

Consolidated Financial Results

Kikkoman Corporation Flash Report 2009

Year ended March 31, 2009

Listed company name: **Kikkoman Corporation**
Code No.: 2801
Shares listed: Tokyo (1st Section), Osaka (1st Section)
URL: <http://www.kikkoman.com>
Representative: Mitsuo Someya, President and Chief Operating Officer
Contact: Takaharu Nakamura, Corporate Officer
Public Relations and Investor Relations Department
E-mail: ir@mail.kikkoman.co.jp

Notes:

1. The format for Flash Reports has been changed from April 1, 2008.
2. All information has been prepared in accordance with accounting principles and practices generally accepted in Japan.
3. Amounts less than ¥1 million, except for per share amounts, have been omitted in the following tables.

1. Business Performance for the Year Ended March 31, 2009 (April 1, 2008 to March 31, 2009)

1) Business Performance

(Millions of yen)

	Net sales		Operating income		Ordinary income		Net income	
	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)
Apr. 1, 2008 –Mar. 31, 2009	412,649	(0.3)	20,368	(14.6)	17,966	(19.7)	2,746	(76.0)
Apr. 1, 2007 –Mar. 31, 2008	413,938	5.4	23,854	10.2	22,388	6.7	11,447	6.6

	Net income per share (yen)	Net income per share (Assuming full dilution) (yen)	ROE	Ordinary income to Total Assets	Operating income Ratio to Net Sales
Apr. 1, 2008 –Mar. 31, 2009	13.59	13.59	1.7	5.5	4.9
Apr. 1, 2007 –Mar. 31, 2008	59.16	59.12	6.7	6.5	5.8

2) Financial Position

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share (yen)
Mar. 31, 2009	310,873	161,817	51.5%	774.61
Mar. 31, 2008	342,287	199,415	48.8%	864.01

(Note) Total shareholders' equity

Mar. 31, 2009: ¥ 160,066 million

Mar. 31, 2008: ¥ 167,188 million

3) Cash Flows

(Millions of yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Apr. 1, 2008 –Mar. 31, 2009	22,452	(46,548)	19,819	27,783
Apr. 1, 2007 –Mar. 31, 2008	26,118	(19,578)	4,712	32,984

2. Cash Dividends

	Cash dividends per share (yen)					Cash dividends total (full year) (Millions of yen)	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	Three-month period ended	Six-month period ended	Nine-month period ended	Full year ended	Total			
Apr. 1, 2007 -Mar. 31, 2008	—	0.00	—	15.00	15.00	2,916	25.4%	1.7%
Apr. 1, 2008 -Mar. 31, 2009	—	0.00	—	15.00	15.00	3,105	110.4%	1.8%
Apr. 1, 2009 -Mar. 31, 2010 (Estimated)	—	0.00	—	15.00	15.00		34.4%	

3. Forecasts of Business Performance for the Fiscal Year Ending March 31, 2010 (April 1, 2009 to March 31, 2010)

(Millions of yen)

	Net sales		Operating income		Ordinary income		Net income		Net income per share (yen)
	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)	
Apr.1, 2009-Sep.30, 2009	137,000	(33.1)	9,900	2.3	8,500	(7.0)	4,200	(16.6)	20.32
Apr.1, 2009-Mar.31, 2010	282,000	(31.7)	18,800	(7.7)	16,300	(9.3)	9,000	227.7	43.55

4. Others

1) Changes to important subsidiaries during the period (Changes in certain specified subsidiaries resulting in revised scope of consolidation): Yes

Newly consolidated companies: 0 Newly unconsolidated company: 1 (Tone Coca-Cola Bottling Co., Ltd.)

Changes to subsidiaries except certain specified subsidiaries were as follows.

Newly consolidated companies: 6

Newly unconsolidated company: 5

Companies newly accounted for by the equity method: 18

Companies no longer accounted for by the equity method: 3

2) Changes in accounting principles, procedures, methods of presentation, etc. associated with preparation of consolidated financial statements (Changes in important items fundamental to the preparation of consolidated financial statements.)

① Changes associated with accounting standard revisions, etc.: Yes

② Changes other than those in ① above: Yes

(Note) For details, please refer to "Changes in important items fundamental to the preparation of consolidated financial statements." on page 14.

3) Issued and outstanding shares (common stock)

① Shares issued and outstanding at end of period (including treasury stock):

Mar. 31, 2009 — 210,383,202 shares Mar. 31, 2008 — 197,202,300 shares

② Treasury stock at end of period

Mar. 31, 2009 — 3,740,787 shares Mar. 31, 2008 — 3,700,148 shares

(Reference) Overview of Non-consolidated Results

1. Business Performance (unconsolidated) for the Year Ended March 31, 2009
(April 1, 2008 to March 31, 2009)

1) Business Performance (unconsolidated)

(Millions of yen)

	Net sales		Operating income		Ordinary income		Net income	
	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)
Apr. 1, 2008 –Mar. 31, 2009	120,914	(2.0)	2,890	(29.0)	4,695	(22.7)	6,597	13.7
Apr. 1, 2007 –Mar. 31, 2008	123,333	2.8	4,070	0.6	6,077	0.3	5,803	(0.8)

	Net income per share (yen)	Net income per share (Assuming full dilution) (yen)
Apr. 1, 2008 –Mar. 31, 2009	32.47	32.47
Apr. 1, 2007 –Mar. 31, 2008	29.86	29.84

2) Financial Position (unconsolidated)

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share (yen)
Mar. 31, 2009	241,868	98,213	40.6 %	473.93
Mar. 31, 2008	203,205	85,228	41.9 %	438.12

(Note) Total shareholders' equity

Mar. 31, 2009: ¥ 98,106 million

Mar. 31, 2008: ¥ 85,160 million

➤ Caution regarding forward-looking statements

Forecasts are based on information available to management at the time of announcement. Due to a number of inherent uncertainties in forecasts, actual results may differ materially from forecasts.

1. Consolidated Financial Statements

1) Consolidated Balance Sheets

(Millions of yen)

Items	As of March 31, 2008	As of March 31, 2009
Assets		
Current assets		
Cash and deposits	34,038	28,855
Notes and accounts receivable-trade	49,147	40,524
Short-term investment securities	130	130
Inventories	29,720	—
Merchandise and finished goods	—	19,794
Work in process	—	6,267
Raw materials and supplies	—	2,903
Deferred tax assets	5,171	4,920
Other	11,729	10,582
Allowance for doubtful accounts	(937)	(626)
Total current assets	128,999	113,353
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	49,599	41,427
Machinery, equipment and vehicles, net	34,546	33,402
Land	32,287	16,281
Lease assets, net	—	283
Construction in progress	6,085	2,686
Other, net	11,523	2,590
Total property, plant and equipment	134,042	96,671
Intangible assets		
Goodwill	24,068	30,171
Rights of trademarks	1,445	627
Other	3,166	2,042
Total intangible assets	28,680	32,840
Investments and other assets		
Investment securities	38,326	50,765
Long-term loans receivable	3,216	2,412
Deferred tax assets	2,987	1,393
Other	9,489	16,184
Allowance for doubtful accounts	(3,455)	(2,749)
Total investments and other assets	50,564	68,007
Total non-current assets	213,287	197,519
Total assets	342,287	310,873

(Millions of yen)

Items	As of March 31, 2008	As of March 31, 2009
Liabilities		
Current liabilities		
Notes and accounts payable-trade	17,365	13,854
Short-term loans payable	11,996	10,741
Lease obligations	—	127
Accounts payable-other	15,954	10,312
Income taxes payable	2,351	6,169
Provision for bonuses	2,477	2,198
Provision for directors' bonuses	142	79
Other	7,034	5,084
Total current liabilities	57,323	48,570
Non-current liabilities		
Bonds payable	60,000	60,000
Long-term loans payable	1,592	26,209
Lease obligations	—	197
Deferred tax liabilities	3,585	1,503
Provision for retirement benefits	9,293	3,399
Provision for directors' retirement benefits	2,186	1,340
Other	8,890	7,834
Total non-current liabilities	85,548	100,485
Total liabilities	142,871	149,055
Net assets		
Shareholders' equity		
Capital stock	11,599	11,599
Capital surplus	5,791	21,212
Retained earnings	154,947	146,082
Treasury stock	(2,928)	(3,811)
Total shareholders' equity	169,410	175,082
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	6,030	(996)
Deferred gains or losses on hedges	10	12
Foreign currency translation adjustment	(7,834)	(13,209)
Unfunded retirement benefit obligation of overseas subsidiaries	(427)	(822)
Total valuation and translation adjustments	(2,221)	(15,016)
Subscription rights to shares	67	106
Minority interests	32,159	1,644
Total net assets	199,415	161,817
Total liabilities and net assets	342,287	310,873

2) Consolidated Statements of Income

(Millions of yen)

Items	Year ended March 31, 2008	Year ended March 31, 2009
Net sales	413,938	412,649
Cost of sales	250,347	254,543
Gross profit	163,591	158,105
Selling, general and administrative expenses		
Selling expenses	111,916	109,854
General and administrative expenses	27,819	27,882
Total selling, general and administrative expenses	139,736	137,736
Operating income	23,854	20,368
Non-operating income		
Interest income	713	399
Dividends income	588	565
Amortization of negative goodwill	—	407
Equity in earnings of affiliates	406	69
Rent income	589	650
Other	1,933	1,883
Total non-operating income	4,232	3,975
Non-operating expenses		
Interest expenses	1,073	1,465
Loss on retirement of non-current assets	594	538
Other	4,030	4,374
Total non-operating expenses	5,698	6,378
Ordinary income	22,388	17,966
Extraordinary income		
Gain on sales of property, plant and equipment	2,149	1,351
Gain on sales of investment securities	370	25
Dividends from liquidation of securities	28	—
Gain on securities contribution to employees' retirement benefits trust	4,895	2,695
Amortization of net transition obligation of severance and retirement benefit	405	—
Gain on return of substitutional portion of national government welfare pension program funds	—	172
Total extraordinary income	7,850	4,244
Extraordinary loss		
Impairment loss	2,449	1,642
Non-recurring depreciation on non-current assets	327	—
Loss on retirement of non-current assets	1,461	689
Loss on valuation of investment securities	133	324
Loss on sales of investment subsidiaries and affiliates	—	982
Loss on valuation of golf club membership	7	19
Special extra retirement payments	275	393
Loss on valuation of inventories	42	33
Expenses for Kikkoman's 50th Anniversary in America Project	1,946	—
Expenses related to voluntary recall of the products	229	622
Change cost of Corporate Identity	—	761
Total extraordinary losses	6,872	5,469
Income before income taxes and minority interests	23,366	16,742
Income taxes-current	7,832	11,511
Income taxes-deferred	2,633	1,760
Total income taxes	10,466	13,271
Minority interests in income	1,452	724
Net income	11,447	2,746

3) Consolidated statements of changes in net assets

(Millions of yen)

Items	Year ended March 31, 2008	Year ended March 31, 2009
Shareholders' equity		
Capital stock		
Balance at the end of previous period	11,599	11,599
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	11,599	11,599
Capital surplus		
Balance at the end of previous period	5,782	5,791
Changes of items during the period		
New issue of stock	—	15,424
Disposal of treasury stock	9	(3)
Total changes of items during the period	9	15,420
Balance at the end of current period	5,791	21,212
Retained earnings		
Balance at the end of previous period	145,091	154,947
Changes of items during the period		
Dividends from surplus	(2,916)	(2,915)
Net income	11,447	2,746
Increase from accounting period changes of consolidated subsidiaries	198	110
Increase due to addition of consolidated subsidiaries previously not consolidated	1,125	—
Decrease of deconsolidation of subsidiaries	—	(8,703)
Retirement of treasury stock	—	(102)
Total changes of items during the period	9,855	(8,864)
Balance at the end of current period	154,947	146,082
Treasury stock		
Balance at the end of previous period	(2,786)	(2,928)
Changes of items during the period		
Increase by increase of equity method investee	—	(312)
Purchase of treasury stock	(237)	(892)
Disposal of treasury stock	95	226
Decrease of deconsolidation of subsidiaries	—	104
Increase by change in equity of equity method investee	—	(9)
Total changes of items during the period	(141)	(883)
Balance at the end of current period	(2,928)	(3,811)
Total shareholders' equity		
Balance at the end of previous period	159,687	169,410
Changes of items during the period		
Dividends from surplus	(2,916)	(2,915)
Net income	11,447	2,746
Increase from accounting period changes of consolidated subsidiaries	198	110
Increase due to addition of consolidated subsidiaries previously not consolidated	1,125	—
Increase by increase of equity method investee	—	(312)
New issue of stock	—	15,424
Purchase of treasury stock	(237)	(892)
Disposal of treasury stock	104	223
Decrease of deconsolidation of subsidiaries	—	(8,598)
Retirement of treasury stock	—	(102)
Increase by change in equity of equity method investee	—	(9)
Total changes of items during the period	9,722	5,672
Balance at the end of current period	169,410	175,082

(Millions of yen)

Items	Year ended March 31, 2008	Year ended March 31, 2009
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	16,926	6,030
Changes of items during the period		
Net changes of items other than shareholders' equity	(10,895)	(7,027)
Total changes of items during the period	(10,895)	(7,027)
Balance at the end of current period	6,030	(996)
Deferred gains or losses on hedges		
Balance at the end of previous period	167	10
Changes of items during the period		
Net changes of items other than shareholders' equity	(157)	1
Total changes of items during the period	(157)	1
Balance at the end of current period	10	12
Foreign currency translation adjustment		
Balance at the end of previous period	(719)	(7,834)
Changes of items during the period		
Net changes of items other than shareholders' equity	(7,115)	(5,374)
Total changes of items during the period	(7,115)	(5,374)
Balance at the end of current period	(7,834)	(13,209)
Unfunded retirement benefit obligation of overseas subsidiaries		
Balance at the end of previous period	(539)	(427)
Changes of items during the period		
Net changes of items other than shareholders' equity	111	(394)
Total changes of items during the period	111	(394)
Balance at the end of current period	(427)	(822)
Total valuation and translation adjustments		
Balance at the end of previous period	15,835	(2,221)
Changes of items during the period		
Net changes of items other than shareholders' equity	(18,056)	(12,794)
Changes of items during the period	(18,056)	(12,794)
Balance at the end of current period	(2,221)	(15,016)
Subscription rights to shares		
Balance at the end of previous period	—	67
Changes of items during the period		
Net changes of items other than shareholders' equity	67	39
Total changes of items during the period	67	39
Balance at the end of current period	67	106
Minority interests		
Balance at the end of previous period	31,396	32,159
Changes of items during the period		
Net changes of items other than shareholders' equity	762	(30,514)
Total changes of items during the period	762	(30,514)
Balance at the end of current period	32,159	1,644

(Millions of yen)

Items	Year ended March 31, 2008	Year ended March 31, 2009
Total net assets		
Balance at the end of previous period	206,919	199,415
Changes of items during the period		
Dividends from surplus	(2,916)	(2,915)
Net income	11,447	2,746
Increase from accounting period changes of consolidated subsidiaries	198	110
Increase due to addition of consolidated subsidiaries previously not consolidated	1,125	—
Increase by increase of equity method investee	—	(312)
New issue of stock	—	15,424
Purchase of treasury stock	(237)	(892)
Disposal of treasury stock	104	223
Decrease of deconsolidation of subsidiaries	—	(8,598)
Retirement of treasury stock	—	(102)
Increase by change in equity of equity method investee	—	(9)
Net changes of items other than shareholders' equity	(17,226)	(43,270)
Total changes of items during the period	(7,503)	(37,597)
Balance at the end of current period	199,415	161,817

4) Consolidated Statements of Cash Flows

(Millions of yen)

Items	Year ended March 31, 2008	Year ended March 31, 2009
Cash flows from operating activities		
Income before income taxes and minority interests	23,366	16,742
Depreciation and amortization	17,333	17,239
Non-recurring depreciation on non-current assets	327	—
Impairment loss	2,449	1,642
Increase (decrease) in provision for retirement benefits	(4,556)	(29)
Increase (decrease) in accrued expenses resulting from transition of pension plan	2,244	(867)
Increase (decrease) in provision for directors' retirement benefits	236	(303)
Interest and dividends income	(1,302)	(964)
Interest expenses	1,073	1,465
Equity in (earnings) losses of affiliates	(406)	(69)
Loss (gain) on sales of property, plant and equipment	(2,149)	(1,351)
Loss (gain) on sales of investment securities	(370)	(25)
Loss (gain) on securities contribution to employees' retirement benefits trust	(4,895)	(2,695)
Loss on retirement of property, plant and equipment	2,055	1,228
Loss (gain) on valuation of investment securities	133	324
Loss on sales of investment subsidiaries and affiliates	—	982
Decrease (increase) in notes and accounts receivable-trade	481	(784)
Decrease (increase) in inventories	(746)	(4,216)
Increase (decrease) in notes and accounts payable-trade	1,424	(783)
Other, net	(3,027)	2,059
Subtotal	33,669	29,592
Interest and dividends income received	1,529	1,308
Interest expenses paid	(1,085)	(1,322)
Income taxes paid	(7,995)	(7,125)
Cash flows from operating activities	26,118	22,452
Cash flows from investing activities		
Purchase of property, plant and equipment	(19,327)	(16,822)
Proceeds from sales of property, plant and equipment	4,151	2,130
Purchase of intangible assets	(534)	(327)
Purchase of investment securities	(5,566)	(33,365)
Proceeds from sales of investment securities	548	1,908
Purchase of investments in a subsidiary resulting in change in scope consolidation	—	(1,619)
Proceeds from sales of shares of consolidated subsidiaries due to change in scope of consolidation	—	2,341
Payments of loans receivable	(716)	(999)
Collection of loans receivable	1,991	488
Other, net	(126)	(281)
Cash flows from investing activities	(19,578)	(46,548)

(Millions of yen)

Items	Year ended March 31, 2008	Year ended March 31, 2009
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(1,251)	208
Proceeds of long-term loans payable	1,600	25,000
Repayment of long-term loans payable	(1,667)	(852)
Proceeds from issuance of bonds	19,876	—
Redemption of bonds	(10,000)	—
Purchase of treasury stock	(237)	(892)
Cash dividends paid	(2,916)	(2,915)
Cash dividends paid to minority shareholders	(589)	(595)
Other, net	(101)	(132)
Cash flows from financing activities	4,712	19,819
Effect of exchange rate change on cash and cash equivalents	(2,571)	(1,027)
Net increase (decrease) in cash and cash equivalents	8,681	(5,303)
Cash and cash equivalents at beginning of the period	23,474	32,984
Increase (decrease) from the changes of accounting year-end date in certain consolidated subsidiaries	(55)	(22)
Increase in cash and cash equivalents from newly consolidated subsidiaries	884	125
Cash and cash equivalents at end of period	32,984	27,783

5) Important Items Fundamental to the Preparation of Consolidated Financial Statements

1. Scope of consolidation and application of the equity method

Consolidated subsidiaries : 40 (Main companies: Nippon Del Monte Corporation, Manns Wine Co., Ltd., Pacific Trading Co., Ltd., Kibun Food Chemifa Co., Ltd., Kikkoman Foods, Inc., Kikkoman Sales USA, Inc., JFC International Inc., 33 other companies)

Unconsolidated subsidiaries: 20

Affiliates : 33 (22 of these affiliates are accounted for by equity method: Higeta Shoyu Co., Ltd., Riken Vitamin Co., Ltd., 20 other companies)

2. Changes in scope of consolidation and application of equity methods

Newly consolidated companies: Terra Vert Corporation (Change from non-consolidated subsidiary to consolidated subsidiary.)
 Pacific Marketing Alliance, Inc. (Change from non-consolidated subsidiary to consolidated subsidiary.)
 Desertessence. Com. LLC (Newly established)
 Country Life Singapore Pte. Ltd. (Newly established)
 Allergy Research Group LLC (Shares acquired)
 Reaction Sales CL UK Limited (Newly established)

Newly unconsolidated company: Tone Coca-Cola Bottling Co., Ltd., 4 other companies (Sale of shares, etc.)

Companies newly accounted for under the equity method:

Riken Vitamin Co., Ltd., 17 other companies (Shares acquired)

Companies no longer accounted for under the equity method:

Japan Food (Hawaii), Inc. (Merger with consolidated subsidiary)
 Coca-Cola East Japan Products Co., Ltd
 (Due to sale of shares of Tone Coca-Cola Bottling Co., Ltd.)
 LA/I.C., INC. (Decrease in equity interest)

3. Business years of consolidated subsidiaries

The fiscal year-ends of KI Nutricare, Inc. and eight other consolidated subsidiaries are December 31. The consolidated financial statements of Kikkoman were prepared using the financial statements of these subsidiaries as of December 31. Necessary adjustments were made for any important transactions that occurred through March 31 for consolidation purposes. Furthermore, the fiscal year-ends of five consolidated subsidiaries in Europe, JFC International (Europe) GmbH, JFC Deutschland GmbH, JFC (UK) Limited, JFC France S.A.R.L. and JFC Restaurant GmbH have changed to March 31.

4. Accounting standards

Evaluation standards and methods for important assets

Inventories

Soy sauce ingredients (excluding packaging materials), partly-finished products, and finished products

The Company states its inventories at cost, cost being determined by the last-in, first-out method (method for writing down the book value on the balance sheet based on decline in profitability of the assets in question), while the Company's consolidated subsidiaries state inventories at cost primarily determined by the average method (method for writing down the book value on the balance sheet based on decline in profitability of the assets in question).

Other Inventories

Principally, valuation at cost method using the total average principle (write-down of the book value based on the drop in profitability in the balance sheet values)

(Changes in Accounting Principles)

Effective from the fiscal year under review, the Company has applied the "Accounting Standard for Measurement of Inventories" (ASBJ Standard No. 9).

The effect of this change on operating income, ordinary income and net income before taxes and minority interests for the period is immaterial.

Method of depreciation for major depreciable assets

Property, Plant and Equipment (excluding leases)

Buildings and structures In general, the straight-line method is applied. However, the declining-balance method is applied to buildings acquired on or before March 31, 1998 with respect to Tone Coca-Cola Bottling Co., Ltd. and two other companies.

Assets other than buildings and structures

In general, the declining-balance method is applied by the Company and its domestic consolidated subsidiaries.

However, the straight-line method is applied to certain rental assets of the Company.

Useful lives (years)	Buildings and structures	7 to 50 years
	Machinery, equipment and vehicles	3 to 20 years

Leases

The straight line method is applied to leases, with the lease period set as the useful life and the residual value as zero.

Finance leases other than those that transfer ownership and which were initiated on or before March 31, 2008, are accounted for by normal operating lease accounting methods.

(Additional information)

Effective from the fiscal year under review, the Company and certain of its domestic consolidated subsidiaries have changed the estimated useful lives of machinery and equipment based on the corporation tax law for some assets, after reviewing the revised Corporation Tax Law.

The effect of this change on operating income, ordinary income and net income before taxes and minority interests for the period is immaterial.

Standard for recording an important allowance

Allowance for employee retirement benefits

In order to provide for employee pensions, the Company and its domestic consolidated subsidiaries provide an allowance based on projected pension benefit obligations and pension assets at the end of the fiscal year under review.

With the exception of certain consolidated subsidiaries, prior service cost is expensed using the straight-line method over periods ranging from 8 to 12 years within the average remaining service period of employees when incurred.

Certain consolidated subsidiaries expense the entire amount in the fiscal year it is incurred. The actuarial difference is expensed evenly using the straight-line method over periods ranging from 10 to 12 years within the average remaining service period of employees when incurred in each fiscal year from the fiscal year following the fiscal year.

Certain consolidated subsidiaries have defined benefit pension plans and defined contribution pension plans.

(Additional information)

On January 1, 2008, Kibun Food Chemifa Co., Ltd., a consolidated subsidiary of the Company, received approval from the Ministry of Health, Labor and Welfare for exemption from future retirement benefit obligations with respect to the entrusted portion of the employee pension fund, in accordance with the implementation of the "Defined Benefit Enterprise Pension Law."

The monetary impact on profits during the fiscal year under review was ¥172 million, and this was recorded as an extraordinary loss (or extraordinary gain).

Other than the above, there have been no material changes from the notes listed in the most recent securities filing, so other items have been omitted.

6) Changes in important items fundamental to the preparation of consolidated financial statements.

Account standard for lease transactions

The Company and its domestic consolidated subsidiaries have in the past accounted for finance leases other than those that transfer ownership according to operating lease accounting standards. Effective from the fiscal year under review, however, the Company and its domestic consolidated subsidiaries have applied “Accounting Standard for Lease Transactions” (ASBJ Standard No. 13, as issued by the First Subcommittee of the Business Accounting Council on June 17, 1993; revised March 30, 2007) and “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16, as issued by the Japanese Institute of Certified Public Accountants Accounting Standards Board on January 18, 1994; revised March 30, 2007), and therefore no account for such leases according to the method for normal sale and purchase agreements.

The depreciation of finance lease transactions that do not transfer ownership of the leased property to the lessee is calculated by the straight-line method using the estimated useful lives to the lease period with a remaining value of zero.

The accounting treatment for finance lease transactions that do not transfer ownership of the leased property to the lessee and start in fiscal years previous to the application of the revised standard, continues to conform to the former accounting standard for ordinary lease transactions.

This effect of this change on operating income, ordinary income and net income before taxes and minority interests for the period is immaterial.

Accounting standards adopted by foreign subsidiaries

The Company has applied the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements” (ASBJ Practical Issues Task Force No. 18) under which certain adjustments are required to be made over the books of accounts at foreign subsidiaries to comply with accounting principles generally accepted in Japan.

This change had no significant effect on operating income, ordinary income and net income before taxes and minority interests for the period.

2. Segment Information

【Business Segments】

Year ended March 31, 2009 (April 1, 2008 –March 31, 2009)

(Millions of yen)

	Foods – manufacturing and sales	Foods – wholesale	Coca – Cola	Others	Total	Eliminations and corporate	Consoli- dated
I . Sales and operating income:							
1) Sales to third parties	200,350	81,354	123,718	7,225	412,649	—	412,649
2) Intragroup sales or transfers	1,029	202	169	7,210	8,611	(8,611)	—
Total sales	201,379	81,557	123,888	14,435	421,260	(8,611)	412,649
Operating expenses	188,151	77,723	121,411	13,652	400,939	(8,659)	392,280
Operating income	13,227	3,833	2,476	782	20,320	47	20,368
II . Assets, depreciation and capital expenditures:							
Total assets	224,753	30,408	—	13,218	268,379	42,493	310,873
Depreciation and amortization	10,972	547	4,941	777	17,239	—	17,239
Impairment loss	1,642	—	—	—	1,642	—	1,642
Capital expenditures	9,346	1,658	5,738	563	17,307	—	17,307

(Notes) 1. Classification of business segments

Kikkoman has classified its business segments with reference to the Japan Standard Industry Classification.

2. Names of major products in each business segment

Business segment	Major products/business activities
Foods – manufacturing and sales	Soy sauce; <i>tsuyu</i> , <i>tare</i> and other soy sauce derivative seasonings; Del Monte processed tomato products, fruit and vegetable juices, and other canned products; <i>mirin</i> ; wine; soy milk; products for food-service use; home-use and foodservice-use food products; materials for processed food products; food improvers; health food products
Foods – wholesale	Oriental food products, etc.
Coca – Cola	Coca-Cola and other beverages
Others	Pharmaceuticals; chemicals; real estate rental; logistics; restaurants

3. Corporate assets of ¥43,830 million were included in the “Eliminations and corporate” component of total assets. Corporate assets include cash and time deposits, marketable securities and investments in securities of the Company.

4. Depreciation of and increases in long-term prepaid expenses are included in “Depreciation and amortization” and “Capital expenditures.”

【Geographical Segments】

Year ended March 31, 2009 (April 1, 2008 –March 31, 2009)

(Millions of yen)

	Japan	North America	Other	Total	Eliminations and corporate	Consolidated
I . Sales and operating income:						
1) Sales to third parties	288,666	97,347	26,635	412,649	—	412,649
2) Interarea sales or 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
II . Assets	225,573	74,859	19,536	319,969	(9,096)	310,873

(Notes) 1. Countries and regions are classified in each geographical segment by geographical proximity.

2. The main countries and regions in each segment.

1) North America: The United States

2) Other: Countries of Europe, Asia and Oceania

3. Corporate assets of ¥43,830 million were included in the “Eliminations and corporate” component of total assets. Corporate assets include cash and time deposits, marketable securities and investments in securities of the Company.

【Overseas Sales】

Year ended March 31, 2009 (April 1, 2008 –March 31, 2009)

(Millions of yen)

	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. Countries and regions are classified for overseas sales by geographical proximity.
 2. The main countries and regions in each segment.
 - 1) North America: The United States
 - 2) Other: Countries of Europe, Asia and Oceania
 3. Overseas net sales comprises the net sales of the Company and consolidated subsidiaries in countries and regions other than Japan.

3. Supplementary Schedules

1) Consolidated Results for FY2009 and Effect of Exchange Rate Differences on Translation of Overseas Subsidiaries' Financial Statements

a) Consolidated Statements of Income

(Millions of yen, %)

	Fiscal 2008 Actual		Fiscal 2009 Actual		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
	Amount	%	Amount	%	Amount	YoY	%		Amount	YoY
Net Sales	413,938	100.0	412,649	100.0	(1,289)	99.7	—	(17,823)	16,534	104.0
Operating Income	23,854	5.8	20,368	4.9	(3,485)	85.4	(0.9)	(1,692)	(1,793)	92.5
Ordinary Income	22,388	5.4	17,966	4.4	(4,421)	80.3	(1.0)	(1,488)	(2,933)	86.9
Net Income	11,447	2.8	2,746	0.7	(8,701)	24.0	(2.1)	(1,036)	(7,665)	33.0
Exchange Rate (¥/US\$)	114.13		100.62		(13.51)					
(¥/EUR)	161.88		144.43		(17.45)					

b) Geographical Segment Information

(Millions of yen, %)

		Fiscal 2008 Actual		Fiscal 2009 Actual		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		Amount	%	Amount	%	Amount	YoY	%		Amount	YoY
Japan	Net Sales	304,307	100.0	303,683	100.0	(624)	99.8	—	—	(624)	99.8
	Operating Income	10,798	3.5	8,009	2.6	(2,788)	74.2	(0.9)	—	(2,788)	74.2
Overseas	Net Sales	125,782	100.0	127,363	100.0	1,580	101.3	—	(18,260)	19,841	115.8
	Operating Income	13,051	10.4	12,390	9.7	(660)	94.9	(0.7)	(1,692)	1,032	107.9
Eliminations	Net Sales	(16,151)	100.0	(18,397)	100.0	(2,245)	—	—	437	(2,682)	—
	Operating Income	5	—	(31)	—	(36)	—	—	0	(36)	—
Consolidated total	Net Sales	413,938	100.0	412,649	100.0	(1,289)	99.7	—	(17,823)	16,534	104.0
	Operating Income	23,854	5.8	20,368	4.9	(3,485)	85.4	(0.9)	(1,692)	(1,793)	92.5
Exchange Rate (¥/US\$)		114.13		100.62		(13.51)					
(¥/EUR)		161.88		144.43		(17.45)					

c) Business Segment Information

(Millions of yen, %)

		Fiscal 2008 Actual		Fiscal 2009 Actual		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		Amount	%	Amount	%	Amount	YoY	%		Amount	YoY
Foods-manufacturing and sales	Net Sales	206,467	100.0	201,379	100.0	(5,087)	97.5	—	(6,718)	1,630	100.8
	Operating Income	14,870	7.2	13,227	6.6	(1,642)	89.0	(0.6)	(1,240)	(402)	97.3
Foods-wholesale	Net Sales	76,534	100.0	81,557	100.0	5,022	106.6	—	(11,105)	16,127	121.1
	Operating Income	4,120	5.4	3,833	4.7	(286)	93.0	(0.7)	(449)	163	104.0
Coca-Cola	Net Sales	124,220	100.0	123,888	100.0	(332)	99.7	—	—	(332)	99.7
	Operating Income	3,776	3.0	2,476	2.0	(1,299)	65.6	(1.0)	—	(1,299)	65.6
Others	Net Sales	15,409	100.0	14,435	100.0	(973)	93.7	—	(49)	(924)	94.0
	Operating Income	1,006	6.5	782	5.4	(223)	77.8	(1.1)	(1)	(222)	77.9
Eliminations	Net Sales	(8,694)	100.0	(8,611)	100.0	82	—	—	48	33	—
	Operating Income	80	—	47	—	(32)	—	—	0	(32)	—
Consolidated total	Net Sales	413,938	100.0	412,649	100.0	(1,289)	99.7	—	(17,823)	16,534	104.0
	Operating Income	23,854	5.8	20,368	4.9	(3,485)	85.4	(0.9)	(1,692)	(1,793)	92.5
Exchange Rate (¥/US\$)		114.13		100.62		(13.51)					
		(¥/EUR)	161.88	144.43		(17.45)					

Note: The five consolidated subsidiaries in Europe, JFC International (Europe) GmbH, JFC Deutschland GmbH, JFC (UK) Limited, JFC France S.A.R.L. and JFC Restaurant GmbH, have changed their fiscal years. For these companies, the Consolidated Statements of Income for the fiscal year under review refer to the year from April 2008 to March 2009. The Consolidated Statements of Income for the previous fiscal year refer to the year from January 2007 to December 2007.

2) Consolidated Forecasts for FY2009 and Effect of Exchange Rate Differences on Translation of Overseas Subsidiaries' Financial Statements
a) Consolidated Statements of Income
(Millions of yen, %)

	Fiscal 2010 Forecast		Fiscal 2009 Actual		Increase /Decrease			Increase /Decrease except translation difference	
	Amount	%	Amount	%	Amount	YoY	%	Amount	YoY
Net Sales	282,000	100.0	412,649	100.0	(130,649)	68.3	—	(113,604)	72.5
Operating Income	18,800	6.7	20,368	4.9	(1,568)	92.3	1.8	208	101.0
Recurring Income	16,300	5.8	17,966	4.4	(1,666)	90.7	1.4	(1)	100.0
Net Income	9,000	3.2	2,746	0.7	6,253	327.7	2.5	7,370	368.3
Exchange Rate (¥/US\$)	90.00		100.62		(10.62)				

b) Geographical Segment Information
①Japan
(Millions of yen, %)

	Fiscal 2010 Forecast		Fiscal 2009 Actual		Increase /Decrease			Increase /Decrease except translation difference	
	Amount	%	Amount	%	Amount	YoY	%	Amount	YoY
Sales to third parties	166,328	—	288,666	—	(122,338)	57.6	—	(122,338)	57.6
Interarea sales and transfer	16,972	—	15,016	—	1,955	113.0	—	1,955	113.0
Total sales	183,300	100.0	303,683	100.0	(120,383)	60.4	—	(120,383)	60.4
Operating Income	7,300	4.0	8,009	2.6	(709)	91.1	1.4	(709)	91.1

②Overseas
(Millions of yen, %)

	Fiscal 2010 Forecast		Fiscal 2009 Actual		Increase /Decrease			Increase /Decrease except translation difference	
	Amount	%	Amount	%	Amount	YoY	%	Amount	YoY
Sales to third parties	115,487	—	123,982	—	(8,495)	93.1	—	8,549	106.9
Interarea sales and transfer	1,313	—	3,380	—	(2,067)	38.8	—	(1,870)	44.7
Total sales	116,800	100.0	127,363	100.0	(10,563)	91.7	—	6,678	105.2
Operating Income	11,500	9.9	12,390	9.7	(890)	92.8	0.2	886	107.2
Exchange Rate (¥/US\$)	90.00		100.62		(10.62)				

c) Business Segment Information

(Millions of yen, %)

		Fiscal 2010 Forecast		Fiscal 2009 Actual		Increase /Decrease			Increase /Decrease except translation difference	
		Amount	%	Amount	%	Amount	YoY	%	Amount	YoY
Foods-manufacturing and sales	Net Sales	199,700	100.0	201,379	100.0	(1,679)	99.2	—	4,863	102.4
	Operating Income	14,300	7.2	13,227	6.6	1,072	108.1	0.6	2,363	117.9
Foods-wholesale	Net Sales	75,400	100.0	81,557	100.0	(6,157)	92.5	—	4,379	105.4
	Operating Income	3,700	4.9	3,833	4.7	(133)	96.5	0.2	352	109.2
Coca-Cola	Net Sales	—	100.0	123,888	100.0	(123,888)	—	—	(123,888)	—
	Operating Income	—	—	2,476	2.0	(2,476)	—	—	(2,476)	—
Others	Net Sales	14,800	100.0	14,435	100.0	364	102.5	—	425	102.9
	Operating Income	800	5.4	782	5.4	17	102.2	0.0	17	102.2
Eliminations	Net Sales	(7,900)	100.0	(8,611)	100.0	711	—	—	615	—
	Operating Income	—	—	47	—	(47)	—	—	(47)	—
Consolidated total	Net Sales	282,000	100.0	412,649	100.0	(130,649)	68.3	—	(113,604)	72.5
	Operating Income	18,800	6.7	20,368	4.9	(1,568)	92.3	1.8	208	101.0
Exchange Rate (¥/US\$)		90.00		100.62		(10.62)				

- Tone Coca-Cola Bottling Co., Ltd. and certain other companies were excluded from the scope of consolidation at the end of March 2009.
- Results forecasts are as of the fiscal 2009 earnings announcement, and do not take into account the impact of the planned transition to a holding company structure in October 2009.
- Forecasts are based on information available to management at the time of announcement. Due to a number of inherent uncertainties in forecasts, actual results may differ materially from forecasts.

(3) Major Consolidated Performance Indicators

<i>Consolidated Results</i>		2007.3	2008.3	2009.3	2010.3
		Actual	Actual	Forecast	Forecast
Net Sales	millions of yen	392,611	413,938	412,649	282,000
YoY Change	%	9.1	5.4	(0.3)	(31.7)
Operating Income	millions of yen	21,646	23,854	20,368	18,800
(Operating Income Ratio to Net Sales)	%	5.5	5.8	4.9	6.7
YoY Change	%	16.6	10.2	(14.6)	(7.7)
Ordinary Income	millions of yen	20,983	22,388	17,966	16,300
(Ordinary Income Ratio to Net Sales)	%	5.3	5.4	4.4	5.8
YoY Change	%	20.9	6.7	(19.7)	(9.3)
Net Income	millions of yen	10,739	11,447	2,746	9,000
(Net Income Ratio to Net Sales)	%	2.7	2.8	0.7	3.2
YoY Change	%	6.1	6.6	(76.0)	227.7
Shareholders' Equity per Share	yen	906.84	864.01	774.61	-
Net Income per Share	yen	55.49	59.16	13.59	43.55
Diluted Net Income per Share	yen	55.45	59.12	13.59	-
Total Net Assets	millions of yen	206,919	199,415	161,817	-
Shareholders' Equity	millions of yen	175,522	167,189	160,067	-
Total Assets	millions of yen	348,995	342,287	310,873	-
Shareholders' Equity Ratio	%	50.3	48.8	51.5	-
D/E Ratio	%	37.3	44.0	60.6	-
Dividend on Equity	%	1.7	1.7	1.8	-
ROE	%	6.2	6.7	1.7	-
Ordinary Income to Total Assets	%	6.2	6.5	5.5	-
Share Price as of Term-end	yen	1,510	1,225	822	-
PER	Times	27.2	20.7	60.5	-
Cash Flows From Operating Activities	millions of yen	24,663	26,118	22,452	-
Cash Flows From Investing Activities	millions of yen	(27,634)	(19,578)	(46,548)	-
Cash Flows From Financing Activities	millions of yen	(9,549)	4,712	19,819	-
Term-end Cash and Cash Equivalents	millions of yen	23,474	32,984	27,783	-
Free Cash Flows	millions of yen	5,848	6,257	5,302	-
Free Cash Flows per Share	yen	30.22	32.33	26.24	-
Interest-bearing Debt	millions of yen	70,616	78,716	102,083	-
Capital Expenditures	millions of yen	17,064	21,304	17,307	15,800
(For Property, Plant and Equipment)	millions of yen	16,425	20,765	16,645	15,400
Depreciation and Amortization	millions of yen	16,290	17,660	17,239	12,000
(On Property, Plant and Equipment)	millions of yen	14,235	15,532	15,244	10,700
R&D Costs	millions of yen	3,783	3,754	4,015	-
Net Financial Income (Loss)	millions of yen	175	228	(500)	-
Average Term Exchange Rate	yen/US\$	117.00	114.13	100.62	90.00
No. of Employees	people	7,065	7,348	5,226	-
No. of Shares Issued and Outstanding at Term-end	Thousand	193,553	193,502	206,642	-

(Notes) 1. Net sales do not include consumption and other taxes.

2. Free cash flows = Cash flows from operating activities — Acquisition of property, plant, equipment and intangible assets

3. Interest-bearing debt refers to all liabilities on the consolidated balance sheet on which interest is paid.

4. Net financial income = Interest and dividend income — Interest expense

5. Shareholders' equity is computed by subtracting stock acquisition rights and minority interests from net assets.

6. D/E ratio = (Loans + Bonds) / Shareholders' equity

7. No. of shares issued and outstanding at term-end is computed by subtracting shareholders' equity.

8. Depreciation and Amortization do not include the amortization of goodwill.