

Flash Report

Kikkoman Corporation



Consolidated Financial Results

February 26, 2001

Fiscal year ended December 31, 2000

Listed company name: **Kikkoman Corporation**
Code No.: 2801
Shares listed: Tokyo (1st Section), Osaka (1st Section)
Head office: 250 Noda, Noda City, Chiba Prefecture
Contact: Shinichi Matsumoto, Manager Public Relation and Investor Relations,
E-mail: ir@mail.kikkoman.co.jp

Board of Directors' meeting for approval of consolidated results: February 26, 2001

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended December 31, 2000 are presented solely for convenience.

1. Business performance for the year ended December 31, 2000

(January 1, 2000 to December 31, 2000)

(1) Business results

Amounts less than ¥1 million, except for per share amounts, have been omitted in the following tables.

(Millions of yen)

	Net sales (% change from previous corresponding period)	Operating income (% change from previous corre- sponding period)	Recurring Income (% change from previous corre- sponding period) (Note 5)
Jan. 1 –Dec. 31, 2000	¥326,708 (+47.3%)	¥14,686 (+ 33.0%)	¥12,911 (+25.1%)
Jan. 1 –Dec. 31, 1999	¥221,724 (-3.4%)	¥11,046 (+ 4.2%)	¥10,322 (+ 7.6%)

	Net income (% change from previous corre- sponding period)	Net income per share (yen)
Jan. 1 – Dec. 31, 2000	¥6,150 (+16.3%)	¥31.45
Jan. 1 – Dec. 31, 1999	¥5,286 (+ 1.3%)	¥26.81

Note: Income from equity in earnings of unconsolidated subsidiaries and affiliates: ¥177 million (Jan. 1 – Dec. 31, 1999: ¥1,252 million)

(2) Financial position

(Millions of yen)

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share (yen)
Dec. 31, 2000	¥282,110	¥119,503	42.4%	¥611.13
Dec. 31, 1999	¥228,023	¥112,639	49.4%	¥571.19

(3) Cash flows

(Millions of yen)

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of year
Jan. 1 –Dec. 31, 2000	¥22,125	¥-16,323	¥-6,385	¥25,371

(4) Scope of consolidation and application of the equity method

- Consolidated subsidiaries: 20
- Non-consolidated subsidiaries: 25 (Accounted for by the equity method: 7)
- Affiliated companies: 12 (Accounted for by the equity method: 2)

1. Business performance for the year ended December 31, 2000(continued)

(5) Changes in scope of consolidation and accounting method

Changes in the scope of consolidation and the number of companies accounted for by the equity method

- Newly consolidated companies: 3 (Tone Coca-Cola Bottling Co., Ltd., and its two subsidiaries)
- Newly unconsolidated company: 0
- Companies newly accounted for by the equity method: 3 (Tone Coca-Cola Bottling Co., Ltd.'s three subsidiaries)
- Companies no longer accounted for by the equity method: 2 (Tone Coca-Cola Bottling Co., Ltd., which was previously accounted for by the equity method, has been fully consolidated effective the year ended December 31, 2000 in accordance with the revised accounting standard for consolidation.)

2. Forecast of business performance for the fiscal year ending March 31, 2001 and March 31, 2002

(January 1, 2001 to March 31, 2001 and April 1, 2001 to March 31, 2002)

(Millions of yen)

	Net sales	Recurring income	Net income
Mar. 31, 2001	¥31,000	¥200	¥-600
Mar. 31, 2002	¥339,000	¥13,500	¥6,500

Estimated net income per share :
Mar. 31, 2001 ¥-3.07
Mar. 31, 2002 ¥33.24

Note: Effective from this year, Kikkoman will change its balance date from December 31 to March 31.

This action is being taken for two main reasons. First is to raise the level of management and accuracy of budgeting in the business plan by better equalizing sales and earnings between the first and second halves of the year. Second is to align Kikkoman's financial year-end with other companies in the industry

3. Financial results of Parent Company in the year ended December 31, 2000

(Millions of yen)

Net Sales (% change from previous corresponding period)	Operating income (% change from previous corresponding period)	Recurring income (% change from previous corresponding period)
¥136,204 (-2.9%)	¥4,766 (+4.3%)	¥5,117 (+5.5%)

(Millions of yen)

Net income (% change from Previous corresponding period)	Net income per share (yen)	Total assets	Shareholders' equity
¥3,116 (+46.1%)	¥15.80	¥156,649	¥66,209

KIKKOMAN CORPORATION and Consolidated Subsidiaries

Consolidated Balance Sheets

	December 31,		
	2000	1999	2000
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Assets			
Current assets:			
Cash and time deposits	¥ 27,925	¥ 21,501	\$ 242,826
Marketable securities	1,062	2,052	9,235
Trade notes and accounts receivable	50,863	45,159	442,287
Allowance for doubtful receivables	(729)	(644)	(6,339)
	<u>50,133</u>	<u>44,515</u>	<u>435,939</u>
Inventories	27,915	23,592	242,739
Deferred tax assets	2,712	942	23,583
Other current assets	4,528	3,039	39,374
Total current assets	<u>114,278</u>	<u>95,643</u>	<u>993,722</u>
Property, plant and equipment, at cost :			
Land	32,854	16,475	285,687
Buildings and structures	87,146	63,001	757,791
Machinery, equipment and vehicles	147,046	119,405	1,278,661
Other	60,552	11,868	526,539
Construction in progress	3,911	1,809	34,009
	<u>331,512</u>	<u>212,560</u>	<u>2,882,713</u>
Accumulated depreciation	(206,070)	(130,449)	(1,791,913)
Property, plant and equipment, net	<u>125,441</u>	<u>82,111</u>	<u>1,090,791</u>
Investments and other assets:			
Investments in securities	13,590	7,578	118,174
Investments in and advances to unconsolidated subsidiaries and affiliates	7,456	24,449	64,835
Intangible assets	8,336	8,367	72,487
Deferred tax assets	5,170	-	44,957
Other assets	4,763	3,964	41,417
Total investments and other assets	<u>39,317</u>	<u>44,360</u>	<u>341,887</u>
Translation adjustments	<u>3,073</u>	<u>5,907</u>	<u>26,722</u>
Total assets	<u>¥ 282,110</u>	<u>¥ 228,023</u>	<u>\$ 2,453,130</u>

KIKKOMAN CORPORATION and Consolidated Subsidiaries

Consolidated Balance Sheets

	December 31,		
	2000	1999	2000
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i> <i>(Note 3)</i>
Liabilities and shareholders' equity			
Current liabilities:			
Short-term bank loans	¥ 23,948	¥ 18,916	\$ 208,243
Current portion of long-term debt	2,534	12,427	22,035
Trade notes and accounts payable	14,832	12,841	128,974
Other accounts payable	18,678	14,146	162,417
Accrued expenses	887	618	7,713
Accrued income taxes	4,651	2,881	40,443
Other current liabilities	4,511	3,148	39,226
Total current liabilities	<u>70,045</u>	<u>64,980</u>	<u>609,087</u>
Long-term liabilities:			
Long-term debt	24,660	11,486	214,435
Retirement allowances	31,592	23,427	274,713
Deposits received	13,476	13,706	117,183
Deferred tax liabilities	1,713	937	14,896
Other long-term liabilities	895	482	7,783
Total long-term liabilities	<u>72,338</u>	<u>50,039</u>	<u>629,026</u>
Minority interests	20,223	363	175,852
Shareholders' equity:			
Common stock, ¥50 par value:			
Authorized: 300,000,000 shares			
Issued: 197,202,300 shares in 2000 and 1999	11,599	11,599	100,861
Additional paid-in capital	5,768	5,768	50,157
Retained earnings	102,345	95,273	889,957
	<u>119,712</u>	<u>112,640</u>	<u>1,040,974</u>
Treasury stock, at cost:			
2000 - 1,657,245 shares	(209)	-	(1,817)
1999 - 1,414 shares	-	(0)	-
Shareholders' equity, net	<u>119,503</u>	<u>112,639</u>	<u>1,039,157</u>
Contingent liabilities			
Total liabilities and shareholders' equity	<u>¥282,110</u>	<u>¥228,023</u>	<u>\$2,453,130</u>

See accompanying notes to consolidated financial statements.

KIKKOMAN CORPORATION and Consolidated Subsidiaries

Consolidated Statements of Income

	Year ended December 31,		
	2000	1999	2000
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i> <i>(Note 3)</i>
Net sales	¥326,708	¥221,724	\$2,840,939
Cost of sales	187,818	130,122	1,633,200
Gross profit	138,890	91,602	1,207,739
Selling, general and administrative expenses	124,203	80,556	1,080,026
Operating income(<i>Note 5</i>)	14,686	11,046	127,704
Other income (expenses):			
Interest and dividend income	1,087	838	9,452
Equity in earnings of unconsolidated subsidiaries and affiliates	177	1,252	1,539
Interest expense	(1,395)	(1,199)	(12,130)
Gain on sales of securities	4,742	403	41,235
Special provision for retirement allowances (<i>Note 4</i>)	(4,072)	–	(35,409)
Gain on sales of property, plant and equipment	698	20	6,070
Loss on disposal of property, plant and equipment	(1,073)	(62)	(9,330)
Loss on liquidation of affiliates	(800)	–	(6,957)
Other, net	(2,825)	(1,738)	(24,565)
	(3,461)	(486)	(30,096)
Income before income taxes and minority interests(<i>Note 5</i>)	11,225	10,559	97,609
Income taxes :			
Current	7,565	5,271	65,783
Deferred	(2,951)	(19)	(25,661)
	4,614	5,252	40,122
Income before minority interests	6,611	5,307	57,486
Minority interests in earnings of consolidated subsidiaries	(461)	(21)	(4,009)
Net income	¥ 6,150	¥ 5,286	\$ 53,478

See accompanying notes to consolidated financial statements.

KIKKOMAN CORPORATION and Consolidated Subsidiaries

Consolidated Statements of Shareholders' Equity

	Year ended December 31,		
	2000	1999	2000
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Common stock			
Balance at beginning and end of year			
(2000 - 197,202,300 shares; 1999 - 197,202,300 shares)	¥ 11,599	¥11,599	\$100,861
Additional paid-in capital			
Balance at beginning and end of year	¥ 5,768	¥ 5,768	\$ 50,157
Retained earnings			
Balance at beginning of year	¥ 95,273	¥91,423	\$828,461
Add:			
Net income	6,150	5,286	53,478
Cumulative effect of adoption of deferred tax accounting	2,375	-	20,652
Deduct:			
Cash dividends paid	(1,368)	(1,380)	(11,896)
Bonuses to directors and statutory auditors	(85)	(56)	(739)
Balance at end of year	¥102,345	¥95,273	\$889,957

See accompanying notes to consolidated financial statements.

KIKKOMAN CORPORATION and Consolidated Subsidiaries

Consolidated Statements of Cash Flows

	Year ended December 31,	
	2000	2000
	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>
		<i>(Note 3)</i>
Cash flows from operating activities		
Income before income taxes and minority interests	¥ 11,225	\$ 97,609
Depreciation and amortization	15,919	138,426
Provision for retirement allowances	3,070	26,696
Interest and dividend income	(1,087)	(9,452)
Interest expense	1,395	12,130
Equity in earnings of unconsolidated subsidiaries and affiliates	(177)	(1,539)
Gain on sales of property, plant and equipment	(698)	(6,070)
Loss on disposal of property, plant and equipment	345	3,000
Gain on sales of securities	(4,742)	(41,235)
Loss on liquidation of affiliates	800	6,957
Notes and accounts receivable	1,955	17,000
Inventories	4,081	35,487
Notes and accounts payable	(3,030)	(26,348)
Other	1,423	12,374
Subtotal	30,480	265,043
Interest and dividends received	1,074	9,339
Interest paid	(1,353)	(11,765)
Income taxes paid	(8,074)	(70,209)
Net cash provided by operating activities	22,125	192,391
Cash flows from investing activities		
Acquisition of property, plant and equipment	(15,982)	(138,974)
Proceeds from sales of property, plant and equipment	1,653	14,374
Acquisition of investments in securities	(6,466)	(56,226)
Proceeds from sales of investments in securities	5,556	48,313
Other	(1,084)	(9,426)
Net cash used in investing activities	(16,323)	(141,939)
Cash flows from financing activities		
Decrease in short-term bank loans	(8,226)	(71,530)
Proceeds from long-term debt	13,457	117,017
Repayment of long-term debt	(10,000)	(86,957)
Cash dividends paid	(1,570)	(13,652)
Other	(46)	(400)
Net cash provided by financing activities	(6,385)	(55,522)
Effect of exchange rate changes on cash and cash equivalents	661	5,748
Increase in cash and cash equivalents	78	678
Cash and cash equivalents at beginning of the year	21,644	188,209
Increase arising from inclusion of subsidiaries in consolidation	3,647	31,713
Cash and cash equivalents at end of the year	¥ 25,371	\$ 220,617

See accompanying notes to consolidated financial statements.

KIKKOMAN CORPORATION and Consolidated Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2000

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 and practices generally accepted and applied in Japan, and its foreign subsidiaries maintain their books of account in conformity with those of the countries of their domicile. The accompanying consolidated financial statements have been compiled from the consolidated financial statements prepared by the Company as required by the Securities and Exchange Law of Japan and have been prepared in accordance with accounting principles generally accepted in Japan, which may differ in certain material respects from accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

Effective the year ended December 31, 2000, the Company is required for the first time to prepare a consolidated statement of cash flows as part of its consolidated financial statements under the Securities and Exchange Law of Japan. Accordingly, the Company has prepared the accompanying consolidated statement of cash flows for the year ended December 31, 2000 in accordance with "Accounting Standards for Consolidated Statements of Cash Flows."

As permitted by the Securities and Exchange Law, 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.

Certain amounts in the prior years' financial statements have been reclassified to conform to the current year's presentation.

2. Summary of Significant Accounting Policies

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

Until the year ended December 31, 1999, the consolidated financial statements included the accounts of the Company and its significant subsidiaries, and investments in significant affiliates (owned 20% to 50%) were accounted for by the equity method.

In accordance with the revised accounting standards for consolidation, the accompanying consolidated financial statements for the year ended December 31, 2000 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 intercompany 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, not significant in amount, between the cost and the underlying net equity in investments in consolidated subsidiaries and unconsolidated subsidiaries and affiliates accounted for by the equity method 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 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 from translation are presented as "Translation adjustments" in the accompanying consolidated financial statements.

KIKKOMAN CORPORATION and Consolidated Subsidiaries
Notes to Consolidated Financial Statements (continued)

(c) Cash equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

(d) Marketable and investment securities

Listed securities are stated at the lower of cost or market, cost being determined by the moving average method. Securities other than listed securities are stated at cost determined by the moving average method.

(e) Inventories

Inventories are mainly stated at the lower of cost or market, cost being determined by the average method, except for finished products, work in process and soybean-related ingredients of the Company which are stated at the lower of cost or market, cost being determined by the last-in, first-out method.

(f) Depreciation and amortization

Depreciation of property, plant and equipment of the Company and its domestic consolidated subsidiaries is determined primarily by the declining-balance method, except for buildings and two of the Company's factories on which depreciation is computed by the straight-line method at rates based on the estimated useful lives of the respective assets. Depreciation of property, plant and equipment of the foreign consolidated subsidiaries is computed principally by the straight-line method.

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

(g) Leases

Noncancelable lease transactions of the Company and its domestic consolidated subsidiaries are accounted for as operating leases (whether such leases are classified as operating or finance leases) except that lease agreements which stipulate the transfer of ownership of the leased assets to the lessee are accounted for as finance leases. However, lease transactions of foreign consolidated subsidiaries are generally accounted for as either finance leases or operating leases according to their classification.

(h) Bond issuance expenses

Bond issuance expenses are charged to income as incurred.

(i) Retirement allowances and pension plans

The Company's employees are covered by an employee retirement allowances plan and an employee pension plan. The employee retirement allowances plan provides for a lump-sum payment, payable upon mandatory retirement or earlier termination of employment, based on the approximate rate of pay at the time of termination, years of service and certain other factors. The employee pension plan, which is noncontributory and funded, was introduced to cover one-half of the benefits under the retirement allowances plan for employees who retire at the mandatory retirement age with 20 or more years of service. The assets of the pension plan of the Company at July 31, 2000, the most recent valuation date, were ¥16,214 million (\$140,991 thousand). The past service cost of the Company's pension plan is being funded at an annual rate of 50%.

The liability for retirement allowances of the Company is stated at the present value of the amount which would be required to be paid if all eligible employees involuntarily terminated their employment at the balance sheet date, less the amounts expected to be covered by the pension plan, plus the unamortized balance of the prior service cost. See Note 4.

All employees of the consolidated subsidiaries are covered by pension plans.

The liability for retirement allowances of one of the newly consolidated subsidiaries is stated at the amount which would be required to be paid if all employees covered by the plan terminated their employment voluntarily as of the balance sheet date, less the amount expected to be covered by the pension plan, plus the unamortized balance of the prior service cost as a result of a revaluation of the pension fund.

In addition, directors and statutory auditors of the Company and certain consolidated subsidiaries are customarily entitled to lump-sum payments under their respective unfunded retirement allowances plans.

Provision for retirement allowances for these officers has been made at estimated amounts.

(j) Income taxes

Effective January 1, 2000, the Company and domestic consolidated subsidiaries adopted deferred tax accounting for income taxes in accordance with a new accounting standard issued by the Business Accounting Deliberation Council. This standard requires recognition of income taxes by the liability method. Under the liability method, deferred tax

KIKKOMAN CORPORATION and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

assets and liabilities are determined based on the difference between the financial reporting and the tax bases of the assets and liabilities and are measured using the enacted tax rates and laws which will be in effect when the differences are expected to reverse. The cumulative effect of this change is reported as “cumulative effect of adoption of deferred tax accounting” in the accompanying consolidated statements of shareholders’ equity.

Prior to the adoption of accounting for deferred taxes, income taxes were principally calculated on taxable income and charged to income on an accrual basis. Deferred income taxes were not provided by the Company and the domestic consolidated subsidiaries for timing differences between financial and tax reporting, except for those with respect to the elimination of unrealized intercompany profits and other adjustments for consolidation purposes. The foreign consolidated subsidiaries, however, generally recognized deferred income taxes for such timing differences.

(k) Research and development costs

Research and development costs are charged to income when incurred.

A new accounting standard for research and development costs become effective the fiscal year ended December 31, 2000. However, the adoption of this new standard had no effect on the consolidated statement of income for the year ended December 31, 2000.

(l) Appropriation of retained earnings

Under the Commercial Code of Japan (the “Code”), 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 accounts 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 only, at the rate of ¥115 = U.S.\$1.00, the approximate rate of exchange on December 31, 2000. The translation should not be construed as a representation that yen have been, could have been, or could in the future be, converted into U.S. dollars at the above or any other rate.

4. Special Provision for Retirement Allowances

The effect of a change in the expected interest rates for annuity payment and for return relating to the Company’s pension plan, a change in the discount rate relating to the Company’s retirement allowances and a change in accounting policy for retirement allowances of a newly consolidated subsidiary have been reflected in the aggregate as “special provision for retirement allowances” in the accompanying consolidated statement of income for the year ended December 31, 2000.

KIKKOMAN CORPORATION and Consolidated Subsidiaries
Notes to Consolidated Financial Statements (continued)

5. Recurring Income

	Year ended December 31,		
	2000	1999	2000
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Operating income	¥14,686	¥11,046	\$127,704
Non-operating income	3,052	3,645	26,539
Non-operating expenses	(4,827)	(4,369)	(41,974)
Recurring income	12,911	10,322	\$112,270
Extraordinary income	6,203	424	53,939
Extraordinary expenses	(7,889)	(186)	(68,600)
Income before income taxes at minority interests	¥11,225	¥10,559	\$97,609

6. Segment Information

The Company and its consolidated subsidiaries are primarily engaged in the manufacture and sales of products in the foods segment, which include soy sauce and other processed seasonings, sauces, Del Monte processed fruit and vegetables, and Coca-Cola and other beverage products, in Japan and abroad. As net sales, operating income and total assets from the foods segment constituted more than 90% of the consolidated totals for both the years ended December 31, 2000 and 1999, the disclosure of business segment information has been omitted.

Geographical segment information for the Company and its consolidated subsidiaries for the years ended December 31, 2000 and 1999 is summarized as follows:

	Year ended December 31, 2000					
	Japan	North America	Other	Total	Eliminations and other	Consolidated
	<i>(Millions of yen)</i>					
Sales to third parties	¥ 265,227	¥52,651	¥ 8,830	¥ 326,708	¥ -	¥ 326,708
Interarea sales and transfers	7,008	871	1,229	9,110	(9,110)	-
Total sales	272,236	53,522	10,060	335,819	(9,110)	326,708
Operating expenses	263,333	48,226	9,584	321,143	(9,121)	312,022
Operating income	¥ 8,903	¥ 5,296	¥ 475	¥ 14,675	¥ 11	¥ 14,686
Total assets	¥ 238,836	¥39,060	¥ 9,128	¥ 287,025	¥ (4,914)	¥ 282,110
	<i>(Thousands of U.S. dollars)</i>					
Sales to third parties	\$ 2,306,322	\$457,835	\$76,783	\$ 2,840,939	\$ -	\$ 2,840,939
Interarea sales and transfers	60,939	7,574	10,687	79,217	(79,217)	-
Total sales	2,367,270	465,409	87,478	2,920,165	(79,217)	2,840,939
Operating expenses	2,289,852	419,357	83,339	2,792,548	(79,313)	2,713,235
Operating income	\$ 77,417	\$ 46,052	\$ 4,130	\$ 127,609	\$ 96	\$ 127,704
Total assets	\$ 2,076,835	\$339,652	\$79,374	\$ 2,495,870	\$ (42,730)	\$ 2,453,130

KIKKOMAN CORPORATION and Consolidated Subsidiaries
Notes to Consolidated Financial Statements (continued)

	Year ended December 31, 1999					Consolidated
	Japan	North America	Other	Total	Eliminations and other	
	<i>(Millions of yen)</i>					
Sales to third parties	¥ 161,091	¥ 51,224	¥ 9,408	¥ 221,724	¥ –	¥ 221,724
Interarea sales and transfers	6,482	958	1,177	8,619	(8,619)	–
Total sales	167,573	52,183	10,586	230,343	(8,619)	221,724
Operating expenses	161,929	47,144	10,205	219,279	(8,601)	210,678
Operating income	¥ 5,643	¥ 5,038	¥ 381	¥ 11,063	¥ (17)	¥ 11,046
Total assets	¥ 189,670	¥ 32,582	¥ 8,157	¥ 230,410	¥ (2,387)	¥ 228,023

Corporate assets included under the column heading “Eliminations and other” represent translation adjustments and amounted to ¥3,073 million (\$26,722 thousand) and ¥5,907 million at December 31, 2000 and 1999, respectively.

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 December 31, 2000 and 1999 are summarized as follows:

Year ended December 31, 2000

	North America	Other	Total
		<i>(Millions of yen)</i>	
Overseas sales	¥52,749	¥13,053	¥ 65,803
Consolidated net sales			326,708
	<i>(Thousands of U.S. dollars)</i>		
Overseas sales	\$458,687	\$113,504	\$ 572,200
Consolidated net sales			2,840,939
Ratio of overseas sales to consolidated net sales	16.1%	4.0%	20.1%

Year ended December 31, 1999

	North America	Other	Total
		<i>(Millions of yen)</i>	
Overseas sales	¥51,400	¥13,387	¥ 64,788
Consolidated net sales			221,724
Ratio of overseas sales to consolidated net sales	23.2%	6.0%	29.2%

KIKKOMAN CORPORATION and Consolidated Subsidiaries
Notes to Consolidated Financial Statements (continued)

Supplementary Schedules

Effects of the newly consolidated subsidiaries and the exchange rates applied for the translation of financial statements of foreign consolidated subsidiaries.

(1) Consolidated statements of income

(Millions of yen)

		2000		1999		Increase /Decreases	Translation difference	Increase/decrease except translation difference	
		1.1.00 – 12.31.00		1.1.99 – 12.31.99				Amount	%
		Amount		Amount					
Sales	Consolidated total	¥326,708	¥221,724	¥104,984	147.3	¥-4,214	¥109,198	149.2	
	Newly consolidated subsidiaries	108,063	–	108,063		–	108,063		
	Except newly consolidated subsidiaries	218,645	221,724	-3,078	98.6	-4,214	1,135	100.5	
	Parent company	136,204	140,223	-4,019	97.1	–	-4,019	97.1	
Operating income	Consolidated total	14,686	11,046	3,640	133.0	-386	4,027	136.5	
	Newly consolidated subsidiaries	3,010	–	3,010		–	3,010		
	Except newly consolidated subsidiaries	11,676	11,046	629	105.7	-386	1,016	109.2	
	Parent company	4,766	4,568	198	104.3	–	198	104.3	
Recurring income	Consolidated total	12,911	10,322	2,589	125.1	-349	2,939	128.5	
	Newly consolidated subsidiaries	2,892	1,192	1,699	242.5	–	1,699	242.5	
	Except newly consolidated subsidiaries	10,019	9,129	889	109.7	-349	1,239	113.6	
	Parent company	5,117	4,848	268	105.5	–	268	105.5	
Net income	Consolidated total	6,150	5,286	863	116.3	-241	1,104	120.9	
	Newly consolidated subsidiaries (*)	436	1,192	-756	36.6	–	-756	36.6	
	Except newly consolidated subsidiaries	5,713	4,093	1,620	139.6	-241	1,861	145.5	
	Parent company	¥ 3,116	¥ 2,132	¥ 983	146.1	¥ –	¥ 983	146.1	
Exchange rate US\$		107.95	113.66	-5.71					

(*) Income from equity in earnings from newly consolidated subsidiaries = Net income × 50%

KIKKOMAN CORPORATION and Consolidated Subsidiaries
Notes to Consolidated Financial Statements (continued)
Supplementary Schedules (continued)

(2) Geographical segment information

(Millions of yen)

			2000		1999		Increase /Decreases		Translation difference	Increase/decrease except translation difference	
			1.1.00 – 12.31.00		1.1.99 – 12.31.99					Amount	
						Amount	Amount	Amount	%		Amount
Japan	Sales	Consolidated total	¥272,236	¥167,573	¥104,662	162.5	¥	–	¥104,662	162.5	
		Newly consolidated subsidiaries	108,063	–	108,063			–	108,063		
		Except newly consolidated subsidiaries	164,172	167,573	-3,400	98.0		–	-3,400	98.0	
	Operating income	Consolidated total	8,903	5,643	3,259	157.7		–	3,259	157.7	
		Newly consolidated subsidiaries	3,010	–	3,010			–	3,010		
		Except newly consolidated subsidiaries (% of sales)	5,892 (3.6)	5,643 (3.4)	248 (0.2)	104.4		–	248 (0.2)	104.4	
North America and other regions	Sales	63,583	62,770	812	101.3		-4,422	5,235	108.3		
	Operating income (% of sales)	5,772 (9.1)	5,419 (8.6)	352 (0.5)	106.5		-346	699 (0.4)	112.9		
Eliminations and other	Sales	-9,110	-8,619	-490			208	-699			
	Operating income	11	-17	28			-39	68			
Consolidated total	Sales	Consolidated total	326,708	221,724	104,984	147.3		-4,214	109,198	149.2	
		Newly consolidated subsidiaries	108,063	–	108,063			–	108,063		
		Except newly consolidated subsidiaries	218,645	221,724	-3,078	98.6		-4,214	1,135	100.5	
	Operating income	Consolidated total	14,686	11,046	3,640	133.0		-386	4,027	136.5	
		Newly consolidated subsidiaries	3,010	–	3,010			–	3,010		
		Except newly consolidated subsidiaries (% of sales)	¥ 11,676 (5.3)	¥ 11,046 (5.0)	¥ 629 (0.3)	105.7		¥ -386	¥ 1,016 (0.4)	109.2	