

## Consolidated Financial Results

# Kikkoman Corporation Flash Report 2010

Year ended March 31, 2010

Listed company name: **Kikkoman Corporation**  
Code No.: 2801  
Shares listed: Tokyo (1st Section), Osaka (1st Section)  
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Notes:

1. All information has been prepared in accordance with accounting principles and practices generally accepted in Japan.
2. 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, 2010 (April 1, 2009 to March 31, 2010)

### 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, 2009 –Mar. 31, 2010	285,690	(30.8)	21,085	3.5	19,136	6.5	8,602	213.2
Apr. 1, 2008 –Mar. 31, 2009	412,649	(0.3)	20,368	(14.6)	17,966	(19.7)	2,746	(76.0)

	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, 2009 –Mar. 31, 2010	41.65	—	5.3	6.2	7.4
Apr. 1, 2008 –Mar. 31, 2009	13.59	13.59	1.7	5.5	4.9

### 2) Financial Position

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share (yen)
Mar. 31, 2010	311,175	167,086	53.1%	800.79
Mar. 31, 2009	310,873	161,817	51.5%	774.61

(Note) Total shareholders' equity

Mar. 31, 2010: ¥ 165,277 million

Mar. 31, 2009: ¥ 160,066 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, 2009 –Mar. 31, 2010	18,003	(11,959)	(8,522)	25,008
Apr. 1, 2008 –Mar. 31, 2009	22,452	(46,548)	19,819	27,783

## 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, 2008 -Mar. 31, 2009	—	0.00	—	15.00	15.00	3,105	110.4%	1.8%
Apr. 1, 2009 -Mar. 31, 2010	—	0.00	—	15.00	15.00	3,101	36.0%	1.9%
Apr. 1, 2010 -Mar. 31, 2011 (Estimated)	—	0.00	—	15.00	15.00		31.0%	

## 3. Forecasts of Business Performance for the Fiscal Year Ending March 31, 2011 (April 1, 2010 to March 31, 2011)

(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, 2010-Sep.30, 2010	145,500	1.2	10,000	(17.5)	9,000	(17.5)	4,000	(32.1)	19.38
Apr.1, 2010-Mar.31, 2011	292,000	2.2	21,200	0.5	19,200	0.3	10,000	16.2	48.45

## 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: 1 (Kikkoman Food Products Company) Newly unconsolidated company: 0

Changes to subsidiaries except certain specified subsidiaries were as follows.

Newly consolidated companies: 2

Newly unconsolidated company: 0

Companies newly accounted for by the equity method: 0

Companies no longer accounted for by the equity method: 1

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 15.

3) Issued and outstanding shares (common stock)

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

Mar. 31, 2010 — 210,383,202 shares Mar. 31, 2009 — 210,383,202 shares

② Treasury stock at end of period

Mar. 31, 2010 — 3,989,448 shares Mar. 31, 2009 — 3,740,787 shares

## (Reference) Overview of Non-consolidated Results

1. Business Performance (unconsolidated) for the Year Ended March 31, 2010  
(April 1, 2009 to March 31, 2010)

## 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, 2009 –Mar. 31, 2010	67,473	(44.2)	4,836	67.3	5,393	14.9	4,743	(28.1)
Apr. 1, 2008 –Mar. 31, 2009	120,914	(2.0)	2,890	(29.0)	4,695	(22.7)	6,597	13.7

	Net income per share (yen)	Net income per share (Assuming full dilution) (yen)
Apr. 1, 2009 –Mar. 31, 2010	22.93	—
Apr. 1, 2008 –Mar. 31, 2009	32.47	32.47

## 2) Financial Position (unconsolidated)

*(Millions of yen)*

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share (yen)
Mar. 31, 2010	198,844	100,983	50.7 %	487.49
Mar. 31, 2009	241,868	98,213	40.6 %	473.93

(Note) Total shareholders' equity

Mar. 31, 2010: ¥ 100,797 million

Mar. 31, 2009: ¥ 98,106 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, 2009	As of March 31, 2010
<b>Assets</b>		
Current assets		
Cash and deposits	28,855	26,667
Notes and accounts receivable-trade	40,524	41,596
Short-term investment securities	130	131
Merchandise and finished goods	19,794	19,777
Work in process	6,267	9,267
Raw materials and supplies	2,903	3,187
Deferred tax assets	4,920	4,266
Other	10,582	10,387
Allowance for doubtful accounts	(626)	(689)
<b>Total current assets</b>	<b>113,353</b>	<b>114,590</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	41,427	39,209
Machinery, equipment and vehicles, net	33,402	32,288
Land	16,281	16,059
Lease assets, net	283	242
Construction in progress	2,686	7,695
Other, net	2,590	2,459
<b>Total property, plant and equipment</b>	<b>96,671</b>	<b>97,955</b>
Intangible assets		
Goodwill	30,171	27,414
Rights of trademarks	627	—
Other	2,042	2,255
<b>Total intangible assets</b>	<b>32,840</b>	<b>29,669</b>
Investments and other assets		
Investment securities	50,765	54,542
Long-term loans receivable	2,412	2,891
Deferred tax assets	1,393	3,028
Other	16,184	11,243
Allowance for doubtful accounts	(2,749)	(2,746)
<b>Total investments and other assets</b>	<b>68,007</b>	<b>68,959</b>
<b>Total non-current assets</b>	<b>197,519</b>	<b>196,584</b>
<b>Total assets</b>	<b>310,873</b>	<b>311,175</b>

(Millions of yen)

Items	As of March 31, 2009	As of March 31, 2010
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	13,854	14,507
Short-term loans payable	10,741	9,962
Lease obligations	127	148
Accounts payable-other	10,312	12,710
Income taxes payable	6,169	2,316
Provision for bonuses	2,198	2,190
Provision for directors' bonuses	79	77
Other	5,084	3,943
<b>Total current liabilities</b>	<b>48,570</b>	<b>45,858</b>
Non-current liabilities		
Bonds payable	60,000	60,000
Long-term loans payable	26,209	21,950
Lease obligations	197	143
Deferred tax liabilities	1,503	3,399
Provision for retirement benefits	3,399	4,017
Provision for directors' retirement benefits	1,340	1,142
Provision for environmental measures	—	319
Other	7,834	7,257
<b>Total non-current liabilities</b>	<b>100,485</b>	<b>98,230</b>
<b>Total liabilities</b>	<b>149,055</b>	<b>144,089</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	11,599	11,599
Capital surplus	21,212	21,212
Retained earnings	146,082	151,579
Treasury stock	(3,811)	(4,066)
<b>Total shareholders' equity</b>	<b>175,082</b>	<b>180,324</b>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(996)	536
Deferred gains or losses on hedges	12	27
Foreign currency translation adjustment	(13,209)	(14,816)
Unfunded retirement benefit obligation of overseas subsidiaries	(822)	(793)
<b>Total valuation and translation adjustments</b>	<b>(15,016)</b>	<b>(15,046)</b>
Subscription rights to shares	106	185
Minority interests	1,644	1,623
<b>Total net assets</b>	<b>161,817</b>	<b>167,086</b>
<b>Total liabilities and net assets</b>	<b>310,873</b>	<b>311,175</b>

## 2) Consolidated Statements of Income

(Millions of yen)

Items	Year ended March 31, 2009	Year ended March 31, 2010
Net sales	412,649	285,690
Cost of sales	254,543	166,924
Gross profit	158,105	118,765
Selling, general and administrative expenses		
Selling expenses	109,854	73,519
General and administrative expenses	27,882	24,161
Total selling, general and administrative expenses	137,736	97,680
Operating income	20,368	21,085
Non-operating income		
Interest income	399	247
Dividends income	565	500
Amortization of negative goodwill	407	—
Equity in earnings of affiliates	69	500
Rent income	650	626
Other	1,883	1,472
Total non-operating income	3,975	3,347
Non-operating expenses		
Interest expenses	1,465	1,543
Loss on retirement of non-current assets	538	247
Other	4,374	3,505
Total non-operating expenses	6,378	5,296
Ordinary income	17,966	19,136
Extraordinary income		
Gain on sales of property, plant and equipment	1,351	299
Gain on sales of investment securities	25	3
Dividends from liquidation of securities	—	4
Reversal of reserve for retirement benefits	—	105
Gain on securities contribution to employees' retirement benefits trust	2,695	—
Gain on return of substitutional portion of national government welfare pension program funds	172	—
Total extraordinary income	4,244	412

(Millions of yen)

Items	Year ended March 31, 2009	Year ended March 31, 2010
Extraordinary loss		
Impairment loss	1,642	2,079
Loss on retirement of non-current assets	689	1,062
Loss on valuation of investment securities	324	417
Loss on sales of investment subsidiaries and affiliates	982	—
Loss on valuation of golf club membership	19	36
Provision for environmental measures	—	319
Special extra retirement payments	393	45
Loss on valuation of inventories	33	—
Expenses related to voluntary recall of the products	622	—
Change cost of Corporate Identity	761	—
Expenses for change of the Company's name of subsidiaries and affiliates	—	63
Expenses for holding company system shifts	—	694
Total extraordinary losses	5,469	4,718
Income before income taxes and minority interests	16,742	14,830
Income taxes-current	11,511	6,229
Income taxes-deferred	1,760	(86)
Total income taxes	13,271	6,142
Minority interests in income	724	85
Net income	2,746	8,602



## 3) Consolidated statements of changes in net assets

(Millions of yen)

Items	Year ended March 31, 2009	Year ended March 31, 2010
<b>Shareholders' equity</b>		
<b>Capital stock</b>		
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
<b>Capital surplus</b>		
Balance at the end of previous period	5,791	21,212
Changes of items during the period		
New issue of stock	15,424	—
Disposal of treasury stock	(3)	(0)
Total changes of items during the period	15,420	(0)
Balance at the end of current period	21,212	21,212
<b>Retained earnings</b>		
Balance at the end of previous period	154,947	146,082
Changes of items during the period		
Dividends from surplus	(2,915)	(3,105)
Net income	2,746	8,602
Increase from accounting period changes of consolidated subsidiaries	110	—
Decrease of deconsolidation of subsidiaries	(8,703)	—
Retirement of treasury stock	(102)	—
Total changes of items during the period	(8,864)	5,497
Balance at the end of current period	146,082	151,579
<b>Treasury stock</b>		
Balance at the end of previous period	(2,928)	(3,811)
Changes of items during the period		
Increase by increase of equity method investee	(312)	—
Purchase of treasury stock	(892)	(271)
Disposal of treasury stock	226	16
Decrease of deconsolidation of subsidiaries	104	—
Increase by change in equity of equity method investee	(9)	—
Total changes of items during the period	(883)	(255)
Balance at the end of current period	(3,811)	(4,066)
<b>Total shareholders' equity</b>		
Balance at the end of previous period	169,410	175,082
Changes of items during the period		
Dividends from surplus	(2,915)	(3,105)
Net income	2,746	8,602
Increase from accounting period changes of consolidated subsidiaries	110	—
Increase by increase of equity method investee	(312)	—
New issue of stock	15,424	—
Purchase of treasury stock	(892)	(271)
Disposal of treasury stock	223	15
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	5,672	5,241
Balance at the end of current period	175,082	180,324

(Millions of yen)

Items	Year ended March 31, 2009	Year ended March 31, 2010
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	6,030	(996)
Changes of items during the period		
Net changes of items other than shareholders' equity	(7,027)	1,533
Total changes of items during the period	(7,027)	1,533
Balance at the end of current period	(996)	536
Deferred gains or losses on hedges		
Balance at the end of previous period	10	12
Changes of items during the period		
Net changes of items other than shareholders' equity	1	15
Total changes of items during the period	1	15
Balance at the end of current period	12	27
Foreign currency translation adjustment		
Balance at the end of previous period	(7,834)	(13,209)
Changes of items during the period		
Net changes of items other than shareholders' equity	(5,374)	(1,607)
Total changes of items during the period	(5,374)	(1,607)
Balance at the end of current period	(13,209)	(14,816)
Unfunded retirement benefit obligation of overseas subsidiaries		
Balance at the end of previous period	(427)	(822)
Changes of items during the period		
Net changes of items other than shareholders' equity	(394)	29
Total changes of items during the period	(394)	29
Balance at the end of current period	(822)	(793)
Total valuation and translation adjustments		
Balance at the end of previous period	(2,221)	(15,016)
Changes of items during the period		
Net changes of items other than shareholders' equity	(12,794)	(30)
Changes of items during the period	(12,794)	(30)
Balance at the end of current period	(15,016)	(15,046)
Subscription rights to shares		
Balance at the end of previous period	67	106
Changes of items during the period		
Net changes of items other than shareholders' equity	39	78
Total changes of items during the period	39	78
Balance at the end of current period	106	185
Minority interests		
Balance at the end of previous period	32,159	1,644
Changes of items during the period		
Net changes of items other than shareholders' equity	(30,514)	(20)
Total changes of items during the period	(30,514)	(20)
Balance at the end of current period	1,644	1,623

(Millions of yen)

Items	Year ended March 31, 2009	Year ended March 31, 2010
<b>Total net assets</b>		
Balance at the end of previous period	199,415	161,817
<b>Changes of items during the period</b>		
Dividends from surplus	(2,915)	(3,105)
Net income	2,746	8,602
Increase from accounting period changes of consolidated subsidiaries	110	—
Increase by increase of equity method investee	(312)	—
New issue of stock	15,424	—
Purchase of treasury stock	(892)	(271)
Disposal of treasury stock	223	15
Decrease of deconsolidation of subsidiaries, net assets	(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	(43,270)	27
<b>Total changes of items during the period</b>	<b>(37,597)</b>	<b>5,268</b>
Balance at the end of current period	161,817	167,086

## 4) Consolidated Statements of Cash Flows

(Millions of yen)

Items	Year ended March 31, 2009	Year ended March 31, 2010
Cash flows from operating activities		
Income before income taxes and minority interests	16,742	14,830
Depreciation and amortization	17,239	12,036
Impairment loss	1,642	2,079
Increase (decrease) in provision for retirement benefits	(29)	617
Increase (decrease) in accrued expenses resulting from transition of pension plan	(867)	—
Increase (decrease) in provision for directors' retirement benefits	(303)	(197)
Interest and dividends income	(964)	(749)
Interest expenses	1,465	1,543
Equity in (earnings) losses of affiliates	(69)	(500)
Loss (gain) on sales of property, plant and equipment	(1,351)	(341)
Loss (gain) on sales of investment securities	(25)	(3)
Loss (gain) on securities contribution to employees' retirement benefits trust	(2,695)	—
Loss on retirement of property, plant and equipment	1,228	1,335
Loss (gain) on valuation of investment securities	324	417
Loss on sales of investment subsidiaries and affiliates	982	—
Decrease (increase) in notes and accounts receivable-trade	(784)	(1,504)
Decrease (increase) in inventories	(4,216)	(3,535)
Increase (decrease) in notes and accounts payable-trade	(783)	912
Other, net	2,059	2,454
Subtotal	29,592	29,394
Interest and dividends income received	1,308	1,068
Interest expenses paid	(1,322)	(1,563)
Income taxes paid	(7,125)	(10,896)
Cash flows from operating activities	22,452	18,003
Cash flows from investing activities		
Purchase of property, plant and equipment	(16,822)	(14,261)
Proceeds from sales of property, plant and equipment	2,130	439
Purchase of intangible assets	(327)	(850)
Purchase of investment securities	(33,365)	(1,578)
Proceeds from sales of investment securities	1,908	2,985
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	(999)	(868)
Collection of loans receivable	488	2,723
Other, net	(281)	(548)
Cash flows from investing activities	(46,548)	(11,959)

(Millions of yen)

Items	Year ended March 31, 2009	Year ended March 31, 2010
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	208	(2,615)
Proceeds of long-term loans payable	25,000	—
Repayment of long-term loans payable	(852)	(2,383)
Purchase of treasury stock	(892)	(271)
Cash dividends paid	(2,915)	(3,105)
Cash dividends paid to minority shareholders	(595)	(9)
Other, net	(132)	(138)
Cash flows from financing activities	19,819	(8,522)
Effect of exchange rate change on cash and cash equivalents	(1,027)	(297)
Net increase (decrease) in cash and cash equivalents	(5,303)	(2,775)
Cash and cash equivalents at beginning of the period	32,984	27,783
Increase (decrease) from the changes of accounting year-end date in certain consolidated subsidiaries	(22)	—
Increase in cash and cash equivalents from newly consolidated subsidiaries	125	—
Cash and cash equivalents at end of period	27,783	25,008

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

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

Consolidated subsidiaries : 43 (Main companies: Kikkoman Food Products Company, Kikkoman Beverage Company, Nippon Del Monte Corporation, Manns Wine Co., Ltd., Pacific Trading Co., Ltd., Foodchemifa Co., Ltd., Kikkoman Foods, Inc., Kikkoman Sales USA, Inc., JFC International Inc., 34 other companies)

Unconsolidated subsidiaries: 19

Affiliates : 33 (21 of these affiliates are accounted for by equity method: Higeta Shoyu Co., Ltd., Riken Vitamin Co., Ltd., 19 other companies)

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

Newly consolidated companies: Kikkoman Food Products Company \* 1  
Kikkoman Beverage Company \* 1  
Kikkoman Business Service Company \* 1

Companies no longer accounted for under the equity method:

Dalian Riken Food CO., LTD \* 2

Note:

\* 1. Newly created in conjunction with the shift to a holding company structure

\* 2. Liquidation

### 3. Business years of consolidated subsidiaries

The fiscal year-ends of KI Nutricare, Inc. and 8 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.

### 4. Accounting standards

Evaluation standards and methods for important assets

Inventories

Soy sauce raw materials (excluding packaging), products in process and finished goods

The Company and its consolidated subsidiaries mainly state inventories at cost determined by the total average method (Balance sheet figures are calculated using the method for reducing the book value based on the decline in profitability).

Other Inventories

The Company and its consolidated subsidiaries mainly state inventories at cost determined by the total average method (Balance sheet figures are calculated using the method for reducing the book value based on the decline in profitability).

(Changes in Accounting Principles)

Accounting standard for measurement of inventories

From the fiscal year under review, the Company has adopted the "Accounting Standard for Measurement of Inventories" (ASBJ Standard No. 9, September 26, 2008), after early adoption was permitted from fiscal years beginning on or before March 31, 2010. Accordingly, the Company and certain consolidated subsidiaries have changed their method for measuring inventories in the soy sauce category (raw materials (excluding packaging), products in process and finished goods) from the last-in, first-out (LIFO) method to the total average method.

As a result of this change, operating income, ordinary income and income before income taxes and minority interests each increased by ¥ 3,459 million.

This impact was calculated as the difference between the total book value of paid-out inventories (cost of sales) and an amount determined by multiplying the amount of paid-out inventories during the fiscal year under review by the average unit cost of inventories brought in during the fiscal year (equivalent to the gain or loss on valuation of inventories for the fiscal year).

Inventories included in the calculation of the gain or loss on valuation of inventories consisted of soy sauce raw materials (excluding packaging), products in process and finished goods.

The effects of this change on segment information are discussed in each relevant section.

#### Method of depreciation for major depreciable assets

##### Property, Plant and Equipment (excluding leases)

Buildings and structures            In general, the straight-line method is applied.

##### 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.

In general, the straight-line method is applied by the Company's overseas consolidated subsidiaries.

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.

#### 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 a certain period (10 years) within the average remaining service period of employees when incurred.

The actuarial difference is expensed evenly using the straight-line method over a certain period (10 years) within the average remaining service period of employees when incurred in each fiscal year from the following fiscal year.

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

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.

(Changes in Accounting Principles)

Accounting standards for retirement benefits

From the fiscal year under review, the Company has applied Partial Amendments to Accounting Standard for Retirement Benefits (ASBJ Standard No. 19, July 31, 2008).

This change had no impact on operating income, ordinary income or income before income taxes and minority interests.



## 2. Segment Information

### 【Business Segments】

Year ended March 31, 2010 (April 1, 2009 – March 31, 2010)

(Millions of yen)

	Domestic Foods – manufacturing and sales	Domestic Others	Overseas Foods – manufacturing and sales	Overseas Foods – wholesale	Total	Eliminations and corporate	Consolidated
<b>I . Sales and operating income:</b>							
Sales							
1) Sales to third parties	150,601	7,315	42,657	85,116	285,690	—	285,690
2) Intragroup sales or transfers	693	9,358	6,043	300	16,396	(16,396)	—
<b>Total sales</b>	<b>151,295</b>	<b>16,674</b>	<b>48,700</b>	<b>85,416</b>	<b>302,087</b>	<b>(16,396)</b>	<b>285,690</b>
Operating expenses	144,063	15,807	40,204	81,110	281,185	(16,580)	264,605
<b>Operating income</b>	<b>7,232</b>	<b>867</b>	<b>8,495</b>	<b>4,306</b>	<b>20,901</b>	<b>183</b>	<b>21,085</b>
<b>II . Assets, depreciation, impairment loss and capital expenditures:</b>							
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 loss	882	—	1,197	—	2,079	—	2,079
Capital expenditures	12,071	682	2,332	475	15,561	62	15,623

(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
Domestic Foods – manufacturing and sales	Domestic 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 goods; <i>mirin</i> ; wine; soy milk; products for food-service use; health foods
Domestic Others	Pharmaceuticals; chemical products; real estate rental; logistics; back-office operations
Overseas Foods – manufacturing and sales	Overseas soy sauce; Del Monte processed tomato products, and canned goods; soy milk; health foods
Overseas Foods – wholesale	Oriental food products, etc.

3. Corporate assets of ¥ 197,229 million were included in the “Eliminations and corporate” component of total assets.

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

5. Change in accounting principles

(Accounting standard for measurement of inventories)

As stated in “4. Accounting Standards,” from the fiscal year under review, the Company has adopted the “Accounting Standard for Measurement of Inventories” (ASBJ Standard No. 9, September 26, 2008), after early adoption was permitted from fiscal years beginning on or before March 31, 2010. Consequently, the Company and certain consolidated subsidiaries have changed their method for measuring inventories in the soy sauce category (raw materials (excluding packaging), products in process and finished goods) from the last-in, first-out (LIFO) method to the total average method. As a result of this change, operating income in the Domestic Foods – manufacturing and sales business segment was ¥ 3,459 million higher than would have been recorded under the previous method.

## (Changes in Business Segments)

On October 1, 2009, Kikkoman Corporation shifted to 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 transition, the Company has modified the business segments listed 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 Other Businesses. Going forward, these three segments will be reclassified as four segments called Domestic Foods-Manufacturing and Sales, Domestic Other Businesses, Overseas Foods-Manufacturing and Sales, and Overseas Foods-Wholesale.

Business segment information for the previous fiscal year is shown before and after reclassification, as follows.

## Prior to change in 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
<b>I . Sales and operating income:</b>							
<b>Sales</b>							
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)	—
<b>Total sales</b>	201,379	81,557	123,888	14,435	421,260	(8,611)	412,649
<b>Operating expenses</b>	188,151	77,723	121,411	13,652	400,939	(8,659)	392,280
<b>Operating income</b>	13,227	3,833	2,476	782	20,320	47	20,368
<b>II . Assets, depreciation, impairment loss and capital expenditures:</b>							
<b>Total assets</b>	224,753	30,408	—	13,218	268,379	42,493	310,873
<b>Depreciation and   amortization</b>	10,972	547	4,941	777	17,239	—	17,239
<b>Impairment loss</b>	1,642	—	—	—	1,642	—	1,642
<b>Capital expenditures</b>	9,346	1,658	5,738	563	17,307	—	17,307

## After change in segments

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

(Millions of yen)

	Domestic Foods – manufacturing and sales	Coca – Cola	Domestic Others	Overseas Foods – manufacturing and sales	Overseas Foods – wholesale	Total	Eliminations and corporate	Consoli- dated
<b>I . Sales and operating income:</b>								
<b>Sales</b>								
1) Sales to third parties	150,398	123,718	6,813	43,274	88,444	412,649	—	412,649
2) Intragroup sales or transfers	97	169	7,209	5,891	326	13,693	(13,693)	—
<b>Total sales</b>	150,495	123,888	14,022	49,165	88,771	426,342	(13,693)	412,649
<b>Operating expenses</b>	146,982	121,411	13,253	39,679	84,656	405,984	(13,704)	392,280
<b>Operating income</b>	3,512	2,476	768	9,485	4,114	20,358	10	20,368
<b>II . Assets, depreciation, impairment loss and capital expenditures:</b>								
<b>Total assets</b>	183,066	—	13,347	64,555	32,687	293,657	17,216	310,873
<b>Depreciation and   amortization</b>	8,352	4,941	769	2,573	601	17,239	—	17,239
<b>Impairment loss</b>	—	—	—	1,642	—	1,642	—	1,642
<b>Capital expenditures</b>	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】

Year ended March 31, 2010 (April 1, 2009 –March 31, 2010)

(Millions of yen)

	Japan	North America	Other	Total	Eliminations and corporate	Consolidated
I . Sales and operating income:						
1) Sales to third parties	164,067	95,881	25,741	285,690	—	285,690
2) Interarea sales or 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
II . Assets	71,779	75,725	20,234	167,739	143,435	311,175

- (Notes)
- Countries and regions are classified in each geographical segment by geographical proximity.
  - The main countries and regions in each segment.
    - North America: The United States
    - Other: Countries of Europe, Asia and Oceania
  - Corporate assets of ¥ 197,229 million were included in the “Eliminations and corporate” component of total assets.
  - Change in accounting principles  
(Accounting standard for measurement of inventories)  
As stated in “4. Accounting Standards,” from the fiscal year under review, the Company has adopted the “Accounting Standard for Measurement of Inventories” (ASBJ Standard No. 9, September 26, 2008), after early adoption was permitted from fiscal years beginning on or before March 31, 2010. Consequently, the Company and certain consolidated subsidiaries have changed their method for measuring inventories in the soy sauce category (raw materials (excluding packaging), products in process and finished goods) from the last-in, first-out (LIFO) method to the total average method. As a result of this change, operating income from the Japan geographical segment was ¥ 3,459 million higher than would have been recorded under the previous method.

## 【Overseas Sales】

Year ended March 31, 2010 (April 1, 2009 –March 31, 2010)

(Millions of yen)

	North America	Other	Total
Overseas sales	94,620	31,431	126,051
Consolidated net sales			285,690
Ratio of overseas sales to consolidated net sales	33.1%	11.0%	44.1%

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

### 3. Supplementary Schedules

[Figures in the Supplementary Schedules]

The figures contained in these supplementary schedules have been recalculated on the assumption that the Company shifted to a holding company structure starting in April 2009, and therefore differ from the figures presented in the main body of Flash Report 2010 from pages 1 to 18.

#### 1) Consolidated Results for FY2010 and Effect of Exchange Rate Differences on Translation of Overseas Subsidiaries' Financial Statements

<Coca-Cola business excluded from results ended March 31, 2009>

Net sales

¥ million

		Fiscal 2010 Actual	Fiscal 2009 Actual Excluding Coca-Cola Business	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Foods-Manufacturing and sales	151,737	151,433	304	100.2	304	100.2
	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
	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

¥ million

		Fiscal 2010 Actual	Fiscal 2009 Actual Excluding Coca-Cola Business	Change increase (decrease)	%	Change excluding translation difference	%
Japan	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

Notes:

1. On October 1, 2009, Kikkoman Corporation shifted to 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 transition, the Company has modified the business segments listed 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 Other Businesses. Going forward, these three segments will be reclassified as four segments called Domestic Foods-Manufacturing and Sales, Domestic Other Businesses, Overseas Foods-Manufacturing and Sales, and Overseas Foods-Wholesale.

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

## 2) Consolidated Forecasts for FY2011 and Effect of Exchange Rate Differences on Translation of Overseas Subsidiaries' Financial Statements

Net sales ¥ million

		Fiscal 2011 Forecast	Fiscal 2010 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Foods-Manufacturing and sales	152,300	151,737	562	100.4	562	100.4
	Others	20,700	18,741	1,958	110.5	1,958	110.5
	Eliminations	(11,000)	(10,409)	(590)	-	(590)	-
Total		162,000	160,069	1,930	101.2	1,930	101.2
Overseas	Foods-Manufacturing and sales	48,781	48,679	101	100.2	1,694	103.5
	Foods-Wholesale	89,084	85,416	3,666	104.3	6,005	107.0
	Eliminations	(5,864)	(6,270)	406	-	214	-
Total		132,000	127,826	4,173	103.3	7,913	106.2
Kikkoman(Holding Company)		12,398	11,075	1,322	111.9	1,322	111.9
Eliminations		(14,398)	(13,249)	(1,148)	-	(1,148)	-
Consolidated Total		292,000	285,721	6,278	102.2	10,018	103.5

Operating Income ¥ million

		Fiscal 2011 Forecast	Fiscal 2010 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Foods-Manufacturing and sales	6,500	7,413	(913)	87.7	(913)	87.7
	Others	1,100	928	171	118.5	171	118.5
	Total	7,600	8,450	(850)	89.9	(850)	89.9
Overseas	Foods-Manufacturing and sales	8,555	8,111	443	105.5	714	108.8
	Foods-Wholesale	4,660	4,399	260	105.9	345	107.9
	Total	13,200	12,521	678	105.4	1,034	108.3
Kikkoman(Holding Company)		3,952	2,839	1,111	139.1	1,111	139.1
Eliminations		(3,552)	(2,695)	(855)	-	(855)	-
Consolidated Total		21,200	21,115	84	100.4	440	102.1

## Notes:

1. On October 1, 2009, Kikkoman Corporation shifted to 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 transition, the Company has modified the business segments listed 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 Other Businesses. Going forward, these three segments will be reclassified as four segments called Domestic Foods-Manufacturing and Sales, Domestic Other Businesses, Overseas Foods-Manufacturing and Sales, and Overseas Foods-Wholesale.

2. 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>		2008.3	2009.3	2010.3	2011.3
		Actual	Actual	Actual	Forecast
Net Sales	millions of yen	413,938	412,649	285,721	292,000
	YoY Change	%	5.4	(0.3)	2.2
Operating Income	millions of yen	23,854	20,368	21,115	21,200
(Operating Income Ratio to Net Sales)	%	5.8	4.9	7.4	7.3
	YoY Change	%	10.2	(14.6)	0.4
Ordinary Income	millions of yen	22,388	17,966	19,136	19,200
(Ordinary Income Ratio to Net Sales)	%	5.4	4.4	6.7	6.6
	YoY Change	%	6.7	(19.7)	0.3
Net Income	millions of yen	11,447	2,746	8,602	10,000
(Net Income Ratio to Net Sales)	%	2.8	0.7	3.0	3.4
	YoY Change	%	6.6	(76.0)	16.2
Shareholders' Equity per Share	yen	864.01	774.61	800.79	-
Net Income per Share	yen	59.16	13.59	41.65	48.45
Diluted Net Income per Share	yen	59.12	13.59	-	-
Total Net Assets	millions of yen	199,415	161,817	167,086	-
Shareholders' Equity	millions of yen	167,189	160,067	165,277	-
Total Assets	millions of yen	342,287	310,873	311,175	-
Shareholders' Equity Ratio	%	48.8	51.5	53.1	-
D/E Ratio	%	44.0	60.6	55.6	-
Dividend on Equity	%	1.7	1.8	1.9	-
ROE	%	6.7	1.7	5.3	-
Ordinary Income to Total Assets	%	6.5	5.5	6.2	-
Share Price as of Term-end	yen	1,225	822	1,094	-
PER	Times	20.7	60.5	26.3	-
Cash Flows From Operating Activities	millions of yen	26,118	22,452	18,003	-
Cash Flows From Investing Activities	millions of yen	(19,578)	(46,548)	(11,959)	-
Cash Flows From Financing Activities	millions of yen	4,712	19,819	(8,522)	-
Term-end Cash and Cash Equivalents	millions of yen	32,984	27,783	25,008	-
Free Cash Flows	millions of yen	6,257	5,302	2,891	-
Free Cash Flows per Share	yen	32.33	26.24	14.00	-
Interest-bearing Debt	millions of yen	78,716	102,083	97,081	-
Capital Expenditures	millions of yen	21,304	17,307	15,623	14,100
(For Property, Plant and Equipment)	millions of yen	20,765	16,645	14,767	10,000
Depreciation and Amortization	millions of yen	17,660	17,239	12,036	12,500
(On Property, Plant and Equipment)	millions of yen	15,532	15,244	10,747	12,000
R&D Costs	millions of yen	3,754	4,015	3,771	-
Net Financial Income (Loss)	millions of yen	228	(500)	(805)	-
Average Term Exchange Rate	yen/US\$	114.13	100.62	93.04	90.00
No. of Employees	people	7,348	5,226	5,263	-
No. of Shares Issued and Outstanding at Term-end	Thousand	193,502	206,642	206,393	-

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

2. Free cash flows = Cash flows from operating activities – Purchase 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 = Total net assets – Subscription rights to shares – Minority interests

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.

9. The figures of “2010.3 Actual” have been recalculated on the assumption that the Company shifted to a holding company structure starting in April 2009.