

Consolidated Financial Results

Kikkoman Corporation Flash Report 2014 (Japanese GAAP) (Consolidated)

Year ended March 31, 2014

Listed company name: **Kikkoman Corporation**
Shares listed: Tokyo (1st Section)
Code No.: 2801
URL: <http://www.kikkoman.com>
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Scheduled Date of Ordinary General Meeting of Shareholders: June 24, 2014
Scheduled Date of Dividend Payment Commencement: June 25, 2014
Scheduled Date for Release of Annual Securities Report: June 24, 2014
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, 2014 (April 1, 2013 to March 31, 2014)

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, 2013 –Mar. 31, 2014	343,168	14.3	23,847	20.4	22,682	21.3	12,559	14.1
Apr. 1, 2012 –Mar. 31, 2013	300,245	—	19,808	—	18,700	—	11,006	—

(Note) Comprehensive income (loss)

Year ended March 31, 2014: ¥ 27,165 million ((5.9) %)

Year ended March 31, 2013: ¥ 28,859 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, 2013 –Mar. 31, 2014	62.82	62.79	6.4	6.6	6.9
Apr. 1, 2012 –Mar. 31, 2013	54.84	—	6.3	5.6	6.6

(Reference) Equity-method investment gain (loss)

Year ended March 31, 2014: ¥ 1,082 million

Year ended March 31, 2013: ¥ 695 million

(Note) Due to retroactive application associated with a change in accounting policy, year-on-year changes for the figures for the fiscal year ended March 31, 2013 are omitted.

2) Financial Position

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share (yen)
Mar. 31, 2014	349,103	210,407	59.9%	1,045.62
Mar. 31, 2013	337,051	187,459	55.2%	931.70

(Reference) Total shareholders' equity

Year ended March 31, 2014: ¥ 209,166 million

Year ended March 31, 2013: ¥ 186,168 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, 2013 –Mar. 31, 2014	25,667	(8,529)	(21,631)	25,420
Apr. 1, 2012 –Mar. 31, 2013	24,738	(15,698)	(29,331)	27,754

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, 2012 -Mar. 31, 2013	—	0.00	—	20.00	20.00	4,002	36.5%	2.3%
Apr. 1, 2013 -Mar. 31, 2014	—	0.00	—	20.00	20.00	4,008	31.8%	2.0%
Apr. 1, 2014 -Mar. 31, 2015 (Estimated)	—	0.00	—	20.00	20.00		27.6%	

3. Forecasts of Business Performance for the Fiscal Year Ending March 31, 2015 (April 1, 2014 to March 31, 2015)

(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, 2014-Sep.30, 2014	179,100	6.4	12,300	(2.9)	11,600	2.8	7,200	0.6	35.99
Apr.1, 2014-Mar.31, 2015	361,000	5.2	24,700	3.6	23,500	3.6	14,500	15.4	72.49

*Notes

- 1) Changes in important subsidiaries during the period (Changes in certain specified subsidiaries resulting in revised scope of consolidation): No
- 2) Changes in accounting policy, changes in accounting estimates and restatement of revisions
 - ① Changes in accounting policy associated with accounting standard revisions: Yes
 - ② Changes in accounting policy other than those in ① above: Yes
 - ③ Changes in accounting estimates: None
 - ④ Restatement of revisions: None
- 3) Issued and outstanding shares (common stock)
 - ① Shares issued and outstanding at end of period (including treasury stock):

Mar. 31, 2014 — 210,383,202 shares	Mar. 31, 2013 — 210,383,202 shares
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 - ② Treasury stock at end of period

Mar. 31, 2014 — 10,351,947 shares	Mar. 31, 2013 — 10,651,103 shares
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 - ③ Average number of shares during the period

Mar. 31, 2014 — 199,928,354 shares	Mar. 31, 2013 — 200,710,012 shares
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(Reference) Overview of Non-consolidated Results

1. Business Performance (unconsolidated) for the Year Ended March 31, 2014
(April 1, 2013 to March 31, 2014)

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, 2013 –Mar. 31, 2014	17,884	11.9	5,943	40.6	6,137	65.2	6,580	119.0
Apr. 1, 2012 –Mar. 31, 2013	15,987	3.6	4,226	(3.2)	3,714	1.6	3,004	(31.7)

	Net income per share (yen)	Net income per share (Assuming full dilution) (yen)
Apr. 1, 2013 –Mar. 31, 2014	32.85	32.83
Apr. 1, 2012 –Mar. 31, 2013	14.94	—

2) Financial Position (unconsolidated)

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share (yen)
Mar. 31, 2014	229,075	107,423	46.9 %	535.76
Mar. 31, 2013	229,678	101,137	44.0 %	504.42

(Note) Total shareholders' equity

Mar. 31, 2014: ¥ 107,386 million

Mar. 31, 2013: ¥ 101,021 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

(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 materially from forecasts.

(How to obtain business performance presentation materials)

(1)Kikkoman will publish supplementary schedules on TD-net for viewing in Japan, and on its Website.

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

Table of Contents of Attachments

1. Consolidated Operating Results	5
2. Consolidated Business Forecasts	6
3. Consolidated Financial Statements	7
1) Consolidated Balance Sheets	7
2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	9
Consolidated Statements of Income	9
Consolidated Statements of Comprehensive Income	11
3) Consolidated Statements of Changes in Net Assets	12
4) Consolidated Statements of Cash Flows	16
(Reference) Changes in cash flow-related indices	18
5) Notes on consolidated financial statements	
(Notes Regarding Going Concern)	19
(Basis of Presentation of the Consolidated Financial Statements)	19
(Segment Information, etc)	21
(Per Share Information)	24
(Material Subsequent Events)	25
4. Supplementary Schedules	26
1) Consolidated Forecasts for FY2015 and Effect of Exchange Rate Differences on Translation of Overseas Subsidiaries' Financial Statements	26

1. Consolidated Operating Results

<Consolidated Financial Statements>

(Millions of yen, %)

	Fiscal 2013 Actual		Fiscal 2014 Actual		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
	4.1.2012 – 3.31.2013		4.1.2013 – 3.31.2014		Amount	YoY	%		Amount	YoY
	Amount	%	Amount	%						
Net Sales	300,245	100.0	343,168	100.0	42,922	114.3	—	27,520	15,402	105.1
Operating Income	19,808	6.6	23,847	6.9	4,039	120.4	0.3	3,129	909	104.6
Ordinary Income	18,700	6.2	22,682	6.6	3,982	121.3	0.4	2,748	1,233	106.6
Net Income	11,006	3.7	12,559	3.7	1,553	114.1	—	1,973	(420)	96.2
Exchange Rate (¥/US\$)	83.23		100.00		16.77					
(¥/EUR)	107.57		134.01		26.44					

<Reporting segments>

(Millions of yen, %)

		Fiscal 2013 Actual		Fiscal 2014 Actual		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.2012 – 3.31.2013		4.1.2013 – 3.31.2014		Amount	YoY	%		Amount	YoY
		Amount	%	Amount	%						
Domestic Foods- Manufacturing and Sales	Net Sales	154,859	100.0	161,794	100.0	6,934	104.5	—	—	6,934	104.5
	Operating Income	5,537	3.6	4,320	2.7	(1,216)	78.0	(0.9)	—	(1,216)	78.0
Domestic Others	Net Sales	20,147	100.0	20,268	100.0	120	100.6	—	—	120	100.6
	Operating Income	1,459	7.2	916	4.5	(542)	62.8	(2.7)	—	(542)	62.8
Overseas Foods- Manufacturing and Sales	Net Sales	50,586	100.0	63,797	100.0	13,210	126.1	—	10,446	2,763	105.5
	Operating Income	9,053	17.9	12,106	19.0	3,052	133.7	1.1	2,062	990	110.9
Overseas Foods- Wholesale	Net Sales	94,202	100.0	118,671	100.0	24,469	126.0	—	18,336	6,133	106.5
	Operating Income	4,131	4.4	5,513	4.6	1,381	133.4	0.3	777	603	114.6
Adjustments	Net Sales	(19,550)	100.0	(21,362)	100.0	(1,812)	—	—	(1,262)	(549)	—
	Operating Income	(373)	—	990	—	1,363	—	—	289	1,074	—
Amount recorded in consolidated financial statements	Net Sales	300,245	100.0	343,168	100.0	42,992	114.3	—	27,520	15,402	105.1
	Operating Income	19,808	6.6	23,847	6.9	4,039	120.4	0.3	3,129	909	104.6
Exchange Rate (¥/US\$)		83.23		100.00		16.77					
(¥/EUR)		107.57		134.01		26.44					

(Note) As described in (5) Notes on consolidated financial statements, (Basis of Presentation of the Consolidated Financial Statements), certain domestic consolidated subsidiaries have changed their revenue recognition standard from the consolidated fiscal year under review. The new revenue recognition standard is applied retroactively to the figures for the previous fiscal year.

2. Consolidated Business Forecasts

Consolidated business forecasts for the year ending March 31, 2015 are as follows:

(Millions of yen)

	Net Sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Apr. 1, 2014 –Mar. 31, 2015	361,000	24,700	23,500	14,500	72.49
Apr. 1, 2013 –Mar. 31, 2014	343,168	23,847	22,682	12,559	62.82
Changes (YoY)	17,831 (105.2%)	852 (103.6%)	817 (103.6%)	1,940 (115.4%)	9.67 (-)

- * Kikkoman is assuming an average foreign exchange rate of US\$1=¥100.00 for the year ending March 31, 2015. (¥100.00 for the year ended March 31, 2014)
- * The above forecasts are prepared assuming economic conditions prevailing at the time of preparation. Actual results may differ from these business forecasts due to various unforeseen factors.

3. Consolidated Financial Statements

1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
Assets		
Current assets		
Cash and deposits	30,598	28,564
Notes and accounts receivable-trade	44,053	47,370
Short-term investment securities	131	131
Merchandise and finished goods	23,984	26,983
Work in process	10,405	11,193
Raw materials and supplies	3,861	4,256
Deferred tax assets	5,610	4,430
Other	7,570	10,713
Allowance for doubtful accounts	(205)	(422)
Total current assets	126,010	133,222
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	42,529	44,471
Machinery, equipment and vehicles, net	32,542	33,085
Land	20,039	20,706
Lease assets, net	181	180
Construction in progress	5,351	2,919
Other, net	3,048	3,654
Total property, plant and equipment	103,693	105,017
Intangible assets		
Goodwill	21,792	18,392
Other	3,675	4,805
Total intangible assets	25,468	23,198
Investments and other assets		
Investment securities	70,858	75,609
Long-term loans receivable	691	673
Net defined benefit assets	—	5,245
Deferred tax assets	1,112	1,130
Other	9,948	5,745
Allowance for doubtful accounts	(732)	(738)
Total investments and other assets	81,879	87,666
Total noncurrent assets	211,041	215,881
Total assets	337,051	349,103

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
Liabilities		
Current liabilities		
Notes and accounts payable-trade	16,005	18,193
Short-term loans payable	7,338	12,961
Lease obligations	57	66
Accounts payable-other	13,412	14,528
Income taxes payable	2,095	3,396
Provision for bonuses	2,172	2,205
Provision for directors' bonuses	84	90
Other	4,995	4,174
Total current liabilities	46,162	55,618
Noncurrent liabilities		
Bonds payable	70,000	50,000
Long-term loans payable	15,600	13,000
Lease obligations	94	111
Deferred tax liabilities	5,699	8,075
Provision for retirement benefits	4,271	—
Provision for directors' retirement benefits	967	898
Provision for environmental measures	321	504
Net defined benefit liabilities	—	3,737
Other	6,475	6,751
Total noncurrent liabilities	103,429	83,078
Total liabilities	149,591	138,696
Net assets		
Shareholders' equity		
Capital stock	11,599	11,599
Capital surplus	21,227	21,377
Retained earnings	169,702	178,260
Treasury stock	(10,352)	(10,121)
Deposit for subscriptions to treasury stock	78	10
Total shareholders' equity	192,254	201,126
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,867	9,623
Deferred gains or losses on hedges	19	3
Foreign currency translation adjustment	(10,918)	(285)
Unfunded retirement benefit obligation of overseas subsidiaries	(1,054)	—
Remeasurements of defined benefit plans	—	(1,300)
Total Accumulated other comprehensive income	(6,085)	8,040
Subscription rights to shares	115	36
Minority interests	1,174	1,203
Total net assets	187,459	210,407
Total liabilities and net assets	337,051	349,103

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

(Consolidated Statements of Income)

	(Millions of yen)	
	Year ended March 31, 2013	Year ended March 31, 2014
Net sales	300,245	343,168
Cost of sales	177,030	204,917
Gross profit	123,215	138,251
Selling, general and administrative expenses		
Selling expenses	77,854	87,403
General and administrative expenses	25,552	27,001
Total selling, general and administrative expenses	103,407	114,404
Operating income	19,808	23,847
Non-operating income		
Interest income	116	132
Dividends income	813	892
Equity in earnings of affiliates	695	1,082
Rent income	506	570
Gain on valuation of derivatives	2,663	2,172
Other	1,733	1,889
Total non-operating income	6,530	6,739
Non-operating expenses		
Interest expenses	1,570	1,511
Foreign exchange losses	2,888	2,234
Other	3,178	4,159
Total non-operating expenses	7,638	7,904
Ordinary income	18,700	22,682
Extraordinary income		
Gain on sales of property, plant and equipment	308	1,150
Gain on sales of investment securities	92	6,281
Gain on revision of retirement benefit plans	—	1,541
Subsidy income	854	—
Compensation income	635	—
Total extraordinary income	1,891	8,973
Extraordinary loss		
Impairment loss	458	6,139
Loss on retirement of noncurrent assets	553	966
Loss on reduction of noncurrent assets	854	—
Loss on valuation of investment securities	951	—
Loss on sales of investment securities	—	47
Loss on valuation of subsidiary securities	—	807
Loss on valuation of golf club membership	1	9
Loss on bond retirement	—	736
Compensation for termination of business relations	—	671
Other	69	—
Total extraordinary loss	2,889	9,377
Income before income taxes and minority interests	17,701	22,278

(Millions of yen)

	Year ended March 31, 2013	Year ended March 31, 2014
Income taxes-current	6,195	9,153
Income taxes-deferred	397	558
Total income taxes	6,592	9,712
Income before minority interests	11,109	12,565
Minority interests in income	102	5
Net income	11,006	12,559

(Consolidated Statements of Comprehensive Income)

	(Millions of yen)	
	Year ended March 31, 2013	Year ended March 31, 2014
Income before minority interests	11,109	12,565
Other comprehensive income		
Valuation difference on available-for-sale securities	5,341	3,478
Deferred gains or losses on hedges	7	(11)
Foreign currency translation adjustment	11,072	9,761
Unfunded retirement benefit obligation of overseas subsidiaries	(130)	222
Share of other comprehensive income of associates accounted for using equity method	1,457	1,148
Total other comprehensive income	17,750	14,599
Comprehensive income	28,859	27,165
(Breakdown)		
Comprehensive income attributable to owners of the parent	28,735	27,154
Comprehensive income attributable to minority interests	123	10

3) Consolidated Statements of Changes in Net Assets

	(Millions of yen)	
	Year ended March 31, 2013	Year ended March 31, 2014
Shareholders' equity		
Capital stock		
Balance at beginning of the period	11,599	11,599
Changes of items during the period		
Total changes of items during the period	—	—
Balance at end of the period	11,599	11,599
Capital surplus		
Balance at beginning of the period	21,209	21,227
Changes of items during the period		
Disposal of treasury stock	18	150
Total changes of items during the period	18	150
Balance at end of the period	21,227	21,377
Retained earnings		
Balance at beginning of the period	162,149	169,702
Cumulative effects of the change in accounting policy	(390)	—
Balance at the beginning of the period after the retroactive application	161,759	169,702
Changes of items during the period		
Dividends from surplus	(3,081)	(4,002)
Net income	11,006	12,559
Increase from accounting period changes of consolidated subsidiaries	17	—
Increase from accounting period changes of equity method investees	0	—
Total changes of items during the period	7,943	8,557
Balance at end of the period	169,702	178,260
Treasury stock		
Balance at beginning of the period	(5,275)	(10,352)
Changes of items during the period		
Purchase of treasury stock	(5,113)	(130)
Disposal of treasury stock	43	361
Increase due to change in equity of equity method investees	(7)	—
Total changes of items during the period	(5,077)	231
Balance at end of the period	(10,352)	(10,121)
Deposit for subscriptions to treasury stock		
Balance at beginning of the period	—	78
Changes of items during the period		
Disposal of treasury stock	—	(78)
Receipt of payment of deposit for subscriptions to treasury stock	78	10
Total changes of items during the period	78	(67)
Balance at end of the period	78	10

	(Millions of yen)	
	Year ended March 31, 2013	Year ended March 31, 2014
Total shareholders' equity		
Balance at beginning of the period	189,682	192,254
Cumulative effects of the change in accounting policy	(390)	—
Balance at the beginning of the period after the retroactive application	189,292	192,254
Changes of items during the period		
Dividends from surplus	(3,081)	(4,002)
Net income	11,006	12,559
Increase from accounting period changes of consolidated subsidiaries	17	—
Increase from accounting period changes of equity method investees	0	—
Purchase of treasury stock	(5,113)	(130)
Disposal of treasury stock	62	433
Receipt of payment of deposit for subscriptions to treasury stock	78	10
Increase due to change in equity of equity method investees	(7)	—
Total changes of items during the period	2,962	8,871
Balance at end of the period	192,254	201,126

	(Millions of yen)	
	Year ended March 31, 2013	Year ended March 31, 2014
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at beginning of the period	(392)	5,867
Changes of items during the period		
Net changes of items other than shareholders' equity	6,260	3,755
Total changes of items during the period	6,260	3,755
Balance at end of the period	5,867	9,623
Deferred gains or losses on hedges		
Balance at beginning of the period	15	19
Changes of items during the period		
Net changes of items other than shareholders' equity	4	(16)
Total changes of items during the period	4	(16)
Balance at end of the period	19	3
Foreign currency translation adjustment		
Balance at beginning of the period	(22,618)	(10,918)
Changes of items during the period		
Net changes of items other than shareholders' equity	11,699	10,632
Total changes of items during the period	11,699	10,632
Balance at end of the period	(10,918)	(285)
Unfunded retirement benefit obligation of overseas subsidiaries		
Balance at beginning of the period	(924)	(1,054)
Changes of items during the period		
Net changes of items other than shareholders' equity	(130)	1,054
Total changes of items during the period	(130)	1,054
Balance at end of the period	(1,054)	—
Remeasurements of defined benefit plans		
Balance at beginning of the period	—	—
Changes of items during the period		
Net changes of items other than shareholders' equity	—	(1,300)
Total changes of items during the period	—	(1,300)
Balance at end of the period	—	(1,300)
Total accumulated other comprehensive income		
Balance at beginning of the period	(23,920)	(6,085)
Changes of items during the period		
Net changes of items other than shareholders' equity	17,834	14,126
Total changes of items during the period	17,834	14,126
Balance at end of the period	(6,085)	8,040

	(Millions of yen)	
	Year ended March 31, 2013	Year ended March 31, 2014
Subscription rights to shares		
Balance at beginning of the period	179	115
Changes of items during the period		
Net changes of items other than shareholders' equity	(63)	(79)
Total changes of items during the period	(63)	(79)
Balance at end of the period	115	36
Minority interests		
Balance at beginning of the period	1,410	1,174
Changes of items during the period		
Net changes of items other than shareholders' equity	(235)	28
Total changes of items during the period	(235)	28
Balance at end of the period	1,174	1,203
Total net assets		
Balance at beginning of the period	167,352	187,459
Cumulative effects of the change in accounting policy	(390)	—
Balance at the beginning of the period after the retroactive application	166,962	187,459
Changes of items during the period		
Dividends from surplus	(3,081)	(4,002)
Net income	11,006	12,559
Increase from accounting period changes of consolidated subsidiaries	17	—
Increase from accounting period changes of equity method investees	0	—
Purchase of treasury stock	(5,113)	(130)
Disposal of treasury stock	62	433
Receipt of payment of deposit for subscriptions to treasury stock	78	10
Increase due to change in equity of equity method investees	(7)	—
Net changes of items other than shareholders' equity	17,534	14,075
Total changes of items during the period	20,497	22,947
Balance at end of the period	187,459	210,407

4) Consolidated Statements of Cash Flows

	(Millions of yen)	
	Year ended March 31, 2013	Year ended March 31, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	17,701	22,278
Depreciation and amortization	12,160	13,002
Impairment loss	458	6,139
Increase (decrease) in provision for retirement benefits	564	—
Increase (decrease) in provision for directors' retirement benefits	(148)	(69)
Increase (decrease) in provision for loss on disaster	(50)	—
Increase (decrease) in net defined benefit liabilities	—	(2,361)
Interest and dividends income	(930)	(1,024)
Interest expenses	1,570	1,511
Equity in (earnings) losses of affiliates	(695)	(1,082)
Loss (gain) on sales of property, plant and equipment	(320)	(1,159)
Loss (gain) on sales of investment securities	(92)	(6,233)
Compensation income	(635)	—
Loss on retirement of property, plant and equipment	767	1,219
Loss (gain) on valuation of investment securities	951	4
Decrease (increase) in notes and accounts receivable-trade	(1,179)	(1,496)
Decrease (increase) in inventories	(771)	(2,050)
Increase (decrease) in notes and accounts payable-trade	(811)	961
Other, net	(45)	4,265
Subtotal	28,493	33,905
Interest and dividends received	1,322	1,447
Interest expenses paid	(1,682)	(1,773)
Proceeds from Compensation	635	—
Income taxes paid	(4,029)	(7,912)
Net cash provided by (used in) operating activities	24,738	25,667
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,942)	(15,551)
Proceeds from sales of property, plant and equipment	251	1,453
Purchase of intangible assets	(810)	(1,825)
Purchase of investment securities	(2,121)	(1,686)
Proceeds from sales of investment securities	293	9,731
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(343)	(364)
Payments of loans receivable	(601)	(478)
Collection of loans receivable	176	126
Other, net	(599)	63
Net cash provided by (used in) investing activities	(15,698)	(8,529)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,016	4,979
Repayment of long-term loans payable	(2,150)	(2,000)
Redemption of bonds	(20,000)	(20,736)
Proceeds from exercise of stock option	131	376
Purchase of treasury stock	(5,113)	(130)
Cash dividends paid	(3,081)	(4,002)
Cash dividends paid to minority shareholders	(7)	(6)
Other, net	(127)	(111)
Net cash provided by (used in) financing activities	(29,331)	(21,631)
Effect of exchange rate change on cash and cash equivalents	2,109	2,159
Net increase (decrease) in cash and cash equivalents	(18,182)	(2,334)

	(Millions of yen)	
	Year ended March 31, 2013	Year ended March 31, 2014
Cash and cash equivalents at beginning of the period	45,867	27,754
Increase (decrease) in cash and cash equivalents from changes to the accounting year-end date at certain consolidated subsidiaries	69	—
Cash and cash equivalents at end of the period	27,754	25,420

(Reference) Changes in cash flow-related indices

	Year ended March 31, 2010	Year ended March 31, 2011	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2014
Shareholders' equity ratio (%)	53.1	53.8	50.0	55.2	59.9
Shareholders' equity ratio (%) using fair value	72.6	53.8	59.2	98.2	111.6
Ratio of cash flow to interest-bearing debt (years)	5.4	3.7	7.3	3.9	3.1
Interest coverage ratio (times)	11.5	16.9	11.8	14.7	14.5

Notes:

Shareholders' equity ratio

Shareholders' equity / Total assets

Shareholders' equity ratio using fair value

Market capitalization / Total assets

Ratio of cash flow to interest-bearing debt

Interest-bearing debt / Cash flows

Interest coverage ratio

Cash flows / Interest payments

* Each index is calculated using consolidated figures.

* Market capitalization is calculated by multiplying the closing share price at the fiscal year-end by the number of shares issued and outstanding at the fiscal year-end (excluding treasury stock).

* Cash flows refer to operating cash flow.

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

* Interest payments represent interest paid as shown on the consolidated statements of cash flows.

5) Notes on consolidated financial statements

(Notes Regarding Going Concern)

No applicable items.

(Basis of Presentation of the Consolidated Financial Statements)

1. Scope of consolidation and application of equity-method accounting

Number of consolidated subsidiaries: 46

(Main companies:

Kikkoman Food Products Company, Kikkoman Beverage Company, Nippon Del Monte Corporation, Manns Wine Co., Ltd., JFC Japan Co., Ltd., Kikkoman Soyfoods Company, Kikkoman Foods, Inc., Kikkoman Sales USA, Inc., JFC International Inc. and 37 other companies)

Number of unconsolidated companies: 27

Number of affiliated companies: 36

(including 21 equity-method affiliates: Higeta Shoyu Co., Ltd., Riken Vitamin Co., Ltd., and 19 other companies)

2. Changes in the scope of consolidation and application of equity-method accounting

Newly consolidated company

Kikkoman Daily Company (newly established)

Nippon Del Monte Agri Company (newly established)

NUTRITIONAL THERAPEUTICS, INC. (stock acquisition)

3. Accounting standard

Accounting methods related to retirement benefits

(Additional information)

The Company and certain domestic consolidated subsidiaries changed part of the defined benefit corporate pension plan to the defined contribution pension plan on January 1, 2014, also switched to the defined benefit corporate pension plan and retirement allowance on point basis. Accordingly, with the adaptation of Accounting for Transfer between Retirement Benefit Plans (ASBJ Guidance No. 1), the Company recorded the amount affected by the transfer of 1,541 million yen as extraordinary income. Moreover, prior service costs of 335 million yen (an increase in liabilities) incurred as a result of the partial revision of the defined benefit corporate pension plan are amortized using the straight-line method over a fixed period (10 years) within the average remaining service period of employees, with each amount recognized as an expense starting from the month when it is incurred.

Moreover, certain domestic consolidated subsidiaries have reduced the rate of interest in the defined benefit corporate pension plan on February, 2014. Prior service costs of 359 million yen (a decrease in liabilities) incurred as this change are amortized using the straight-line method over a fixed period (10 years) within the average remaining service period of employees, with each amount recognized as an expense starting from the month when it is incurred.

The Company has omitted disclosure of matters other than the above, because no material changes have been made to these matters since the latest securities report.

Changes in accounting policy

(Adoption of new accounting standard for retirement benefits)

The company adopted the Accounting Standards Board of Japan's new Accounting Standard for Retirement Benefits (ASBJ Statement No.26, May 17, 2012) and its accompanying implementation guidelines, "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No.25, May 17, 2012) at the end of the fiscal year ending March 31, 2014 (excluding those specified by paragraph 35 of the Accounting Standard for Retirement Benefits and paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits). The Company has switched to recognizing the excess of retirement benefit obligations over pension assets as net defined benefit liabilities and booked previously unrecognized actuarial losses and unrecognized prior service cost as net defined benefit liabilities.

The Accounting Standards for Retirement Benefits and other accounting methods are applied in a

transitional manner as stipulated in paragraph 37 of the Accounting Standards for Retirement Benefits. Consequently, the amount affected by this change is reflected in an accumulated adjustment related to retirement benefits in accumulated other comprehensive income as at the end of the consolidated fiscal year under review.

As a result, compared with the figures prior to the application of the new accounting policy, the Company recorded the amount 5,245 million yen as net defined benefit assets, also 3,737 million yen as net defined benefit liabilities. Other comprehensive income declined 468 million yen.

Moreover, unfunded retirement benefit obligation of overseas subsidiaries is restated into remeasurements of defined benefit plans from the end of fiscal year ending March 31, 2014.

The effect of this change on Per Share Information is noted in the corresponding section.

(Change in revenue recognition standard)

The Company's domestic consolidated subsidiaries recognized revenue primarily on a shipping basis. Starting the first quarter of the fiscal year under review, however, certain domestic consolidated subsidiaries are recognizing revenue on delivery dates under the terms and conditions of contracts. Those consolidated subsidiaries have changed the revenue recognition standard to more adequately reflect actual sales. They have agreed with their customers to record billing amounts on delivery dates to reflect actual transactions with the customers more accurately and have completed a system to deal with the change.

The change in accounting policy is retroactively applied to the consolidated financial statements for the previous consolidated fiscal year.

The retroactive application has increased net sales for the previous fiscal year 44 million yen. Operating income, ordinary income, and income before income taxes and minority interests each have decreased 9 million yen. The net assets at the beginning of the previous fiscal year have reflected the cumulative effects of the change in accounting policy, and retained earnings at the beginning of the previous fiscal year decreased 390 million yen.

The effect of this change on Per Share Information is noted in the corresponding section.

(Segment Information, etc)

Year ended March 31, 2014 (April 1, 2013 –March 31, 2014)

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

Fiscal 2013 Actual (Apr. 1, 2012 –Mar. 31, 2013)

(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	153,751	8,125	44,387	93,981	300,245	–	300,245
Intra group sales or transfers	1,108	12,022	6,199	220	19,550	(19,550)	–
Total sales	154,859	20,147	50,586	94,202	319,796	(19,550)	300,245
Operating income	5,537	1,459	9,053	4,131	20,181	(373)	19,808
Total assets	117,087	21,312	82,759	43,649	264,808	72,243	337,051
Other items							
Depreciation and amortization	7,359	1,155	2,106	691	11,313	798	12,112
Amortization of goodwill	1,401	83	199	–	1,683	–	1,683
Changes in the amount of tangible fixed assets and intangible fixed assets	8,789	1,378	2,542	490	13,200	998	14,199

(Notes) 1. Adjustment amounts are as follows.

- 1) Adjustments of ¥(373) million in segment operating income include a ¥(349) million difference in the allocation of corporate expenses.
- 2) Adjustments of ¥72,243 million in segment assets include ¥126,455 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 ¥798 million in depreciation and amortization expenses have primarily to do with corporate assets.
- 4) Adjustments of ¥998 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.

Fiscal 2014 Actual (Apr. 1, 2013 –Mar. 31, 2014)

(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	160,676	8,038	56,090	118,363	343,168	—	343,168
Intra group sales or transfers	1,118	12,229	7,706	308	21,362	(21,362)	—
Total sales	161,794	20,268	63,797	118,671	364,531	(21,362)	343,168
Operating income	4,320	916	12,106	5,513	22,857	990	23,847
Total assets	116,698	21,477	98,691	50,945	287,813	61,289	349,103
Other items							
Depreciation and amortization	7,586	1,237	2,509	772	12,105	826	12,931
Amortization of goodwill	1,401	83	180	—	1,664	—	1,664
Changes in the amount of tangible fixed assets and intangible fixed assets	8,670	3,171	3,357	1,756	16,955	309	17,265

(Notes) 1. Adjustment amounts are as follows.

- 1) Adjustments of ¥990 million in segment operating income include a ¥996 million difference in the allocation of corporate expenses.
- 2) Adjustments of ¥61,289 million in segment assets include ¥129,057 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 ¥826 million in depreciation and amortization expenses have primarily to do with corporate assets.
- 4) Adjustments of ¥309 million for the increase in tangible fixed assets and intangible fixed assets are corporate asset adjustments.

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

(Change of revenue recognition standard)

As described in (5) Notes on consolidated financial statements, (Basis of Presentation of the Consolidated Financial Statements), certain domestic consolidated subsidiaries have changed their revenue recognition standard from the consolidated fiscal year under review.

The new revenue recognition standard is applied retroactively to segment information for the previous fiscal year. Consequently, net sales in the Domestic Foods-Manufacturing and Sales segment increased 44 million yen, while segment income declined 9 million yen.

(Per Share Information)

	Year ended March 31, 2013	Year ended March 31, 2014
Net assets per share	¥931.70	¥1,045.62
Net income per share	¥54.84	¥62.82
Diluted net income per share	—	¥62.79

Note: 1. Diluted net income per share has been omitted for the previous consolidated fiscal year because no potentially dilutive shares were outstanding.

2. The basis for calculating net income per share and diluted net income per share is as follows:

	Year ended March 31, 2013	Year ended March 31, 2014
Net income per share		
Net income (¥ million)	11,006	12,559
Amount not attributable to common shareholders	—	—
Net income related to common stock (¥ million)	11,006	12,559
Average number of shares of common stock outstanding during the fiscal year (thousands of shares)	200,710	199,928
Diluted net income per share		
Net income adjustment (¥ million)	—	—
Increase in number of common shares (thousands of shares)	—	107
(Subscription rights to shares (thousands of shares))	(—)	(107)
Outline of potentially dilutive shares excluded from the calculation of diluted net income per share because of no dilutive effect.	* Stock options based on subscription rights for new shares approved by resolution of the Ordinary General Meeting of Shareholders held on June 24, 2008. (Number of subscription rights for new shares: 329) 1 Type (Number of common shares: 329,000) * Stock options based on subscription rights for new shares approved by resolution of the Ordinary General Meeting of Shareholders held on June 23, 2009. (Number of subscription rights for new shares: 294) 1 Type (Number of common shares: 294,000)	

3. As described in (5) Notes on consolidated financial statements, (Basis of Presentation of the Consolidated Financial Statements), the accounting policy revised in the consolidated fiscal year under review is applied retroactively to the consolidated financial statements for the previous consolidated fiscal year. As a result, compared with the figures prior to the retroactive application of the new accounting policy, net assets per share and net income per share for the previous consolidated fiscal year under review declined 1.98 yen and 0.03 yen respectively.

4. As described in (5) Notes on consolidated financial statements, (Basis of Presentation of the Consolidated Financial Statements), the Accounting Standards for Retirement Benefits and other accounting methods are applied in a transitional manner as stipulated in paragraph 37 of the Accounting Standards for Retirement Benefits. Consequently, the amount affected by this change is reflected in an accumulated adjustment related to retirement benefits in accumulated other comprehensive income as at the end of the consolidated fiscal year under review. As a result, net assets per share declined 2.34 yen.

(Material Subsequent Events)

Acquisition of treasury stock in accordance with the provisions stipulated in the Articles of Incorporation pursuant to the provisions stipulated in paragraph 2 of Article 165 of the Companies Act

The Company resolved the matters related to the acquisition of treasury stock at the meeting of its Board of Directors held on April 25, 2014 in accordance with the provisions stipulated in Article 156 of the Companies Act applied by replacing terms and phrases pursuant to the provisions stipulated in paragraph 3 of Article 165 of the Companies Act.

1. Reason for the acquisition of treasury stock

Through the acquisition of treasury stock, the Company aims to promote an expeditious financial strategy in accordance with changes in the business environment.

2. Details of the acquisition

- (1) Class of shares to be acquired: The Company's common shares

- (2) Total number of shares to be acquired: 6,000,000 shares (maximum)

(This represents 2.99% of shares outstanding (excluding treasury stock))

- (3) Total acquisition price: 10,000,000,000 yen (maximum)

- (4) Acquisition period: From April 28, 2014 to August 29, 2014

- (5) Method of acquisition: Market transactions on the Tokyo Stock Exchange

Reference: Treasury stock as of March 31, 2014

Number of shares outstanding (excluding treasury stock): 200,417,963 shares

Number of treasury stock: 9,965,239 shares

4. Supplementary Schedules

1) Consolidated Forecasts for FY2015 and Effect of Exchange Rate Differences on Translation of Overseas Subsidiaries' Financial Statements

Net sales (Millions of yen)

		Fiscal 2015 Forecast	Fiscal 2014 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Foods-Manufacturing and sales	166,100	161,794	4,305	102.7	4,305	102.7
	Others	21,000	20,268	731	103.6	731	103.6
	Eliminations	(11,800)	(11,348)	(451)	—	(451)	—
	Total	175,300	170,714	4,585	102.7	4,585	102.7
Overseas	Foods-Manufacturing and sales	68,000	63,797	4,202	106.6	3,384	105.3
	Foods-Wholesale	128,200	118,671	9,528	108.0	8,440	107.1
	Eliminations	(8,500)	(8,005)	(494)	—	(421)	—
	Total	187,700	174,463	13,236	107.6	11,403	106.5
Kikkoman(Holding Company)		13,500	13,895	(395)	97.2	(395)	97.2
Eliminations		(15,500)	(15,904)	404	—	404	—
Consolidated Total		361,000	343,168	17,831	105.2	15,997	104.7

Operating Income (Millions of yen)

		Fiscal 2015 Forecast	Fiscal 2014 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Foods-Manufacturing and sales	4,150	4,320	(170)	96.0	(170)	96.0
	Others	950	916	33	103.6	33	103.6
	Total	5,100	5,268	(168)	96.8	(168)	96.8
Overseas	Foods-Manufacturing and sales	13,030	12,106	923	107.6	753	106.2
	Foods-Wholesale	6,070	5,513	556	110.1	492	108.9
	Total	18,950	17,529	1,420	108.1	1,185	106.8
Kikkoman(Holding Company)		3,950	5,094	(1,144)	77.5	(1,144)	77.5
Eliminations		(3,300)	(4,045)	745	—	713	—
Consolidated Total		24,700	23,847	852	103.6	586	102.5

Exchange Rate (¥/US\$)	100.00	100.00	
(¥/EUR)	140.00	134.01	5.99