 2009.

Del Monte P. 12

Net Sales (Millions of yen)



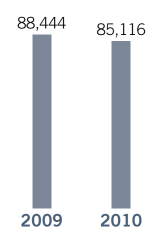
Operating Income (Millions of yen)



FOODS–WHOLESALE

P. 13

Net Sales (Millions of yen)



Operating Income (Millions of yen)

Management's Discussion and Analysis

OPERATING RESULTS

During the fiscal year under review in domestic operations, in the Food–Manufacturing and Sales segment, the soy sauce and *sake* and wine businesses struggled, while foods and soy milk beverages turned in strong performances. Although sales declined sharply due to the elimination of the Coca-Cola business from the scope of consolidation, profits were up partly as a result of a change in inventory accounting methods.

In overseas operations, business started to recover in the second half of the year, despite the global recession that began in the previous year. Nevertheless, although overall sales rose on a local currency basis, currency translation effects related to the strong yen resulted in lower sales and earnings year on year.

Net income increased significantly, due in part to the absence of income taxes paid in the previous fiscal year as a result of the partial transfer of shares of Tone Coca-Cola Bottling Co., Ltd.

Consequently, on a consolidated basis, net sales decreased by ¥126,958 million, or 30.8%, year on year to ¥285,690 million. Operating income increased by ¥716 million, or 3.5%, to ¥21,085 million, and net income climbed by ¥5,855 million, or 213.2%, to ¥8,602 million.

SEGMENT INFORMATION

On October 1, 2009, Kikkoman Corporation shifted to a holding company structure with the aims of strengthening Group strategic capabilities, enhancing value creation in each of the operating companies, and capturing Group synergies.

In conjunction with this transition, the Company changed the business segments listed under "Segment Information" in order to reflect the new management structure.

In the past, operations were classified into the following three business segments: Foods–Manufacturing and Sales, Foods–Wholesale, and Other Businesses. The Company has now broken operations into four segments: Domestic Foods–Manufacturing and Sales, Domestic Others, Overseas Foods–Manufacturing and Sales, and Overseas Foods–Wholesale. For purposes of comparison, fiscal 2009 figures have been restated according to the new segment classifications.

DOMESTIC

DOMESTIC FOODS–MANUFACTURING AND SALES

This business segment comprises manufacturing and sales in Japan of products from the Soy Sauce Division and the Food Products Division, which includes *tsuyu* (soy sauce soup base), *tare* (dipping and marinade sauces) and Del Monte seasonings, as well as the Beverages Division, which includes soy milk beverages and Del Monte beverages, and the *Sake* and Wine Division, which includes *mirin* (sweet *sake* for cooking) and wines.

Segment sales edged up 0.5% year on year to ¥151,295 million, while operating income rose 105.9% to ¥7,232 million, in part as a result of changes in inventory accounting methods.

SOY SAUCE DIVISION

Demand for soy sauce in the home-use sector was stimulated by the introduction of 750ml bottles of *Tokusen Marudaizu Shoyu* (premium soy sauce) and *Gen-en Shoyu* (less sodium soy sauce), and a campaign of television commercials, but sales still fell year on year. In the industrial- and foodservice-use sectors, sales were strong due in part to new business development in the industrial-use sector, but overall division sales declined compared to the previous year.

FOOD PRODUCTS DIVISION

In *tsuyu* (soy sauce soup base), home-use sector sales of flagship product *Hon Tsuyu* were on a par with the previous year, while sales of *Straight Tsuyu* struggled, in part due to the impact of the weather during the peak demand season, ultimately recording lower sales year on year. In the industrial and foodservice-use sectors, sales struggled under severe market conditions, and overall *tsuyu* sales fell short of the previous year's level. In *tare* (dipping and marinade sauces), overall sales rose year on year thanks to the contribution of new products in the *Wagaya-wa-Yakinikuyasan* series, our mainstay product in this area, coupled with growth in sales of other seasonings for meat as consumers dined more at home, and growth in the foodservice-use sector customer base. Sales of the *Uchi-no-Gohan* series (a handy Japanese-style seasoning mix) were sharply higher year on year, reflecting aggressive product development and storefront promotion activities as well as benefits from the market penetration of a new series. In Del Monte seasonings, sales were up year on year on strong sales of processed tomato products such as tomato ketchup and the new *Yo-Gohan-Tsukuro* series (seasoning for Western-style dishes). As a result, overall division sales rose year on year.

BEVERAGES DIVISION

In soy milk beverages, sales rose significantly over the previous year on the back of a recovery in modified soy milk, as well as sales of new products, and limited-time seasonal products. In Del Monte beverages, although there was steady growth in sales of tomato juice, overall sales were lower than the previous year as vegetable juices struggled amid a general downturn in the market. Overall division sales increased year on year.

SAKE AND WINE DIVISION

In the home-use sector, sales of *Hon Mirin* were strong, due to a larger number of stores selling 1-liter bottles of mainstay product *Manjo Houjun Hon Mirin*, as well as sales of small containers. However, in the industrial and foodservice-use sectors, sales in large containers struggled due to a sluggish restaurant industry, and overall sales were flat year on year. Overall sales of domestic wines fell year on year, reflecting the termination of sales of certain products, despite firm growth in sales of a new category of *Manns Wine* products, as well as cooking wines. As a result, overall division sales declined year on year.

DOMESTIC OTHERS

This segment includes production and sales of clinical diagnostic reagents, hygiene inspection agents, processing enzymes and chemical products such as hyaluronic acid, as well as real estate rental, logistics, back-office functions for the Kikkoman Group, and other businesses.

Sales of hygiene inspection agents and processing enzymes were strong, but clinical diagnostic reagents struggled, and sales fell year on year. Sales of hyaluronic acid were on a par with the previous year, but sales of alginate ester, which is used to improve bubbles in beer and stabilize salad dressings, suffered from price revisions, resulting in lower year-on-year sales of chemical products. Sales in the logistics business, meanwhile, were steady.

As a result, segment sales increased 18.9% year on year to ¥16,674 million, while operating income rose 12.8% to ¥867 million.

OVERSEAS

OVERSEAS FOODS–MANUFACTURING AND SALES

This business comprises the manufacturing and sales and export overseas of products from the Soy Sauce Division, the Del Monte Division, and the Other Foods Division, which sells health foods and other products.

After conversion to yen, segment sales fell 0.9% year on year to ¥48,700 million, while operating income also decreased, by 10.4% to ¥8,495 million. On a local currency basis, sales were up while earnings were down.

SOY SAUCE DIVISION

In the North American market, the division sought to leverage its brand power to expand business by enhancing the lineup of mainstay soy sauce products and soy sauce-based seasonings for the home-use sector. In addition, in the industrial- and foodservice-use sectors, we worked to carefully meet customer needs. As a result, although economic conditions remained sluggish, sales in all three sectors rose on a local currency basis. In the European market, while certain areas felt the effects of the economic recession, contributions from new products and a vigorous recovery in the Russian market led to year-on-year sales growth on a local currency basis. In the Asia and Oceania market, sales were up on a local currency basis, mainly in the home-use market.

Although overall division sales were down year on year due to foreign currency translation conversion, sales increased on a local currency basis.

DEL MONTE DIVISION

This division manufactures and sells canned fruits, canned corn, tomato ketchup and other products in the Asia and Oceania region.

During the fiscal year under review, sales in the key market of South Korea remained lackluster with the won slow to recover against the U.S. dollar. As a result, although the division pressed forward with developing new markets in the Oceania region, overall sales were down year on year.

OTHER FOODS DIVISION

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

Overall division sales grew substantially during the fiscal year under review, due in part to the inclusion of a full-year's results from Allergy Research Group, which was acquired in the previous fiscal year.

OVERSEAS FOODS–WHOLESALE

This segment is engaged in the purchase and sale of oriental food products in Japan and overseas.

In the North American market, sales were firm on a local currency basis. In the European market, too, the growing popularity of Japanese food contributed to strong growth in sales on a local currency basis. Sales in the Asia and Oceania market also rose year on year on a local currency basis.

As a result, although sales were up on a local currency basis, due to the impact of currency translation, segment sales declined 3.8% year on year to ¥85,416 million. Operating income rose 4.7% year on year to ¥4,306 million.

FINANCIAL POSITION

ASSETS

Current assets at March 31, 2010 were up by ¥1,237 million from the end of the previous fiscal year, mainly due to changes in inventory accounting methods. Total property, plant and equipment, net, and investments and other assets were down by ¥935 million from the previous fiscal year-end, due in part to a decline in intangible assets. As a result, total assets as of March 31, 2010 were ¥311,175 million, an increase of ¥302 million from a year earlier.

LIABILITIES

Current liabilities decreased by ¥2,711 million compared to the end of the previous fiscal year due to a decline in accrued income taxes, while long-term liabilities declined by ¥2,254 million, mainly reflecting a decrease in long-term debt. As a result, total liabilities decreased by ¥4,966 million to ¥144,089 million.

NET ASSETS

Retained earnings rose year on year, and unrealized holding gain on securities, net of taxes also increased on the back of a recovery in the market price of shares, while foreign currency translation adjustments declined. As a result, net assets were ¥167,086 million, and the equity ratio increased by 1.6 percentage points to 53.1%. Net assets per share increased by ¥26.18 to ¥800.79.

CASH FLOWS

Cash and cash equivalents were ¥25,008 million as of March 31, 2010, a decrease of ¥2,775 million compared to the end of the previous fiscal year.

Details of the status of cash flows in each type of activity and the major contributing factors during the year under review are described below.

Operating activities provided net cash of ¥18,003 million, a decrease of ¥4,449 million from the previous fiscal year. This mainly reflected an increase in income taxes paid and a decline in income before income taxes and minority interests.

Investing activities used net cash of ¥11,959 million, mainly for the acquisition of property, plant and equipment.

Financing activities used net cash of ¥8,522 million. This primarily reflected outflows for the payment of cash dividends and repayment of short-term bank loans and long-term debt.

RISK FACTORS

ECONOMIC CONDITIONS

The Kikkoman Group is developing business in various countries. A decline in demand for the products and services that the group provides, due to worsening economic conditions in particular countries where the Kikkoman Group is doing business, could result in lower sales and earnings and thus adversely affect the Kikkoman Group's business results and financial position.

JAPANESE MARKET

The Japanese market for soy sauce, the Kikkoman Group's mainstay business, has been contracting in recent years. In this operating environment, the Kikkoman Group has been working to vitalize the soy sauce market and endeavoring to drive growth by shifting resources to the growing market of soy sauce derivative products. However, the inability to achieve results in soy sauce derivative products as planned could adversely affect the Kikkoman Group's business results and financial position.

OVERSEAS MARKET

The Kikkoman Group is developing business around the world and thus manufactures products and conducts sales activities overseas. The occurrence of problems in these business activities caused by unexpected events such as changes in politics, the economy, or society in countries where it is developing business could adversely affect the Kikkoman Group's business results and financial position.

EXCHANGE RATE FLUCTUATIONS

Kikkoman converts the financial statements of its overseas subsidiaries and other foreign domiciled entities into Japanese yen for preparing its consolidated financial statements. The line items in the financial statements of these subsidiaries and other entities are thus subject to foreign currency exchange rate fluctuations when converted into Japanese yen. In particular, where there is an appreciation of the yen against other currencies, the converted amount in yen will be lower.

Furthermore, exchange rate fluctuations could affect the provision price of products and services denominated in foreign currencies and the procurement cost of raw materials and products purchased by the Kikkoman Group.

The Kikkoman Group uses various techniques to mitigate and avoid foreign currency exchange risk, but changes in currency markets could adversely affect its business results and financial position.

FLUCTUATIONS IN RAW MATERIAL PRICES

Some raw materials used by the Kikkoman Group are subject to the effects of commodities market conditions. The soybeans, soybean meal and wheat used in the mainstay soy sauce product are subject to the effects of conditions in international commodities markets. Fluctuations in crude oil prices could also affect manufacturing and delivery costs for PET bottles used to package Kikkoman's products and other products. A rapid increase in market prices for these materials could lead to higher manufacturing and delivery expenses and thus adversely affect the Kikkoman Group's business results and financial position.

ACCOUNTING FOR IMPAIRMENT OF ASSETS

The Kikkoman Group owns a variety of assets, including real estate used in the course of business operations. Should recovery of the Group's investment in such assets become unlikely due to a decline in market value or a decrease in profitability, the assets will become liable for asset impairment accounting. This could adversely affect the Kikkoman Group's business results and financial position.

FLUCTUATIONS IN THE MARKET VALUE OF SECURITIES

The Kikkoman Group holds marketable securities with fair market values. Should there be a significant decline in the market value of these securities, this could adversely affect the Kikkoman Group's business results and financial position.

WEATHER

The Kikkoman Group sells beverages such as soy milk and vegetable beverages that are subject to the effects of weather. In particular, a cool summer could result in lower sales of these products, and thus adversely affect the Kikkoman Group's business results and financial position.

PRODUCT DEVELOPMENT

The Kikkoman Group strives to develop products that match consumers' tastes, guided by the fundamental principle of "consumer-oriented." However, if the Kikkoman Group is unable to sufficiently identify those needs and develop products of value for customers, its sales and earnings could fall and could thus adversely affect the Kikkoman Group's business results and financial position.

COMPETITION

The Kikkoman Group must promote sales in the markets where it is developing business to differentiate itself from the competition and remain competitive. However, an escalation in competition could result in a decrease in the Kikkoman Group's sales volume or increases in sales, promotion and advertising expenses, which could adversely affect its business results and financial position.

PRODUCT AND SERVICE QUALITY RISK

At all times, the Kikkoman Group implements strict quality assurance based on the fundamental mission of producing and providing high-quality products in a safe and stable manner. In the event that a defect is found in one of its products or services, the Kikkoman Group's policy is to place priority on customer safety and quickly disclose applicable information, and to restore normal operations and to contain any damage. However, a major defect could cause the Group to incur substantial costs or suffer reputational damage that could result in lower sales, and the Group's business results and financial position could be adversely affected as a result.

INTELLECTUAL PROPERTY

The Kikkoman Group is acquiring industrial property rights, including patent rights, utility model rights, and trademarks, as necessary with respect to the technology it develops. These intellectual property rights have many advantages from an operational perspective and are thus regarded as an important management resource. However, if another company develops similar rights or technology that is superior to its own, the Kikkoman Group could lose its competitive advantage, which could adversely affect its business results and financial position.

ALLIANCES AND CORPORATE ACQUISITIONS

The Kikkoman Group has formed alliances with other companies in specific fields of business with the aim of raising its enterprise value. Furthermore, the Kikkoman Group plans to actively utilize resources from outside as necessary resources for its business, and thus may form strategic alliances, including equity-based alliances and corporate acquisitions. However, the inability of the Kikkoman Group to carry out its business plan as expected after forming an alliance or conducting an acquisition as a result, for example, of disagreement among the parties concerned about management, finances, or other policies could adversely affect its business results and financial position.

LAWS AND REGULATIONS

In Japan, Kikkoman is subject to laws and regulations such as the Food Sanitation Law and the Product Liability Act. In addition, the group is subject to the laws and regulations of each country in which it develops business. Changes to these and other laws and regulations in the future could restrict the Kikkoman Group's activities and thus adversely affect its business results and financial position.

FORCE MAJEURE

The Kikkoman Group gives sufficient consideration to countermeasures in the event of an earthquake or other force majeure and conducts regular inspections of its facilities, such as earthquake-resistance inspections.

However, damage to production bases caused by a large-scale earthquake or other force majeure could result in a lower production capacity due to interruption to operations. This in turn could lead to lower sales and higher expenses to repair facilities, which could adversely affect the Kikkoman Group's business results and financial position.

Reference: Consolidated Segment Information

On October 1, 2009, Kikkoman Corporation shifted to a holding company structure and as a result certain business segments were changed.

In order to facilitate year-on-year comparisons, figures for the fiscal years ending March 31, 2009 and 2010 in these materials have been recalculated on the assumption that the Company shifted to a holding company structure starting in the beginning of the fiscal year, and therefore differ from the figures presented in the Financial Section.

Millions of yen

Net sales		2010	2009 (Excluding Coca-Cola Business)	Change increase (decrease)	%	Change excluding translation difference	%
Domestic	Foods—Manufacturing and sales	**¥151,737**	¥151,433	¥ 304	100.2	¥ 304	100.2
	Soy Sauce	**47,764**	48,736	(972)	98.0	(972)	98.0
	Food Products	**56,825**	55,781	1,044	101.9	1,044	101.9
	Portion accounted for by soy sauce derivative products	**33,794**	33,328	465	101.4	465	101.4
	Beverages	**33,553**	32,389	1,164	103.6	1,164	103.6
	Portion accounted for by soy milk beverages	**17,168**	14,261	2,906	120.4	2,906	120.4
	Sake and Wine	**13,754**	14,712	(958)	93.5	(958)	93.5
	Eliminations	**(161)**	(187)	26	–	26	–
	Others	**18,741**	18,115	626	103.5	626	103.5
	Eliminations	**(10,409)**	(10,590)	181	–	181	–
	Total	**160,069**	158,957	1,111	100.7	1,111	100.7
Overseas	Foods—Manufacturing and sales	**48,679**	49,165	(485)	99.0	3,571	107.3
	Soy Sauce	**36,338**	36,921	(582)	98.4	2,265	106.1
	Del Monte	**4,290**	4,685	(394)	91.6	(46)	99.0
	Other Foods	**8,050**	7,558	491	106.5	1,352	117.9
	Foods—Wholesale	**85,416**	88,770	(3,353)	96.2	3,306	103.7
	Eliminations	**(6,270)**	(6,123)	(147)	–	(620)	–
	Total	**127,826**	131,812	(3,986)	97.0	6,258	104.7
Kikkoman (Holding Company)		**11,075**	11,148	(72)	99.3	(72)	99.3
Eliminations		**(13,249)**	(13,102)	(147)	–	(147)	–
Consolidated Total		**¥285,721**	¥288,815	¥(3,094)	98.9	¥7,149	102.5

Operating Income		2010	2009 (Excluding Coca-Cola Business)	Change increase (decrease)	%	Change excluding translation difference	%
Domestic	Foods—Manufacturing and sales	**¥ 7,413**	¥ 4,056	¥3,357	182.8	¥3,357	182.8
	Others	**928**	829	98	111.9	98	111.9
	Total	**8,450**	4,885	3,564	173.0	3,564	173.0
Overseas	Foods—Manufacturing and sales	**8,111**	8,795	(683)	92.2	10	100.1
	Foods—Wholesale	**4,399**	4,244	155	103.7	450	110.6
	Total	**12,521**	13,104	(582)	95.6	401	103.1
Kikkoman (Holding Company)		**2,839**	2,983	(143)	95.2	(143)	95.2
Eliminations		**(2,695)**	(3,025)	329	–	434	–
Consolidated Total		**¥21,115**	¥17,947	¥3,168	117.7	¥4,257	123.7
Ordinary Income		**¥19,136**	¥15,991	¥3,145	119.7	¥4,202	126.3
Income before income taxes and minority interests		**14,830**	14,509	321	102.2	1,387	109.6
Net Income		**8,602**	2,370	6,232	362.9	7,027	396.5

1. In order to facilitate year-on-year comparisons, results from the Coca-Cola business have been excluded from the figures for the fiscal year ended March 31, 2009.

Consolidated Balance Sheets

Kikkoman Corporation and Consolidated Subsidiaries
As of March 31, 2010 and 2009

	Millions of yen		Thousands of U.S. dollars
Assets	**2010**	2009	**2010**
Current assets:			
Cash and deposits (Note 4)	¥ **26,667**	¥ 28,855	$ **286,741**
Trade notes and accounts receivable (Note 8)	**41,596**	40,524	**447,268**
Allowance for doubtful receivables	**(689)**	(626)	**(7,408)**
	40,906	39,898	**439,849**
Short-term investment securities (Note 4)	**131**	130	**1,408**
Merchandise and finished goods	**19,777**	19,794	**212,655**
Work in process	**9,267**	6,267	**99,645**
Raw materials and supplies	**3,187**	2,903	**34,268**
Deferred tax assets (Note 10)	**4,266**	4,920	**45,870**
Other	**10,387**	10,582	**111,688**
Total current assets	**114,590**	113,353	**1,232,150**
Property, plant and equipment, at cost (Notes 8 and 19):			
Land	**16,059**	16,281	**172,677**
Buildings and structures	**83,898**	84,453	**902,129**
Machinery, equipment and vehicles	**152,757**	152,719	**1,642,548**
Leased assets	**556**	514	**5,978**
Other	**16,135**	15,801	**173,494**
Construction in progress	**7,695**	2,686	**82,741**
	277,103	272,456	**2,979,602**
Accumulated depreciation	**(179,147)**	(175,784)	**(1,926,311)**
Property, plant and equipment, net	**97,955**	96,671	**1,053,279**
Investments and other assets:			
Investments in securities (Notes 5 and 16)	**24,354**	21,054	**261,870**
Investments in and advances to unconsolidated subsidiaries and affiliates	**34,529**	34,203	**371,279**
Goodwill	**27,414**	30,171	**294,774**
Other intangible assets	**2,255**	2,669	**24,247**
Deferred tax assets (Note 10)	**3,028**	1,393	**32,559**
Other	**7,046**	11,356	**75,763**
Total investments and other assets	**98,628**	100,847	**1,060,516**
Total assets	**¥ 311,175**	¥ 310,873	**$ 3,345,967**

See accompanying notes to consolidated financial statements.

Liabilities	Millions of yen 2010	2009	Thousands of U.S. dollars 2010
Current liabilities:			
Short-term bank loans (Notes 7, 8 and 16)	**¥ 7,703**	¥ 10,358	**$ 82,827**
Current portion of long-term debt (Notes 7, 8 and 16)	**2,259**	383	**24,290**
Lease obligations (Note 7)	**148**	127	**1,591**
Trade notes and accounts payable	**14,507**	13,854	**155,989**
Other accounts payable	**12,710**	10,312	**136,666**
Accrued employees' bonuses	**2,190**	2,198	**23,548**
Accrued directors' bonuses	**77**	79	**827**
Accrued income taxes	**2,316**	6,169	**24,903**
Other	**3,943**	5,084	**42,397**
Total current liabilities	**45,858**	48,570	**493,096**
Long-term liabilities:			
Long-term debt (Notes 7, 8 and 16)	**81,950**	86,209	**881,182**
Lease obligations (Note 7)	**143**	197	**1,537**
Accrued employees' pension and severance costs (Note 9)	**4,017**	3,399	**43,193**
Accrued officers' severance benefits	**1,142**	1,340	**12,279**
Provision for environmental remediation	**319**	–	**3,430**
Deposits received	**5,964**	5,921	**64,129**
Deferred tax liabilities (Note 10)	**3,399**	1,503	**36,548**
Other	**1,293**	1,913	**13,903**
Total long-term liabilities	**98,230**	100,485	**1,056,236**
Contingent liabilities (Note 14)			
Net assets			
Shareholders' equity:			
Common stock, without par value:			
Authorized: 600,000,000 shares at March 31, 2010 and 2009, respectively			
Issued: 210,383,202 shares at March 31, 2010 and 2009, respectively	**11,599**	11,599	**124,720**
Capital surplus (Note 11)	**21,212**	21,212	**228,086**
Retained earnings (Notes 11 and 21)	**151,579**	146,082	**1,629,881**
Treasury stock, at cost:			
3,989,448 shares at March 31, 2010 and			
3,740,787 shares at March 31, 2009	**(4,066)**	(3,811)	**(43,720)**
Total shareholders' equity	**180,324**	175,082	**1,938,967**
Valuation and translation adjustments:			
Unrealized holding gain on securities, net of taxes	**536**	(996)	**5,763**
Deferred hedge gain/loss, net of taxes	**27**	12	**290**
Foreign currency translation adjustments	**(14,816)**	(13,209)	**(159,311)**
Unfunded retirement benefit obligation of overseas subsidiaries	**(793)**	(822)	**(8,526)**
Total valuation and translation adjustments	**(15,046)**	(15,016)	**(161,784)**
Stock acquisition rights	**185**	106	**1,989**
Minority interests	**1,623**	1,644	**17,451**
Total net assets	**167,086**	161,817	**1,796,623**
Total liabilities and net assets	**¥311,175**	¥310,873	**$3,345,967**

See accompanying notes to consolidated financial statements.

Consolidated Statements of Income

Kikkoman Corporation and Consolidated Subsidiaries
Years ended March 31, 2010 and 2009

	Millions of yen		Thousands of U.S. dollars
	2010	2009	**2010**
Net sales	**¥285,690**	¥412,649	**$3,071,935**
Cost of sales	**166,924**	254,543	**1,794,881**
Gross profit	**118,765**	158,105	**1,277,043**
Selling, general and administrative expenses (Notes 9 and 12)	**97,680**	137,736	**1,050,322**
Operating income	**21,085**	20,368	**226,720**
Other income (expenses):			
Interest and dividend income	**747**	964	**8,032**
Amortization of negative goodwill	**–**	407	**–**
Equity in earnings (losses) of unconsolidated subsidiaries and affiliates	**500**	69	**5,376**
Interest expenses	**(1,543)**	(1,465)	**(16,591)**
Gain on sales of securities	**3**	25	**32**
Dividends from liquidation of securities	**4**	–	**43**
Gain on sales of property, plant and equipment	**299**	1,351	**3,215**
Gain on reversal of accrued employees' pension and severance costs	**105**	–	**1,129**
Gain on establishment of pension trust fund	**–**	2,695	**–**
Gain on return of substitutional portion of national government welfare pension program	**–**	172	**–**
Loss on disposal of property, plant and equipment	**(1,310)**	(1,227)	**(14,086)**
Loss on revaluation of investments in securities	**(417)**	(324)	**(4,483)**
Loss on sales of investments in subsidiaries and affiliates	**–**	(982)	**–**
Loss on impairment of fixed assets	**(2,079)**	(1,642)	**(22,354)**
Special additional severance benefits	**(45)**	(393)	**(483)**
Write-down of inventories	**–**	(33)	**–**
Loss on revaluation of golf club memberships	**(36)**	(19)	**(387)**
Loss on provision for environmental remediation	**(319)**	–	**(3,430)**
Expenses related to change corporate names of subsidiaries and affiliates	**(63)**	–	**(677)**
Expenses related to the change in the group's structure to a holding company structure	**(694)**	–	**(7,462)**
Expenses related to change in corporate identity	**–**	(761)	**–**
Expenses related to voluntary recall of products	**–**	(622)	**–**
Other, net	**(1,407)**	(1,841)	**(15,129)**
Income before income taxes and minority interests	**14,830**	16,742	**159,462**
Income taxes (Note 10):			
Current	**6,229**	11,511	**66,978**
Deferred	**(86)**	1,760	**(924)**
	6,142	13,271	**66,043**
Income before minority interests	**8,687**	3,471	**93,408**
Minority interests	**(85)**	(724)	**(913)**
Net income (Note 15)	**¥ 8,602**	¥ 2,746	**$ 92,494**

See accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Net Assets

Kikkoman Corporation and Consolidated Subsidiaries
Years ended March 31, 2010 and 2009

	Millions of yen		Thousands of U.S. dollars
	2010	2009	**2010**
Common stock			
Balance at beginning and end of the period (210,383,202 shares at March 31, 2010 and 2009, respectively)	**¥ 11,599**	¥ 11,599	**$ 124,720**
Capital surplus (Note 11)			
Balance at beginning of the period	**¥ 21,212**	¥ 5,791	**$ 228,086**
New issue of stock	**–**	15,424	**–**
Disposal of treasury stock	**(0)**	(3)	**(0)**
Balance at end of the period	**¥ 21,212**	¥ 21,212	**$ 228,086**
Retained earnings (Notes 11 and 21)			
Balance at beginning of the period	**¥146,082**	¥154,947	**$1,570,774**
Net income	**8,602**	2,746	**92,494**
Increase from accounting period changes of consolidated subsidiaries	**–**	110	**–**
Cash dividends	**(3,105)**	(2,915)	**(33,387)**
Decrease due to deconsolidation of subsidiaries	**–**	(8,703)	**–**
Retirement of treasury stock	**–**	(102)	**–**
Balance at end of the period	**¥151,579**	¥146,082	**$1,629,881**
Treasury stock			
Balance at beginning of the period	**¥ (3,811)**	¥ (2,928)	**$ (40,978)**
Purchase of treasury stock	**(271)**	(892)	**(2,913)**
Increase due to increase of equity method investee	**–**	(312)	**–**
Increase due to change in equity of equity method investee	**–**	(9)	**–**
Disposal of treasury stock	**16**	226	**172**
Decrease due to deconsolidation of subsidiaries	**–**	104	**–**
Balance at end of the period	**¥ (4,066)**	¥ (3,811)	**$ (43,720)**
Unrealized holding gain on securities, net of taxes			
Balance at beginning of the period	**¥ (996)**	¥ 6,030	**$ (10,709)**
Net change during the period	**1,533**	(7,027)	**16,483**
Balance at end of the period	**¥ 536**	¥ (996)	**$ 5,763**
Deferred hedge gain/loss, net of taxes			
Balance at beginning of the period	**¥ 12**	¥ 10	**$ 129**
Net change during the period	**15**	1	**161**
Balance at end of the period	**¥ 27**	¥ 12	**$ 290**
Foreign currency translation adjustments			
Balance at beginning of the period	**¥ (13,209)**	¥ (7,834)	**$ (142,032)**
Net change during the period	**(1,607)**	(5,374)	**(17,279)**
Balance at end of the period	**¥ (14,816)**	¥ (13,209)	**$ (159,311)**
Unfunded retirement benefit obligation of overseas subsidiaries			
Balance at beginning of the period	**¥ (822)**	¥ (427)	**$ (8,838)**
Net change during the period	**29**	(394)	**311**
Balance at end of the period	**¥ (793)**	¥ (822)	**$ (8,526)**
Stock acquisition rights			
Balance at beginning of the period	**¥ 106**	¥ 67	**$ 1,139**
Net change during the period	**78**	39	**838**
Balance at end of the period	**¥ 185**	¥ 106	**$ 1,989**
Minority interests			
Balance at beginning of the period	**¥ 1,644**	¥ 32,159	**$ 17,677**
Net change during the period	**(20)**	(30,514)	**(215)**
Balance at end of the period	**¥ 1,623**	¥ 1,644	**$ 17,451**

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Kikkoman Corporation and Consolidated Subsidiaries
Years ended March 31, 2010 and 2009

	Millions of yen		Thousands of U.S. dollars
	2010	2009	**2010**
Cash flows from operating activities			
Income before income taxes and minority interests	**¥ 14,830**	¥ 16,742	**$ 159,462**
Depreciation and amortization	**12,036**	17,239	**129,419**
Loss on impairment of fixed assets	**2,079**	1,642	**22,354**
Increase (decrease) in accrued employees' pension and severance costs	**617**	(29)	**6,634**
Increase (decrease) in accrued expenses resulting from net transition obligation of employees' pension and severance benefits	**–**	(867)	**–**
Increase (decrease) in accrued officers' severance benefits	**(197)**	(303)	**(2,118)**
Interest and dividend income	**(749)**	(964)	**(8,053)**
Interest expenses	**1,543**	1,465	**16,591**
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	**(500)**	(69)	**(5,376)**
Gain on sales of property, plant and equipment	**(341)**	(1,351)	**(3,666)**
Gain on sales of securities	**(3)**	(25)	**(32)**
Gain on establishment of pension trust fund	**–**	(2,695)	**–**
Loss on disposal of property, plant and equipment	**1,335**	1,228	**14,354**
Loss on revaluation of investments in securities	**417**	324	**4,483**
Loss on sales of investments in subsidiaries and affiliates	**–**	982	**–**
(Increase) decrease in trade notes and accounts receivable	**(1,504)**	(784)	**(16,172)**
(Increase) decrease in inventories	**(3,535)**	(4,216)	**(38,010)**
Increase (decrease) in trade notes and accounts payable	**912**	(783)	**9,806**
Other	**2,454**	2,059	**26,387**
Subtotal	**29,394**	29,592	**316,064**
Interest and dividends received	**1,068**	1,308	**11,483**
Interest paid	**(1,563)**	(1,322)	**(16,806)**
Income taxes paid	**(10,896)**	(7,125)	**(117,161)**
Net cash provided by operating activities	**18,003**	22,452	**193,580**
Cash flows from investing activities			
Acquisition of property, plant and equipment	**(14,261)**	(16,822)	**(153,344)**
Proceeds from sales of property, plant and equipment	**439**	2,130	**4,720**
Acquisition of intangible assets	**(850)**	(327)	**(9,139)**
Acquisition of investments in securities	**(1,578)**	(33,365)	**(16,967)**
Proceeds from sales of investments in securities	**2,985**	1,908	**32,096**
Purchase of investments in a subsidiary resulting in change in scope of consolidation	**–**	(1,619)	**–**
Proceeds from sales of shares of consolidated subsidiaries resulting in change in scope of consolidation	**–**	2,341	**–**
Addition to loans receivable	**(868)**	(999)	**(9,333)**
Collection of loans receivable	**2,723**	488	**29,279**
Other	**(548)**	(281)	**(5,892)**
Net cash used in investing activities	**(11,959)**	(46,548)	**(128,591)**
Cash flows from financing activities			
Increase (decrease) in short-term bank loans	**(2,615)**	208	**(28,118)**
Proceeds from long-term debt	**–**	25,000	**–**
Repayment of long-term debt	**(2,383)**	(852)	**(25,623)**
Acquisition of treasury stock	**(271)**	(892)	**(2,913)**
Cash dividends paid	**(3,114)**	(3,510)	**(33,483)**
Other	**(138)**	(132)	**(1,483)**
Net cash provided by (used in) financing activities	**(8,522)**	19,819	**(91,634)**
Effect of exchange rate changes on cash and cash equivalents	**(297)**	(1,027)	**(3,193)**
Increase (decrease) in cash and cash equivalents	**(2,775)**	(5,303)	**(29,838)**
Cash and cash equivalents at beginning of the year	**27,783**	32,984	**298,741**
Decrease from accounting period changes in certain consolidated subsidiaries	**–**	(22)	**–**
Increase in cash and cash equivalents from newly consolidated subsidiaries	**–**	125	**–**
Cash and cash equivalents at end of the year (Note 4)	**¥ 25,008**	¥ 27,783	**$ 268,903**

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Kikkoman Corporation and Consolidated Subsidiaries
Years ended March 31, 2010 and 2009

1. Basis of Preparation

KIKKOMAN CORPORATION (the "Company") and its domestic subsidiaries maintain their accounting records and prepare their financial statements in accordance with accounting principles generally accepted in Japan, and its foreign subsidiaries maintain their books of account in conformity with those of their countries of domicile. The accompanying consolidated financial statements have been compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Act of Japan and have been prepared in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

As permitted by the Financial Instruments and Exchange Act of Japan, amounts of less than one million yen have been omitted. Consequently, the totals shown in the accompanying consolidated financial statements (both in yen and U.S. dollars) do not necessarily agree with the sum of the individual amounts.

In order to enhance comparability of the consolidated financial statements, certain items in the prior years' financial statements have been reclassified to conform to the presentation for the year ended March 31, 2010.

2. Summary of Significant Accounting Policies

(a) Basis of consolidation and accounting for investments in unconsolidated subsidiaries and affiliates

The accompanying consolidated financial statements include the accounts of the Company and all significant companies controlled directly or indirectly by the Company. In addition, companies over which the Company exercises significant influence in terms of their operating and financial policies have been included in the consolidated financial statements on an equity basis.

All significant inter-company balances and transactions have been eliminated in consolidation.

Investments in unconsolidated subsidiaries and affiliates not accounted for by the equity method are stated at cost.

Differences between the acquisition costs and the underlying net equities in investments in consolidated subsidiaries are recorded as goodwill in the consolidated balance sheets and amortized using the straight-line method over their estimated useful lives or a period of five years if their useful lives are indefinite. Any immaterial amounts are charged or credited to income in the year of acquisition.

(b) Foreign currency translation

Revenue and expense accounts of foreign consolidated subsidiaries are translated at the average exchange rates in effect during the year. Except for shareholders' equity, the balance sheet accounts of foreign consolidated subsidiaries are translated into yen at the rates of exchange in effect at the balance sheet date. The components of shareholders' equity are translated at their historical exchange rates. Differences arising on translation are presented as foreign currency translation adjustments or minority interests as a separate component of net assets.

(c) Cash equivalents

For the purposes of the consolidated statements of cash flows, the Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

(d) Securities

Securities, except for investments in unconsolidated subsidiaries and affiliates, are classified as trading securities, held-to-maturity securities or other securities. Trading securities are carried at fair value. Held-to-maturity securities are carried at amortized cost. Marketable securities classified as other securities are carried at fair value with any unrealized gains and losses reported as a separate component of valuation and translation adjustments, net of taxes. Non-marketable securities classified as other securities are carried at cost. Cost of securities sold is mainly determined by the moving average method.

(e) Inventories

Inventories are mainly stated at cost determined by the periodic average method.

In cases where the profitability has declined, the book value is reduced accordingly.

Changes in Accounting Principles

Effective from the fiscal year ended March 31, 2010, the Company and domestic consolidated subsidiaries have early adopted the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9 of September 26, 2008) and have changed their method for measurement of inventories (soy sauce raw materials [excluding packaging materials], work in process, and finished goods) from the last-in, first-out method to the periodic average method.

As a result of this change, operating income and income before income taxes and minority interests increased by ¥3,459 million ($37,193 thousand) for the fiscal year ended March 31, 2010.

This effect was calculated as the difference between the total book value of sold inventories (cost of sales) and an amount determined by multiplying the amount of sold inventories and the average unit cost of inventories purchased during the fiscal year (equivalent to the gain or loss on valuation of inventories for the fiscal year). Categories of inventories considered in the calculation of the gain or loss on valuation of inventories consisted of soy sauce raw materials (excluding packaging), work in process and finished goods.

The effect of this change on the segment information is stated in "Note 20. Segment Information".

(f) Depreciation and amortization

Property, Plant and Equipment (excluding leased assets)

Buildings and structures	In general, the straight-line method is adopted.
Assets other than buildings and structures	In general, the declining-balance method is adopted by the Company and its domestic consolidated subsidiaries. However, the straight-line method is adopted for certain rental assets of the Company and by foreign consolidated subsidiaries.

The ranges of useful lives are as follows:

Buildings and structures	from 7 to 50 years
Machinery, equipment and vehicles	from 3 to 20 years

Intangible assets (excluding leased assets) are amortized by the straight-line method over their estimated useful lives.

The straight–line method is adopted for depreciation of leased assets, with the lease period set as the useful life and the residual value as zero.

(g) Accrued employees' and directors' bonuses

Accrued employees' and directors' bonuses are provided based on the estimated amounts to be paid.

(h) Accrued employees' pension and severance costs

To provide for employees' pension and severance costs, net periodic pension and severance costs are computed by the Company and its domestic consolidated subsidiaries based on the projected benefit obligation and the fair value of pension plan assets.

Prior service cost is amortized by the straight-line method over a period of 10 years (excluding certain consolidated subsidiaries) which is shorter than the average remaining years of service of the active participants in the plans.

The adjustment made during the fiscal year arising from revisions to the actuarial assumptions (the "actuarial gain or loss") is amortized by the straight-line method beginning the following fiscal year over a period of 10 years, which is shorter than the average remaining years of service of the active participants in the plans.

Certain consolidated subsidiaries have defined contribution plans in addition to defined benefit plans.

Changes in Accounting Principles

Effective from the fiscal year ended March 31, 2010 the Company and its domestic consolidated subsidiaries have applied the "Partial Amendments to Accounting Standard for Retirement Benefits" (ASBJ Statement No. 19 of July 31, 2008). This change however had no impact on operating income and income before income taxes and minority interests for the fiscal year ended March 31, 2010.

(i) Accrued officers' severance benefits

Certain directors, corporate auditors and corporate officers of certain domestic consolidated subsidiaries are entitled to lump-sum payments under their respective unfunded retirement allowance plans. Provision for retirement allowances for these officers has been made at the estimated amounts which would be paid if all directors and corporate officers resigned as of the balance sheet dates.

(j) Provision for environmental remediation

In preparation for payments relating to disposal of polychlorinated biphenyl (PCB) and other wastes under the "Law Concerning Special Measures Against PCB Waste," a provision for environmental remediation has been made for the amount of costs expected to be incurred.

(k) Income taxes

Deferred tax assets and liabilities are determined based on the differences between the financial reporting and the tax bases of the assets and liabilities and are measured using the enacted tax rates and laws which are expected to be in effect when the differences are expected to reverse.

(l) Research and development costs

Research and development costs are charged to income as incurred.

(m) Derivatives

The Company and its consolidated subsidiaries utilize derivative financial instruments for the purpose of hedging their exposure to adverse fluctuations in foreign currency exchange rates but not for speculation purposes. Derivatives are stated at fair value with any changes in unrealized gain or loss charged or credited to income, except for those which meet the criteria for deferral hedge accounting under which unrealized gain or loss is deferred as a separate component of valuation and translation adjustments, net of taxes. Payables hedged by qualified forward foreign exchange contracts are translated at the corresponding contract rates.

(n) Appropriation of retained earnings

Under the Corporation Law of Japan, the appropriation of retained earnings with respect to a given financial period is made by resolution of the shareholders at a general meeting held subsequent to the close of such financial period. The financial statements for that period do not, therefore, reflect such appropriations.

3. U.S. Dollar Amounts

The translation of yen amounts into U.S. dollar amounts is included solely for convenience, as a matter of arithmetic computation, at the rate of ¥93 = U.S.$1.00, the approximate rate of exchange in effect on March 31, 2010. The translation should not be construed as a representation that yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at the above or any other rate.

4. Cash and Cash Equivalents

The components of cash and cash equivalents in the consolidated statements of cash flows at March 31, 2010 and 2009 were as follows:

	Millions of yen		Thousands of U.S. dollars
As of March 31,	**2010**	2009	**2010**
Cash and deposits	**¥26,667**	¥28,855	**$286,741**
Short-term investment securities	**131**	130	**1,408**
Time deposits with maturities of more than three months	**(1,790)**	(1,202)	**(19,247)**
Cash and cash equivalents	**¥25,008**	¥27,783	**$268,903**

5. Fair Value of Securities

At March 31, 2010 and 2009, the Company and its consolidated subsidiaries did not possess any securities classified as held-to-maturity securities. Securities classified as other securities are included in "other current assets" and "investments in securities" in the accompanying consolidated balance sheets.

The components of unrealized gain or loss on marketable securities classified as other securities at March 31, 2010 and 2009 are summarized as follows:

	Millions of yen			Thousands of U.S. dollars		
As of March 31, 2010	Acquisition costs	Carrying value	Unrealized gain (loss)	Acquisition costs	Carrying value	Unrealized gain (loss)
Unrealized gain:						
Stocks	**¥ 5,201**	**¥11,440**	**¥ 6,239**	**$ 55,924**	**$123,010**	**$ 67,086**
	5,201	**11,440**	**6,239**	**55,924**	**123,010**	**67,086**
Unrealized loss:						
Stocks	**14,143**	**10,600**	**(3,543)**	**152,075**	**113,978**	**(38,096)**
	14,143	**10,600**	**(3,543)**	**152,075**	**113,978**	**(38,096)**
Total	**¥19,344**	**¥22,040**	**¥ 2,696**	**$208,000**	**$236,989**	**$ 28,989**

	Millions of yen		
As of March 31, 2009	Acquisition costs	Carrying value	Unrealized gain (loss)
Unrealized gain:			
Stocks	¥ 3,935	¥ 8,637	¥ 4,702
	3,935	8,637	4,702
Unrealized loss:			
Stocks	14,928	10,582	(4,345)
	14,928	10,582	(4,345)
Total	¥18,863	¥19,220	¥ 357

Non-marketable securities classified as other securities at March 31, 2010 and 2009 amounted to ¥2,439 million ($26,225 thousand) and ¥1,957 million, respectively.

Proceeds from sales of securities classified as other securities amounted to ¥197 million ($2,118 thousand) and ¥1,908 million with an aggregate gain on sales of ¥3 million ($32 thousand) and ¥25 million for the years ended March 31, 2010 and 2009, respectively.

6. Inventories

Inventories at March 31, 2010 and 2009 were as follows:

	Millions of yen		Thousands of U.S. dollars
As of March 31,	**2010**	2009	**2010**
Merchandise	**¥14,764**	¥14,747	**$158,752**
Finished goods	**5,012**	5,047	**53,892**
Work in process	**9,267**	6,267	**99,645**
Raw materials and supplies	**3,187**	2,903	**34,268**
	¥32,232	¥28,965	**$346,580**

7. Long-Term Debt and Credit Facilities

Long-term debt and lease obligations at March 31, 2010 and 2009 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
As of March 31,	**2010**	2009	**2010**
0.98% unsecured bonds, payable in yen, due 2012	**¥20,000**	¥20,000	**$215,053**
1.89% unsecured bonds, payable in yen, due 2016	**20,000**	20,000	**215,053**
1.88% unsecured bonds, payable in yen, due 2017	**20,000**	20,000	**215,053**
Loans from banks	**24,209**	26,592	**260,311**
Lease obligations	**292**	324	**3,139**
	84,501	86,916	**908,612**
Less: Current portion	**2,408**	510	**25,892**
	¥82,093	¥86,406	**$882,720**

The annual maturities of long-term debt and lease obligations subsequent to March 31, 2010 are summarized as follows:

Years ending March 31,	Millions of yen	Thousands of U.S. dollars
2011	¥ 2,408	$ 25,892
2012	2,280	24,516
2013	22,192	238,623
2014	2,017	21,688
2015 and thereafter	55,604	597,892
	¥84,501	$908,612

The Company and its consolidated subsidiaries have lines of credit from banks which provided for up to ¥39,436 million ($424,043 thousand) and ¥40,438 million in borrowings at March 31, 2010 and 2009, respectively. There was ¥7,193 million ($77,344 thousand) and ¥9,812 million in short-term bank loans outstanding under these credit facilities at March 31, 2010 and 2009, respectively.

8. Pledged Assets

The assets pledged as collateral for short-term bank loans and long-term debt at March 31, 2010 and 2009 were as follows:

	Millions of yen		Thousands of U.S. dollars
As of March 31,	**2010**	2009	**2010**
Accounts receivable	**¥ 508**	¥ 491	**$ 5,462**
Property, plant and equipment at net book value	**1,013**	1,037	**10,892**
	¥1,522	¥1,528	**$16,365**

9. Accrued Employees' Pension and Severance Costs

The Company and its domestic consolidated subsidiaries have agreement type corporate pension plans and lump-sum severance indemnity plans, covering substantially all employees who are entitled to lump-sum or annuity payments, the amounts of which are determined by reference to their basic rates of pay, length of service, and the conditions under which termination occurs. The Company has established a pension trust fund. Certain consolidated subsidiaries have defined contribution plans in addition to defined benefit plans.

The projected benefit obligation and funded status of the defined benefit plans at March 31, 2010 and 2009 were as follows:

	Millions of yen		Thousands of U.S. dollars
As of March 31,	**2010**	2009	**2010**
Projected benefit obligation	**¥(41,883)**	¥(41,988)	**$(450,354)**
Plan assets at fair value	**35,185**	31,029	**378,333**
Unfunded benefit obligation	**(6,698)**	(10,958)	**(72,021)**
Unrecognized actuarial gain or loss	**9,182**	14,340	**98,731**
Unrecognized prior service cost (Reduction of obligation)	**(1,433)**	(1,797)	**(15,408)**
Prepaid pension and severance costs	**5,067**	4,984	**54,483**
Accrued employees' pension and severance costs	**¥ (4,017)**	¥ (3,399)	**$ (43,193)**

The components of net periodic pension and severance costs for the years ended March 31, 2010 and 2009 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
Years ended March 31,	**2010**	2009	**2010**
Service cost	**¥1,452**	¥ 1,534	**$15,612**
Interest cost on projected benefit obligation	**947**	1,005	**10,182**
Expected return on plan assets	**(777)**	(1,169)	**(8,354)**
Gain on plan amendment (Prior service cost)	**(361)**	(360)	**(3,881)**
Amortization of actuarial differences	**2,075**	1,255	**22,311**
Other	**349**	8	**3,752**
Sub total	**3,685**	2,274	**39,623**
Gain on reversal of accrued employees' pension and severance costs	**(105)**	–	**(1,129)**
Gain on return of substitutional portion of national government welfare pension program funds	**–**	(172)	**–**
Total	**¥3,580**	¥ 2,102	**$38,494**

The assumptions used in accounting for the above plans were as follows:

Years ended March 31,	**2010**	2009
Discount rate	**Mainly 2.0%**	Mainly 2.0%
Expected rate of return on plan assets	**Mainly 2.0–3.5%**	Mainly 2.5–3.5%

10. Income Taxes

Income taxes applicable to the Company and its domestic consolidated subsidiaries comprise corporation tax, inhabitants' taxes and enterprise tax which, in the aggregate, resulted in a statutory tax rate of approximately 40.5% for the years ended March 31, 2010 and 2009.

Income taxes of foreign consolidated subsidiaries are generally based on the tax rates applicable in their countries of incorporation.

The significant components of deferred tax assets and liabilities at March 31, 2010 and 2009 were as follows:

	Millions of yen		Thousands of U.S. dollars
As of March 31,	**2010**	2009	**2010**
Deferred tax assets:			
Inventories	**¥ 450**	¥ 653	**$ 4,838**
Loss on impairment of fixed assets	**2,024**	1,649	**21,763**
Transfer to defined contribution pension plan	**–**	2	**–**
Other accounts payable	**1,381**	1,381	**14,849**
Allowance for doubtful receivables	**1,576**	1,450	**16,946**
Accrued employees' bonus	**880**	886	**9,462**
Accrued pension and severance costs	**5,589**	5,493	**60,096**
Unrealized profit	**380**	417	**4,086**
Allowance for investment loss	**–**	2,046	**–**
Other	**4,115**	3,271	**44,247**
Valuation allowance	**(1,818)**	(3,733)	**(19,548)**
Total deferred tax assets	**14,580**	13,519	**156,774**
Deferred tax liabilities:			
Depreciation	**(2,189)**	(1,791)	**(23,537)**
Deferred capital gain	**(2,091)**	(2,180)	**(22,483)**
Gain on establishment of pension trust fund	**(3,962)**	(4,095)	**(42,602)**
Unrealized holding gains on securities	**(926)**	–	**(9,956)**
Adjustment for changing measurement of inventories	**(872)**	–	**(9,376)**
Other	**(681)**	(658)	**(7,322)**
Total deferred tax liabilities	**(10,723)**	(8,726)	**(115,301)**
Deferred tax assets (liabilities), net	**¥ 3,856**	¥ 4,793	**$ 41,462**

11. Capital Surplus and Retained Earnings

In accordance with the Corporation Law of Japan ("the Law"), the Company has provided a legal reserve as an appropriation of retained earnings, which is included in retained earnings in the accompanying consolidated balance sheets. This reserve amounted to ¥2,899 million ($31,172 thousand) at March 31, 2010 and 2009. The Law provides that the total of additional paid-in capital and the legal reserve, if less than one-quarter of a company's shareholders' equity, is not available for dividends, but both may be used to reduce or eliminate a deficit by resolution of the shareholders or may be transferred to common stock by resolution of the Board of Directors. If the total amount of additional paid-in capital and the legal reserve exceeds one-quarter of a company's shareholders' equity, the excess may be distributed to the shareholders either as a return of capital or in the form of dividends subject to the approval of the shareholders.

12. Research and Development Expenses

Research and development expenses included in cost of sales and selling, general and administrative expenses for the years ended March 31, 2010 and 2009 were ¥3,771 million ($40,548 thousand) and ¥4,015 million, respectively.

13. Leases

(a) Finance leases

As lessee:

The following pro forma amounts represent the acquisition costs, accumulated depreciation and net book value of leased assets at March 31, 2010 and 2009, which would have been reflected in the consolidated balance sheets if finance lease accounting had been adopted for the finance leases for which the starting date of the lease was before March 31, 2008, and which are currently accounted for as operating leases:

	Millions of yen			Thousands of U.S. dollars		
As of March 31, 2010	Acquisition costs	Accumulated depreciation	Net book value	Acquisition costs	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	**¥693**	**¥358**	**¥335**	**$7,451**	**$3,849**	**$3,602**
Other	**72**	**51**	**20**	**774**	**548**	**215**
Total	**¥766**	**¥410**	**¥355**	**$8,236**	**$4,408**	**$3,817**

	Millions of yen		
As of March 31, 2009	Acquisition costs	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	¥742	¥328	¥414
Other	121	81	40
Total	¥864	¥409	¥454

Lease payments relating to finance leases accounted for as operating leases amounted to ¥91 million ($978 thousand) and ¥549 million, which were equal to the depreciation expense of the leased assets computed by the straight-line method over the respective lease terms, for the years ended March 31, 2010 and 2009, respectively.

Future minimum lease payments (including the interest portion thereon) subsequent to March 31, 2010 and 2009 for finance leases accounted for as operating leases are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
As of March 31,	**2010**	2009	**2010**
Within 1 year	**¥131**	¥ 70	**$1,408**
Over 1 year	**223**	384	**2,397**
	¥355	¥454	**$3,817**

(b) Operating leases

As Lessee:

Future minimum lease payments subsequent to March 31, 2010 and 2009 for non-cancelable operating leases are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
As of March 31,	**2010**	2009	**2010**
Within 1 year	**¥1,675**	¥1,102	**$18,010**
Over 1 year	**4,818**	3,409	**51,806**
	¥6,493	¥4,512	**$69,817**

14. Contingent Liabilities

The Company and its consolidated subsidiaries had the following contingent liabilities at March 31, 2010 and 2009:

	Millions of yen		Thousands of U.S. dollars
As of March 31,	**2010**	2009	**2010**
As guarantor of indebtedness of:			
Unconsolidated subsidiaries	**¥1,206**	¥1,001	**$12,967**
Employees	**2**	3	**21**
	¥1,209	¥1,004	**$13,000**

15. Amounts Per Share

The computation of basic net income per share is based on the weighted average number of shares of common stock outstanding during each period. Diluted net income per share is computed based on the weighted average number of shares of common stock outstanding during each period after giving effect to the dilutive potential of the common stock to be issued.

Net assets per share are based on the number of shares outstanding at the respective balance sheet dates.

Cash dividends per share represent the cash dividends declared as applicable to the respective period.

	Yen		U.S. dollars
Years ended March 31,	**2010**	2009	**2010**
Net income:			
Basic	**¥ 41.65**	¥ 13.59	**$0.44**
Diluted	**–**	13.59	**–**
Net assets	**800.79**	774.61	**8.61**
Cash dividends applicable to the year	**15.00**	15.00	**0.16**

16. Financial Instruments

(a) Policy for financial instruments

In light of plans for capital investment, the Company and its subsidiaries mainly raise the funds required through bank loans and bond issuance. The Company and its subsidiaries manage temporary fund surpluses through financial assets that have a high level of liquidity. Further, the Company and its subsidiaries raise short-term working capital through bank loans. Derivative transactions are used in order to mitigate risk as described below, such that speculative transactions are not undertaken based on the Company's policy.

Trade receivables, i.e. trade notes and accounts receivable, and long-term loan receivables are exposed to credit risk in relation to customers. Each department and the accounting department performs periodic monitoring of the financial condition of major customers, manages due dates and balances, and obtains a prompt understanding and attempts to mitigate the risk of uncollectible receivables in the event of deterioration in a customer's financial condition.

Marketable securities and investment securities, which primarily comprise trading securities, held-to-maturity bonds, and shares of companies with which the Company has business relationships, are exposed to variable risks associated with market prices. The Company performs periodic monitoring of the financial condition of the issuers for marketable investment securities. A continuing review of the holding of securities, other than held-to-maturity securities, is performed by taking into consideration the market as well as the relationship with the trading counterparties.

Accounts payable have payment due dates mostly within two months. Loans payable and bonds primarily are raised for capital investment and have payment due dates within seven years and eight months at the longest.

Derivative transactions consist of foreign exchange forward contracts entered into in order to hedge currency-associated variable risks that arise from foreign currency-denominated operating receivables and payables, and interest rate swap transactions to hedge variable risk of interest related to loan payables.

Enforcement and management of derivative transactions is performed by obtaining the appropriate personnel approval under the administrative procedures for trading authority and budget limits. Derivative transactions are not subject to significant credit risk, since the trading counterparties are limited to financial institutions with high credit ratings.

(b) Fair value of financial instruments

The carrying value on the consolidated balance sheet, fair value and differences between carrying value and fair value for financial instruments as of March 31, 2010 are set out below.

The following table does not include financial instruments for which fair values are difficult to determine.

	Millions of yen			Thousands of U.S. dollars		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
(1) Cash and deposits	¥ 26,667	¥ 26,667	¥ –	$ 286,741	$ 286,741	$ –
(2) Trade notes and accounts receivable	41,596	41,596	–	447,268	447,268	–
(3) Securities and investment securities	48,053	41,155	(6,897)	516,698	442,526	(74,161)
Assets total	116,317	109,419	(6,897)	1,250,720	1,176,548	(74,161)
(1) Trade notes and accounts payable	14,507	14,507	–	155,989	155,989	–
(2) Other accounts payable	12,710	12,710	–	136,666	136,666	–
(3) Short-term bank loans (*2)	7,703	7,703	–	82,827	82,827	–
(4) Bonds	60,000	62,368	2,368	645,161	670,623	25,462
(5) Long-term bank loans (*2)	24,209	24,330	121	260,311	261,612	1,301
Liabilities total	119,130	121,620	2,489	1,280,967	1,307,741	26,763
Derivatives (*1)	¥ (12)	¥ (12)	¥ –	$ (129)	$ (129)	$ –

(*1) The carrying amount and fair value of derivative instruments are stated on a net basis. Figures in parentheses represent net liabilities.
(*2) Long-term debt includes the current portion of long-term debt.

(Notes) Methods for calculating fair values of financial instruments

• **Assets**

(1) Cash and deposits, (2) Trade notes and accounts receivable

Since these assets are short-term in nature, their carrying value approximates fair value.

(3) Securities and investment securities

Since securities such as free financial fund are short-term in nature, their carrying value approximates fair value.

The fair value of investment securities is based on the quoted market prices for listed shares.

¥6,620 million ($71,182 thousand) of unlisted stocks and others are excluded from securities and investment securities in the above table, since they have no market values and their fair values are difficult to determine.

Information on investment securities categorized by holding purpose is set out in "Note 5. Fair Value of Securities."

• **Liabilities**

(1) Trade notes and accounts payable, (2) Other accounts payable, (3) Short-term bank loans

Since these liabilities are short-term in nature, their carrying value approximates fair value.

(4) Bonds

Fair value of corporate bonds is determined based on present values calculated by discounting the total principal and interest using interest rates corresponding to the credit risk and remaining period of the bond.

(5) Long-term debt

Fair value of long-term debt is calculated by discounting the total principal and interest using the incremental borrowing rate. Fair value of long-term debt with variable interest rates for which the special treatment for interest rate swaps is adopted is calculated by discounting the total principal and interest using the interest rate of similar borrowings.

• **Derivatives**
Information for derivatives is set out in "Note 17. Derivatives."

Additional information
Effective from the year ended March 31, 2010, the Company and its consolidated subsidiaries adopted "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10 of March 10, 2008) and "Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19 of March 10, 2008).

17. Derivatives

Summarized below are the notional amounts and the estimated fair value of the open derivative positions at March 31, 2010 and 2009:

(a) Hedge Accounting Not Applied

Currency related transactions

As of March 31, 2010		Millions of yen			
Classification	Type of transaction	Notional amount	Over 1 year	Fair value	Unrealized gain (loss)
Non-market transactions	Forward foreign exchange contracts:				
	Buy:				
	USD	**¥7,289**	**¥7,289**	**¥ 11**	**¥ 11**
	Currency/interest rate swaps:				
	Fixed Receipt (USD)/Fixed Payment (EUR)	**251**	**186**	**(26)**	**(26)**
	Fixed Receipt (EUR)/Fixed Payment (THB)	**301**	**223**	**(27)**	**(27)**
Total		**¥7,841**	**¥7,698**	**¥(42)**	**¥(42)**

As of March 31, 2010		Thousands of U.S. dollars			
Classification	Type of transaction	Notional amount	Over 1 year	Fair value	Unrealized gain (loss)
Non-market transactions	Forward foreign exchange contracts:				
	Buy:				
	USD	**$78,376**	**$78,376**	**$ 118**	**$ 118**
	Currency/interest rate swaps:				
	Fixed Receipt (USD)/Fixed Payment (EUR)	**2,698**	**2,000**	**(279)**	**(279)**
	Fixed Receipt (EUR)/Fixed Payment (THB)	**3,236**	**2,397**	**(290)**	**(290)**
Total		**$84,311**	**$82,774**	**$(451)**	**$(451)**

(Notes)
1. Fair value is calculated based on the prices provided by financial institutions.
2. Currency/interest rate swaps in the table above are composed of profit or loss due to eliminating inter-company balances in consolidation.

As of March 31, 2009		Millions of yen			
Classification	Type of transaction	Notional amount	Over 1 year	Fair value	Unrealized gain (loss)
Non-market transactions	Currency/interest rate swaps:				
	Fixed Receipt (USD)/Fixed Payment (EUR)	¥330	¥259	¥(28)	¥(28)
	Fixed Receipt (EUR)/Fixed Payment (THB)	361	283	(10)	(10)
Total		–	–	–	¥(39)

(Notes)
1. Fair value is calculated based on the prices provided by financial institutions.
2. Derivative transactions to which the Company applied hedge accounting are excluded.
3. Currency/interest rate swaps in the table above is composed of profit or loss due to eliminating inter-company balances in consolidation.

(b) Hedge Accounting Applied

Currency related transactions

As of March 31, 2010 Hedge accounting method	Type of transaction	Hedged item	Millions of yen Contract amounts	Over 1 year	Fair value
Currency forward contracts	Forward foreign exchange contracts:				
	Sell:				
	USD	Accounts receivable	**¥2,044**	**–**	(Note 2)
	EUR		**14**	**–**	(Note 2)
	HKD		**14**	**–**	(Note 2)
	Buy:				
	USD	Accounts payable	**510**	**–**	(Note 2)
	EUR		**76**	**–**	(Note 2)
	GBP		**1**	**–**	(Note 2)
	JPY		**279**	**–**	(Note 2)
Deferral hedge accounting	Sell:				
	USD	Accounts receivable	**10**	**–**	**¥ (0)**
	Buy:				
	USD	Accounts payable	**1,045**	**–**	**33**
	JPY		**82**	**–**	**(3)**

As of March 31, 2010 Hedge accounting method	Type of transaction	Hedged item	Thousands of U.S. dollars Contract amounts	Over 1 year	Fair value
Currency forward contracts	Forward foreign exchange contracts:				
	Sell:				
	USD	Accounts receivable	**$21,978**	**–**	(Note 2)
	EUR		**150**	**–**	(Note 2)
	HKD		**150**	**–**	(Note 2)
	Buy:				
	USD	Accounts payable	**5,483**	**–**	(Note 2)
	EUR		**817**	**–**	(Note 2)
	GBP		**10**	**–**	(Note 2)
	JPY		**3,000**	**–**	(Note 2)
Deferral hedge accounting	Sell:				
	USD	Accounts receivable	**107**	**–**	**$ (0)**
	Buy:				
	USD	Accounts payable	**11,236**	**–**	**354**
	JPY		**881**	**–**	**(32)**

(Notes)

1. Fair value is calculated based on the prices provided by financial institutions.
2. For certain accounts receivable and accounts payable denominated in foreign currencies for which foreign exchange forward contracts are used to hedge the foreign currency fluctuations, the fair value of derivative financial instruments is included in the fair value of the hedged accounts receivable and accounts payable.

Interest related transactions

As of March 31, 2010 Hedge accounting method	Type of transaction	Hedged item	Contract amounts (Millions of yen)	Over 1 year (Millions of yen)	Fair value (Millions of yen)
Special treatment for interest swaps	Interest rate swap				
	Floating Receipt	Long-term debt	**¥23,000**	**¥2,000**	(Note 1)
	Fixed Payment				

As of March 31, 2010 Hedge accounting method	Type of transaction	Hedged item	Contract amounts (Thousands of U.S. dollars)	Over 1 year (Thousands of U.S. dollars)	Fair value (Thousands of U.S. dollars)
Special treatment for interest swaps	Interest rate swap				
	Floating Receipt	Long-term debt	**$247,311**	**$21,505**	(Note 1)
	Fixed Payment				

(Note)

1. For certain long-term debt for which the special treatment for interest swaps is used to hedge the variable risk of interest, the fair value of derivative financial instruments is included in the fair value of the long-term debt.

18. Business Combinations

Corporate split upon transition to holding company structure

In order to strengthen the group's strategic capabilities, further developing each group company's ability to create value and promote group synergies, the Company's Board of Directors resolved, at the meeting of the Board of Directors held on April 27, 2009, to change its corporate structure to a holding company structure effective October 1, 2009, with the Company as the holding company and newly-incorporated subsidiaries.

Accordingly, the business and functions of the Company were transferred to newly-incorporated subsidiaries as follows: the food manufacturing and sales business to Kikkoman Food Products Company; the beverage sales business to Kikkoman Beverage Company; and the general affairs, personnel, accounting, information systems, and other back-end operations to Kikkoman Business Service Company.

At the shareholders' meeting held on June 23, 2009, the details of this business plan were approved. Following the corporate split, the Company has been restructured as a holding company as of October 1, 2009.

In accordance with the "Accounting Standard for Business Combinations" and its "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures," the accounting treatment for common control transaction has been applied. Goodwill has not been recognized from this corporate split transaction.

19. Rental Properties

The Company and certain consolidated subsidiaries own a number of commercial facilities including land for rent in Chiba prefecture and other locations. Net rental income from such rental properties for the year ended March 31, 2010 was ¥948 million ($10,193 thousand). The Company has recorded ¥299 million ($3,215 thousand) of gain on sales of rental properties as other income and ¥75 million ($806 thousand) of impairment loss of rental properties as other expenses for the year ended March 31, 2010.

The carrying amount and the fair value of such rental properties as of March 31, 2010 were as follows:

Millions of yen				Thousands of U.S. dollars			
Carrying amount				Carrying amount			
Beginning of fiscal year	Net change during fiscal year	End of fiscal year	Fair value as of March 31, 2010	Beginning of fiscal year	Net change during fiscal year	End of fiscal year	Fair value as of March 31, 2010
¥7,344	**¥(95)**	**¥7,249**	**¥22,828**	**$78,967**	**$(1,021)**	**$77,946**	**$245,462**

Additional information

Effective from the fiscal year ended March 31, 2010, the Company and its consolidated subsidiaries adopted the "Accounting Standard for Disclosures about Fair Value of Investment and Rental Property" (ASBJ Statement No. 20 of November 28, 2008) and the "Guidance on Accounting Standard for Disclosures about Fair Value of Investment and Rental Property" (ASBJ Guidance No. 23 of November 28, 2008).

20. Segment Information

The Company and its consolidated subsidiaries are primarily engaged in the manufacturing and sales of products in Japan and overseas in four major segments: manufacturing and sales of domestic foods which include domestic soy sauce and other seasonings, sauces, Del Monte processed fruit and vegetables, *sake* and wine, soy milk beverages, products for food-service use, and health foods; domestic others which include pharmaceuticals, chemical products, real estate rental, logistics and back-office operations; manufacturing and sales of overseas foods which include overseas soy sauce, Del Monte processed fruit and vegetables, soy milk beverages, and health foods; and wholesale sales of overseas foods which include oriental food products.

Business Segments

Business segment information of the Company and its consolidated subsidiaries as of and for the years ended March 31, 2010 and 2009 is summarized as follows:

Millions of yen

As of and for the year ended March 31, 2010	Domestic Foods–Manufacturing and Sales	Domestic Others	Overseas Foods–Manufacturing and Sales	Overseas Foods–Wholesale	Total	Eliminations and corporate	Consolidated
I. Sales and operating income:							
Sales to third parties	¥150,601	¥ 7,315	¥42,657	¥85,116	¥285,690	¥ –	¥285,690
Intra group sales and transfers	693	9,358	6,043	300	16,396	(16,396)	–
Total sales	151,295	16,674	48,700	85,416	302,087	(16,396)	285,690
Operating expenses	144,063	15,807	40,204	81,110	281,185	(16,580)	264,605
Operating income	¥ 7,232	¥ 867	¥ 8,495	¥ 4,306	¥ 20,901	¥ 183	¥ 21,085
II. Assets, depreciation and capital expenditures:							
Total assets	¥128,891	¥18,429	¥48,345	¥35,521	¥231,188	¥ 79,986	¥311,175
Depreciation and amortization	7,628	973	2,378	635	11,616	419	12,036
Impairment losses	882	–	1,197	–	2,079	–	2,079
Capital expenditures	12,071	682	2,332	475	15,561	62	15,623

Thousands of U.S. dollars

As of and for the year ended March 31, 2010	Domestic Foods–Manufacturing and Sales	Domestic Others	Overseas Foods–Manufacturing and Sales	Overseas Foods–Wholesale	Total	Eliminations and corporate	Consolidated
I. Sales and operating income:							
Sales to third parties	$1,619,365	$ 78,655	$458,677	$915,225	$3,071,935	$ –	$3,071,935
Intra group sales and transfers	7,451	100,623	64,978	3,225	176,301	(176,301)	–
Total sales	1,626,827	179,290	523,655	918,451	3,248,247	(176,301)	3,071,935
Operating expenses	1,549,064	169,967	432,301	872,150	3,023,494	(178,279)	2,845,215
Operating income	$ 77,763	$ 9,322	$ 91,344	$ 46,301	$ 224,741	$ 1,967	$ 226,720
II. Assets, depreciation and capital expenditures:							
Total assets	$1,385,924	$198,161	$519,838	$381,946	$2,485,892	$ 860,064	$3,345,967
Depreciation and amortization	82,021	10,462	25,569	6,827	124,903	4,505	129,419
Impairment losses	9,483	–	12,870	–	22,354	–	22,354
Capital expenditures	129,795	7,333	25,075	5,107	167,322	666	167,989

Change in accounting principles

As stated in "2. Summary of Significant Accounting Policies (e) Inventories," from the fiscal year ended March 31, 2010, the Company and domestic consolidated subsidiaries have changed their method for measurement of inventories (soy sauce raw materials [excluding packaging materials], work in process, and finished goods) from the last-in, first-out method to the periodic average method.

As a result of this change, operating income in the "Domestic Foods–manufacturing and sales" business segment was ¥3,459 million ($37,193 thousand) more than the amount that would have been recorded under the previous method.

Changes in the classification of Business Segment

On October 1, 2009, Kikkoman Corporation implemented a holding company structure with the aim of strengthening strategic capabilities, enhancing value creation in each of the operating companies and capturing Group synergies.

In conjunction with this move, the Company and its consolidated subsidiaries have reclassified the business segments to be reported under "Segment Information" in order to reflect the new management structure. In the past, operations fell under the following three business segments: "Foods–manufacturing and sales," "Foods–wholesale," and "Others." Under the new holding company structure, these three segments shall be reclassified into four new segments such as "Domestic Foods–Manufacturing and Sales," "Domestic Others," "Overseas Foods–Manufacturing and Sales," and "Overseas Foods–Wholesale."

Business segment information for the previous fiscal year after the reclassification, as follows:

After reclassification in segments

Millions of yen

As of and for the year ended March 31, 2009	Domestic Foods– Manufacturing and Sales	Coca-Cola	Domestic Others	Overseas Foods– Manufacturing and Sales	Overseas Foods– Wholesale	Total	Eliminations and corporate	Consolidated
I. Sales and operating income:								
Sales to third parties	¥150,398	¥123,718	¥ 6,813	¥43,274	¥88,444	¥412,649	¥ –	¥412,649
Intra group sales and transfers	97	169	7,209	5,891	326	13,693	(13,693)	–
Total sales	150,495	123,888	14,022	49,165	88,771	426,342	(13,693)	412,649
Operating expenses	146,982	121,411	13,253	39,679	84,656	405,984	(13,704)	392,280
Operating income	¥ 3,512	¥ 2,476	¥ 768	¥ 9,485	¥ 4,114	¥ 20,358	¥ 10	¥ 20,368
II. Assets, depreciation and capital expenditures:								
Total assets	¥183,066	¥ –	¥13,347	¥64,555	¥32,687	¥293,657	¥ 17,216	¥310,873
Depreciation and amortization	8,352	4,941	769	2,573	601	17,239	–	17,239
Impairment losses	–	–	–	1,642	–	1,642	–	1,642
Capital expenditures	5,637	5,738	558	3,521	1,850	17,307	–	17,307

Note: Tone Coca-Cola Bottling Co., Ltd. and certain other companies were excluded from the scope of consolidation at the end of March 2009.

Geographical Segments

Geographical segment information for the Company and its consolidated subsidiaries as of and for the years ended March 31, 2010 and 2009 is summarized as follows:

						Millions of yen
As of and for the year ended March 31, 2010	Japan	North America	Other	Total	Eliminations and corporate	Consolidated
Sales to third parties	**¥164,067**	**¥95,881**	**¥25,741**	**¥285,690**	**¥ –**	**¥285,690**
Inter segment sales and transfers	**15,545**	**2,468**	**758**	**18,772**	**(18,772)**	**–**
Total sales	**179,612**	**98,350**	**26,500**	**304,463**	**(18,772)**	**285,690**
Operating expenses	**169,960**	**90,083**	**23,639**	**283,683**	**(19,077)**	**264,605**
Operating income	**¥ 9,652**	**¥ 8,266**	**¥ 2,860**	**¥ 20,779**	**¥ 305**	**¥ 21,085**
Total assets	**¥ 71,779**	**¥75,725**	**¥20,234**	**¥167,739**	**¥143,435**	**¥311,175**

						Thousands of U.S. dollars
As of and for the year ended March 31, 2010	Japan	North America	Other	Total	Eliminations and corporate	Consolidated
Sales to third parties	**$1,764,161**	**$1,030,978**	**$276,784**	**$3,071,935**	**$ –**	**$3,071,935**
Inter segment sales and transfers	**167,150**	**26,537**	**8,150**	**201,849**	**(201,849)**	**–**
Total sales	**1,931,311**	**1,057,526**	**284,946**	**3,273,795**	**(201,849)**	**3,071,935**
Operating expenses	**1,827,526**	**968,634**	**254,182**	**3,050,354**	**(205,129)**	**2,845,215**
Operating income	**$ 103,784**	**$ 88,881**	**$ 30,752**	**$ 223,430**	**$ 3,279**	**$ 226,720**
Total assets	**$ 771,817**	**$ 814,247**	**$217,569**	**$1,803,645**	**$1,542,311**	**$3,345,967**

						Millions of yen
As of and for the year ended March 31, 2009	Japan	North America	Other	Total	Eliminations and corporate	Consolidated
Sales to third parties	¥288,666	¥ 97,347	¥26,635	¥412,649	¥ –	¥412,649
Inter segment sales and transfers	15,016	3,917	719	19,653	(19,653)	–
Total sales	303,683	101,264	27,354	432,302	(19,653)	412,649
Operating expenses	295,673	91,851	24,382	411,907	(19,627)	392,280
Operating income	¥ 8,009	¥ 9,413	¥ 2,972	¥ 20,395	¥ (26)	¥ 20,368
Total assets	¥225,573	¥ 74,859	¥19,536	¥319,969	¥ (9,096)	¥310,873

(Note) The main countries and regions in each segment

1) North America: The United States

2) Other: Countries of Europe, Asia and Oceania

Change in accounting principles

As stated in "2. Summary of Significant Accounting Policies (e) Inventories," from the fiscal year ended March 31, 2010, the Company and domestic consolidated subsidiaries have changed their method for measurement of inventories (soy sauce raw materials [excluding packaging materials], work in process, and finished goods) from the last-in, first-out method to the periodic average method.

As a result of this change, operating income from the Japan geographical segment was ¥3,459 million ($37,193 thousand) more than the amount that would have been recorded under the previous method.

Overseas Sales

Overseas sales, which include export sales of the Company and its domestic consolidated subsidiaries and sales (other than exports to Japan) of its foreign consolidated subsidiaries, for the years ended March 31, 2010 and 2009 are summarized as follows:

	Millions of yen			Thousands of U.S. dollars		
Year ended March 31, 2010	North America	Other	Total	North America	Other	Total
Overseas sales	**¥94,620**	**¥31,431**	**¥126,051**	**$1,017,419**	**$337,967**	**$1,355,387**
Consolidated net sales	**–**	**–**	**285,690**	**–**	**–**	**3,071,935**
Ratio of overseas sales to consolidated net sales	**33.1%**	**11.0%**	**44.1%**			

	Millions of yen		
Year ended March 31, 2009	North America	Other	Total
Overseas sales	¥97,335	¥31,876	¥129,211
Consolidated net sales	–	–	412,649
Ratio of overseas sales to consolidated net sales	23.6%	7.7%	31.3%

(Notes) 1. The main countries and regions in each segment

1) North America: The United States

2) Other: Countries of Europe, Asia and Oceania

2. Overseas net sales comprise the net sales of the Company and consolidated subsidiaries in countries and regions other than Japan

21. Subsequent Events

Cash dividend

The following appropriations of retained earnings of the Company, which have not been reflected in the consolidated financial statements for the year ended March 31, 2010, were approved at the shareholders' meeting held on June 24, 2010.

	Millions of yen	Thousands of U.S. dollars
Cash dividends (¥15.00 = $0.16 per share)	**¥3,101**	**$33,344**

Report of Independent Auditors

The Board of Directors
KIKKOMAN CORPORATION

We have audited the accompanying consolidated balance sheets of KIKKOMAN CORPORATION and consolidated subsidiaries as of March 31, 2010 and 2009, and the related consolidated statements of income, changes in net assets, and cash flows for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of KIKKOMAN CORPORATION and consolidated subsidiaries as of March 31, 2010 and 2009, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Supplemental Information

(1) As described in Note 2 (e), effective from the fiscal year ended March 31, 2010, KIKKOMAN CORPORATION and domestic consolidated subsidiaries have early adopted the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9 of September 26, 2008).

(2) As described in Note 20, KIKKOMAN CORPORATION and its consolidated subsidiaries have reclassified their business segments.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2010 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 3.

Ernst & Young ShinNihon LLC

June 24, 2010

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* Consolidated subsidiaries
**Equity method affiliates
Note: Numbers preceded by "+" are country codes.

Home page address: http://www.kikkoman.com/

(As of July 2010)

Corporate History

The city of Noda is ideally situated close to soybean-growing regions as well as the Edo River, which provided a convenient transportation route to and from Edo (present-day Tokyo). Noda has been well-known for its soy sauce production since the Edo period (1603–1867). In December 1917, eight family-run companies merged to form Noda Shoyu Co., Ltd., the predecessor of Kikkoman Corporation, with capital of ¥7 million.

1925 April	Noda Shoyu Co., Ltd. absorbs Noda Shoyu Jozo Co., Ltd., Manjo Mirin Co., Ltd. and Nippon Shoyu Co., Ltd. through a merger.
1931 September	The Takasago soy sauce production plant (formerly the Kansai Plant) begins shipments.
1957 June	Kikkoman International Inc. (now Kikkoman Sales USA, Inc.) is established in San Francisco, California, in the United States.
1961 July	Kikko Food Industries Co., Ltd. (now Nippon Del Monte Corporation) is established.
1962 February	Tone Beverage Co., Ltd. (now Tone Coca-Cola Bottling Co., Ltd.) is established.
1962 October	Katsunuma Yoshu Co., Ltd. (now Manns Wine Co., Ltd.) is established.
1964 October	Noda Shoyu Co., Ltd. is renamed Kikkoman Shoyu Co., Ltd.
1969 June	Kikkoman invests in Japan Food Corporation (now JFC International Inc.) in the United States.
1970 March	Kikkoman invests in Pacific Trading Co., Ltd.
1972 March	Kikkoman Foods, Inc. is established in Walworth, Wisconsin, in the United States.
1973 June	The Wisconsin Plant of Kikkoman Foods, Inc. holds its grand opening.
1979 March	Kikkoman Trading Europe GmbH is established in Neuss, in Germany.
1980 October	The Company takes on its present name, Kikkoman Corporation.
1983 June	Kikkoman (S) Pte Ltd, a production facility, is established in Singapore.
1984 November	The production facility of Kikkoman (S) Pte Ltd holds its grand opening.
1987 January	Kikkoman's Chitose Plant (now Hokkaido Kikkoman Company) in Hokkaido begins shipments.
1990 January	Kikkoman buys perpetual marketing rights for the Del Monte brand in the Asian-Pacific region, excluding the Philippines.
1990 February	A joint-venture company, President Kikkoman Inc., is established to produce soy sauce in Tainan, in Taiwan.
1990 December	The production facility of President Kikkoman Inc. begins shipments.
1996 April	Kikkoman establishes Kikkoman Foods Europe B.V. in the Netherlands.
1997 October	Kikkoman Foods Europe B.V. holds its grand opening.
1998 October	The second U.S. manufacturing plant of Kikkoman Foods, Inc., in Folsom, California, holds its grand opening.
2000 May	A joint-venture company, Kunshan President Kikkoman Biotechnology Co., Ltd., is established in Kunshan, China.
2002 May	The China Plant of Kunshan President Kikkoman Biotechnology Co., Ltd. holds its grand opening.
2004 March	Kikkoman invests in Higeta Shoyu Co., Ltd. and Kibun Food Chemifa Co., Ltd. (now Foodchemifa Co., Ltd.)
2005 January	Siam Del Monte Company Limited is established in Thailand.
2005 March	Country Life, LLC is established in New York in the United States.
2006 February	Siam Del Monte Company Limited holds its grand opening.
2006 November	Del Monte Foods (Xiamen) Co., Ltd. is established in Amoy, in China.
2008 June	Kikkoman enters a capital and business alliance with Riken Vitamin Co., Ltd.
2008 July	Kikkoman establishes joint venture President Kikkoman Zhenji Foods Co., Ltd in Shijiazhuang in China.
2008 October	Del Monte Foods (Xiamen) Co., Ltd. holds its grand opening.
2009 March	Tone Coca-Cola Bottling Co., Ltd. removed from scope of consolidation as a result of a partial transfer of shares.
2009 June	President Kikkoman Zhenji Foods Co., Ltd holds its grand opening.
2009 October	Kikkoman shifts to a holding company structure.
2010 May	Kikkoman Exhibits at Japan Industry Pavilion, Expo 2010 Shanghai China.

(As of July 2010)

Board of Directors and Officers

Board of Directors and Corporate Auditors

Chairman of the Board
Yuzaburo Mogi*

President
Mitsuo Someya*

Directors
Tadao Kondo*
Kenichi Saito
Koji Negishi
Noriaki Horikiri
Katsumi Amano
Koichi Yamazaki
Tsunao Hashimoto**
Toshihiko Fukui**
Mamoru Ozaki**

* Representative Director
** Independent Outside Director

Corporate Auditors
Sadao Nozaki
Yutaka Kitani
Takeo Inokuchi***
Motohiko Kogo***

*** Independent Corporate Auditor

Corporate Officers

Chairman of the Board and Chief Executive Officer
Yuzaburo Mogi

President and Chief Operating Officer
Mitsuo Someya

Senior Executive Corporate Officer
Tadao Kondo

Executive Corporate Officers
Kenichi Saito
Koji Negishi
Noriaki Horikiri
Katsumi Amano
Koichi Yamazaki
Hiroshi Futamura
Masanori Fukumitsu
Masanao Shimada
Shoichi Ui

Corporate Officers
Yoshiro Kubota
Takaharu Nakamura
Satoru Abe
Bunji Matsuzaki
Kazuo Shimizu
Eiichi Shimoyamada
Satoshi Sasaki
Shintaro Karasawa
Takashi Hamada
Noboru Mimura
Shozaburo Nakano
Asahi Matsuyama
Kimio Ando
Naoyuki Kiyomatsu
Yasuyoshi Kase
Kiminae Fujimura
Takashi Ozawa
Setsuya Hannya

(As of June 24, 2010)

Corporate Data

Name
Kikkoman Corporation

Head Office
250 Noda, Noda-shi, Chiba 278-8601, Japan

Date of Establishment
December 7, 1917

Paid-in Capital
¥11,599,398,094

Number of Shares
Authorized: 600,000,000
Issued and outstanding: 210,383,202

Number of Employees (Consolidated)
5,263 (As of March 31, 2010)

Stock Exchange Listings
Tokyo, Osaka

Shareholder Registry Administrator
Mitsubishi UFJ Trust and Banking Corporation
1-4-5 Marunouchi, Chiyoda-ku, Tokyo 100-8212, Japan

Stock Price Range on the Tokyo Stock Exchange

Fiscal 2010:	High:	¥1,196	Low:	¥779
Fiscal 2009:	High:	¥1,526	Low:	¥697
Fiscal 2008:	High:	¥1,887	Low:	¥1,118

Group Business Activities
Domestic
- Kikkoman soy sauce, Higeta soy sauce, etc.
- Kikkoman *tsuyu* and *tare*, Del Monte seasonings, etc.
- Soy milk beverages, Del Monte beverages, etc.
- Manjo *mirin*, Manns Wine, imported alcoholic beverages, etc.
- Clinical diagnostic reagents, hygiene inspection agents, processing enzymes, chemical products, etc.
- Real estate rental, logistics, back-office functions for the Kikkoman Group, etc.

Overseas
- Kikkoman soy sauce, etc.
- Del Monte canned products, seasonings, etc.
- Health foods, etc.
- Oriental foods, etc.

(As of July 2010)

Kikkoman Corporation

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