

Consolidated Financial Results

Kikkoman Corporation Flash Report 2011 (Japanese GAAP) (Consolidated)

Year ended March 31, 2011

Listed company name: **Kikkoman Corporation**
Shares listed: Tokyo (1st Section), Osaka (1st Section)
Code No.: 2801
URL: <http://www.kikkoman.com>
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Scheduled Date of Ordinary General Meeting of Shareholders: June 23, 2011
Scheduled Date of Dividend Payment Commencement: June 24, 2011
Scheduled Date for Release of Annual Securities Report: June 23, 2011
Business performance presentation to Be Held: Yes

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, 2011 (April 1, 2010 to March 31, 2011)

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, 2010 –Mar. 31, 2011	283,463	(0.8)	19,208	(8.9)	16,751	(12.5)	7,770	(9.7)
Apr. 1, 2009 –Mar. 31, 2010	285,690	(30.8)	21,085	3.5	19,136	6.5	8,602	213.2

(Note) Comprehensive income (loss)

Year ended March 31, 2011: ¥ 215 million loss

Year ended March 31, 2010: ¥ 8,676 million

	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, 2010 –Mar. 31, 2011	37.74	—	4.8	5.5	6.8
Apr. 1, 2009 –Mar. 31, 2010	41.65	—	5.3	6.2	7.4

(Reference) Equity-method investment gain (loss)

Year ended March 31, 2011: ¥ 19 million

Year ended March 31, 2010: ¥ 500 million

2) Financial Position

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share (yen)
Mar. 31, 2011	298,867	162,600	53.8%	783.58
Mar. 31, 2010	311,175	167,086	53.1%	800.79

(Reference) Total shareholders' equity

Year ended March 31, 2011: ¥ 160,730 million

Year ended March 31, 2010: ¥ 165,277 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, 2010 –Mar. 31, 2011	24,534	(7,802)	(11,493)	28,855
Apr. 1, 2009 –Mar. 31, 2010	18,003	(11,959)	(8,522)	25,008

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, 2009 -Mar. 31, 2010	—	0.00	—	15.00	15.00	3,101	36.0%	1.9%
Apr. 1, 2010 -Mar. 31, 2011	—	0.00	—	15.00	15.00	3,082	39.7%	1.9%
Apr. 1, 2011 -Mar. 31, 2012 (Estimated)	—	0.00	—	15.00	15.00		28.0%	

3. Forecasts of Business Performance for the Fiscal Year Ending March 31, 2012 (April 1, 2011 to March 31, 2012)

(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, 2011- Sep.30, 2011	—	—	—	—	—	—	—	—	—
Apr.1, 2011- Mar.31, 2012	288,000	1.6	19,500	1.5	17,300	3.3	10,700	37.7	52.16

Earnings forecasts (cumulative) for the second quarter of the year ending March 31, 2012 have yet to be determined, as the Great East Japan Earthquake of March 11, 2011 has made it difficult to calculate them rationally. These forecasts will be disclosed promptly as soon as they can be determined.

4. Others

- 1) Changes to important subsidiaries during the period (Changes in certain specified subsidiaries resulting in revised scope of consolidation): No
Newly consolidated companies: 0 Newly unconsolidated company: 0

- 2) Changes in Accounting Treatment Principles and Procedures or Presentation Method

- ① Changes associated with accounting standard revisions, etc.: Yes
② Changes other than those in ① above: No

(Note) For details, please refer to “6) Changes in Important Items Fundamental to the Preparation of Consolidated Financial Statements” on page 15 of this report.

- 3) Issued and outstanding shares (common stock)

- ① Shares issued and outstanding at end of period (including treasury stock):
Mar. 31, 2011 — 210,383,202 shares Mar. 31, 2010 — 210,383,202 shares
- ② Treasury stock at end of period
Mar. 31, 2011 — 5,259,613 shares Mar. 31, 2010 — 3,989,448 shares
- ③ Average number of shares during the period
Mar. 31, 2011 — 205,903,449 shares Mar. 31, 2010 — 206,546,227 shares

(Reference) Overview of Non-consolidated Results

1. Business Performance (unconsolidated) for the Year Ended March 31, 2011
(April 1, 2010 to March 31, 2011)

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, 2010 –Mar. 31, 2011	15,359	(77.2)	4,394	(9.1)	4,035	(25.2)	3,917	(17.4)
Apr. 1, 2009 –Mar. 31, 2010	67,473	(44.2)	4,836	67.3	5,393	14.9	4,743	(28.1)

	Net income per share (yen)	Net income per share (Assuming full dilution) (yen)
Apr. 1, 2010 –Mar. 31, 2011	18.99	—
Apr. 1, 2009 –Mar. 31, 2010	22.93	—

2) Financial Position (unconsolidated)

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share (yen)
Mar. 31, 2011	191,578	98,999	51.6 %	480.88
Mar. 31, 2010	198,844	100,983	50.7 %	487.49

(Note) Total shareholders' equity

Mar. 31, 2011: ¥ 98,819 million

Mar. 31, 2010: ¥ 100,797 million

* Statement on the applicability of audit procedures

These financial results are not subject to audit procedures as provided in the Financial Instruments and Exchange Law. The audit procedures for consolidated financial statements and non-consolidated financial statements as provided in the Financial Instruments and Exchange Law had yet to be completed as of the disclosure date of this report.

* Explanation of appropriate use of business forecasts and other special matters

1. Caution Regarding Forward-looking Statements

Forecasts of business performance and future developments noted in this report are based on assumptions from information available to management at the time of disclosure and deemed reasonable at the present time. Actual results may differ significantly from forecasts.

2. How to obtain business performance presentation materials

Kikkoman plans to publish business performance presentation materials on its Website.

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1. Consolidated Operating Results

<Consolidated Financial Statements>

(Millions of yen, %)

	Fiscal 2010 Actual		Fiscal 2011 Actual		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
	4.1.2009 – 3.31.2010		4.1.2010 – 3.31.2011		Amount	YoY	%		Amount	YoY
	Amount	%	Amount	%						
Net Sales	285,721	100.0	283,463	100.0	(2,257)	99.2	–	(9,266)	7,008	102.5
Operating Income	21,115	7.4	19,208	6.8	(1,907)	91.0	(0.6)	(1,019)	(888)	95.8
Ordinary Income	19,136	6.7	16,751	5.9	(2,384)	87.5	(0.8)	(895)	(1,489)	92.2
Net Income	8,602	3.0	7,770	2.7	(831)	90.3	(0.3)	(600)	(231)	97.3
Exchange Rate (¥/US\$)	93.04		85.82		(7.22)					
(¥/EUR)	130.62		113.56		(17.06)					

<Reporting segments>

(Millions of yen, %)

		Fiscal 2010 Actual		Fiscal 2011 Actual		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.2009 – 3.31.2010		4.1.2010 – 3.31.2011		Amount	YoY	%		Amount	YoY
		Amount	%	Amount	%						
Domestic Foods- Manufacturing and Sales	Net Sales	151,737	100.0	150,456	100.0	(1,281)	99.2	–	–	(1,281)	99.2
	Operating Income	7,413	4.9	5,678	3.8	(1,734)	76.6	(1.1)	–	(1,734)	76.6
Domestic Others	Net Sales	18,741	100.0	19,636	100.0	895	104.8	–	–	895	104.8
	Operating Income	928	5.0	1,456	7.4	528	157.0	2.4	–	528	157.0
Overseas Foods- Manufacturing and Sales	Net Sales	48,679	100.0	46,699	100.0	(1,979)	95.9	–	(3,690)	1,710	103.5
	Operating Income	8,112	16.7	8,007	17.1	(104)	98.7	0.4	(697)	592	107.3
Overseas Foods- Wholesale	Net Sales	85,416	100.0	85,273	100.0	(143)	99.8	–	(6,053)	5,910	106.9
	Operating Income	4,399	5.2	3,929	4.6	(469)	89.3	(0.6)	(219)	(249)	94.3
Adjustments	Net Sales	(18,853)	100.0	(18,602)	100.0	251	–	–	477	(226)	–
	Operating Income	262	–	134	–	(127)	–	–	(101)	(25)	–
Amount recorded in consolidated financial statements	Net Sales	285,721	100.0	283,463	100.0	(2,257)	99.2	–	(9,266)	7,008	102.5
	Operating Income	21,115	7.4	19,208	6.8	(1,907)	91.0	(0.6)	(1,019)	(888)	95.8
Exchange Rate (¥/US\$)	93.04		85.82		(7.22)						
(¥/EUR)	130.62		113.56		(17.06)						

Note: On October 1, 2009, Kikkoman Corporation shifted to a holding company structure. Figures from the year previous to the fiscal year under review have been adjusted to fit the newly adopted reporting segments, as if the Company had shifted to a holding company structure on April 1, 2009, to facilitate comparisons with the fiscal year under review. These figures therefore differ from those in the summary information and in the attachment “2. Consolidated Financial Statements 2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income (Consolidated Statements of Income).”

2. Consolidated Financial Statements

1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2010	As of March 31, 2011
Assets		
Current assets		
Cash and deposits	26,667	30,247
Notes and accounts receivable-trade	41,596	39,029
Short-term investment securities	131	131
Merchandise and finished goods	19,777	19,063
Work in process	9,267	8,699
Raw materials and supplies	3,187	3,221
Deferred tax assets	4,266	4,988
Other	10,387	4,485
Allowance for doubtful accounts	(689)	(421)
Total current assets	114,590	109,445
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	39,209	40,920
Machinery, equipment and vehicles, net	32,288	33,686
Land	16,059	15,548
Lease assets, net	242	172
Construction in progress	7,695	3,712
Other, net	2,459	2,283
Total property, plant and equipment	97,955	96,323
Intangible assets		
Goodwill	27,414	25,189
Other	2,255	2,593
Total intangible assets	29,669	27,782
Investments and other assets		
Investment securities	54,542	51,944
Long-term loans receivable	2,891	1,318
Deferred tax assets	3,028	2,820
Other	11,243	10,703
Allowance for doubtful accounts	(2,746)	(1,472)
Total investments and other assets	68,959	65,315
Total noncurrent assets	196,584	189,421
Total assets	311,175	298,867

	(Millions of yen)	
	As of March 31, 2010	As of March 31, 2011
Liabilities		
Current liabilities		
Notes and accounts payable-trade	14,507	14,626
Short-term loans payable	9,962	5,054
Lease obligations	148	71
Accounts payable-other	12,710	12,711
Income taxes payable	2,316	2,030
Provision for bonuses	2,190	2,187
Provision for directors' bonuses	77	80
Provision for investment loss	—	267
Provision for loss on disaster	—	493
Other	3,943	3,981
Total current liabilities	45,858	41,504
Noncurrent liabilities		
Bonds payable	60,000	60,000
Long-term loans payable	21,950	19,555
Lease obligations	143	123
Deferred tax liabilities	3,399	2,287
Provision for retirement benefits	4,017	3,922
Provision for directors' retirement benefits	1,142	1,099
Provision for environmental measures	319	348
Provision for loss on plant closing	—	209
Other	7,257	7,216
Total noncurrent liabilities	98,230	94,762
Total liabilities	141,863	136,266
Net assets		
Shareholders' equity		
Capital stock	11,599	11,599
Capital surplus	21,212	21,210
Retained earnings	151,579	156,248
Treasury stock	(4,066)	(5,214)
Total shareholders' equity	180,324	183,844
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	536	(1,230)
Deferred gains or losses on hedges	27	(0)
Foreign currency translation adjustment	(14,816)	(21,194)
Unfunded retirement benefit obligation of overseas subsidiaries	(793)	(688)
Total Accumulated other comprehensive income	(15,046)	(23,113)
Subscription rights to shares	185	179
Minority interests	1,623	1,690
Total net assets	167,086	162,600
Total liabilities and net assets	311,175	298,867

2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Consolidated Statements of Income)

	(Millions of yen)	
	Year ended March 31, 2010	Year ended March 31, 2011
Net sales	285,690	283,463
Cost of sales	166,924	168,147
Gross profit	118,765	115,315
Selling, general and administrative expenses		
Selling expenses	73,519	71,491
General and administrative expenses	24,161	24,615
Total selling, general and administrative expenses	97,680	96,107
Operating income	21,085	19,208
Non-operating income		
Interest income	247	189
Dividends income	500	623
Equity in earnings of affiliates	500	19
Rent income	626	572
Foreign exchange gains	—	842
Other	1,472	1,174
Total non-operating income	3,347	3,422
Non-operating expenses		
Interest expenses	1,543	1,446
Loss on retirement of noncurrent assets	247	179
Loss on valuation of derivatives	—	734
Other	3,505	3,518
Total non-operating expenses	5,296	5,879
Ordinary income	19,136	16,751
Extraordinary income		
Gain on sales of property, plant and equipment	299	1,714
Gain on sales of investment securities	3	562
Dividends from liquidation of securities	4	—
Reversal of reserve for retirement benefits	105	—
Other	—	30
Total extraordinary income	412	2,307
Extraordinary loss		
Impairment loss	2,079	514
Loss on retirement of noncurrent assets	1,062	605
Loss on valuation of investment securities	417	495
Loss on liquidation of subsidiaries and affiliates	—	691
Loss on valuation of golf club membership	36	11
Provision for environmental measures	319	—
Special extra retirement payments	45	377
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	128
Expenses for exhibition in Shanghai Expo	—	434
Expenses for change of the Company's name of subsidiaries and affiliates	63	—
Expenses for holding company system shifts	694	—
Loss on disaster	—	2,352
Total extraordinary loss	4,718	5,610
Income before income taxes and minority interests	14,830	13,447

(Millions of yen)

	Year ended March 31, 2010	Year ended March 31, 2011
Income taxes-current	6,229	6,014
Income taxes-deferred	(86)	(421)
Total income taxes	6,142	5,593
Income before minority interests	—	7,854
Minority interests in income	85	83
Net income	8,602	7,770

(Consolidated Statements of Comprehensive Income)

	(Millions of yen)	
	Year ended March 31, 2010	Year ended March 31, 2011
Income before minority interests	—	7,854
Other comprehensive income		
Valuation difference on available-for-sale securities	—	(1,661)
Deferred gains or losses on hedges	—	(17)
Foreign currency translation adjustment	—	(6,155)
Unfunded retirement benefit obligation of overseas subsidiaries	—	104
Share of other comprehensive income of associates accounted for using equity method	—	(341)
Total other comprehensive income	—	(8,070)
Comprehensive income	—	(215)
(Breakdown)	—	
Comprehensive income attributable to owners of the parent	—	(296)
Comprehensive income attributable to minority interests	—	80

3) Consolidated Statements of Changes in Net Assets

	(Millions of yen)	
	Year ended March 31, 2010	Year ended March 31, 2011
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	21,212	21,212
Changes of items during the period		
Disposal of treasury stock	(0)	(1)
Total changes of items during the period	(0)	(1)
Balance at the end of current period	21,212	21,210
Retained earnings		
Balance at the end of previous period	146,082	151,579
Changes of items during the period		
Dividends from surplus	(3,105)	(3,101)
Net income	8,602	7,770
Total changes of items during the period	5,497	4,669
Balance at the end of current period	151,579	156,248
Treasury stock		
Balance at the end of previous period	(3,811)	(4,066)
Changes of items during the period		
Purchase of treasury stock	(271)	(1,161)
Disposal of treasury stock	16	12
Total changes of items during the period	(255)	(1,148)
Balance at the end of current period	(4,066)	(5,214)
Total shareholders' equity		
Balance at the end of previous period	175,082	180,324
Changes of items during the period		
Dividends from surplus	(3,105)	(3,101)
Net income	8,602	7,770
Purchase of treasury stock	(271)	(1,161)
Disposal of treasury stock	15	11
Total changes of items during the period	5,241	3,519
Balance at the end of current period	180,324	183,844

	(Millions of yen)	
	Year ended March 31, 2010	Year ended March 31, 2011
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	(996)	536
Changes of items during the period		
Net changes of items other than shareholders' equity	1,533	(1,766)
Total changes of items during the period	1,533	(1,766)
Balance at the end of current period	536	(1,230)
Deferred gains or losses on hedges		
Balance at the end of previous period	12	27
Changes of items during the period		
Net changes of items other than shareholders' equity	15	(27)
Total changes of items during the period	15	(27)
Balance at the end of current period	27	(0)
Foreign currency translation adjustment		
Balance at the end of previous period	(13,209)	(14,816)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,607)	(6,377)
Total changes of items during the period	(1,607)	(6,377)
Balance at the end of current period	(14,816)	(21,194)
Unfunded retirement benefit obligation of overseas subsidiaries		
Balance at the end of previous period	(822)	(793)
Changes of items during the period		
Net changes of items other than shareholders' equity	29	104
Total changes of items during the period	29	104
Balance at the end of current period	(793)	(688)
Total Accumulated other comprehensive income		
Balance at the end of previous period	(15,016)	(15,046)
Changes of items during the period		
Net changes of items other than shareholders' equity	(30)	(8,067)
Changes of items during the period	(30)	(8,067)
Balance at the end of current period	(15,046)	(23,113)
Subscription rights to shares		
Balance at the end of previous period	106	185
Changes of items during the period		
Net changes of items other than shareholders' equity	78	(5)
Total changes of items during the period	78	(5)
Balance at the end of current period	185	179
Minority interests		
Balance at the end of previous period	1,644	1,623
Changes of items during the period		
Net changes of items other than shareholders' equity	(20)	66
Total changes of items during the period	(20)	66
Balance at the end of current period	1,623	1,690

	(Millions of yen)	
	Year ended March 31, 2010	Year ended March 31, 2011
Total net assets		
Balance at the end of previous period	161,817	167,086
Changes of items during the period		
Dividends from surplus	(3,105)	(3,101)
Net income	8,602	7,770
Purchase of treasury stock	(271)	(1,161)
Disposal of treasury stock	15	11
Net changes of items other than shareholders' equity	27	(8,005)
Total changes of items during the period	5,268	(4,486)
Balance at the end of current period	167,086	162,600

4) Consolidated Statements of Cash Flows

	(Millions of yen)	
	Year ended March 31, 2010	Year ended March 31, 2011
Cash flows from operating activities		
Income before income taxes and minority interests	14,830	13,447
Depreciation and amortization	12,036	12,150
Impairment loss	2,079	891
Increase (decrease) in provision for retirement benefits	617	(139)
Increase (decrease) in provision for directors' retirement benefits	(197)	(43)
Increase (decrease) in provision for loss on disaster	—	493
Interest and dividends income	(749)	(813)
Interest expenses	1,543	1,446
Equity in (earnings) losses of affiliates	(500)	(19)
Loss (gain) on sales of property, plant and equipment	(341)	(1,719)
Loss (gain) on sales of investment securities	(3)	(562)
Loss on retirement of property, plant and equipment	1,335	826
Loss (gain) on valuation of investment securities	417	495
Decrease (increase) in notes and accounts receivable-trade	(1,504)	504
Decrease (increase) in inventories	(3,535)	(264)
Increase (decrease) in notes and accounts payable-trade	912	1,072
Other, net	2,454	2,104
Subtotal	29,394	29,870
Interest and dividends received	1,068	1,151
Interest expenses paid	(1,563)	(1,447)
Income taxes paid	(10,896)	(5,040)
Net cash provided by (used in) operating activities	18,003	24,534
Cash flows from investing activities		
Purchase of property, plant and equipment	(14,261)	(12,387)
Proceeds from sales of property, plant and equipment	439	1,808
Purchase of intangible assets	(850)	(852)
Purchase of investment securities	(1,578)	(1,557)
Proceeds from sales of investment securities	2,985	4,980
Payments of loans receivable	(868)	(149)
Collection of loans receivable	2,723	438
Other, net	(548)	(82)
Net cash provided by (used in) investing activities	(11,959)	(7,802)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(2,615)	(4,799)
Repayment of long-term loans payable	(2,383)	(2,259)
Purchase of treasury stock	(271)	(1,161)
Cash dividends paid	(3,105)	(3,101)
Cash dividends paid to minority shareholders	(9)	(9)
Other, net	(138)	(162)
Net cash provided by (used in) financing activities	(8,522)	(11,493)
Effect of exchange rate change on cash and cash equivalents	(297)	(1,426)
Net increase (decrease) in cash and cash equivalents	(2,775)	3,812
Cash and cash equivalents at beginning of the period	27,783	25,008
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiary	—	35
Cash and cash equivalents at end of period	25,008	28,855

5) Notes Regarding Going Concern

No applicable items.

6) Changes in Important Items Fundamental to the Preparation of Consolidated Financial Statements

1. Changes in accounting principles

a. Application of accounting standard for and guidance on asset retirement obligations

From the fiscal year ended March 31, 2011, Kikkoman began applying the Accounting Standard for Asset Retirement Obligations (Accounting Standards Board of Japan Statement No. 18, March 31, 2008) and the Guidance on Accounting Standard for Asset Retirement Obligations (Accounting Standards Board of Japan Guidance No. 21, March 31, 2008).

As a result of this change, income before income taxes and minority interests declined ¥128 million.

b. Application of equity-method accounting standard for and the provisional accounting treatment of equity-method affiliated companies

From the fiscal year ended March 31, 2011, Kikkoman began applying the Accounting Standards for Equity Method of Accounting for Investments (Accounting Standards Board of Japan Statement No. 16, March 10, 2008) and Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method (Practical Issue Task Force No. 24, March 10, 2008) to adjust the consolidated results as required.

These changes did not affect ordinary income or income before income taxes and minority interests.

2. Standards for recording an important allowance

a. Provision for investment loss

In order to prepare for potential loss on investments by affiliated companies, Kikkoman has recorded an appropriate amount taking into account the financial situation and other factors for each company.

b. Provision for loss on disaster

In order to prepare for the reconstruction of facilities and the disposal of inventory assets damaged by the Great East Japan Earthquake, Kikkoman has recorded an estimated amount of the damages as of March 31, 2011.

c. Provision for loss on plant closing

In order to prepare for losses arising from the closure of factories at affiliated companies, Kikkoman has recorded an estimated amount of such losses.

7) Changes in Disclosure Method

From the fiscal year ended March 31, 2011, Kikkoman began disclosing information on income before minority interests as provisioned by the Accounting Standard for Consolidated Financial Statements (Accounting Standards Board of Japan Statement No. 22, December 26, 2008) and the Cabinet Office Ordinance on the Partial Revision of the Regulation for Terminology, Forms and Preparation of Financial Statements (Cabinet Office Ordinance No. 5, March 24, 2009).

8) Additional Information

From the fiscal year ended March 31, 2011, Kikkoman began applying the Accounting Standard for Presentation of Comprehensive Income (Accounting Standards Board of Japan Statement No. 25, June 30, 2010). However, the amounts recorded as accumulated other comprehensive income and total accumulated other comprehensive income for the previous fiscal year (ended March 31, 2010) are the amounts recorded as valuation and translation adjustments and total valuation and translation adjustments, respectively, for the previous fiscal year.

3. Segment Information

Year ended March 31, 2011 (April 1, 2010 –March 31, 2011)

1) Overview of Reporting Segments

For reporting segments, financial data is available broken down into separate business segments, and decisions for allocating business resources and performance assessments are subject to regular review by the Board of Directors.

Led by the holding company, Kikkoman formulates Group strategies and manages operating companies. Under this structure, companies in Japan are categorized into those that primarily engage in the manufacture and sale of foods and those that operate other businesses. Overseas, the holding company's overseas divisions are categorized as operating companies that engage in foods manufacturing and sales and those that engage in oriental food wholesaling under the holding company's overseas business divisions.

Consequently, Group operations are divided into segments broken down into domestic and overseas operations and into overlapping businesses. The four segments are: Domestic Foods— Manufacturing and Sales, Domestic Others, Overseas Foods—Manufacturing and Sales, and Overseas Foods—Wholesale.

Domestic Foods— Manufacturing and Sales engages in the manufacturing and sale of soy sauce, food products, beverages, *sake* and wine. The Domestic others engages in the manufacturing and sale of pharmaceuticals, chemical products, etc and in real estate rentals, logistics, back-office functions, and other businesses. Overseas Foods— Manufacturing and Sales engages in the manufacturing and sale of soy sauce, Del Monte products, health foods, etc overseas and in the export and sales of products for overseas sales. Overseas Foods—Wholesale purchases and sells oriental foods, etc.

2) Calculation Method for the Amount of Sales, Operating Incomes (Losses), Assets (Liabilities) and Other Items by Reporting Segment

Incomes for the reporting segments are operating income amounts and adjustments for intra group income and transfers are based on prevailing market prices.

3) Information on the Amount of Sales, Operating Incomes (Losses), Assets (Liabilities) and Other Items by Reporting Segment

(Millions of yen)

	Reporting Segment					Adjustments (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	Domestic Foods – Manufacturing and Sales	Domestic Others	Overseas Foods – Manufacturing and Sales	Overseas Foods – Wholesale	Total		
Sales							
Sales to third parties	149,387	8,131	40,967	84,976	283,463	—	283,463
Intra group sales or transfers	1,069	11,504	5,731	296	18,602	(18,602)	—
Total sales	150,456	19,636	46,699	85,273	302,065	(18,602)	283,463
Operating income	5,678	1,456	8,007	3,929	19,073	134	19,208
Total assets	128,612	18,291	63,255	34,150	244,310	54,556	298,867
Other items							
Depreciation and amortization	7,667	1,168	2,210	572	11,618	473	12,092
Amortization of goodwill	1,401	83	223	—	1,707	—	1,707
Changes in the amount of tangible fixed assets and intangible fixed assets	9,730	1,348	1,326	719	13,125	1,363	489

(Notes) 1. Adjustment amounts are as follows.

- 1) Adjustments of ¥134 million in segment operating income include a ¥103 million difference in the allocation of corporate expenses.
- 2) Adjustments of ¥54,556 million in segment assets include ¥93,139 million in corporate assets, which consist primarily of Kikkoman's cash and deposits and investment securities, in addition to the elimination of transactions between segments.
- 3) Adjustments of ¥473 million in depreciation and amortization expenses have primarily to do with corporate assets.
- 4) Adjustments of ¥1,363 million for the increase in tangible fixed assets and intangible fixed assets are corporate asset adjustments that are primarily the amount of capital investment in Kikkoman General Hospital.

2. Segment operating incomes are adjusted to the operating incomes recorded in the consolidated statements of income.

(Additional information)

From the fiscal year ended March 31, 2011, Kikkoman began applying the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (Accounting Standards Board of Japan Statement No. 17, March 27, 2009) and the Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (Accounting Standards Board of Japan Guidance No. 20, March 21, 2008).

4. Supplementary Schedules

1) Consolidated Forecasts for FY2012 and Effect of Exchange Rate Differences on Translation of Overseas Subsidiaries' Financial Statements

Net sales ¥ million

		Fiscal 2012 Forecast	Fiscal 2011 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Foods-Manufacturing and sales	151,300	150,456	843	100.6	843	100.6
	Others	20,000	19,636	363	101.9	363	101.9
	Eliminations	(11,300)	(10,550)	(749)	—	(749)	—
	Total	160,000	159,541	458	100.3	458	100.3
Overseas	Foods-Manufacturing and sales	48,000	46,699	1,300	102.8	3,412	107.3
	Foods-Wholesale	87,890	85,273	2,616	103.1	6,496	107.6
	Eliminations	(5,890)	(5,963)	73	—	(410)	—
	Total	130,000	126,009	3,990	103.2	9,498	107.5
Kikkoman(Holding Company)		12,500	11,572	927	108.0	927	108.0
Eliminations		(14,500)	(13,661)	(838)	—	(838)	—
Consolidated Total		288,000	283,463	4,536	101.6	10,044	103.5

Operating Income ¥ million

		Fiscal 2012 Forecast	Fiscal 2011 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Foods-Manufacturing and sales	5,350	5,678	(328)	94.2	(328)	94.2
	Others	1,350	1,456	(106)	92.7	(106)	92.7
	Total	6,700	7,168	(468)	93.5	(468)	93.5
Overseas	Foods-Manufacturing and sales	8,450	8,007	442	105.5	806	110.1
	Foods-Wholesale	4,150	3,929	220	105.6	365	109.3
	Total	12,500	11,873	626	105.3	1,136	109.6
Kikkoman(Holding Company)		4,300	3,517	782	122.3	782	122.3
Eliminations		(4,000)	(3,350)	(649)	—	(649)	—
Consolidated Total		19,500	19,208	291	101.5	801	104.2

Exchange Rate (¥/US\$)	80.00	85.82	(5.82)
(¥/EUR)	115.00	113.56	1.44