

## II. Business performance

### 1. Scope of consolidation and application of the equity method and exchange rates

#### 【Scope of consolidation】

##### Comparison with previous year

	As of June 30, 2010	As of June 30, 2009	Change	Particulars
Consolidated subsidiaries	43	40	3	+ Kikkoman Food Products Company + Kikkoman Beverage Company + Kikkoman Business Service Company
Equity-method unconsolidated subsidiaries and affiliates	21	22	(1)	- Dalian Riken Food Co., Ltd

##### Comparison with March 31, 2010

	As of June 30, 2010	As of March 31, 2010	Change	Particulars
Consolidated subsidiaries	43	43		
Equity-method unconsolidated subsidiaries and affiliates	21	21		

#### 【Exchange Rates】

	2010.6		2009.6		Change Increase (decrease)			
	Period Average (10.4-10.6)	End of Term (10.6)	Period Average (09.4-09.6)	End of Term (09.6)	Period Average	%	End of Term	%
US\$	91.73	88.48	97.13	96.01	(5.40)	94.4	(7.53)	92.2
EURO	117.35	107.81	132.55	135.53	(15.20)	88.5	(27.72)	79.5
S\$	65.81	62.85	65.81	66.22	0.00	100.0	(3.37)	94.9
A\$	81.29	75.08	73.01	77.85	8.28	111.3	(2.77)	96.4

[Note Regarding Figures in Supplementary Schedules]

The figures of “2009.6 Actual” contained in these supplementary schedules have been recalculated on the assumption that the Company shifted to a holding company structure starting in April 2009.

## 2. Consolidated segment information

Net sales

¥ million

		2010.6	2009.6	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Soy Sauce	11,274	11,003	271	102.5	271	102.5
	Food Products	14,590	14,675	(84)	99.4	(84)	99.4
	Portion accounted for by soy sauce derivative products	8,760	8,804	(44)	99.5	(44)	99.5
	Beverages	9,149	9,233	(83)	99.1	(83)	99.1
	Portion accounted for by soy milk beverages	4,715	4,246	468	111.0	468	111.0
	<i>Sake</i> and Wine	2,904	3,359	(454)	86.5	(454)	86.5
	Eliminations	(132)	(42)	(90)	-	(90)	-
	Foods-Manufacturing and sales	37,786	38,228	(442)	98.8	(442)	98.8
	Others	4,832	4,434	397	109.0	397	109.0
	Eliminations	(2,574)	(2,564)	(10)	-	(10)	-
Total		40,043	40,099	(55)	99.9	(55)	99.9
Overseas	Soy Sauce	8,933	9,248	(315)	96.6	205	102.2
	Del Monte	1,130	1,171	(41)	96.5	19	101.7
	Other Foods	1,968	1,973	(5)	99.7	63	103.2
	Foods-Manufacturing and sales	12,031	12,393	(361)	97.1	289	102.3
	Foods-Wholesale	21,006	20,899	106	100.5	1,044	105.0
	Eliminations	(1,653)	(1,652)	(0)	-	(97)	-
Total		31,384	31,640	(256)	99.2	1,237	103.9
Kikkoman(Holding Company)		3,702	3,162	539	117.1	539	117.1
Eliminations		(4,243)	(3,671)	(572)	-	(572)	-
Consolidated Total		70,887	71,231	(344)	99.5	1,148	101.6

Operating Income

		2010.6	2009.6	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Foods-Manufacturing and sales	1,890	2,772	(882)	68.2	(882)	68.2
	Others	286	258	28	110.9	28	110.9
	Total		2,189	3,031	(841)	72.2	(841)
Overseas	Foods-Manufacturing and sales	2,073	2,360	(287)	87.8	(155)	93.4
	Foods-Wholesale	1,096	989	107	110.8	141	114.3
	Total		3,163	3,325	(161)	95.2	3
Kikkoman(Holding Company)		1,666	1,113	552	149.6	552	149.6
Eliminations		(1,664)	(1,214)	(449)	-	(427)	-
Consolidated Total		5,354	6,254	(900)	85.6	(713)	88.6

Ordinary Income	5,326	5,801	(475)	91.8	(267)	95.4
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Income before income taxes	4,729	5,498	(769)	86.0	(560)	89.8
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Net Income	2,523	3,316	(793)	76.1	(644)	80.6
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### 3. Consolidated segment information in Japan

Net sales

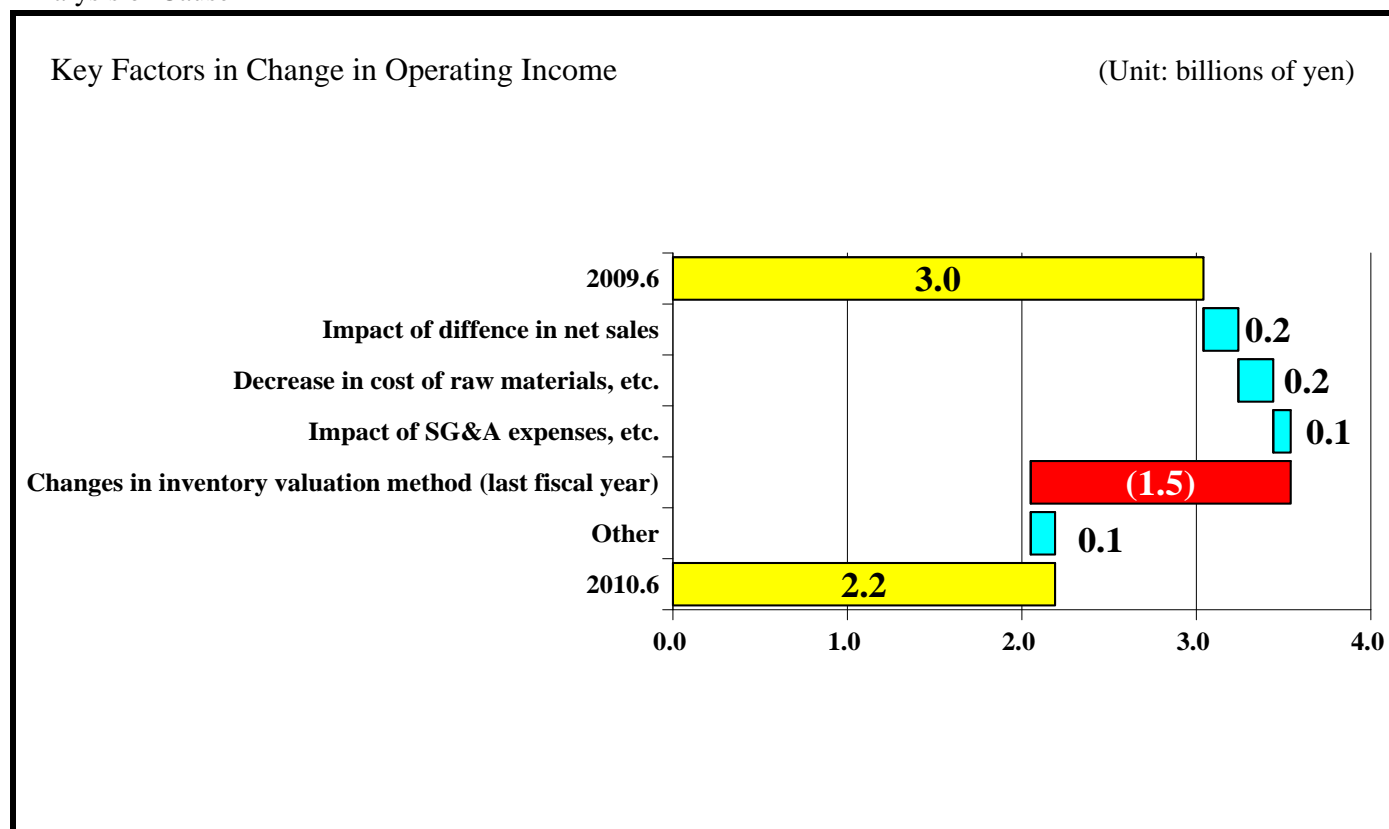
¥ million

		2010.6	2009.6	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Soy Sauce	11,274	11,003	271	102.5	271	102.5
	Food Products	14,590	14,675	(84)	99.4	(84)	99.4
	Portion accounted for by soy sauce derivative products	8,760	8,804	(44)	99.5	(44)	99.5
	Beverages	9,149	9,233	(83)	99.1	(83)	99.1
	Portion accounted for by soy milk beverages	4,715	4,246	468	111.0	468	111.0
	Sake and Wine	2,904	3,359	(454)	86.5	(454)	86.5
	Eliminations	(132)	(42)	(90)	-	(90)	-
	Foods-Manufacturing and sales	37,786	38,228	(442)	98.8	(442)	98.8
	Others	4,832	4,434	397	109.0	397	109.0
Eliminations	(2,574)	(2,564)	(10)	-	(10)	-	
Total		40,043	40,099	(55)	99.9	(55)	99.9

Operating Income

		2010.6	2009.6	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Foods-Manufacturing and sales	1,890	2,772	(882)	68.2	(882)	68.2
	Others	286	258	28	110.9	28	110.9
	Total	2,189	3,031	(841)	72.2	(841)	72.2

Analysis of Cause



Note) The figures of “2009.6 Actual” have been recalculated on the assumption that the Company shifted to a holding company structure starting in April 2009.

#### 4. Consolidated segment information Overseas

Net sales

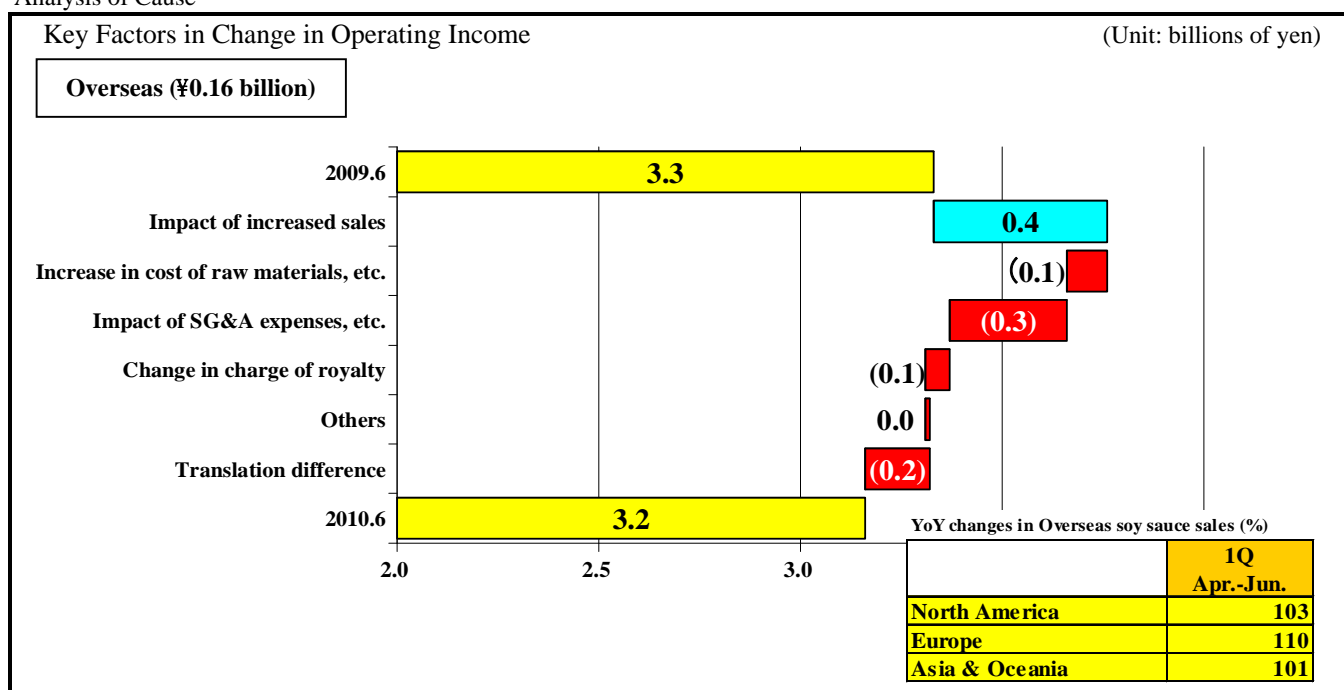
¥ million

			2010.6	2009.6	Change increase (decrease)	%	Change excluding translation difference	%
Overseas	North America	Foods-Manufacturing and sales	8,625	8,946	(321)	96.4	139	101.6
		Foods-Wholesale	17,101	16,899	201	101.2	1,062	106.3
		Eliminations	(1,234)	(1,206)	(27)	-	(100)	-
	Total		24,492	24,639	(147)	99.4	1,102	104.5
	Europe	Foods-Manufacturing and sales	1,324	1,385	(60)	95.6	110	108.0
		Foods-Wholesale	1,815	1,849	(33)	98.2	180	109.8
		Eliminations	(203)	(214)	10	-	(17)	-
	Total		2,936	3,020	(84)	97.2	274	109.1
	Asia & Oceania	Foods-Manufacturing and sales	1,845	1,850	(4)	99.7	21	101.2
		Foods-Wholesale	1,556	1,511	44	103.0	(72)	95.2
		Eliminations	(39)	(19)	(19)	-	(15)	-
	Total		3,362	3,341	20	100.6	(66)	98.0
	Others		5,325	5,427	(101)	98.1	(101)	98.1
	Eliminations		(4,733)	(4,789)	56	-	28	-
	Total		31,384	31,640	(256)	99.2	1,237	103.9

Operating Income

			2010.6	2009.6	Change increase (decrease)	%	Change excluding translation difference	%
Overseas	North America	Foods-Manufacturing and sales	1,525	1,773	(247)	86.0	(158)	91.1
		Foods-Wholesale	781	723	57	108.0	88	112.3
		Total	2,304	2,481	(176)	92.9	(57)	97.7
	Europe	Foods-Manufacturing and sales	284	298	(13)	95.5	23	107.9
		Foods-Wholesale	79	57	21	137.4	30	152.8
		Total	364	343	21	106.3	67	119.7
	Asia & Oceania	Foods-Manufacturing and sales	163	206	(42)	79.4	(37)	81.9
		Foods-Wholesale	83	113	(29)	73.7	(35)	69.0
		Total	250	323	(72)	77.5	(72)	77.5
	Others		282	257	25	110.0	25	110.0
	Total		3,163	3,325	(161)	95.2	3	100.1

Analysis of Cause



Note) The figures of "2009.6 Actual" have been recalculated on the assumption that the Company shifted to a holding company structure starting in April 2009.

## 5. Non-operating income (expenses) and Extraordinary income (loss)

【Consolidated Total】

¥ million

	2010.6	2009.6	Change increase (decrease)	%	Change excluding translation difference	%
Operating Income	5,354	6,254	(900)	85.6	(713)	88.6

Financial income (expenses) and Dividends income	(2)	(112)	110	-	114	-
Equity in earnings (loss) of affiliates	285	113	171	250.6	171	250.6
Other	(311)	(454)	142	-	159	-
Total non-operating income (expenses)	(28)	(452)	424	-	446	-

Ordinary Income	5,326	5,801	(475)	91.8	(267)	95.4
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Gain on sales of property, plant and equipment	585	35	549		549	
Dividends from liquidation of securities	-	4	(4)		(4)	
Other	30	-	30		30	
Total extraordinary income	615	39	575		575	
Loss on retirement of non-current assets	222	277	(55)		(55)	
Loss on valuation of investment securities	168	4	163		163	
Loss on valuation of golf membership	6	-	6		6	
Special extra retirement payments	372	-	372		372	
Loss on adjustment for changes of accounting standard for asset retirement obligations	128	-	128		128	
Expenses for exhibition in Shanghai Expo	222	-	222		222	
Expenses for change of the Company's name of subsidiaries and affiliates	-	62	(62)		(62)	
Other	93	-	93		93	
Total extraordinary loss	1,213	343	869	353.1	869	353.1
Total extraordinary income (loss)	(597)	(303)	(293)	-	(293)	-

Income before income taxes and minority interests	4,729	5,498	(769)	86.0	(560)	89.8
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Income taxes	2,193	2,155	37	101.8	97	104.5
Minority interests in income	12	26	(13)	48.7	(13)	48.8

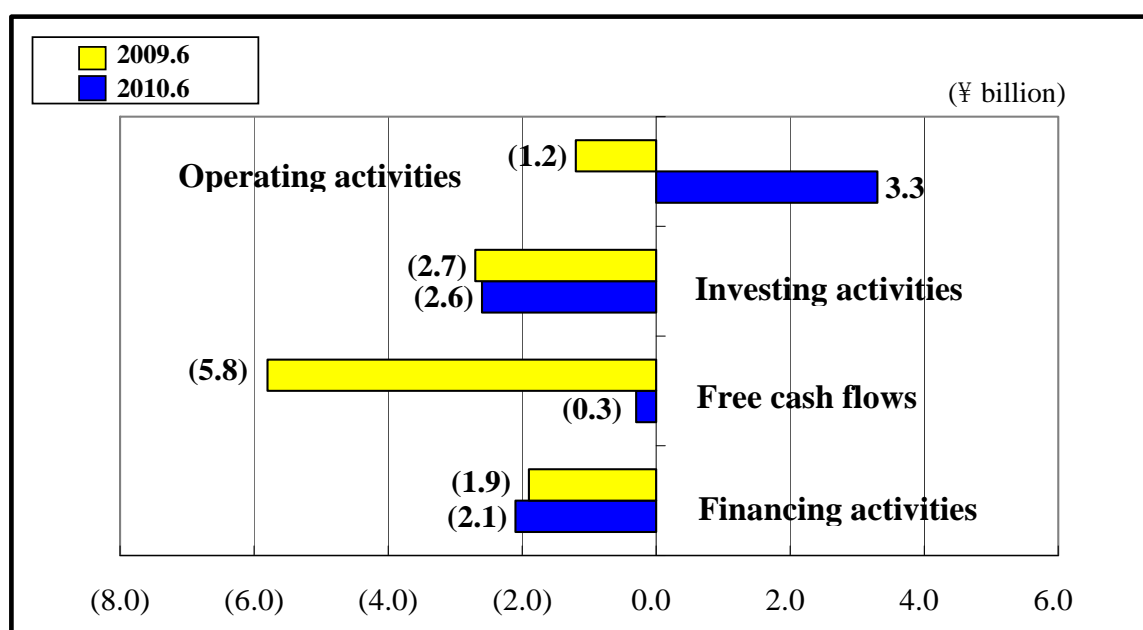
Net income	2,523	3,316	(793)	76.1	(644)	80.6
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## 6. Balance sheets

As of June 30, 2010 (Compared with 2010.3)

<b>Total Asset</b>	<b>=</b>	<b>304,598</b>	<b>(6,577)</b>	<b>(¥ million)</b>
		<b>Translation Difference</b>	<b>(4,096)</b>	US\$ 88.48 (4.56) EURO 107.81 (17.11)
		<b>Actual Difference</b>	<b>(2,480)</b>	
<b>Current assets</b>		<b>(1,565)</b>	<b>Liabilities</b>	<b>(353)</b>
Cash and deposits		(2,159)	Interest-bearing debt	+616
Notes and accounts receivable-trade		(600)	Trade notes and accounts payable, other accounts payable	(855)
Inventories		+738	Income taxes payable	(519)
Deferred tax assets		(94)	Deferred tax assets	(21)
Other		+550	Provision for retirement benefits	+328
			Other	+98
<b>Noncurrent assets</b>		<b>(915)</b>	<b>Net assets</b>	<b>(2,128)</b>
Property, plant and equipment		+865	Retained earnings	(520)
Intangible assets		(466)	Valuation difference on available-for-sale securities	(1,118)
[Goodwill		(426) ]	Foreign currency translation adjustment	(448)
Investments and other assets		(1,314)	Minority interests	(2)
[Investment securities		(1,923) ]	Other	(40)
[Deferred tax assets		+549 ]		

## 7. Statements of cash flows



### Statements of cash flows

¥ million

	2010.6	2009.6	Change increase (decrease)
	Amount	Amount	Amount
<b>I Cash flows from operating activities</b>	3,298	(1,189)	4,487
Income before income taxes and minority interests	4,729	5,498	(769)
Depreciation and amortization	2,794	3,024	(229)
Increase (decrease) in provision for retirement benefits	251	307	(56)
Increase (decrease) in provision for directors' retirement benefits	(63)	(225)	162
Interest and dividends income – interest expenses	(8)	102	(110)
Equity in (earnings) losses of affiliates	(285)	(113)	(171)
Loss (gain) on sales of property, plant and equipment /			
Loss on retirement of property, plant and equipment	(349)	239	(588)
Loss (gain) on sales of investment securities /			
Loss (gain) on valuation of investment securities	168	4	163
Notes and accounts receivable			
– notes and accounts payable	1,100	927	172
Decrease (increase) in inventories	(694)	(1,948)	1,253
Other, net	(2,243)	(2,977)	734
(Subtotal)	5,399	4,839	560
Interest and dividends income received			
– interest expenses paid	21	(104)	125
Income taxes paid	(2,122)	(5,924)	3,801
<b>II Cash flows from investing activities</b>	(2,619)	(2,727)	107
Purchase of property, plant and equipment	(3,488)	(4,456)	967
Proceeds from sales of property, plant and equipment	609	83	526
Purchase of intangible assets	(119)	(108)	(11)
Purchase of investment securities	(96)	(515)	419
Proceeds from sales of investment securities	1		1
Payments of loans receivable	(25)	(159)	134
Collection of loans receivable	18	2,499	(2,480)
Other, net	481	(69)	550
<b>III Cash flows from financing activities</b>	(2,100)	(1,892)	(207)
Net increase (decrease) in short-term loans payable /			
Repayment of long-term loans payable	1,070	1,274	(204)
Cash dividends paid	(3,110)	(3,110)	0
Other, net	(60)	(56)	(3)
<b>IV Effect of exchange rate change on cash and cash equivalents</b>			
	(1,041)	264	(1,305)
<b>V Net increase (decrease) in cash and cash equivalents</b>	(2,462)	(5,544)	3,081
Free cash flows	(310)	(5,754)	5,443

※ Free cash flows = cash flows from operating activities – purchase of property, plant, equipment and intangible assets.