

Consolidated Financial Results

Kikkoman Corporation Flash Report 2015 (Japanese GAAP) (Consolidated)

Year ended March 31, 2015

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, 2015
Scheduled Date of Dividend Payment Commencement: June 25, 2015
Scheduled Date for Release of Annual Securities Report: June 24, 2015
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, 2015 (April 1, 2014 to March 31, 2015)

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, 2014 –Mar. 31, 2015	371,339	8.2	25,370	6.4	24,364	7.4	15,382	22.5
Apr. 1, 2013 –Mar. 31, 2014	343,168	14.3	23,847	20.4	22,682	21.3	12,559	14.1

(Note) Comprehensive income (loss)

Year ended March 31, 2015: ¥ 41,265 million (51.9 %)

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

	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, 2014 –Mar. 31, 2015	78.20	78.19	6.9	6.7	6.8
Apr. 1, 2013 –Mar. 31, 2014	62.82	62.79	6.4	6.6	6.9

(Reference) Equity-method investment gain (loss)

Year ended March 31, 2015: ¥ 1,075 million

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

2) Financial Position

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share (yen)
Mar. 31, 2015	378,766	238,431	62.4%	1,210.77
Mar. 31, 2014	349,103	210,407	59.9%	1,045.62

(Reference) Total shareholders' equity

Year ended March 31, 2015: ¥ 236,508 million

Year ended March 31, 2014: ¥ 209,166 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, 2014 –Mar. 31, 2015	31,658	(5,041)	(21,566)	32,398
Apr. 1, 2013 –Mar. 31, 2014	25,667	(8,529)	(21,631)	25,420

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, 2013 -Mar. 31, 2014	—	0.00	—	20.00	20.00	4,008	31.8%	2.0%
Apr. 1, 2014 -Mar. 31, 2015	—	0.00	—	24.00	24.00	4,697	30.7%	2.1%
Apr. 1, 2015 -Mar. 31, 2016 (Estimated)	—	0.00	—	24.00	24.00		27.6%	

3. Forecasts of Business Performance for the Fiscal Year Ending March 31, 2016 (April 1, 2015 to March 31, 2016)

(Millions of yen)

	Net sales		Operating income		Ordinary income		Net income attributable to the parent		Net income per share (yen)
	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)	
Apr.1, 2015- Sep.30, 2015	199,000	11.3	14,000	13.9	12,700	8.1	8,100	4.0	41.47
Apr.1, 2015- Mar.31, 2016	400,000	7.7	28,000	10.4	26,000	6.7	17,000	10.5	87.03

*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: None
 - 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, 2015 — 210,383,202 shares Mar. 31, 2014 — 210,383,202 shares
 - ② Treasury stock at end of period
Mar. 31, 2015 — 15,046,330 shares Mar. 31, 2014 — 10,351,947 shares
 - ③ Average number of shares during the period
Mar. 31, 2015 — 196,707,119 shares Mar. 31, 2014 — 199,928,354 shares

(Reference) Overview of Non-consolidated Results

 1. Business Performance (unconsolidated) for the Year Ended March 31, 2015
 (April 1, 2014 to March 31, 2015)

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, 2014 –Mar. 31, 2015	18,412	3.0	6,040	1.6	5,784	(5.7)	7,456	13.3
Apr. 1, 2013 –Mar. 31, 2014	17,884	11.9	5,943	40.6	6,137	65.2	6,580	119.0

	Net income per share (yen)	Net income per share (Assuming full dilution) (yen)
Apr. 1, 2014 –Mar. 31, 2015	37.83	37.83
Apr. 1, 2013 –Mar. 31, 2014	32.85	32.83

2) Financial Position (unconsolidated)

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share (yen)
Mar. 31, 2015	246,478	108,524	44.0 %	554.48
Mar. 31, 2014	229,075	107,423	46.9 %	535.76

(Note) Total shareholders' equity

Mar. 31, 2015: ¥ 108,524 million

Mar. 31, 2014: ¥ 107,386 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. For details of business performance forecasts and guidelines for assumptions, please refer to the attachments to this report, Page 6, 2.Consolidated Business 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.

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1. Consolidated Operating Results

<Consolidated Financial Statements>

(Millions of yen, %)

	Fiscal 2014 Actual		Fiscal 2015 Actual		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
	4.1.2013 – 3.31.2014		4.1.2014 – 3.31.2015		Amount	YoY	%		Amount	YoY
	Amount	%	Amount	%						
Net Sales	343,168	100.0	371,339	100.0	28,170	108.2	—	15,496	12,673	103.7
Operating Income	23,847	6.9	25,370	6.8	1,522	106.4	(0.1)	1,638	(115)	99.5
Ordinary Income	22,682	6.6	24,364	6.6	1,682	107.4	(0.0)	1,451	231	101.0
Net Income	12,559	3.7	15,382	4.1	2,822	122.5	0.4	974	1,847	114.7
Exchange Rate (¥/US\$)	100.00		110.03		10.03					
(¥/EUR)	134.01		138.68		4.67					

<Reporting segments>

(Millions of yen, %)

		Fiscal 2014 Actual		Fiscal 2015 Actual		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.2013 – 3.31.2014		4.1.2014 – 3.31.2015		Amount	YoY	%		Amount	YoY
		Amount	%	Amount	%						
Domestic Foods- Manufacturing and Sales	Net Sales	161,794	100.0	161,261	100.0	(532)	99.7	—	—	(532)	99.7
	Operating Income	4,320	2.7	2,715	1.7	(1,605)	62.8	(1.0)	—	(1,605)	62.8
Domestic Others	Net Sales	20,268	100.0	20,152	100.0	(115)	99.4	—	—	(115)	99.4
	Operating Income	916	4.5	1,035	5.1	118	112.9	0.6	—	118	112.9
Overseas Foods- Manufacturing and Sales	Net Sales	63,797	100.0	74,727	100.0	10,929	117.1	—	5,754	5,175	108.1
	Operating Income	12,106	19.0	14,225	19.0	2,119	117.5	0.1	1,060	1,058	108.7
Overseas Foods- Wholesale	Net Sales	118,671	100.0	138,406	100.0	19,735	116.6	—	10,423	9,311	107.8
	Operating Income	5,513	4.6	6,476	4.7	963	117.5	0.0	447	516	109.4
Adjustments	Net Sales	(21,362)	100.0	(23,208)	100.0	(1,845)	—	—	(681)	(1,164)	—
	Operating Income	990	—	916	—	(73)	—	—	130	(204)	—
Amount recorded in consolidated financial statements	Net Sales	343,168	100.0	371,339	100.0	28,170	108.2	—	15,496	12,673	103.7
	Operating Income	23,847	6.9	25,370	6.8	1,522	106.4	(0.1)	1,638	(115)	99.5
Exchange Rate (¥/US\$)		100.00		110.03		10.03					
(¥/EUR)		134.01		138.68		4.67					

2. Consolidated Business Forecasts

Consolidated business forecasts for the year ending March 31, 2016 are as follows:

(Millions of yen)

	Net Sales	Operating income	Ordinary income	Net income attributable to the parent	Net income per share (yen)
Apr. 1, 2015 –Mar. 31, 2016	400,000	28,000	26,000	17,000	87.03
Apr. 1, 2014 –Mar. 31, 2015	371,339	25,370	24,364	15,382	78.20
Changes (YoY)	28,660 (107.7%)	2,629 (110.4%)	1,635 (106.7%)	1,617 (110.5%)	8.83 (-)

- * Kikkoman is assuming an average foreign exchange rate of US\$1=¥115.00 for the year ending March 31, 2016. (¥110.03 for the year ended March 31, 2015)
- * 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. Basic policy for selecting accounting standards

To secure comparability between companies and between fiscal years, the Group prepares its consolidated financial statements under the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Finance Ministry Ordinance No. 28 of 1976), excluding Chapter 7 and Chapter 8.

The Group will appropriately apply international accounting standards in consideration of conditions in Japan and overseas.

4. Consolidated Financial Statements

1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	28,564	34,565
Notes and accounts receivable-trade	47,370	50,219
Short-term investment securities	131	273
Merchandise and finished goods	26,983	31,442
Work in process	11,193	12,479
Raw materials and supplies	4,256	5,088
Deferred tax assets	4,430	4,178
Other	10,713	12,001
Allowance for doubtful accounts	(422)	(500)
Total current assets	133,222	149,749
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	44,471	43,772
Machinery, equipment and vehicles, net	33,085	34,078
Land	20,706	21,093
Lease assets, net	180	170
Construction in progress	2,919	2,061
Other, net	3,654	3,518
Total property, plant and equipment	105,017	104,695
Intangible assets		
Goodwill	18,392	17,139
Other	4,805	5,265
Total intangible assets	23,198	22,404
Investments and other assets		
Investment securities	75,609	86,483
Long-term loans receivable	673	770
Net defined benefit assets	5,245	8,863
Deferred tax assets	1,130	726
Other	5,745	5,831
Allowance for doubtful accounts	(738)	(759)
Total investments and other assets	87,666	101,916
Total noncurrent assets	215,881	229,016
Total assets	349,103	378,766

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable-trade	18,193	20,766
Short-term loans payable	12,961	7,473
Lease obligations	66	70
Accounts payable-other	14,528	16,481
Income taxes payable	3,396	1,078
Provision for bonuses	2,205	2,238
Provision for directors' bonuses	90	90
Other	4,174	5,380
Total current liabilities	55,618	53,579
Noncurrent liabilities		
Bonds payable	50,000	50,000
Long-term loans payable	13,000	11,300
Lease obligations	111	82
Deferred tax liabilities	8,075	12,365
Provision for directors' retirement benefits	898	847
Provision for environmental measures	504	480
Net defined benefit liabilities	3,737	4,530
Other	6,751	7,150
Total noncurrent liabilities	83,078	86,755
Total liabilities	138,696	140,335
Net assets		
Shareholders' equity		
Capital stock	11,599	11,599
Capital surplus	21,377	21,405
Retained earnings	178,260	190,440
Treasury stock	(10,121)	(20,680)
Deposit for subscriptions to treasury stock	10	—
Total shareholders' equity	201,126	202,765
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,623	19,103
Deferred gains or losses on hedges	3	14
Foreign currency translation adjustment	(285)	13,903
Remeasurements of defined benefit plans	(1,300)	721
Total Accumulated other comprehensive income	8,040	33,743
Subscription rights to shares	36	—
Minority interests	1,203	1,922
Total net assets	210,407	238,431
Total liabilities and net assets	349,103	378,766

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

(Consolidated Statements of Income)

	(Millions of yen)	
	Year ended March 31, 2014	Year ended March 31, 2015
Net sales	343,168	371,339
Cost of sales	204,917	225,378
Gross profit	138,251	145,960
Selling, general and administrative expenses		
Selling expenses	87,403	92,866
General and administrative expenses	27,001	27,723
Total selling, general and administrative expenses	114,404	120,590
Operating income	23,847	25,370
Non-operating income		
Interest income	132	114
Dividends income	892	784
Equity in earnings of affiliates	1,082	1,075
Rent income	570	634
Gain on valuation of derivatives	2,172	4,849
Other	1,889	1,573
Total non-operating income	6,739	9,032
Non-operating expenses		
Interest expenses	1,511	1,137
Foreign exchange losses	2,234	5,365
Other	4,159	3,534
Total non-operating expenses	7,904	10,037
Ordinary income	22,682	24,364
Extraordinary income		
Gain on sales of property, plant and equipment	1,150	140
Gain on sales of investment securities	6,281	3,275
Gain on sales of subsidiaries and affiliates' stocks	—	11
Gain on revision of retirement benefit plans	1,541	—
Total extraordinary income	8,973	3,427
Extraordinary loss		
Impairment loss	6,139	3,269
Loss on retirement of noncurrent assets	966	297
Loss on sales of investment securities	47	—
Loss on liquidation of subsidiaries and affiliates	—	111
Loss on valuation of subsidiary securities	807	152
Loss on valuation of golf club membership	9	14
Special extra retirement payments	—	123
Loss on bond retirement	736	—
Compensation for termination of business relations	671	—
Total extraordinary loss	9,377	3,969
Income before income taxes and minority interests	22,278	23,823

(Millions of yen)

	Year ended March 31, 2014	Year ended March 31, 2015
Income taxes-current	9,153	8,066
Income taxes-deferred	558	264
Total income taxes	9,712	8,330
Income before minority interests	12,565	15,492
Minority interests in income	5	110
Net income	12,559	15,382

(Consolidated Statements of Comprehensive Income)

	(Millions of yen)	
	Year ended March 31, 2014	Year ended March 31, 2015
Income before minority interests	12,565	15,492
Other comprehensive income		
Valuation difference on available-for-sale securities	3,478	8,111
Deferred gains or losses on hedges	(11)	30
Foreign currency translation adjustment	9,761	13,830
Unfunded retirement benefit obligation of overseas subsidiaries	222	—
Remeasurements of defined benefit plans, net of tax	—	1,813
Share of other comprehensive income of associates accounted for using equity method	1,148	1,987
Total other comprehensive income	14,599	25,772
Comprehensive income	27,165	41,265
(Breakdown)		
Comprehensive income attributable to owners of the parent	27,154	41,085
Comprehensive income attributable to minority interests	10	180

3) Consolidated Statements of Changes in Net Assets

	(Millions of yen)	
	Year ended March 31, 2014	Year ended March 31, 2015
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	21,227	21,377
Changes of items during the period		
Disposal of treasury stock	150	28
Total changes of items during the period	150	28
Balance at end of the period	21,377	21,405
Retained earnings		
Balance at beginning of the period	169,702	178,260
Cumulative effects of the change in accounting policy	—	806
Balance at the beginning of the period after the retroactive application	169,702	179,066
Changes of items during the period		
Dividends from surplus	(4,002)	(4,008)
Net income	12,559	15,382
Total changes of items during the period	8,557	11,373
Balance at end of the period	178,260	190,440
Treasury stock		
Balance at beginning of the period	(10,352)	(10,121)
Changes of items during the period		
Purchase of treasury stock	(130)	(10,659)
Disposal of treasury stock	361	100
Total changes of items during the period	231	(10,558)
Balance at end of the period	(10,121)	(20,680)
Deposit for subscriptions to treasury stock		
Balance at beginning of the period	78	10
Changes of items during the period		
Disposal of treasury stock	(78)	(10)
Receipt of payment of deposit for subscriptions to treasury stock	10	—
Total changes of items during the period	(67)	(10)
Balance at end of the period	10	—

	(Millions of yen)	
	Year ended March 31, 2014	Year ended March 31, 2015
Total shareholders' equity		
Balance at beginning of the period	192,254	201,126
Cumulative effects of the change in accounting policy	—	806
Balance at the beginning of the period after the retroactive application	192,254	201,932
Changes of items during the period		
Dividends from surplus	(4,002)	(4,008)
Net income	12,559	15,382
Purchase of treasury stock	(130)	(10,659)
Disposal of treasury stock	433	118
Receipt of payment of deposit for subscriptions to treasury stock	10	—
Total changes of items during the period	8,871	832
Balance at end of the period	201,126	202,765

	(Millions of yen)	
	Year ended March 31, 2014	Year ended March 31, 2015
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at beginning of the period	5,867	9,623
Changes of items during the period		
Net changes of items other than shareholders' equity	3,755	9,480
Total changes of items during the period	3,755	9,480
Balance at end of the period	9,623	19,103
Deferred gains or losses on hedges		
Balance at beginning of the period	19	3
Changes of items during the period		
Net changes of items other than shareholders' equity	(16)	11
Total changes of items during the period	(16)	11
Balance at end of the period	3	14
Foreign currency translation adjustment		
Balance at beginning of the period	(10,918)	(285)
Changes of items during the period		
Net changes of items other than shareholders' equity	10,632	14,189
Total changes of items during the period	10,632	14,189
Balance at end of the period	(285)	13,903
Unfunded retirement benefit obligation of overseas subsidiaries		
Balance at beginning of the period	(1,054)	—
Changes of items during the period		
Net changes of items other than shareholders' equity	1,054	—
Total changes of items during the period	1,054	—
Balance at end of the period	—	—
Remeasurements of defined benefit plans		
Balance at beginning of the period	—	(1,300)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,300)	2,021
Total changes of items during the period	(1,300)	2,021
Balance at end of the period	(1,300)	721
Total accumulated other comprehensive income		
Balance at beginning of the period	(6,085)	8,040
Changes of items during the period		
Net changes of items other than shareholders' equity	14,126	25,702
Total changes of items during the period	14,126	25,702
Balance at end of the period	8,040	33,743

	(Millions of yen)	
	Year ended March 31, 2014	Year ended March 31, 2015
Subscription rights to shares		
Balance at beginning of the period	115	36
Changes of items during the period		
Net changes of items other than shareholders' equity	(79)	(36)
Total changes of items during the period	(79)	(36)
Balance at end of the period	36	—
Minority interests		
Balance at beginning of the period	1,174	1,203
Changes of items during the period		
Net changes of items other than shareholders' equity	28	719
Total changes of items during the period	28	719
Balance at end of the period	1,203	1,922
Total net assets		
Balance at beginning of the period	187,459	210,407
Cumulative effects of the change in accounting policy	—	806
Balance at the beginning of the period after the retroactive application	187,459	211,213
Changes of items during the period		
Dividends from surplus	(4,002)	(4,008)
Net income	12,559	15,382
Purchase of treasury stock	(130)	(10,659)
Disposal of treasury stock	433	118
Receipt of payment of deposit for subscriptions to treasury stock	10	—
Net changes of items other than shareholders' equity	14,075	26,385
Total changes of items during the period	22,947	27,217
Balance at end of the period	210,407	238,431

4) Consolidated Statements of Cash Flows

	(Millions of yen)	
	Year ended March 31, 2014	Year ended March 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	22,278	23,823
Depreciation and amortization	13,002	12,901
Impairment loss	6,139	3,269
Increase (decrease) in provision for directors' retirement benefits	(69)	(50)
Increase (decrease) in net defined benefit liabilities	(2,361)	1,456
Interest and dividends income	(1,024)	(898)
Interest expenses	1,511	1,137
Equity in (earnings) losses of affiliates	(1,082)	(1,075)
Loss (gain) on sales of property, plant and equipment	(1,159)	(151)
Loss (gain) on sales of investment securities	(6,233)	(3,275)
Loss on retirement of property, plant and equipment	1,219	554
Loss (gain) on valuation of investment securities	4	—
Decrease (increase) in notes and accounts receivable-trade	(1,496)	(109)
Decrease (increase) in inventories	(2,050)	(3,201)
Increase (decrease) in notes and accounts payable-trade	961	538
Other, net	4,265	6,946
Subtotal	33,905	41,864
Interest and dividends received	1,447	1,443
Interest expenses paid	(1,773)	(947)
Income taxes paid	(7,912)	(10,700)
Net cash provided by (used in) operating activities	25,667	31,658
Cash flows from investing activities		
Purchase of property, plant and equipment	(15,551)	(11,379)
Proceeds from sales of property, plant and equipment	1,453	277
Purchase of intangible assets	(1,825)	(1,405)
Purchase of investment securities	(1,686)	(881)
Proceeds from sales of investment securities	9,731	6,527
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(364)	—
Payments of loans receivable	(478)	(502)
Collection of loans receivable	126	952
Other, net	63	1,369
Net cash provided by (used in) investing activities	(8,529)	(5,041)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	4,979	(4,975)
Proceeds from long-term loans payable	—	300
Repayment of long-term loans payable	(2,000)	(2,600)
Redemption of bonds	(20,736)	—
Proceeds from exercise of stock option	376	92
Purchase of treasury stock	(130)	(10,134)
Cash dividends paid	(4,002)	(4,008)
Cash dividends paid to minority shareholders	(6)	(97)
Other, net	(111)	(143)
Net cash provided by (used in) financing activities	(21,631)	(21,566)
Effect of exchange rate change on cash and cash equivalents	2,159	1,927
Net increase (decrease) in cash and cash equivalents	(2,334)	6,978
Cash and cash equivalents at beginning of the period	27,754	25,420
Cash and cash equivalents at end of the period	25,420	32,398

(Reference) Changes in cash flow-related indices

	Year ended March 31, 2011	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2015
Shareholders' equity ratio (%)	53.8	50.0	55.2	59.9	62.4
Shareholders' equity ratio (%) using fair value	53.8	59.2	98.2	111.6	196.7
Ratio of cash flow to interest-bearing debt (years)	3.7	7.3	3.9	3.1	2.3
Interest coverage ratio (times)	16.9	11.8	14.7	14.5	33.4

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: 49

(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 40 other companies)

Number of unconsolidated companies: 26

Number of affiliated companies: 33

(including 19 equity-method affiliates: Higeta Shoyu Co., Ltd., Riken Vitamin Co., Ltd., and 17 other companies)

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

Consolidations (New)

Kikkoman Shanghai Trading CO, LTD (newly established)

President Kikkoman Inc. (Changed from an affiliate (an equity method affiliate) in accordance with effective control standards)

JFC BRASIL IMPORTADORA E COMERCIO DE PRODUTOS ALIMENTICIOS LTDA. (newly established)

Equity method (exclusion)

President Kikkoman Inc. (Changed to a consolidated subsidiary in accordance with effective control standards)

Dalian Riken Seaweed CO, LTD. (Liquidated)

3. Accounting standard

Changes in accounting policy

(Application of the accounting standard for retirement benefits)

Effective from the first three months of the consolidated fiscal year under review, the Company has adopted the “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26 of May 17, 2012; hereinafter referred to as “the Accounting Standard for Retirement Benefits”) and the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25 of May 17, 2012; hereinafter referred to as “the Guidance on Accounting Standard for Retirement Benefits”) for the provisions set forth in paragraph 35 of the Accounting Standard for Retirement Benefits and paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits. As a result, it revised the method of calculating retirement benefit obligations and service costs, and it has changed the method of attributing expected retirement benefits to accounting periods from the straight-line basis to the standard pension benefit formula basis. With respect to the method of determining the discount rate, it has also changed from the discount rate based on the average period until expected payment day to the discount rate that reflects the estimated timing of each benefit payment.

As for the application of the Accounting Standard for Retirement Benefits and the Guidance on Accounting Standard for Retirement Benefits, in accordance with the transitional handling as provided in paragraph 37 of the Accounting Standard for Retirement Benefits, at the beginning of the consolidated fiscal year under review, the Company adjusted its retained earnings by taking into account the amount affected by the change in the method of calculating retirement benefit obligations and service costs.

As a result, net defined benefit asset at the beginning of the consolidated fiscal year under review has increased ¥805 million, and net defined benefit liability has decreased ¥372 million, while retained earnings has increased ¥806 million. The impact on operating income, ordinary income and income before income taxes and minority interests for the consolidated fiscal year under review is negligible.

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

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.

(Segment Information, etc)

Year ended March 31, 2015 (April 1, 2014 –March 31, 2015)

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 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.

Fiscal 2015 Actual (Apr. 1, 2014 –Mar. 31, 2015)

(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	160,018	7,478	65,759	138,082	371,339	—	371,339
Intra group sales or transfers	1,243	12,673	8,967	323	23,208	(23,208)	—
Total sales	161,261	20,152	74,727	138,406	394,547	(23,208)	371,339
Operating income	2,715	1,035	14,225	6,476	24,453	916	25,370
Total assets	115,371	22,131	122,004	56,661	316,169	62,596	378,766
Other items							
Depreciation and amortization	7,290	1,051	2,816	784	11,943	884	12,827
Amortization of goodwill	1,401	—	112	—	1,513	—	1,513
Changes in the amount of tangible fixed assets and intangible fixed assets	6,936	1,476	2,842	683	11,938	1,148	13,087

(Notes) 1. Adjustment amounts are as follows.

- 1) Adjustments of ¥916 million in segment operating income include a ¥997 million difference in the allocation of corporate expenses.
 - 2) Adjustments of ¥62,596 million in segment assets include ¥149,670 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 ¥884 million in depreciation and amortization expenses have primarily to do with corporate assets.
 - 4) Adjustments of ¥1,148 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.

(Application of the accounting standard for retirement benefits)

As described in (5) Notes on consolidated financial statements, (Basis of Presentation of the Consolidated Financial Statements), the Company has changed the method of calculating retirement benefit obligations and service cost from the consolidated fiscal year under review. The impact on operating income for the consolidated fiscal year under review is negligible.

(Per Share Information)

	Year ended March 31, 2014	Year ended March 31, 2015
Net assets per share	¥1,045.62	¥1,210.77
Net income per share	¥62.82	¥78.20
Diluted net income per share	¥62.79	¥78.19

Note: 1. The basis for calculating net income per share and diluted net income per share is as follows:

	Year ended March 31, 2014	Year ended March 31, 2015
Net income per share		
Net income (¥ million)	12,559	15,382
Amount not attributable to common shareholders (¥ million)	—	—
Net income related to common stock (¥ million)	12,559	15,382
Average number of shares of common stock outstanding during the fiscal year (thousands of shares)	199,928	196,707
Diluted net income per share		
Net income adjustment (¥ million)	—	—
Increase in number of common shares (thousands of shares)	107	15
(Subscription rights to shares (thousands of shares))	(107)	(15)

2. 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.

As a result, net assets per share increased 4.13 yen. The impact on net income per share and diluted net income per share is negligible.

(Material Subsequent Events)

No applicable items.

5. Supplementary Schedules

1) Consolidated Forecasts for FY2016 and Effect of Exchange Rate Differences on Translation of Overseas Subsidiaries' Financial Statements

Net sales (Millions of yen)

		Fiscal 2016 Forecast	Fiscal 2015 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Foods-Manufacturing and sales	167,300	161,261	6,038	103.7	6,038	103.7
	Others	20,800	20,152	647	103.2	647	103.2
	Eliminations	(12,000)	(11,699)	(300)	—	(300)	—
Total		176,100	169,714	6,385	103.8	6,385	103.8
Overseas	Foods-Manufacturing and sales	82,850	74,727	8,122	110.9	5,668	107.6
	Foods-Wholesale	153,900	138,406	15,493	111.2	10,270	107.4
	Eliminations	(10,750)	(9,282)	(1,467)	—	(1,273)	—
Total		226,000	203,851	22,148	110.9	14,665	107.2
Kikkoman(Holding Company)		14,500	14,209	290	102.0	290	102.0
Eliminations		(16,600)	(16,435)	(164)	—	(164)	—
Consolidated Total		400,000	371,339	28,660	107.7	21,177	105.7

Operating Income (Millions of yen)

		Fiscal 2016 Forecast	Fiscal 2015 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Foods-Manufacturing and sales	4,650	2,715	1,934	171.3	1,934	171.3
	Others	1,150	1,035	114	111.1	114	111.1
	Total	5,800	3,783	2,016	153.3	2,016	153.3
Overseas	Foods-Manufacturing and sales	15,390	14,225	1,164	108.2	852	106.0
	Foods-Wholesale	7,350	6,476	873	113.5	662	110.2
	Total	22,600	20,543	2,056	110.0	1,540	107.5
Kikkoman(Holding Company)		3,800	5,270	(1,470)	72.1	(1,470)	72.1
Eliminations		(4,200)	(4,226)	26	—	6	—
Consolidated Total		28,000	25,370	2,629	110.4	2,093	108.3

Exchange Rate (¥/US\$)	115.00	110.03	4.97
(¥/EUR)	125.00	138.68	(13.68)