

## Consolidated Financial Results

# Kikkoman Corporation Flash Report for First Six Months of Fiscal 2010

Six-month period ended September 30, 2009

Listed company name: **Kikkoman Corporation**  
Code No.: 2801  
Shares listed: Tokyo (1st Section), Osaka (1st Section)  
URL: <http://www.kikkoman.com>  
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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 Six-month Period Ended September 30, 2009 (April 1, 2009 to September 30, 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, 2009 -Sep. 30, 2009	143,781	(29.8)	12,121	25.3	10,908	19.3	5,891	16.9
Apr. 1, 2008 -Sep. 30, 2008	204,685	—	9,676	—	9,142	—	5,038	—

	Net income per share (yen)	Net income per share (Assuming full dilution) (yen)
Apr. 1, 2009 -Sep. 30, 2009	28.52	—
Apr. 1, 2008 -Sep. 30, 2008	25.57	25.57

### 2) Financial Position

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share (yen)
Sep. 30, 2009	306,698	163,069	52.6%	780.67
Mar. 31, 2009	310,873	161,817	51.5%	774.61

(Note) Total shareholders' equity  
 Sep. 30, 2009: ¥ 161,285 million  
 Mar. 31, 2009: ¥ 160,066 million

## 2. Cash Dividends

	Cash dividends per share (yen)				
	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
Apr. 1, 2009 -Mar. 31, 2010	—	0.00			
Apr. 1, 2009 -Mar. 31, 2010 (Estimated)			—	15.00	15.00

(Note) Revisions to dividend forecasts this quarter: None

### 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- Mar.31, 2010	286,000	(30.7)	20,300	(0.3)	17,500	(2.6)	8,000	191.3	38.72

(Note) Revisions to forecasts of business performance this quarter: Yes

#### 4. Others

1) Changes to important subsidiaries during the six-month period (Changes in certain specified subsidiaries resulting in revised scope of consolidation): None

2) Application of simplified accounting methods, and of special accounting methods in the preparation of quarterly consolidated financial statements: Yes

(Note) For details, see page 8 under subsection 4, "Other Matters," of the "Qualitative Information and Financial Statements, etc." section below.

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

① Changes associated with accounting standard revisions, etc.: None

② Changes other than those in ① above : Yes

(Note) For details, see page 8 under subsection 4, "Other Matters," of the "Qualitative Information and Financial Statements, etc." section below.

#### 4) Issued and outstanding shares (common stock)

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

Sep. 30, 2009 — 210,383,202 shares                      Mar. 31, 2009 — 210,383,202 shares

② Treasury stock at end of period

Sep. 30, 2009 — 3,784,102 shares                      Mar. 31, 2009 — 3,740,787 shares

③ Shares outstanding during the period (cumulative for period, consolidated)

Sep. 30, 2009 — 206,621,809 shares                      Sep. 30, 2008 — 197,005,616 shares

(Caution regarding forward-looking statements)

1. Certain of the consolidated results forecasts announced on April 27, 2009 have been revised in these materials for the full fiscal year.

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. For details of business performance forecasts, please refer to "3. Forecasts of Business Performance" on page 7 of the "Qualitative Information and Financial Statements, etc." section below.

## Qualitative Information and Financial Statements, etc.

### 1. Consolidated Operating Results

Although the global economic recession showed signs of leveling out during the first six months of fiscal 2010, conditions continue to be highly uncertain. While the Japanese economy saw signs of an upturn emerge in certain sectors, capital investment and housing investment remained stagnant, and against the background of deterioration in employment and income, the prospects for individual consumption are not bright.

In this climate, although the Kikkoman Group saw a significant fall in sales in Japan as a result of the exclusion of Coca-Cola operations from the scope of consolidation, Foods—manufacturing and sales enjoyed increased sales in all divisions except for Del Monte. Soy sauce shipments were up in comparison to the sluggish sales of the previous year due to a reaction to temporary demand following price revisions, while sales of soy sauce derivative products were also firm. Soy milk beverage sales also rose significantly on continued strong performance. Overseas operations felt the impact of the global depression, exacerbated by the reaction to temporary demand for soy sauce in the previous year following price revisions. Currency translation effects related to the strong yen also resulted in lower sales.

In terms of earnings, higher sales in Foods—manufacturing and sales and changes in inventory valuation methods were able to absorb the negative impact of the strong yen and the removal of the Coca-Cola operations from the scope of consolidation. As a result, consolidated operating results for the first quarter of fiscal 2010 were as follows.

#### 1) Consolidated Statements of Income

(Millions of yen, %)

	Six months ended September 30, 2008		Six months ended September 30, 2009		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
	Amount	%	Amount	%	Amount	YoY	%		Amount	YoY
Net Sales	204,685	100.0	143,781	100.0	(60,903)	70.2	—	(8,066)	(52,837)	74.2
Operating Income	9,676	4.7	12,121	8.4	2,445	125.3	3.7	(863)	3,308	134.2
Ordinary Income	9,142	4.5	10,908	7.6	1,765	119.3	3.1	(785)	2,550	127.9
Net Income	5,038	2.5	5,891	4.1	853	116.9	1.6	(535)	1,389	127.6
Exchange Rate (¥/US\$)	105.36		95.27		(10.09)					
(¥/EUR)	161.56		132.73		(28.83)					

## 2) Geographical Segment Information

(Millions of yen, %)

		Six months ended September 30, 2008		Six months ended September 30, 2009		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		Amount	%	Amount	%	Amount	YoY	%		Amount	YoY
Japan	Net Sales	147,541	100.0	90,626	100.0	(56,915)	61.4	—	—	(56,915)	61.4
	Operating Income	2,763	1.9	5,772	6.4	3,008	208.9	4.5	—	3,008	208.9
Overseas	Net Sales	66,451	100.0	61,129	100.0	(5,322)	92.0	—	(8,162)	2,839	104.3
	Operating Income	6,969	10.5	6,426	10.5	(542)	92.2	0.0	(863)	320	104.6
Eliminations	Net Sales	(9,307)	100.0	(7,973)	100.0	1,333	—	—	95	1,237	—
	Operating Income	(56)	—	(77)	—	(20)	—	—	(0)	(20)	—
Consolidated total	Net Sales	204,685	100.0	143,781	100.0	(60,903)	70.2	—	(8,066)	(52,837)	74.2
	Operating Income	9,676	4.7	12,121	8.4	2,445	125.3	3.7	(863)	3,308	134.2
Exchange Rate (¥/US\$)		105.36		95.27		(10.09)					
(¥/EUR)		161.56		132.73		(28.83)					

## 3) Business Segment Information

(Millions of yen, %)

		Six months ended September 30, 2008		Six months ended September 30, 2009		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		Amount	%	Amount	%	Amount	YoY	%		Amount	YoY
Foods- manufacturing and sales	Net Sales	101,477	100.0	102,311	100.0	833	100.8	—	(3,122)	3,955	103.9
	Operating Income	6,224	6.1	9,641	9.4	3,417	154.9	3.3	(618)	4,036	164.8
Foods- wholesale	Net Sales	41,980	100.0	38,405	100.0	(3,574)	91.5	—	(4,944)	1,369	103.3
	Operating Income	2,252	5.4	2,013	5.2	(238)	89.4	(0.2)	(243)	4	100.2
Coca-Cola	Net Sales	58,130	100.0	—	—	(58,130)	—	—	—	(58,130)	—
	Operating Income	732	1.3	—	—	(732)	—	—	—	(732)	—
Others	Net Sales	7,289	100.0	7,392	100.0	103	101.4	—	(32)	135	101.9
	Operating Income	447	6.1	459	6.2	12	102.7	0.1	3	8	101.9
Eliminations	Net Sales	(4,192)	100.0	(4,328)	100.0	(135)	—	—	32	(168)	—
	Operating Income	19	—	6	—	(12)	—	—	(0)	(12)	—
Consolidated total	Net Sales	204,685	100.0	143,781	100.0	(60,903)	70.2	—	(8,066)	(52,837)	74.2
	Operating Income	9,676	4.7	12,121	8.4	2,445	125.3	3.7	(863)	3,308	134.2
Exchange Rate (¥/US\$)		105.36		95.27		(10.09)					
(¥/EUR)		161.56		132.73		(28.83)					

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

Results by business segment were as follows.

## Foods—Manufacturing and Sales

This segment comprises the Soy Sauce Division, the Soy Sauce Derivative Products Division (*tsuyu*, *tare* and other processed seasonings), the Del Monte Division (Del Monte processed tomato products, fruit and vegetable juices, and other products), the *Sake* and Wine Division (*mirin*, wine, and other alcoholic beverages), and Other Foods Division, which includes soy milk, food products for business purpose and health food products in the U.S. All products are manufactured and sold in Japan and overseas.

The results for each division are as follows.

### ■ Soy Sauce Division

In Japan, in the home-use market, sales rose over the same period a year earlier thanks to the impact of a reaction against temporary demand during the same period a year ago due to price revisions, and to the introduction of 750 ml bottles of *Tokusen Marudaizu Shoyu* and *Less Sodium Soy Sauce*. In the industrial-use and foodservice-use markets, sales grew steadily on strong performance from foodservice-use products, lifting overall sales higher year on year.

Overseas, in the North American market, while weak economic conditions led to lower sales of products for industrial use year on year, sales of products for home use and foodservice use increased for the same period on a local currency basis. In the European market, local currency sales declined, reflecting the sizeable amount of sales during the first six months of the previous fiscal year stemming from temporary demand accompanying price revisions. In the Asia and Oceania market, sales increased on a local currency basis. As a result, although sales for the division overall were lower year on year due to currency translations, on a local-currency basis sales rose.

### ■ Soy Sauce Derivative Products Division

In *tsuyu* (soy sauce soup base), sales in the home-use market increased for the same period, with flagship product *Hon Tsuyu* performing well, while sales of *Straight Tsuyu* struggled, in part due to the impact of the weather during peak demand season. Overall sales of *tsuyu* remained on a par with the same period a year earlier, with sales in the industrial-use and foodservice-use sectors essentially flat. In *tare* (dipping and marinade sauces), overall sales rose year on year despite relatively flat sales of *Wagaya-wa-Yakinikuyasan*, our mainstay product in this area. The main contributors to this increase were strong growth in sales of *Steak Shoyu* and *Shoga-Yaki no Tare* as more consumers began dining at home, and growth in the foodservice-use sector customer base. Sales of the *Uchi-no-Gohan* series (a handy Japanese-style seasoning mix) were sharply higher year on year, reflecting aggressive product development and storefront promotion activities as well as benefits from the market penetration and growth of new products with Japanese-style ingredients, such as *Nasu-no-Mizore Itame*, and *Jumoku Hijiki*, a new product in the *Mazegohan-no-Moto* series. As a result, sales rose year on year.

### ■ Del Monte Division

In the Japanese market, sales of processed tomato products, such as tomato ketchup, rose year on year, and sales of sauces were on a par with the previous year in spite of reflecting slower performance in foodservice-use products. The beverages sector saw growth in sales of tomato juice, but overall sales were lower due to a decline in sales of vegetable juice amid a prolonged downturn in the vegetable juice market. Overseas, segment sales were down year on year as sales in South Korea struggled. As a result, sales were lower year on year.

### ■ Sake and Wine Division

In the home-use market, sales of *Hon Mirin* were strong, due to a larger number of stores selling 1-liter bottles of mainstay product *Manjo Houjun Hon Mirin*, as well as contributions from sales of small containers. However, in the industrial-use and foodservice-use markets, sales of *Hon Mirin* in large containers struggled due to contraction in the restaurant industry as more consumers begin dining at home and a slump in institution-provided lunches, and overall sales were flat year on year. Overall sales of wine rose year on year, reflecting firm growth in sales of *New Manns Wine* products, led by *Shiki Shunka*, as well as cooking wines. As a result, sales rose year on year.

## ■ Other Foods Division

In Japan, sales of soy milk were substantially higher year on year, benefiting from a recovery in sales of modified soy milk, as well as the sale of new products *Ichigo* and *Sawayaka Annin*.

In the North American market, health food operations reported significant sales growth, largely from the inclusion of business results from Allergy Research Group, which we acquired in the previous fiscal year.

As a result, sales in Foods—manufacturing and sales posted a year-on-year gain of 0.8% to ¥102,311 million. Operating income was up by 54.9% to ¥9,641 million, due to the rise in sales and changes in inventory accounting methods.

## Foods—Wholesale

This segment procures and sells oriental food products in Japan and overseas.

In the North American market, sales were firm on a local-currency basis. Sales in the European market grew steadily on a local currency basis, as the booming popularity of Japanese food continued to spread. Sales were also brisk in the Asia and Oceania market, resulting in higher sales year on year on a local currency basis.

As a result, sales in Foods—wholesale posted a year-on-year decline of 8.5% to ¥38,405 million. Operating income was down by 10.6% to ¥2,013 million, due in part to the effects of currency translation adjustments.

## Others

This segment includes production and sales of clinical diagnostic reagents, hygiene inspection agents, processing enzymes and chemical products such as hyaluronic acid, as well as real estate rental, logistics, and other businesses.

Sales of hygiene inspection agents and processing enzymes were strong, but clinical diagnostic reagents struggled, and combined sales of these three categories fell year on year. Similarly, sales of hyaluronic acid faced an adverse business climate, with the product's use in cosmetic and pharmaceutical applications for overseas markets hit hard by lower demand as a result of the global economic depression. Overall, sales of chemical products were down year on year. The logistics business, meanwhile, saw sales grow steadily during the first six months.

As a result, sales in Others were up 1.4% year on year to ¥7,392 million, and operating income was up by 2.7% to ¥459 million.

As a result of the aforementioned segment results, the Company reported consolidated net sales for the first six months of fiscal 2010 of ¥143,781 million (down 29.8% year on year), operating income of ¥12,121 million (up 25.3%), ordinary income of ¥10,908 million (up 19.3%) and net income of ¥5,891 million (up 16.9% year on year).

## 2. Financial Position

### 1) Total Assets, Total Liabilities and Net Assets

Total assets as of September 30, 2009 were ¥306,698 million, a decrease of ¥4,174 million from March 31, 2009. This was mainly due to a decline in cash and deposits, which offset an increase in investment securities.

Total liabilities as of September 30, 2009 were down ¥5,426 million from the end of the previous fiscal year to ¥143,628 million, mainly due to decreases in income taxes payable and long-term loans payable.

Total net assets as of September 30, 2009 rose ¥1,251 million from March 31, 2009 to ¥163,069 million. This was mainly due to increases in retained earnings and the valuation difference on available-for-sale



securities, which offset a decrease in the foreign currency translation adjustment.

## 2) Cash Flows

Cash and cash equivalents as of September 30, 2009 was ¥22,503 million. This reflected a decrease in cash and cash equivalents of ¥5,280 million from March 31, 2009.

Cash flows for each activity and reasons are as follows.

### Cash Flows From Operating Activities

Operating activities provided net cash of ¥6,167 million. This was primarily due to a higher income before income taxes and minority interests.

### Cash Flows From Investing Activities

Investing activities used net cash of ¥5,793 million. This was mainly due to purchase of property, plant and equipment, which outweighed collection of loans receivable.

### Cash Flows From Financing Activities

Financing activities used net cash of ¥5,028 million. This was mainly due to repayments of short-term loans and payments of dividends.

## 3. Forecasts of Business Performance

Regarding consolidated results for the full-year, although we anticipate effects from the global economy and fluctuations in currency exchange rates, in light of the better-than-expected performance for the first six months of fiscal 2010 we have made upward revisions to our full-year forecasts for net sales, operating income, and ordinary income. At the same time, we have made downward revisions to the forecast for net income, in part due to an anticipated extraordinary loss.

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.

No substantive changes have been made with respect to business risks and other risks that may impact Kikkoman's operating results, which were disclosed in the Company's most recent securities report filing on June 23, 2009.

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previously Issued Forecast (A)	282,000	18,800	16,300	9,000	43.55
Current Revised Forecast (B)	286,000	20,300	17,500	8,000	38.72
Difference (B - A)	4,000	1,500	1,200	(1,000)	—
Percent Change (%)	1.4	8.0	7.4	(11.1)	—
Results from Previous Fiscal Year	412,649	20,368	17,966	2,746	13.59

Note: Assumed foreign currency exchange rates:

Previously announced forecast: US\$ = ¥90, EUR = ¥120

Forecast as of this announcement: US\$ = ¥90, EUR = ¥128



#### 4. Other Matters

##### 1) Changes to important subsidiaries during the first six months (Changes in certain specified subsidiaries resulting in revised scope of consolidation):

No applicable items.

##### 2) Application of simplified accounting methods, and of special accounting methods in the preparation of quarterly consolidated financial statements:

###### Application of simplified accounting methods

###### Method of calculating deferred tax assets and deferred tax liabilities

For deferred tax assets that are judged to be recoverable, because there has been no significant change in the operating environment or temporary differences since the end of the previous fiscal year, deferred tax assets and deferred tax liabilities are calculated using the business forecasts used at the end of the previous fiscal year and using a method employing tax planning.

###### Special accounting methods used in the preparation of quarterly financial statements:

###### Calculation of tax expenses

The effective tax rate after the application of deferred tax accounting to net income before income taxes for the consolidated fiscal year including the first six months under review is reasonably estimated, and the tax expenses are calculated by multiplying this estimated effective tax rate by net income before income taxes. The income tax adjustment is included in income taxes-current on the statement of income.

##### 3) Changes in accounting principles, procedures, methods of presentation, etc. associated with preparation of quarterly consolidated financial statements:

###### Accounting standard for measurement of inventories

Pursuant to “Accounting Standard for Measurement of Inventories” (ASBJ Standard No. 9, September 26, 2008), which can be applied ahead of schedule for the fiscal year ending March 31, 2010, the Company has applied this standard from the first quarter of the fiscal year under review. Consequently, the Group has changed its method for measuring inventories in the soy sauce category (raw materials (excluding packaging), products in process and finished goods) for Kikkoman Corporation and certain consolidated subsidiaries from the last-in, first-out method to the total average method.

The effect of this change was a respective increase of ¥2,514 million in operating income, ordinary income and income before income taxes and minority interests.

This monetary effect is calculated as the difference between the average total book value of paid-out inventories (cost of sales) and the total cost for re-procuring inventories following pay out. These inventories, which are included in calculated income/loss pertaining to inventories held, consist of soy sauce raw materials, products in process, and finished products.

The effects of this change on segment information are discussed below.

## 5. Consolidated Quarterly Financial Statements

## 1) Consolidated Quarterly Balance Sheets

	(Millions of yen)	
	As of September 30, 2009	As of March 31, 2009
<b>Assets</b>		
Current assets		
Cash and deposits	23,409	28,855
Notes and accounts receivable-trade	40,792	40,524
Short-term investment securities	130	130
Merchandise and finished goods	19,905	19,794
Work in process	8,352	6,267
Raw materials and supplies	3,164	2,903
Deferred tax assets	4,700	4,920
Other	8,693	10,582
Allowance for doubtful accounts	(612)	(626)
Total current assets	108,538	113,353
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	39,836	41,427
Machinery, equipment and vehicles, net	32,322	33,402
Land	16,123	16,281
Lease assets, net	313	283
Construction in progress	5,256	2,686
Other, net	2,620	2,590
Total property, plant and equipment	96,472	96,671
Intangible assets		
Goodwill	29,394	30,171
Rights of trademarks	226	627
Other	2,145	2,042
Total intangible assets	31,766	32,840
Investments and other assets		
Investment securities	53,199	50,765
Long-term loans receivable	2,542	2,412
Deferred tax assets	944	1,393
Other	16,187	16,184
Allowance for doubtful accounts	(2,953)	(2,749)
Total investments and other assets	69,920	68,007
Total noncurrent assets	198,159	197,519
<b>Total assets</b>	306,698	310,873

(Millions of yen)

	As of September 30, 2009	As of March 31, 2009
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	14,579	13,854
Short-term loans payable	11,044	10,741
Lease obligations	154	127
Accounts payable-other	9,203	10,312
Income taxes payable	2,292	6,169
Provision for bonuses	2,547	2,198
Provision for directors' bonuses	39	79
Other	4,843	5,084
<b>Total current liabilities</b>	<b>44,704</b>	<b>48,570</b>
<b>Noncurrent liabilities</b>		
Bonds payable	60,000	60,000
Long-term loans payable	24,050	26,209
Lease obligations	172	197
Deferred tax liabilities	1,806	1,503
Provision for retirement benefits	4,015	3,399
Provision for directors' retirement benefits	1,124	1,340
Other	7,754	7,834
<b>Total noncurrent liabilities</b>	<b>98,923</b>	<b>100,485</b>
<b>Total liabilities</b>	<b>143,628</b>	<b>149,055</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	11,599	11,599
Capital surplus	21,211	21,212
Retained earnings	148,874	146,082
Treasury stock	(3,852)	(3,811)
<b>Total shareholders' equity</b>	<b>177,833</b>	<b>175,082</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	500	(996)
Deferred gains or losses on hedges	(19)	12
Foreign currency translation adjustment	(16,205)	(13,209)
Unfunded retirement benefit obligation of overseas subsidiaries	(822)	(822)
<b>Total valuation and translation adjustments</b>	<b>(16,547)</b>	<b>(15,016)</b>
Subscription rights to shares	202	106
Minority interests	1,581	1,644
<b>Total net assets</b>	<b>163,069</b>	<b>161,817</b>
<b>Total liabilities and net assets</b>	<b>306,698</b>	<b>310,873</b>

## 2) Consolidated Quarterly Statements of Income

(Millions of yen)

	Six months ended September 30, 2008	Six months ended September 30, 2009
Net sales	204,685	143,781
Cost of sales	125,387	82,878
Gross profit	79,298	60,903
Selling, general and administrative expenses	69,621	48,781
Operating income	9,676	12,121
Non-operating income		
Interest income	259	69
Dividends income	353	279
Equity in earnings of affiliates	126	213
Rent income	317	315
Other	1,349	644
Total non-operating income	2,406	1,521
Non-operating expenses		
Interest expenses	672	791
Other	2,267	1,943
Total non-operating expenses	2,940	2,735
Ordinary income	9,142	10,908
Extraordinary income		
Gain on sales of property, plant and equipment	1,040	37
Gain on sales of investment securities	—	0
Dividends from liquidation of securities	—	4
Total extraordinary income	1,040	42
Extraordinary loss		
Loss on retirement of noncurrent assets	—	382
Loss on valuation of investment securities	28	452
Loss on valuation of golf club membership	8	30
Special extra retirement payments	154	—
Loss on valuation of inventories	33	—
Change cost of Corporate Identity	355	—
Expenses for change of the Company's name of subsidiaries and affiliates	—	63
Expenses for holding company system shifts	—	224
Total extraordinary loss	579	1,152
Income before income taxes and minority interests	9,603	9,797
Income taxes	4,348	3,857
Minority interests in income	216	48
Net income	5,038	5,891

## 3) Consolidated Quarterly Statements of Cash Flows

	(Millions of yen)	
	Six months ended September 30, 2008	Six months ended September 30, 2009
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	9,603	9,797
Depreciation and amortization	8,241	6,005
Increase (decrease) in provision for retirement benefits	(278)	717
Increase (decrease) in accrued expenses resulting from transition of pension plan	(806)	—
Increase (decrease) in provision for directors' retirement benefits	(372)	(215)
Interest and dividends income	(613)	(348)
Interest expenses	672	791
Equity in (earnings) losses of affiliates	(126)	(213)
Loss (gain) on sales of property, plant and equipment	(1,040)	(76)
Loss (gain) on sales of investment securities	—	(0)
Loss on retirement of property, plant and equipment	270	501
Loss (gain) on valuation of investment securities	28	452
Decrease (increase) in notes and accounts receivable-trade	273	(1,034)
Decrease (increase) in inventories	(3,842)	(3,111)
Increase (decrease) in notes and accounts payable-trade	(289)	1,129
Other, net	1,717	(586)
Subtotal	13,438	13,809
Interest and dividends received	835	552
Interest expenses paid	(684)	(785)
Income taxes paid	(3,579)	(7,408)
Net cash provided by (used in) operating activities	10,010	6,167
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(9,749)	(7,463)
Proceeds from sales of property, plant and equipment	1,441	86
Purchase of intangible assets	(101)	(430)
Purchase of investment securities	(26,906)	(547)
Proceeds from sales of investment securities	12	59
Payments of loans receivable	(317)	(153)
Collection of loans receivable	272	2,495
Other, net	(190)	160
Net cash provided by (used in) investing activities	(35,538)	(5,793)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	27,503	(1,610)
Repayment of long-term loans payable	(624)	(191)
Purchase of treasury stock	(489)	(37)
Cash dividends paid	(2,915)	(3,105)
Cash dividends paid to minority shareholders	(351)	(8)
Other, net	(126)	(75)
Net cash provided by (used in) financing activities	22,995	(5,028)
Effect of exchange rate change on cash and cash equivalents	405	(626)
Net increase (decrease) in cash and cash equivalents	(2,125)	(5,280)
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	30,961	22,503

#### 4) Notes Regarding Going Concern

No applicable items.

#### 5) Segment Information

##### Business Segments

First Six Months (April 1, 2008 – September 30, 2008)

(Millions of yen)

	Foods – manufacturing and sales	Foods – wholesale	Coca-Cola	Others	Total	Eliminations and corporate	Consoli- dated
Sales							
1) Sales to third parties	100,992	41,874	58,033	3,785	204,685	—	204,685
2) Intragroup sales or transfers	485	105	96	3,503	4,192	(4,192)	—
Total sales	101,477	41,980	58,130	7,289	208,877	(4,192)	204,685
Operating income	6,224	2,252	732	447	9,657	19	9,676

First Six Months (April 1, 2009 – September 30, 2009)

(Millions of yen)

	Foods – manufacturing and sales	Foods – wholesale	Others	Total	Eliminations and corporate	Consoli- dated
Sales						
1) Sales to third parties	101,754	38,318	3,708	143,781	—	143,781
2) Intragroup sales or transfers	557	86	3,684	4,328	(4,328)	—
Total sales	102,311	38,405	7,392	148,109	(4,328)	143,781
Operating income	9,641	2,013	459	12,115	6	12,121

##### (Note) Changes in accounting principles

First six months of fiscal year ending March 31, 2010

(Accounting standard for measurement of inventories)

As stated above in “4. Other Matters, 3) Changes in accounting principles, procedures, methods of presentation, etc. associated with preparation of quarterly consolidated financial statements,” pursuant to “Accounting Standard for Measurement of Inventories” (ASBJ Standard No. 9, September 26, 2008), which can be applied ahead of schedule for the fiscal year ending March 31, 2010, the Company has applied this standard from the first quarter of the fiscal year under review. Consequently, the Group has changed its method for measuring inventories in the soy sauce category (raw materials (excluding packaging), products in process and finished goods) for Kikkoman Corporation and certain consolidated subsidiaries from the last-in, first-out method to the total average method. Relative to the previous method used, the effect of this change was an increase of ¥2,514 million in operating income from the Foods– manufacturing and sales segment.

## Geographical Segments

First Six Months (April 1, 2008 – September 30, 2008)

(Millions of yen)

	Japan	North America	Other	Total	Eliminations and corporate	Consolidated
Sales						
1) Sales to third parties	139,665	50,106	14,913	204,685	—	204,685
2) Interarea sales or transfers	7,876	1,816	296	9,989	(9,989)	—
Total sales	147,541	51,923	15,210	214,675	(9,989)	204,685
Operating income	2,763	5,177	1,791	9,732	(56)	9,676

First Six Months (April 1, 2009 – September 30, 2009)

(Millions of yen)

	Japan	North America	Other	Total	Eliminations and corporate	Consolidated
Sales						
1) Sales to third parties	83,352	47,944	12,484	143,781	—	143,781
2) Interarea sales or transfers	7,273	827	361	8,461	(8,461)	—
Total sales	90,626	48,771	12,845	152,243	(8,461)	143,781
Operating income	5,772	4,913	1,512	12,199	(77)	12,121

(Note) Changes in accounting principles

First six months of fiscal year ending March 31, 2010

(Accounting standard for measurement of inventories)

As stated above in “4. Other Matters, 3) Changes in accounting principles, procedures, methods of presentation, etc. associated with preparation of quarterly consolidated financial statements,” pursuant to “Accounting Standard for Measurement of Inventories” (ASBJ Standard No. 9, September 26, 2008), which can be applied ahead of schedule for the fiscal year ending March 31, 2010, the Company has applied this standard from the first quarter of the fiscal year under review. Consequently, the Group has changed its method for measuring inventories in the soy sauce category (raw materials (excluding packaging), products in process and finished goods) for Kikkoman Corporation and certain consolidated subsidiaries from the last-in, first-out method to the total average method. Relative to the previous method used, the effect of this change was an increase of ¥2,514 million in operating income from the Japan geographical segment.

## Overseas Sales

First Six Months (April 1, 2008 – September 30, 2008)

(Millions of yen)

	North America	Other	Total
Overseas sales	49,836	17,966	67,802
Consolidated net sales			204,685
Ratio of overseas sales to consolidated net sales	24.3%	8.8%	33.1%

First Six Months (April 1, 2009 – September 30, 2009)

(Millions of yen)

	North America	Other	Total
Overseas sales	47,594	15,138	62,732
Consolidated net sales			143,781
Ratio of overseas sales to consolidated net sales	33.1%	10.5%	43.6%

## 6) Notes Regarding Dramatic Changes in Shareholders' Equity

No applicable items.



## 6. Other Information

The Kikkoman Group has formulated a medium-term management plan running up to fiscal 2013, with fiscal 2011 as the first year of the plan. The following table shows the consolidated business targets for fiscal 2013.

<Consolidated business targets for fiscal 2013 (April 1, 2012 – March 31, 2013)>						(Billions of yen)
	Fiscal 2009 Actual*	Fiscal 2013 Target	Increase /Decrease	Translation difference **	Increase /Decrease except translation difference	Average growth rate
Net Sales	288.8	320.0	31.2	(13.8)	45.0	3.9%
Operating Income	17.9	26.0	8.1	(1.4)	9.5	12.0%
Operating Income Ratio to Net Sales	6.2%	8.1%				
Recurring Income to Total Assets (ROA)	5.2%	7.4%				

\* Fiscal 2009 actual results (excluding Coca-Cola operations)

\*\* Assumed foreign currency exchange rates for the medium-term management plan

¥ 90/US\$

¥125/EUR