KIKKOMAN CORPORATION

ANNUAL REPORT 2003

Year ended March 31, 2003

KIKKOMAN CORPORATION ANNUAL REPORT 2003

PROFILE

KIKKOMAN CORPORATION takes pride in enriching the lives of consumers throughout the world with the distinctive qualities of its food seasonings. The No. 1 producer of soy sauce in the world, Kikkoman has grown from humble beginnings in the 17th century to become a company that provides a comprehensive range of foodstuffs, fine wines, superb dining, and effective biotechnology. We are constantly searching for new recipes to enhance the flavors of Western and Oriental cuisines, drawing on more than 350 years of natural brewing experience. Superseding these activities is a higher goal of contributing to the health and happiness of the communities in the almost 100 countries in which we operate.

ON THE COVER

Grilled Scallops

Recipe
Ingredients (Serves 1 person)

• Scallops	60g (salt and sprinkle with cayenne pepper, then grill on both sides)
• Brussel sprout	1 (boil with salt)
• Cherry tomato	1 (prune and stuff with tomato fondue)
• Small taro	1 (peel, boil with salt, puree half and form mixture into original potato shape)
• Small turnip	1 (peel and boil with salt)
• Chives	12
• Soy sauce vinaigrette	20cc (soy sauce: 5cc; lemon juice: 5cc; olive oil: 10cc)

Method
A. Place grilled scallops in middle of plate and surround with five varieties of vegetable
B. Sprinkle soy sauce vinaigrette around scallops
C. Arrange chives in a cross-weaved formation

CONTENTS

FINANCIAL HIGHLIGHTS

Kikkoman Corporation and Consolidated Subsidiaries

	Millions of yen					Thousands of U.S. dollars (Note 2)
	Year ended March 31, 2003	Year ended March 31, 2002	Three months ended March 31, 2001 (Note 4)	Year ended December 31, 2000 (Note 3)	Year ended December 31, 1999	**Year ended March 31, 2003**
For the year:						
Net sales	**¥342,508**	¥336,887	¥ 29,998	¥326,708	¥221,724	**$2,854,233**
Operating income	**17,904**	14,942	202	14,686	11,046	**149,200**
Net income (loss)	**8,311**	5,363	(406)	6,150	5,286	**69,258**
At year-end:						
Total assets	**¥273,902**	¥294,527	¥287,559	¥282,110	¥228,023	**$2,282,517**
Property, plant and equipment, net	**116,585**	124,042	124,968	125,441	82,111	**971,542**
Interest-bearing debt	**45,490**	52,615	51,123	51,144	42,831	**379,067**
Shareholders' equity, net	**131,806**	132,418	126,462	119,503	112,639	**1,098,383**

	Yen					U.S. dollars (Note 2)
Per share data:						
Net income (Note 1)	**¥41.98**	¥27.43	¥(2.08)	¥31.45	¥26.80	**$0.35**
Diluted net income	**40.86**	26.52	–	29.37	25.00	**0.34**
Cash dividends applicable to the year	**8.00**	7.00	1.75	7.00	7.00	**0.07**

Notes: 1. Net income per share is computed based on the weighted average number of shares outstanding during the year.
2. U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥120=US$1.00.
3. Effective from the year ended December 31, 2000, Kikkoman has included Tone Coca-Cola Bottling Co., Ltd. and two other companies, previously accounted for by the equity method, within the scope of consolidation.
4. The fiscal period ended March 31, 2001 is a transitional three-month period due to a change in the fiscal year-end.

MESSAGE FROM THE PRESIDENT

YUZABURO MOGI
PRESIDENT AND CHIEF EXECUTIVE OFFICER

The Fiscal Year in Review

The global economy was affected by an increasing sense of uncertainty during the fiscal year under review. Stock prices fell due to the economic downturn in the U.S. and a crisis of confidence in corporate accounting practices. Tensions in Iraq also served to further dampen the generally gloomy economic mood. The Japanese economy, meanwhile, showed signs of expansion, with real GDP growing for three consecutive quarters from April 2002. Generally, though, the economy was characterized by falling capital expenditures and continued weakness in consumer spending.

In the domestic food, beverage and liquor industries, the pace of corporate realignment and integration quickened, making the operating environment even more challenging. There were also stronger demands from consumers for better food safety, proper labeling and ingredient traceability.

In the face of this severe economic environment, Kikkoman posted sales and earnings growth both in Japan and overseas, with consolidated results reaching an all-time high. Our international operations remained healthy and, despite encountering tougher conditions in Japan, our domestic operations were supported by another solid performance from the Soy Sauce Derivative Products Division and the benefits of structural reform in the Coca-Cola business. Consolidated net sales rose 1.7% year on year to ¥342.5 billion and operating income climbed 19.8% to ¥17.9 billion. Excluding the effect of the exchange rate adjustment, net sales and operating income increased 1.0% and 18.0%, respectively.

Summary of Business Policy

Business Principles

The activities of the Kikkoman Group are shaped by three core business principles:

- To pursue the fundamental principle "consumer-oriented"
- To provide high-quality products and services and to promote the international exchange of food culture
- To become a company whose existence is meaningful to the global society

The future performance and prosperity of a company are the direct result of customer satisfaction. Indeed, optimizing this satisfaction is the key to future growth and earnings. Accordingly, the Kikkoman Group continues to develop products imbuing value that mirror the ever-changing needs of consumers and provide opportunities for new culinary experiences. And as a manufacturer, the Kikkoman Group's fundamental mission is to produce high-quality products and services, in a safe and hygienic manner, at lower costs. Since its founding in the middle of the 17th century, Kikkoman has continued to uphold the highest standards of quality control, the most important factor known by everyone in our organization. Our commitment to quality goes beyond the products themselves to encompass such areas as packing and packaging.

Excellence in management practices, business operations and our products all contribute to our goal of becoming a company whose existence is meaningful to the global society. Moreover, the Company is committed to deepening its involvement in social activities while working to assure that its operations co-exist harmoniously with the environment as a global enterprise.

The Kikkoman Group is developing globally in the fields of food and health in the following three major areas:

1. Manufacture and sales of food products,
2. Biochemical business, and
3. Services related to food and health.

Business Strategy

During the past fiscal year, we began expanding production capacity at our plant in Wisconsin, U.S.A., which marked its 30th anniversary, and our plant in the Netherlands, which completed five years of operations last year. We also began adding capacity at our Singapore Plant. Another important milestone was reached in May last year with the start of shipments from our plant in China. These developments are preparing us to meet new demand for, and stimulate greater consumption of, soy sauce in markets around the world. We believe this will serve to maintain the high growth of our global business operations.

In Japan, we aim to expand sales of high-value-added products in the home-use soy sauce market. A new product, *Marudaizu Jikomi Shoyu* (premium soy sauce for standard use), which was added to our lineup in March this year, will bolster sales further. Our strategy in the food-service and industrial-use markets is to capture a greater market share by improving our ability to develop products and making our operations more cost competitive. With *tare* (dipping and marinade sauces) and *tsuyu* (soy sauce soup bases),our approach is similar to the strategy I have just described. These efforts are directed toward further raising Kikkoman's position as the number-one brand in soy sauce and Japanese-style soy sauce derivative products.

In our Del Monte Operations we are broadening our lineup with distinctive products to breathe new life into this well-known brand in the Japanese market. In our sake and wine business, key objectives are to capture a higher market share for the home-use *mirin* (sweet sake for cooking), while further developing and promoting high-value-added products in our wine business.

Management Organization and Corporate Governance

We have been taking steps to enhance corporate governance, underscoring our recognition that it is even more important now in the changing management environment. In addition, we plan to speed up decision-making and the execution of operations in order to achieve strategic and flexible business operations.

At the March 2001 annual general meeting, shareholders approved a reduction in the size of the Board of Directors and the introduction of the corporate executive officer system. These actions have led to clearly demarcated roles—directors are responsible for decision-making and management oversight while corporate executive officers handle the day-to-day running of the company. Given significant freedom of movement, these executive officers are able to make quick operational decisions.

In June last year, the annual general meeting of shareholders elected two outside directors to the Board. This made management of the company even more transparent. At the same meeting, the number of outside auditors was increased from one to two based on revisions to the Japanese Commercial Code.

Additional steps we have taken to improve management and corporate governance so far include forming a Nominating Committee and Remuneration Committee within the Board of Directors in June 2002.

Together, these measures have strengthened management oversight, creating a better framework for evaluating operational execution, and enhanced audit functions.

Code of Conduct

In August last year, we formulated a Code of Conduct to ensure strict compliance and raise corporate ethical standards across the company. At the same time, we established the Corporate Ethics Committee. The mission of any food product company is to offer safe merchandise that helps maintain the health and well-being of consumers, while being well grounded ethically and having a strong sense of mission, based on an understanding of the company's role in society. We believe that the Code and the new Committee will keep us focused on these important points so that we can continue to contribute to the development of society.

Basic Policy on Distribution of Profits

The Kikkoman Group's basic policy is to reward shareholders with a stable distribution of profits, backed by strong financial performance, while using funds to strengthen both its corporate foundation and core businesses. The Company decided to raise the dividend per share by ¥1 to ¥8, taking into consideration our consolidated operating results, not just parent-company results as we have done in the past in setting the dividend.

On a long-term basis, we will deploy internal reserves in ways that create solid corporate value. Our future plans include investments to expand our international operations, streamline production facilities for soy sauce and other products, conduct research and development targeting new businesses, and cultivate new demand.

Outlook for the Current Fiscal Year

The uncertainty clouding the global economy will likely remain for the time being. In Japan, several factors suggest that an economic recovery will still take some time: capital expenditures and personal consumption are expected to remain lackluster and concerns are growing about the strength of exports, especially those destined for the key U.S. market.

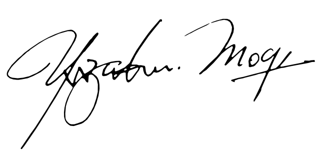
The domestic food, beverage and liquor industries are being asked to disclose more information on each product and raise their commitment to socially responsible operations, amid growing consumer interest in food safety. Meanwhile, the low-birth-rate and aging population, and the globalization of competition are reshaping the business landscape in unprecedented ways.

In response to these conditions, the Kikkoman Group is committed to prioritizing the allocation of resources to raise its corporate value and further enhance its position as a major global player in the food and health fields. To this end, during the current fiscal year, we are concentrating on the following objectives:

- Enhancing customer satisfaction,
- Opening up and growing new international markets,
- Achieving sales targets for key products in Japan,
- Raising market share in the food-service and industrial-use markets,
- Pursuing R&D focused on new product development,
- Taking on the challenge of new business opportunities in Japan and abroad, and
- Ensuring strict compliance.

These objectives highlight our plan to move increasingly on to the offensive to increase both our corporate value and our presence in the industry.

July 2003



YUZABURO MOGI
PRESIDENT AND CHIEF EXECUTIVE OFFICER

FINANCIAL REVIEW

OPERATING RESULTS

During the year under review, both sales and earnings rose in international and domestic operations, resulting in the company's strongest ever consolidated performance. International operations remained healthy, reflected by a 6.8% rise in net sales to ¥79.2 billion and a 21.2% jump in operating income to ¥8.7 billion. Domestic operations, although hampered by lackluster economic conditions in Japan, posted a 0.4% increase in net sales to ¥274.7 billion and an 18.6% rise in operating income to ¥9.2 billion. This was the result of another solid performance by the Soy Sauce Derivative Products Division and the benefits of structural reform in the Coca-Cola business. After the elimination of interarea sales and transfers, consolidated net sales rose 1.7% year on year to ¥342.5 billion and operating income climbed 19.8% to ¥17.9 billion.

Income before income taxes and minority interests surged 91.8% to ¥17.2 billion due to the increase in operating income and a gain on return of the substitutional portion of the national government welfare pension program funds. After the deduction of current and deferred income taxes amounting to ¥7.5 billion and accounting for minority interests, net income was ¥8.3 billion, 55.0% up year on year. Net income per share was ¥41.98 and the net income ratio was 2.4%.

SEGMENT INFORMATION

The company's results are broken down into four segments: Foods—manufacturing and sales, Foods—wholesale, Coca-Cola, and Others.

FOODS—MANUFACTURING AND SALES

This segment comprises the Soy Sauce Division, Soy Sauce Derivative Products Division (*tsuyu*, *tare* and other processed seasonings), the Del Monte Division (Del Monte processed tomato products, fruit juices and other products bearing the same brand name), and the Sake and Wine Division (*mirin*, *shochu*, wine and other alcoholic beverages). All products are manufactured and sold in Japan and overseas, except for soy sauce derivative products and alcoholic products, which relate only to Japan. Segment sales edged up 0.2% to ¥172.8 billion and operating income increased 10.9% to ¥11.5 billion. The results for each division are as follows.

SOY SAUCE DIVISION

In Japan in the home-use sector, *Tokusen Marudaizu Shoyu* (premium soy sauce), *Tokusen Yuki Shoyu* (organic soy sauce) and other high-value-added products continued to generate firm sales. In March 2003, the soy sauce lineup was

***Original Kikkoman Shoyu*:**

Healthy all-purpose seasoning sold and used in more than 100 countries worldwide.

***Marudaizu Jikomi Shoyu*:**

A mild, tasty standard soy sauce made from whole soy beans.

***Tokusen Marudaizu Shoyu*:**

Premium *marudaizu* soy sauce is widely accepted in Japan.

***Tokusen Yuki Shoyu*:**

Organic soy sauce certified by Japanese Agricultural Standards (JAS).

***Gen-en Shoyu*:**

"Light" soy sauce with 50% less sodium than regular Kikkoman soy sauce.

also augmented with the launch of a new product, *Marudaizu Jikomi Shoyu* (premium soy sauce for standard use). Holding back sales, however, was lower demand for 1-liter bottles of mainstay *Koikuchi Shoyu* (regular soy sauce). In the foodservice-use sector, 1.8-liter bottles of soy sauce struggled in a difficult market, while sales in the industrial-use sector were flat, affected by the BSE outbreak in Japan in the first half of the year.

Overseas, despite concerns that an economic slowdown would hurt sales, the home-use, foodservice-use, and industrial-use sectors all saw sales remain firm in the U.S. The industrial-use sector, in particular, saw strong growth, spurred by aggressive sales activities. In European soy sauce markets, sales rose sharply in the home-use sector as supermarkets stocked more items, while growth was steady in the foodservice-use and industrial-use sectors. In Asian markets, although an economic correction was visible from the fall, the home-use market remained firm. Robust growth was also seen in the foodservice-use and industrial-use sectors. A key development during the year was the start of shipments to the Chinese market in May 2002 from a newly completed local factory.

SOY SAUCE DERIVATIVE PRODUCTS DIVISION

In *tsuyu*, *Hon Tsuyu* and *Nabe Tsuyu* supported steady growth in sales. There was a recovery in demand for *tare* (dipping and marinade sauce) in the home-use sector as consumers stayed away from restaurants due to concerns about the BSE outbreak. With sales of *Wagaya-wa-Yakinikuyasan* rising as well, the sector posted higher sales. A highlight of the year was the nationwide launch in February 2003 of *Uchi no Gohan*, a handy Japanese-style seasoning mix, following an earlier regional launch in certain areas of the country in 2002.

DEL MONTE DIVISION

In Japan, the company actively developed new products and conducted aggressive sales activities to invigorate the Del Monte brand. However, *Tomato Ketchup* faced difficulties due to soft market conditions and severe price competition. In the drink sector, too, *Tomato Juice* saw sales decline as consumer preferences diversified and competition intensified. The Vegetable Juice sector saw sales soften as mixed vegetable and fruit juice, which had been a growth market, started to contract. Overseas in Asian markets, sales grew, notably in China and South Korea.

SAKE AND WINE DIVISION

Sales of *Houjun Hon Mirin* for home use were firm, but sales of 1.8-liter bottles for foodservice use failed to grow. In *Shochu*, although sales of large bottles were brisk, demand for stalwart *Triangle Shochu* and other high-value-added products was soft. Wine sales showed signs of an upturn, led by continuing growth in *Manns Mon Frère* and other low-priced wines. In imported wines, sales of French table wines rose.

Wagaya-wa-Yakinikuyasan :

A tangy sesame-flavored soy sauce-based steak dipping sauce enriched with vegetable ingredients to create a refreshing, light flavor.

Steak Shoyu :

Having a deep soy sauce aroma and mellow flavor, this steak sauce highlights the true taste of meats.

Hon Tsuyu :

Natural bonito and seaweed *dashi* (broth), *marudaizu* soy sauce, and *hon mirin* are blended to create this *mentsuyu* (noodle soup).

Zarusoba Tsuyu :

A straight *soba tsuyu* that blends natural bonito *dashi*, *marudaizu* soy sauce, and *hon mirin*.

***Uchi-no-Gohan* :**

Handy Japanese-style seasoning mix that contains soy sauce and vegetable-based stock.

FOODS-WHOLESALE

This segment sells oriental food products, including eastern foods, procured mainly from outside the Kikkoman Group in Japan and overseas. In the U.S. market, sales increased, although conditions were difficult in a weakening economic environment. The growth rate in this market slowed on the back of severe competition. In European markets, sales continued to rise on steady expansion in the market for Japanese foods. As a result, segment sales rose 2.1% to ¥48.7 billion and operating income increased 12.3% to ¥1.8 billion.

COCA-COLA

This segment carries out the production and sale of soft drinks, mainly Coca-Cola, in Chiba, Ibaraki and Tochigi prefectures. Operations principally focus on domestic consolidated subsidiary Tone Coca-Cola Bottling Co., Ltd.
During the year, efforts were made to expand sales by introducing a bottle-can (an aluminum can shaped as a bottle) and new products that meet consumer needs. Various promotional campaigns were also run with the aim of expanding sales. On the production front, the company made progress in promoting joint production with two Kanto-area bottlers, while the distribution activities of all sales bases were integrated in a logistics subsidiary. Moreover, the integration of subsidiaries' vending machine operations and other actions have made the operations of the group stronger and more efficient.
Segment sales rose 4.1% to ¥118.1 billion and operating income surged 71.2% to ¥4.1 billion.

OTHERS

This segment includes production and sales of medical reagents, clinical diagnostic reagents and other chemicals; real estate rental; and other businesses.
In the biochemical field during the year, sales of enzymes for clinical diagnostic reagents held steady and functional ingredients for foods recorded robust growth. However, sales of enzymes for food processing and medical reagents were disappointing, despite strong growth in the previous fiscal year. In January 2003, the company started sales of a nutritional supplement under the product name *Kikkoman Tomato no Chikara*.
Segment sales, including rental income and other revenues, decreased 10.8% to ¥4.1 billion and operating income declined 9.7% to ¥0.5 billion.

Tomato Ketchup :

The mainstay item in the Del Monte product lineup
(contains pineapple vinegar).

Whole Peeled Tomatoes :

Delicious, high-quality tomatoes of consistent size suitable for use with any ingredient.

Tomato Juice and Vegetable Juice :

100% tomato juice and vegetable juice.

Yasai-Toranakya :

This healthy drink contains 100% vegetable and fruit juice.

FINANCIAL POSITION

ASSETS

Total assets as of March 31, 2003 stood at ¥273.9 billion, down ¥20.6 billion from a year ago. This reflected a ¥7.7 billion decrease in current assets, mainly inventories; and a ¥13.0 billion decrease in fixed assets due to a decrease in property, plant and equipment accompanying lower capital expenditures, and a decrease in investments in securities resulting from lower stock prices.

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities declined ¥21.9 billion due mainly to the redemption of convertible bonds and decrease in short-term bank loans. Long-term liabilities increased ¥1.0 billion. This was the net result of the issue of ¥10.0 billion in straight bonds, offset by decreases in accrued employees' pension and severance costs and long-term debt. Total liabilities declined ¥20.9 billion. Shareholders' equity decreased ¥0.5 billion to ¥131.8 billion as translation adjustments turned negative and unrealized holding gain on securities declined. These declines were partially countered by an increase in consolidated retained earnings. The shareholders' equity ratio rose 3.2 percentage points to 48.1%. Equity per share decreased ¥3.38 to ¥673.44.

CASH FLOWS

Cash and cash equivalents increased ¥2.0 billion to ¥33.0 billion at March 31, 2003. This was partly due a ¥0.1 billion increase relating to the inclusion of subsidiaries in consolidation.

Operating activities provided net cash of ¥20.0 billion, ¥2.6 billion less than in the previous fiscal year. Income before income taxes and minority interests increased ¥8.2 billion to ¥17.2 billion. However, the decrease reflected higher cash outlays for working capital and tax as well as the add back of non-cash items such as the gain on return of substitutional portion of national government welfare pension program funds.

Investing activities used net cash of ¥8.6 billion, ¥9.1 billion less than in the previous fiscal year. This mainly reflected a ¥4.0 billion increase in proceeds from sales of property, plant and equipment, mostly cash inflows from the sale of facilities at Tone Coca-Cola Bottling's Ibaraki plant; no purchases of stock in the year under review, against ¥2.0 billion for the purchase of subsidiary's stock in fiscal 2002; and a ¥2.0 billion increase in collection of loans receivable.

Financing activities used net cash of ¥8.7 billion, ¥8.2 billion more than in the previous fiscal year. The main components of this increase were the repayment of debt at all companies following the introduction of a cash management system designed to improve capital efficiency across the group; a net decrease of ¥6.7 billion in short-term bank loans; and a ¥1.0 billion increase in cash dividends paid, compared with fiscal 2002, reflecting the fact fiscal 2001 was a transitional three-month period.

Houjun Hon Mirin :

A variety of rice ingredients, including glutinous rice, plain rice, and malted rice are used to create this unique *mirin* sake.

Triangle Shochu :

This has an incisive taste that is appreciated by *shochu* connoisseurs. Sold in a distinctive black bottle.

Triangle Indigo Shochu :

The stylish indigo-blue bottle reflects the refreshing, yet mellow taste of this clear Japanese spirit.

Manns Solaris :

A world-class, distinctive wine made from Japanese grapes.

OVERSEAS PRODUCT LINEUP

NORTH AMERICA

Soy Sauce 10 Oz

Lite Soy Sauce 10 Oz

Teriyaki Marinade & Sauce 10 Oz

Teriyaki Baste & Glaze 12 Oz

Sweet & Sour Sauce 11.5 Oz

Steak Sauce 11.75 Oz

EUROPE

Soy Sauce 150 ml

Soy Sauce 250 ml

Soy Sauce 1L

Teriyaki Marinade 250 ml

Sukiyaki Sauce 250 ml

Sweet Soy Sauce 250 ml

ASIA & OCEANIA

Soy Sauce 1L

Special Fragrance Soy Sauce 600 ml

Teriyaki Marinade 250 ml

Soy Sauce Sweet Type 500 ml for Taiwan

Soy Sauce 500 ml for China

Soy Sauce Sweet Type 500 ml for China

GEOGRAPHICAL SALES AND OPERATING INCOME INFORMATION

Year ended March 31, 2003 — Millions of yen

Segment		Segment Total	% Share	Japan	% Share	Overseas	% Share
Foods—manufacturing and sales	Sales	¥172,774	50.4	¥139,540	50.8	¥36,510	46.1
	Operating income	35,332	69.1	22,374	63.3	12,957	81.9
	Operating income ratio (%)	20.4		16.0		35.5	
(Soy Sauce)	Sales	88,675	25.9	60,937	22.2	31,014	39.2
	Operating income	26,398	51.6	13,798	39.0	12,599	79.6
	Operating income ratio (%)	29.8		22.6		40.6	
(Soy Sauce Derivative Products)	Sales	17,998	5.3	17,998	6.5		
	Operating income	2,876	5.6	2,876	8.1		
	Operating income ratio (%)	16.0		16.0			
(Del Monte)	Sales	42,234	12.3	36,738	13.4	5,495	6.9
	Operating income	3,280	6.4	2,923	8.3	357	2.3
	Operating income ratio (%)	7.8		8.0		6.5	
(Sake and Wine)	Sales	24,716	7.2	24,716	9.0		
	Operating income	2,776	5.5	2,776	7.9		
	Operating income ratio (%)	11.2		11.2			
(Eliminations)	Sales	(850)	(0.3)	(850)	(0.3)		
	Operating income						
	Operating income ratio (%)						
Foods—wholesales	Sales	48,657	14.2	14,219	5.2	42,116	53.2
	Operating income	3,348	6.5	515	1.5	2,833	17.9
	Operating income ratio (%)	6.9		3.6		6.7	
Coca-Cola	Sales	118,095	34.5	118,095	43.0		
	Operating income	11,391	22.3	11,391	32.2		
	Operating income ratio (%)	9.6		9.6			
Others	Sales	4,072	1.2	3,442	1.2	629	0.8
	Operating income	1,076	2.1	1,048	3.0	27	0.2
	Operating income ratio (%)	26.4		30.5		4.4	
Eliminations	Sales	(1,091)	(0.3)	(587)	(0.2)	(94)	(0.1)
	Operating income	5	–	7	–		
	Operating income ratio (%)	(0.5)		(1.3)		(0.5)	
Total	Sales	¥342,508	100.0	¥274,710	100.0	¥79,162	100.0
	Operating income	51,153	100.0	35,336	100.0	15,818	100.0
	Operating income ratio (%)	14.9		12.9		20.0	
Advertising expenses		¥ 10,538		¥ 7,333		¥ 3,204	
(% of sales)		3.1		2.7		4.0	
Headquarter operating expenses		22,709		18,828		3,881	
(% of sales)		6.6		6.9		4.9	
Operating Income		17,904		9,175		8,732	
(% of sales)		5.2		3.3		11.0	

Note: Operating income = Income before deducting advertising and headquarter operating expenses.

CONSOLIDATED BALANCE SHEETS

Kikkoman Corporation and Consolidated Subsidiaries March 31, 2003 and 2002

	Millions of yen		Thousands of U.S. dollars (Note 3)
Assets	**2003**	2002	**2003**
Current assets:			
Cash and time deposits (Note 4)	**¥ 31,670**	¥ 32,835	**$ 263,917**
Short-term investments	**3,024**	24	**25,200**
Trade notes and accounts receivable (Note 8)	**40,593**	41,116	**338,275**
Allowance for doubtful receivables	**(675)**	(604)	**(5,625)**
	39,918	40,511	**332,650**
Inventories (Notes 6 and 8)	**25,239**	28,525	**210,325**
Deferred tax assets (Note 10)	**3,637**	4,262	**30,308**
Other current assets	**4,241**	9,243	**35,342**
Total current assets	**107,732**	115,403	**897,767**
Property, plant and equipment, at cost (Note 8):			
Land	**32,413**	33,082	**270,108**
Buildings and structures	**90,129**	90,020	**751,075**
Machinery, equipment and vehicles	**138,396**	147,170	**1,153,300**
Other	**54,342**	61,790	**452,850**
Construction in progress	**758**	1,954	**6,317**
	316,041	334,017	**2,633,675**
Accumulated depreciation	**(199,456)**	(209,975)	**(1,662,133)**
Property, plant and equipment, net	**116,585**	124,042	**971,542**
Investments and other assets:			
Investments in securities (Note 5)	**25,636**	30,179	**213,633**
Investments in and advances to unconsolidated subsidiaries and affiliates	**7,957**	7,851	**66,308**
Intangible assets	**7,533**	8,376	**62,775**
Deferred tax assets (Note 10)	**4,249**	4,245	**35,408**
Other assets	**4,208**	4,427	**35,067**
Total investments and other assets	**49,584**	55,081	**413,200**
Total assets	**¥ 273,902**	¥ 294,527	**$ 2,282,517**

See accompanying notes to consolidated financial statements.

Liabilities and shareholders' equity	Millions of yen 2003	Millions of yen 2002	Thousands of U.S. dollars (Note 3) 2003
Current liabilities:			
Short-term bank loans (Notes 7 and 8)	**¥ 19,615**	¥ 25,713	**$ 163,458**
Current portion of long-term debt (Notes 7 and 8)	**2,211**	10,645	**18,425**
Trade notes and accounts payable	**12,172**	14,069	**101,433**
Other accounts payable	**13,633**	18,354	**113,608**
Accrued expenses	**2,131**	2,229	**17,758**
Accrued income taxes (Note 10)	**2,262**	2,960	**18,850**
Other current liabilities	**3,450**	3,396	**28,750**
Total current liabilities	**55,477**	77,369	**462,308**
Long-term liabilities:			
Long-term debt (Notes 7 and 8)	**23,662**	16,256	**197,183**
Accrued employees' pension and severance costs (Note 9)	**27,018**	30,815	**225,150**
Accrued officers' severance benefits	**1,227**	1,347	**10,225**
Deposits received	**12,158**	12,712	**101,317**
Deferred tax liabilities (Note 10)	**2,033**	4,250	**16,942**
Other long-term liabilities	**1,243**	937	**10,358**
Total long-term liabilities	**67,344**	66,320	**561,200**
Minority interests	**19,273**	18,418	**160,608**
Shareholders' equity:			
Common stock:			
Authorized: 300,000,000 shares			
Issued: 197,202,300 shares in 2003 and 2002	**11,599**	11,599	**96,658**
Additional paid-in capital (Note 11)	**5,768**	5,768	**48,067**
Retained earnings (Notes 11 and 18)	**112,032**	105,549	**933,600**
Unrealized holding gain on securities	**4,597**	8,022	**38,308**
Translation adjustments	**(1,496)**	1,618	**(12,467)**
	132,501	132,559	**1,104,175**
Treasury stock, at cost:			
2003—1,604,609 shares	**(695)**	–	**(5,792)**
2002— 881,463 shares	**–**	(141)	**–**
Shareholders' equity, net	**131,806**	132,418	**1,098,383**
Contingent liabilities (Note 14)			
Total liabilities and shareholders' equity	**¥273,902**	¥294,527	**$2,282,517**

CONSOLIDATED STATEMENTS OF INCOME

Kikkoman Corporation and Consolidated Subsidiaries Years ended March 31, 2003 and 2002

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2003	2002	**2003**
Net sales	**¥342,508**	¥336,887	**$2,854,233**
Cost of sales	**204,759**	195,981	**1,706,325**
Gross profit	**137,748**	140,905	**1,147,900**
Selling, general and administrative expenses (Notes 9 and 12)	**119,844**	125,963	**998,700**
Operating income	**17,904**	14,942	**149,200**
Other income (expenses):			
Interest and dividend income	**938**	1,081	**7,817**
Equity in (losses) earnings of unconsolidated subsidiaries and affiliates	**(127)**	226	**(1,058)**
Interest expense	**(942)**	(1,246)	**(7,850)**
Gain on sales of securities	**880**	503	**7,333**
Gain on return of substitutional portion of national government welfare pension program funds (Note 9)	**2,986**	–	**24,883**
Special additional severance benefits	**(631)**	(3,960)	**(5,258)**
Gain on sales of property, plant and equipment	**635**	453	**5,292**
Loss on disposal of property, plant and equipment	**(1,605)**	(601)	**(13,375)**
Loss on revaluation of investments in securities	**(546)**	(3)	**(4,550)**
Loss on liquidation of affiliates	**(115)**	(416)	**(958)**
Other, net	**(2,164)**	(2,003)	**(18,033)**
	(693)	(5,966)	**(5,775)**
Income before income taxes and minority interests	**17,211**	8,976	**143,425**
Income taxes (Note 10):			
Current	**6,318**	6,564	**52,650**
Deferred	**1,167**	(2,511)	**9,725**
	7,485	4,053	**62,375**
Income before minority interests	**9,725**	4,922	**81,042**
Minority interests	**(1,414)**	441	**(11,783)**
Net income (Note 15)	**¥ 8,311**	¥ 5,363	**$ 69,258**

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Kikkoman Corporation and Consolidated Subsidiaries Years ended March 31, 2003 and 2002

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2003	2002	**2003**
Common stock			
Balance at beginning and end of year (2003—197,202,300 shares; 2002—197,202,300 shares)	**¥ 11,599**	¥ 11,599	**$ 96,658**
Additional paid-in capital (Note 11)			
Balance at beginning and end of year	**¥ 5,768**	¥ 5,768	**$ 48,067**
Retained earnings (Notes 11 and 18)			
Balance at beginning of year	**¥105,549**	¥100,493	**$879,575**
Add:			
Net income	**8,311**	5,363	**69,258**
Other	**–**	129	**–**
Deduct:			
Cash dividends paid	**(1,380)**	(330)	**(11,500)**
Bonuses to directors and statutory auditors	**(82)**	(41)	**(683)**
Other	**(367)**	(64)	**(3,058)**
Balance at end of year	**¥112,032**	¥105,549	**$933,600**
Unrealized holding gain on securities			
Balance at beginning of year	**¥ 8,022**	¥ 11,687	**$ 66,850**
Net change during year	**(3,424)**	(3,664)	**(28,533)**
Balance at end of year	**¥ 4,597**	¥ 8,022	**$ 38,308**
Translation adjustments			
Balance at beginning of year	**¥ 1,618**	¥ (2,876)	**$ 13,483**
Net change during year	**(3,115)**	4,495	**(25,958)**
Balance at end of year	**¥ (1,496)**	¥ 1,618	**$ (12,467)**

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Kikkoman Corporation and Consolidated Subsidiaries Years ended March 31, 2003 and 2002

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2003	2002	**2003**
Cash flows from operating activities			
Income before income taxes and minority interests	**¥ 17,211**	¥ 8,976	**$143,425**
Depreciation and amortization	**15,028**	16,437	**125,233**
Accrued employees' pension and severance costs	**(829)**	(1,566)	**(6,908)**
Accrued officers' severance benefits	**(120)**	169	**(1,000)**
Interest and dividend income	**(938)**	(1,081)	**(7,817)**
Interest expense	**942**	1,246	**7,850**
Equity in losses (earnings) of unconsolidated subsidiaries and affiliates	**127**	(226)	**1,058**
Gain on return of substitutional portion of national government welfare pension program funds	**(2,986)**	–	**(24,883)**
Gain on sales of property, plant and equipment	**(635)**	(453)	**(5,292)**
Gain on sales of securities	**(880)**	(503)	**(7,333)**
Loss on disposal of property, plant and equipment	**1,605**	601	**13,375**
Loss on revaluation of investments in securities	**546**	3	**4,550**
Loss on liquidation of affiliates	**115**	416	**958**
Notes and accounts receivable	**(284)**	(307)	**(2,367)**
Inventories	**2,494**	2,718	**20,783**
Notes and accounts payable	**(1,685)**	130	**(14,042)**
Other	**(2,610)**	1,575	**(21,750)**
Subtotal	**27,102**	28,136	**225,850**
Interest and dividends received	**967**	1,123	**8,058**
Interest paid	**(940)**	(1,327)	**(7,833)**
Income taxes paid	**(7,116)**	(5,359)	**(59,300)**
Net cash provided by operating activities	**20,012**	22,572	**166,767**
Cash flows from investing activities			
Acquisition of property, plant and equipment	**(11,694)**	(13,215)	**(97,450)**
Proceeds from sales of property, plant and equipment	**4,580**	558	**38,167**
Acquisition of intangible assets	**(1,155)**	(440)	**(9,625)**
Acquisition of investments in securities	**(3,723)**	(1,933)	**(31,025)**
Proceeds from sales of investments in securities	**929**	698	**7,742**
Purchase of subsidiary's stock	**–**	(1,986)	**–**
Addition to loans receivable	**(646)**	(2,189)	**(5,383)**
Collection of loans receivable	**2,480**	444	**20,667**
Other	**677**	461	**5,642**
Net cash used in investing activities	**(8,551)**	(17,602)	**(71,258)**
Cash flows from financing activities			
(Decrease) increase in short-term bank loans	**(5,760)**	921	**(48,000)**
Proceeds from long-term debt	**10,100**	1,875	**84,167**
Repayment of long-term debt	**(10,794)**	(2,651)	**(89,950)**
Cash dividends paid	**(1,581)**	(546)	**(13,175)**
Purchases of treasury stock	**(554)**	(36)	**(4,617)**
Other	**(92)**	(43)	**(767)**
Net cash used in financing activities	**(8,683)**	(480)	**(72,358)**
Effect of exchange rate changes on cash and cash equivalents	**(863)**	1,170	**(7,192)**
Increase in cash and cash equivalents	**1,914**	5,660	**15,950**
Cash and cash equivalents at beginning of year	**30,858**	25,188	**257,150**
Increase arising from inclusion of subsidiaries in consolidation	**133**	10	**1,108**
Cash and cash equivalents at end of year (Note 4)	**¥ 32,906**	¥ 30,858	**$274,217**

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Kikkoman Corporation and Consolidated Subsidiaries   Years ended March 31, 2003 and 2002

1. BASIS OF PREPARATION

KIKKOMAN CORPORATION (the "Company") and its domestic subsidiaries maintain their accounting records and prepare their financial statements in accordance with accounting principles and practices generally accepted and applied in Japan, and its foreign subsidiaries maintain their books of account in conformity with those of their countries of domicile. The accompanying consolidated financial statements have been compiled from the consolidated financial statements prepared by the Company as required by the Securities and Exchange Law of Japan and have been prepared in accordance with accounting principles generally accepted in Japan, which may differ in certain material respects from accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

As permitted by the Securities and Exchange Law, amounts of less than one million yen have been omitted. Consequently, the totals shown in the accompanying consolidated financial statements (both in yen and U.S. dollars) do not necessarily agree with the sum of the individual amounts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation and accounting for investments in unconsolidated subsidiaries and affiliates

The accompanying consolidated financial statements include the accounts of the Company and all significant companies controlled directly or indirectly by the Company. In addition, companies over which the Company exercises significant influence in terms of their operating and financial policies have been included in the consolidated financial statements on an equity basis.

All significant intercompany balances and transactions have been eliminated in consolidation.

Investments in unconsolidated subsidiaries and affiliates not accounted for by the equity method are stated at cost.

Differences, not significant in amount, between the cost and the underlying net equity in investments in consolidated subsidiaries and unconsolidated subsidiaries and affiliates accounted for by the equity method are charged or credited to income in the year of acquisition.

(b) Foreign currency translation

Revenue and expense accounts of the foreign consolidated subsidiaries are translated at the average exchange rates in effect during the year. Except for shareholders' equity, the balance sheet accounts are translated into yen at the rates of exchange in effect at the balance sheet date. The components of shareholders' equity are translated at their historical exchange rates.

Differences arising on translation are presented as minority interests and as a separate component of stockholders' equity.

(c) Cash equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

(d) Securities

Securities except for investments in unconsolidated subsidiaries and affiliates are classified as trading securities, held-to-maturity securities or other securities. Trading securities are carried at fair value. Held-to-maturity securities are carried at amortized cost. Marketable securities classified as other securities are carried at fair value with any unrealized gains and losses reported as a separate component of shareholders' equity, net of taxes. Non-marketable securities classified as other securities are carried at cost. Cost of securities sold is determined by the moving average method.

(e) Inventories

Inventories are stated principally at the lower of cost or market, cost being determined by the average method, except for finished products, work in process and soybean-related ingredients of the Company which are stated at the lower of cost or market, cost being determined by the last-in, first-out method.

(f) Depreciation and amortization

Depreciation of property, plant and equipment of the Company and its domestic consolidated subsidiaries is determined primarily by the declining-balance method, except for buildings and for two of the Company's factories on which depreciation is computed by the straight-line method at rates based on the estimated useful lives of the respective assets. Depreciation of property, plant and equipment of the foreign consolidated subsidiaries is computed principally by the straight-line method.

The useful lives are as follows:

Buildings and structures	from 7 to 50 years
Machinery and vehicles	from 3 to 20 years

Intangible assets are amortized by the straight-line method over their estimated useful lives.

(g) Leases

Noncancelable leases of the Company and its domestic consolidated subsidiaries are accounted for as operating leases (whether such leases are classified as operating or finance leases) except that leases which stipulate the transfer of ownership of the leased assets to the lessee are accounted for as finance leases. However, leases of the foreign consolidated subsidiaries are generally accounted for as either finance or operating leases according to their classification.

(h) Accrued pension and severance costs

To provide for employees' severance indemnities and pension payments, net periodic pension and severance costs are computed by the Company and its domestic consolidated subsidiaries based on the projected benefit obligation and the pension plan assets.

The effect of the adjustment made during this fiscal year arising from revisions to the actuarial assumptions (the "actuarial assumption adjustment") is amortized by the straight-line method beginning the following fiscal year over periods ranging from 10 to 14 years, which are within the average remaining years of service of the active participants in the plans.

Certain foreign consolidated subsidiaries have defined contribution plans in addition to defined pension plans.

In addition, directors and statutory auditors of the Company and certain consolidated subsidiaries are customarily entitled to lump-sum payments under their respective unfunded retirement allowance plans. Provision for retirement allowances for these officers has been made at estimated amounts.

(i) Income taxes

Deferred tax assets and liabilities are determined based on the differences between the financial reporting and the tax bases of the assets and liabilities and are measured using the enacted tax rates and laws which will be in effect when the differences are expected to reverse.

(j) Research and development costs

Research and development costs are charged to income when incurred.

(k) Derivatives

Derivative positions are stated at fair value.

(l) Appropriation of retained earnings

Under the Commercial Code of Japan (the "Code"), the appropriation of retained earnings with respect to a given financial period is made by resolution of the shareholders at a general meeting held subsequent to the close of such financial period. The accounts for that period do not, therefore, reflect such appropriations. See Note 18.

3. U.S. DOLLAR AMOUNTS

The translation of yen amounts into U.S. dollar amounts is included solely for convenience, as a matter of arithmetic computation, at the rate of ¥120=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2003. The translation should not be construed as a representation that yen have been, could have been, or could in the future be, converted into U.S. dollars at the above or any other rate.

4. CASH AND CASH EQUIVALENTS

The components of cash and cash equivalents at March 31, 2003 and 2002 were as follows:

	Millions of yen		Thousands of U.S. dollars
March 31,	**2003**	2002	**2003**
Cash and time deposits	**¥31,670**	¥32,835	**$263,917**
Short-term investments	**3,024**	24	**25,200**
Time deposits with maturities of more than three months	**(1,764)**	(1,977)	**(14,700)**
Short-term investments with maturities of more than three months	**(24)**	(24)	**(200)**
	¥32,906	¥30,858	**$274,217**

5. FAIR VALUE OF SECURITIES

At March 31, 2003 and 2002, the Company and its consolidated subsidiaries did not possess any securities classified as trading securities or held-to-maturity securities. Securities classified as other securities are included in "short-term investments" and "investments in securities" in the accompanying consolidated balance sheets.

The components of unrealized gain or loss on marketable securities classified as other securities at March 31, 2003 and 2002 are summarized as follows:

	Millions of yen			Thousands of U.S. dollars		
March 31, 2003	Acquisition costs	Carrying value	Unrealized gain (loss)	Acquisition costs	Carrying value	Unrealized gain (loss)
Unrealized gain:						
Stocks	**¥ 6,149**	**¥14,155**	**¥8,005**	**$ 51,242**	**$117,958**	**$66,708**
Bonds:						
Corporate bonds	**3,000**	**3,027**	**27**	**25,000**	**25,225**	**225**
Other	**4,820**	**5,019**	**198**	**40,167**	**41,825**	**1,650**
	13,970	**22,203**	**8,232**	**116,417**	**185,025**	**68,600**
Unrealized loss:						
Stocks	**1,500**	**1,051**	**(448)**	**12,500**	**8,758**	**(3,733)**
Bonds:						
Other	**24**	**24**	**(0)**	**200**	**200**	**(0)**
Other	**827**	**729**	**(97)**	**6,892**	**6,075**	**(808)**
	2,352	**1,806**	**(546)**	**19,600**	**15,050**	**(4,550)**
Total	**¥16,323**	**¥24,009**	**¥7,686**	**$136,025**	**$200,075**	**$64,050**

	Millions of yen		
March 31, 2002	Acquisition costs	Carrying value	Unrealized gain (loss)
Unrealized gain:			
Stocks	¥ 6,649	¥20,573	¥13,924
Bonds:			
Corporate bonds	2,000	2,047	47
Other	4,312	4,435	122
	12,962	27,056	14,094
Unrealized loss:			
Stocks	1,204	889	(315)
Bonds:			
Corporate bonds	1,000	998	(1)
Other	24	24	(0)
Other	308	280	(27)
	2,538	2,193	(345)
Total	¥15,500	¥29,249	¥13,749

Non-marketable securities classified as other securities at March 31, 2003 and 2002 amounted to ¥4,647 million ($38,725 thousand) and ¥927 million, respectively.

Proceeds from sales of securities classified as other securities amounted to ¥929 million ($7,742 thousand) and ¥698 million with an aggregate gain on sales of ¥880 million ($7,333 thousand) and ¥503 million for the years ended March 31, 2003 and 2002, respectively.

The redemption schedule for bonds with maturity dates at March 31, 2003 and 2002 is summarized as follows:

March 31, 2003	Millions of yen Due in one year or less	 Due after one year through five years	 Due after five years through ten years	Thousands of U.S. dollars Due in one year or less	 Due after one year through five years	 Due after five years through ten years
Bonds	**¥24**	**¥ –**	**¥ –**	**$200**	**$ –**	**$ –**

March 31, 2002	Millions of yen Due in one year or less	 Due after one year through five years	 Due after five years through ten years
Bonds	¥24	¥ –	¥ –

6. INVENTORIES

Inventories at March 31, 2003 and 2002 were as follows:

March 31,	Millions of yen **2003**	 2002	Thousands of U.S. dollars **2003**
Merchandise	**¥12,180**	¥11,744	**$101,500**
Finished products	**4,186**	6,671	**34,883**
Work in process	**6,314**	6,802	**52,617**
Ingredients and supplies	**2,557**	3,305	**21,308**
	¥25,239	¥28,525	**$210,325**

7. LONG-TERM DEBT AND CREDIT FACILITIES

Long-term debt at March 31, 2003 and 2002 comprised the following:

March 31,	Millions of yen **2003**	 2002	Thousands of U.S. dollars **2003**
1.7% unsecured convertible bonds, payable in yen, due 2002	**¥ –**	¥10,000	**$ –**
1.33% unsecured bonds, payable in yen, due 2005	**7,000**	7,000	**58,333**
1.77% unsecured bonds, payable in yen, due 2007	**5,000**	5,000	**41,667**
0.53% unsecured bonds, payable in yen, due 2007	**10,000**	–	**83,333**
Loans from banks	**3,874**	4,901	**32,283**
	25,874	26,901	**215,617**
Less: Current portion	**2,211**	10,645	**18,425**
	¥23,662	¥16,256	**$197,183**

The conversion price of the 1.7% unsecured convertible bonds due 2002 was ¥969.5 per share for the period up to and including December 26, 2002. The terms of indenture of the 1.7% unsecured convertible bonds provided that the cumulative amount of cash dividends which could be paid subsequent to December 1993 might not exceed the aggregate amount of the Company's net income reported during that period, as defined, plus ¥6,500 million ($54,167 thousand), so long as any of the convertible bonds remained outstanding.

The conversion price of the convertible bonds is subject to adjustment in certain cases which include stock splits. A sufficient number of shares of common stock is reserved for the conversion of all the outstanding convertible bonds.

The annual maturities of long-term debt subsequent to March 31, 2003 are summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2004	¥ 2,211	$ 18,425
2005	1,515	12,625
2006	7,147	59,558
2007	–	–
2008 and thereafter	15,000	125,000
	¥25,874	$215,617

The Company and its consolidated subsidiaries have lines of credit from banks which provide for up to ¥41,270 million ($343,917 thousand) and ¥47,026 million in borrowings and, at March 31, 2003 and 2002, respectively, had ¥16,217 million ($135,142 thousand) and ¥25,713 million of short-term bank loans outstanding under these credit facilities.

8. PLEDGED ASSETS

The assets pledged as collateral for short-term bank loans and long-term debt at March 31, 2003 and 2002 were as follows:

	Millions of yen		Thousands of U.S. dollars
March 31,	**2003**	2002	**2003**
Accounts receivable	**¥ 5,077**	¥ 5,298	**$ 42,308**
Inventories	**5,064**	5,206	**42,200**
Property, plant and equipment, at net book value	**8,184**	8,414	**68,200**
Other	**32**	32	**267**
	¥18,359	¥18,952	**$152,992**

9. ACCRUED PENSION AND SEVERANCE COSTS

The Company and its domestic consolidated subsidiaries have non-contributory defined pension plans, defined contribution pension plans and lump-sum severance indemnity plans, covering substantially all employees who are entitled to lump-sum or annuity payments, the amounts of which are determined by reference to their basic rates of pay, length of service, and the conditions under which termination occurs. Certain foreign consolidated subsidiaries have defined contribution plans in addition to defined pension plans.

Certain consolidated subsidiaries decided to return a substitutional portion of the national government welfare pension program funds, submitted an application for exemption from any future benefit obligation, and received the related approval from the government on October 18, 2002.

The projected benefit obligation and funded status of the plans at March 31, 2003 and 2002 were as follows:

	Millions of yen		Thousands of U.S. dollars
March 31,	**2003**	2002	**2003**
Projected benefit obligation	**¥(77,692)**	¥(85,653)	**$(647,433)**
Plan assets at fair value	**29,276**	42,288	**243,967**
Unfunded benefit obligation	**(48,416)**	(43,365)	**(403,467)**
Unrecognized actuarial gain or loss	**21,635**	12,635	**180,292**
Prepaid pension and severance costs	**238**	85	**1,983**
Accrued pension and severance costs	**¥(27,018)**	¥(30,815)	**$ 225,150**

Certain consolidated subsidiaries have applied an exceptional method of accounting for pension and severance costs which involves the return of a portion of the governmental welfare pension program funds, and have accounted for the projected benefit obligation and the related plan assets at fair value assuming that a portion was derecognized at the date of the government's approval of the application. This calculation was based on an estimated amount of the assets to be transferred to the government as if the transfer had taken place effective that date. The related plan assets at fair value amounted to ¥8,335 million ($69,458 thousand) at March 31, 2003.

The components of net periodic pension and severance costs for the years ended March 31, 2003 and 2002 are outlined as follows:

	Millions of yen		Thousands of U.S. dollars
Year ended March 31,	**2003**	2002	**2003**
Service cost	**¥ 2,473**	¥ 2,672	**$ 20,608**
Interest cost on projected benefit obligation	**2,580**	2,495	**21,500**
Expected return on plan assets	**(1,221)**	(1,424)	**(10,175)**
Amortization of actuarial differences	**996**	19	**8,300**
Total	**¥ 4,829**	¥ 3,763	**$ 40,242**

In addition to the above, gain on return of a substitutional portion of the national government welfare pension program funds has been recognized as other income in the consolidated statement of income for the year ended March 31, 2003.

The assumptions used in accounting for the above plans were as follows:

Year ended March 31,	2003	2002
Discount rates	Mainly 2.5 – 3.0%	Mainly 3.0%
Expected rates of return on plan assets	Mainly 2.5 – 3.0%	Mainly 2.5 – 3.5%

10. INCOME TAXES

Income taxes applicable to the Company and its domestic consolidated subsidiaries comprise corporation tax, inhabitants' taxes and enterprise tax which, in the aggregate, resulted in a statutory tax rate of approximately 41.8% for 2002, and approximately 41.8% for current deferred taxes and 40.7% for non-current deferred taxes for 2003 due to a prospective change in the enterprise tax rate which is effective on and after April 1, 2004. The effect of this change was to decrease net deferred tax assets by ¥96 million ($800 thousand), to decrease net income by ¥139 million ($1,158 thousand), to increase unrealized holding gain on securities by ¥82 million ($683 thousand) and to decrease minority interests by ¥38 million ($317 thousand) for the year ended March 31, 2003.

Income taxes of the foreign consolidated subsidiaries are based generally on the tax rates applicable in their countries of incorporation.

The significant components of deferred tax assets and liabilities at March 31, 2003 and 2002 were as follows:

	Millions of yen		Thousands of U.S. dollars
March 31,	2003	2002	2003
Deferred tax assets:			
Inventories	¥ 877	¥ 790	$ 7,308
Unrealized profit	357	345	2,975
Accrued expenses	726	595	6,050
Accrued enterprise tax	220	278	1,833
Other accounts payable	725	1,653	6,042
Accrued pension and severance costs	8,323	9,361	69,358
Allowance for doubtful receivables	831	852	6,925
Tax loss carryforward	650	627	5,417
Other	1,462	1,064	12,183
Valuation allowance	(325)	(136)	(2,708)
Total deferred tax assets	13,848	15,432	115,400
Deferred tax liabilities:			
Deferred capital gain	(3,257)	(3,873)	(27,142)
Depreciation	(1,461)	(1,352)	(12,175)
Net unrealized gain on investments in securities	(3,123)	(5,746)	(26,025)
Other	(159)	(210)	(1,325)
Total deferred tax liabilities	(8,002)	(11,184)	(66,683)
Deferred tax assets, net	¥ 5,846	¥ 4,247	$ 48,717

11. ADDITIONAL PAID-IN CAPITAL AND RETAINED EARNINGS

In accordance with the Commercial Code of Japan, the Company has provided a legal reserve as an appropriation of retained earnings, which is included in retained earnings. This reserve amounted to ¥2,899 million ($24,158 thousand) at March 31, 2003 and 2002. The Code provides that the total of additional paid-in capital and the legal reserve, if less than one-quarter of the company's shareholders' equity, is not available for dividends, but both may be used to reduce or eliminate a deficit by resolution of the shareholders or may be transferred to common stock by resolution of the Board of Directors. If the total amount of additional paid-in capital and the legal reserve exceeds one-quarter of a company's shareholders' equity, the excess may be distributed to the shareholders either as a return of capital or in the form of dividends subject to the approval of the shareholders.

12. RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses included in selling, general and administrative expenses for the years ended March 31, 2003 and 2002 were ¥3,598 million ($29,983 thousand) and ¥3,651 million, respectively.

13. LEASES

(a) Finance leases

The following pro forma amounts represent the acquisition costs, accumulated depreciation and net book value of the leased assets at March 31, 2003 and 2002, which would have been reflected in the consolidated balance sheets if finance lease accounting had been applied to the finance leases currently accounted for as operating leases:

	Millions of yen			Thousands of U.S. dollars		
March 31, 2003	Acquisition costs	Accumulated depreciation	Net book value	Acquisition costs	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	**¥ 600**	**¥ 193**	**¥ 406**	**$ 5,000**	**$ 1,608**	**$ 3,383**
Other	**2,328**	**1,342**	**985**	**19,400**	**11,183**	**8,208**
Total	**¥2,928**	**¥1,535**	**¥1,392**	**$24,400**	**$12,792**	**$11,600**

	Millions yen		
March 31, 2002	Acquisition costs	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	¥ 409	¥ 134	¥ 275
Other	2,365	1,168	1,196
Total	¥2,775	¥1,302	¥1,472

Lease payments relating to finance leases accounted for as operating leases amounted to ¥599 million ($4,992 thousand) and ¥611 million, which were equal to the depreciation expense of the leased assets computed by the straight-line method over the respective lease terms for the years ended March 31, 2003 and 2002, respectively.

Future minimum lease payments (including the interest portion thereon) subsequent to March 31, 2003 and 2002 for finance leases accounted for as operating leases are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
March 31,	**2003**	2002	**2003**
Within 1 year	**¥ 567**	¥ 535	**$ 4,725**
Over 1 year	**825**	936	**6,875**
	¥1,392	¥1,472	**$11,600**

(b) Operating leases

1) Lessees' accounting

Future minimum lease payments subsequent to March 31, 2003 and 2002 for noncancelable operating leases are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
March 31,	**2003**	2002	**2003**
Within 1 year	**¥ 606**	¥ 583	**$ 5,050**
Over 1 year	**2,239**	982	**18,658**
	¥2,845	¥1,566	**$23,708**

2) Lessors' accounting

	Millions of yen		Thousands of U.S. dollars
March 31,	**2003**	2002	**2003**
Within 1 year	**¥ 48**	¥ 48	**$400**
Over 1 year	**54**	102	**450**
	¥102	¥151	**$850**

14. CONTINGENT LIABILITIES

The Company and its consolidated subsidiaries had the following contingent liabilities at March 31, 2003 and 2002:

	Millions of yen		Thousands of U.S. dollars
March 31,	**2003**	2002	**2003**
As guarantor of indebtedness of:			
Unconsolidated subsidiaries	**¥1,812**	¥1,372	**$15,100**
Employees	**36**	58	**300**
	¥1,848	¥1,431	**$15,400**

In addition to the above, the Company provided letters of awareness to financial institutions regarding the indebtedness of an unconsolidated subsidiary which amounted to ¥49 million ($408 thousand) and ¥25 million at March 31, 2003 and 2002, respectively.

15. AMOUNTS PER SHARE

The computation of basic net income per share is based on the weighted average number of shares of common stock outstanding during each period. Diluted net income per share is computed based on the weighted average number of shares of common stock outstanding during each period after giving effect to the dilutive potential of the common stock to be issued upon the conversion of convertible bonds.

Net assets per share are based on the number of shares outstanding at the respective balance sheet dates.

Cash dividends per share represent the cash dividends declared as applicable to the respective period.

	Yen		U.S. dollars
Year ended March 31,	**2003**	2002	**2003**
Net income:			
Basic	**¥ 41.98**	¥ 27.43	**$0.35**
Diluted	**40.86**	26.52	**0.34**
Net assets	**673.44**	676.82	**5.61**
Cash dividends applicable to the year	**8.00**	7.00	**0.07**

16. DERIVATIVES

The Company and its consolidated subsidiaries utilize derivative financial instruments for the purpose of hedging their exposure to adverse fluctuations in foreign currency exchange rates and interest rates but do not enter into such transactions for speculative purposes.

The Company and its consolidated subsidiaries are exposed to credit risk in the event of nonperformance by the counterparties to these derivative positions, but any such loss would not be material because the Company and its consolidated subsidiaries enter into such transactions only with financial institutions with high credit ratings. The notional amounts of the derivatives do not necessarily represent the amounts exchanged by the parties and, therefore, are not a direct measure of the Company's and its consolidated subsidiaries' related risk exposure.

Summarized below are the notional amounts and the estimated fair value of the open derivative positions at March 31, 2003 and 2002:

Currency related transactions

	Millions of yen			Thousands of U.S. dollars		
March 31, 2003	Notional amount	Fair value	Unrealized gain (loss)	Notional amount	Fair value	Unrealized gain (loss)
Forward foreign exchange contracts:						
Sell:						
US$	**¥ 703**	**¥ 694**	**¥ 8**	**$ 5,858**	**$ 5,783**	**$ 67**
HKD	**13**	**13**	**(0)**	**108**	**108**	**(0)**
Buy:						
US$	**1,331**	**1,307**	**(24)**	**11,092**	**10,892**	**(200)**
Yen	**49**	**47**	**(1)**	**408**	**392**	**(8)**
Total			**¥(18)**			**$(150)**

March 31, 2002	Notional amount	Fair value	Unrealized gain (loss)
	Millions of yen		
Forward foreign exchange contracts:			
Sell:			
US$	¥100	¥104	¥ (4)
Buy:			
US$	581	597	16
Yen	27	26	(1)
Euro	6	6	0
Total			¥11

17.SEGMENT INFORMATION

The Company and its consolidated subsidiaries are primarily engaged in the processing and sales of products in Japan and overseas in four major segments: manufacturing and sales of foods which include soy sauce and other processed seasonings, sauces, Del Monte processed fruit and vegetables, and sake and wine; wholesale sales of oriental food products which include eastern foods; Coca-Cola, which includes Coca-Cola and other beverages; and other businesses which include pharmaceuticals, real estate rental and restaurants.

Business Segments

Year ended March 31, 2003	Foods–manufacturing and sales	Foods–wholesale	Coca-Cola	Others	Total	Eliminations and corporate	Consolidated
							Millions of yen
I. Sales and operating income:							
Sales to third parties	¥172,240	¥48,100	¥118,095	¥4,072	¥342,508	¥ –	¥342,508
Intragroup sales and transfers	533	557	–	–	1,091	(1,091)	–
Total sales	172,774	48,657	118,095	4,072	343,599	(1,091)	342,508
Operating expenses	161,263	46,836	114,006	3,594	325,699	(1,096)	324,603
Operating income	¥ 11,511	¥ 1,821	¥ 4,089	¥ 477	¥ 17,899	¥ 5	¥ 17,904
II. Assets, depreciation and capital expenditures:							
Total assets	¥147,171	¥20,615	¥ 62,137	¥8,542	¥238,466	¥35,435	¥273,902
Depreciation and amortization	9,236	249	5,224	318	15,028	–	15,028
Capital expenditures	6,714	191	4,862	73	11,841	–	11,841

Year ended March 31, 2003	Foods–manufacturing and sales	Foods–wholesale	Coca-Cola	Others	Total	Eliminations and corporate	Consolidated
							Thousands of U.S. dollars
I. Sales and operating income:							
Sales to third parties	$1,435,333	$400,833	$984,125	$33,933	$2,854,233	$ –	$2,854,233
Intragroup sales and transfers	4,442	4,642	–	–	9,092	(9,092)	–
Total sales	1,439,783	405,475	984,125	33,933	2,863,325	(9,092)	2,854,233
Operating expenses	1,343,858	390,300	950,050	29,950	2,714,158	(9,133)	2,705,025
Operating income	$ 95,925	$ 15,175	$ 34,075	$ 3,975	$ 149,158	$ 42	$ 149,200
II. Assets, depreciation and capital expenditures:							
Total assets	$1,226,425	$171,792	$517,808	$71,183	$1,987,217	$295,292	$2,282,517
Depreciation and amortization	76,967	2,075	43,533	2,650	125,233	–	125,233
Capital expenditures	55,950	1,592	40,517	608	98,675	–	98,675

Year ended March 31, 2002	Foods– manufacturing and sales	Foods– wholesale	Coca-Cola	Others	Total	Eliminations and corporate	Consolidated
							Millions of yen
I. Sales and operating income:							
Sales to third parties	¥171,957	¥47,028	¥113,469	¥4,433	¥336,887	¥ –	¥336,887
Intragroup sales and transfers	431	627	–	131	1,190	(1,190)	–
Total sales	172,388	47,655	113,469	4,565	338,078	(1,190)	336,887
Operating expenses	162,007	46,033	111,080	4,035	323,157	(1,212)	321,945
Operating income	¥ 10,381	¥ 1,622	¥ 2,388	¥ 529	¥ 14,920	¥ 21	¥ 14,942
II. Assets, depreciation and capital expenditures:							
Total assets	¥153,577	¥20,574	¥ 71,052	¥8,784	¥253,988	¥40,538	¥294,527
Depreciation and amortization	9,473	240	6,100	351	16,166	–	16,166
Capital expenditures	9,734	138	5,085	49	15,007	–	15,007

Geographical Segments

Geographical segment information for the Company and its consolidated subsidiaries for the years ended March 31, 2003 and 2002 is summarized as follows:

Year ended March 31, 2003	Japan	North America	Other	Total	Eliminations and corporate	Consolidated
						Millions of yen
Sales to third parties	**¥266,129**	**¥65,361**	**¥11,017**	**¥342,508**	**¥ –**	**¥342,508**
Interarea sales and transfers	**8,580**	**1,343**	**1,658**	**11,582**	**(11,582)**	**–**
Total sales	**274,710**	**66,704**	**12,676**	**354,090**	**(11,582)**	**342,508**
Operating expenses	**265,535**	**58,962**	**11,683**	**336,180**	**(11,577)**	**324,603**
Operating income	**¥ 9,175**	**¥ 7,742**	**¥ 992**	**¥ 17,909**	**¥ (5)**	**¥ 17,904**
Total assets	**¥190,299**	**¥46,448**	**¥10,620**	**¥247,368**	**¥ 26,533**	**¥273,902**

Year ended March 31, 2003	Japan	North America	Other	Total	Eliminations and corporate	Consolidated
						Thousands of U.S. dollars
Sales to third parties	**$2,217,742**	**$544,675**	**$91,808**	**$2,854,233**	**$ –**	**$2,854,233**
Interarea sales and transfers	**71,500**	**11,192**	**13,817**	**96,517**	**(96,517)**	**–**
Total sales	**2,289,250**	**555,867**	**105,633**	**2,950,750**	**(96,517)**	**2,854,233**
Operating expenses	**2,212,792**	**491,350**	**97,358**	**2,801,500**	**(96,475)**	**2,705,025**
Operating income	**$ 76,458**	**$ 64,517**	**$ 8,267**	**$ 149,242**	**$ (42)**	**$ 149,200**
Total assets	**$1,585,825**	**$387,067**	**$88,500**	**$2,061,400**	**$221,108**	**$2,282,517**

Year ended March 31, 2002	Japan	North America	Other	Total	Eliminations and corporate	Consolidated
						Millions of yen
Sales to third parties	¥265,707	¥61,126	¥10,053	¥336,887	¥ –	¥336,887
Interarea sales and transfers	7,998	1,344	1,608	10,951	(10,951)	–
Total sales	273,706	62,471	11,662	347,839	(10,951)	336,887
Operating expenses	265,973	55,921	11,007	332,902	(10,956)	321,945
Operating income	¥ 7,733	¥ 6,550	¥ 654	¥ 14,937	¥ 4	¥ 14,942
Total assets	¥204,650	¥48,003	¥ 9,792	¥262,446	¥ 32,080	¥294,527

Overseas Sales

Overseas sales, which include export sales of the Company and its domestic consolidated subsidiaries and sales (other than exports to Japan) of its foreign consolidated subsidiaries, for the years ended March 31, 2003 and 2002 are summarized as follows:

	Millions of yen			Thousands of U.S. dollars		
Year ended March 31, 2003	North America	Other	Total	North America	Other	Total
Overseas sales	**¥64,941**	**¥16,017**	**¥ 80,958**	**$541,175**	**$133,475**	**$ 674,650**
Consolidated net sales			**342,508**			**2,854,233**
Ratio of overseas sales to consolidated net sales	**18.9%**	**4.7%**	**23.6%**			

	Millions of yen		
Year ended March 31, 2002	North America	Other	Total
Overseas sales	¥60,978	¥14,791	¥ 75,770
Consolidated net sales			336,887
Ratio of overseas sales to consolidated net sales	18.1%	4.4%	22.5%

18. SUBSEQUENT EVENT

The following appropriations of retained earnings of the Company, which have not been reflected in the consolidated financial statements for the year ended March 31, 2003, were approved at a shareholders' meeting held on June 25, 2003:

	Millions of yen	Thousands of U.S. dollars
Cash dividends (¥8.00 = $0.07 per share)	**¥1,571**	**$13,902**
Bonuses to directors and statutory auditors	**45**	**375**
	¥1,616	**$13,467**

REPORT OF INDEPENDENT AUDITORS

The Board of Directors
KIKKOMAN CORPORATION

We have audited the accompanying consolidated balance sheets of KIKKOMAN CORPORATION and consolidated subsidiaries as of March 31, 2003 and 2002, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to independently express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards, procedures and practices generally accepted and applied in Japan. Those standards, procedures and practices require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of KIKKOMAN CORPORATION and consolidated subsidiaries at March 31, 2003 and 2002, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles and practices generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2003 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 3 to the consolidated financial statements.

Shin Nihon & Co.

June 25, 2003

See Note 1 to the consolidated financial statements which explains the basis of preparation of the consolidated financial statements of KIKKOMAN CORPORATION and consolidated subsidiaries under Japanese accounting principles and practices.

CORPORATE HISTORY

Ideally situated close to soybean-growing regions as well as the Edo River, which provided a convenient transportation route for consumers in or near Edo, or present-day Tokyo, Noda has been well-known for its soy sauce production since the Edo period. In December 1917, eight family companies merged to form Noda Shoyu Co., Ltd., a company with capital of ¥7 million and the predecessor of Kikkoman Corporation.

1925 April	Noda Shoyu Co., Ltd., absorbs Noda Shoyu Jozo Co., Ltd., Manjo Mirin Co., Ltd., and Nippon Shoyu Co., Ltd., through a merger.
1931 September	The Takasago soy sauce production plant (formerly the Kansai Plant) begins shipments.
1957 June	Kikkoman International Inc. is established in San Francisco, California, in the United States.
1961 July	Kikko Food Industries Co., Ltd., is established. In July 1991, the company becomes Nippon Del Monte Corporation.
1962 February	Tone Beverage Co., Ltd., is established. In February 1963, the company becomes Tone Coca-Cola Bottling Co., Ltd.
1962 October	Katsunuma Yoshu Co., Ltd., is established. In March 1964, the company becomes Manns Wine Co., Ltd.
1964 October	Noda Shoyu Co., Ltd., is renamed Kikkoman Shoyu Co., Ltd.
1969 June	Kikkoman invests in Japan Food Corporation, of the United States. In November 1978, the company becomes JFC International Inc.
1970 March	Kikkoman invests in Pacific Trading Co., Ltd.
1972 March	Kikkoman Foods, Inc., is established in Walworth, Wisconsin, in the United States.
1973 June	The Wisconsin Plant of Kikkoman Foods, Inc. holds its grand opening.
1979 March	Kikkoman Trading Europe GmbH is established in Neuss, in Germany.
1980 October	The Company takes on its present name, Kikkoman Corporation.
1983 June	Kikkoman (S) Pte. Ltd., a production facility, is established in Singapore.
1984 November	The production facility of Kikkoman (S) Pte. Ltd. holds its grand opening.
1987 January	Kikkoman's Chitose Plant, in Hokkaido,begins shipments.
1990 January	Kikkoman buys perpetual marketing rights for the Del Monte brand in the Asian-Pacific region, excluding the Philippines.
1990 February	A joint-venture company, President Kikkoman Inc., is established to produce soy sauce in Tainan, in Taiwan.
1990 December	The production facility of President Kikkoman Inc. begins shipments.
1996 April	Kikkoman establishes Kikkoman Foods Europe B.V., Europe's first soy sauce manufacturer, located in Hoogezand-Sappemeer, in the Netherlands.
1996 May	The Ojima Plant begins shipments of *shochu*, a clear Japanese spilit.
1997 March	Kikkoman holds a ground-breaking ceremony for its second U.S. soy sauce production plant, in Folsom, California, in the United States.
1997 October	Kikkoman Foods Europe B.V. holds its grand opening.
1998 October	The second manufacturing plant of Kikkoman Foods, Inc., in Folsom, California, holds its grand opening.
1999 July	Kikkoman opens its new headquarters in Noda, Chiba Prefecture, to commemorate the Company's 80th anniversary.
1999 October	Kikkoman Institute for International Food Culture is opened at the Company's new headquarters.
2000 May	A joint-venture company, Kunshan President Kikkoman Biotechnology Co., Ltd. is established in Kunshan, China.
2002 May	The China Plant, Kunshan President Kikkoman Biotechnology Co., Ltd. holds its grand opening.
2003 May	Kikkoman Foods, Inc. holds its 30th anniversary ceremony.

(As of July 2003)

GLOBAL NETWORK

KIKKOMAN CORPORATION

Head Office
250 Noda, Noda-shi, Chiba 278-8601, Japan
Tel: +81 (4) 7123-5111
Fax: +81 (4) 7123-5200

Tokyo Head Office
International Operations Division
1-1, Nishi-Shinbashi 2-chome,
Minato-ku, Tokyo 105-8428, Japan
Tel: +81 (3) 5521-5360
Fax: +81 (3) 5521-5359

Plants: Noda, Takasago, Chitose, Nagareyama, and Ojima
Research & Development Division: Noda

DOMESTIC

Nippon Del Monte Corporation*
4-13 Koami-cho, Nihonbashi,
Chuo-ku, Tokyo 103-0016, Japan
Tel: +81 (3) 3669-2877

Manns Wine Co., Ltd.*
1-1, Nishi-Shinbashi 2-chome,
Minato-ku, Tokyo 105-8428, Japan
Tel: +81 (3) 3507-7432

Pacific Trading Co., Ltd.*
Shibaura Maekawa Bldg.,
16-20, Shibaura 3-chome,
Minato-ku, Tokyo 108-0023, Japan
Tel: +81 (3) 5442-9251

Sobu Butsuryu Co., Ltd.
236 Noda, Noda-shi, Chiba 278-0037, Japan
Tel: +81 (4) 7125-5151

Sobu Service Center Inc.
61 Nakane, Noda-shi, Chiba 278-0031, Japan
Tel: +81 (4) 7123-0505

Kikkoman Marketing Center Co., Ltd.
7th Floor Iimori Bldg.,
61-11 Hama-cho, Nihonbashi 2-chome,
Chuo-ku, Tokyo 103-0007, Japan
Tel: +81 (3) 5651-5551

Kikkoman Restaurant, Inc.
4-13 Koami-cho, Nihonbashi,
Chuo-ku, Tokyo 103-0016, Japan
Tel: +81 (3) 3639-1887

Tone Coca-Cola Bottling Co., Ltd.*
310 Nakane, Noda-shi, Chiba 278-8686,
Japan
Tel: +81 (4) 7123-1114

OVERSEAS

The Americas

Kikkoman Foods, Inc.*
Headquarters and Wisconsin Plant
Highway 14 & Six Corners Road,
Walworth, Wisconsin 53184, U.S.A.
Tel: +1 (262) 275-6181
Fax: +1 (262) 275-9452

California Plant
1000 Glenn Drive,
Folsom, California 95630, U.S.A.
Tel: +1 (916) 355-8078
Fax: +1 (916) 355-8083

Kikkoman International Inc.*
50 California St., Suite 3600,
San Francisco, California 94111, U.S.A.
Tel: +1 (415) 956-7750
Fax: +1 (415) 956-7760

JFC International Inc.*
540 Forbes Blvd., South San Francisco,
California 94080-2018, U.S.A.
Tel: +1 (650) 871-1660
Fax: +1 (650) 952-3272

Kikkoman Marketing & Planning, Inc.
675 Tollgate Road, Suite G,
Elgin, Illinois 60123, U.S.A.
Tel: +1 (847) 622-9540
Fax: +1 (847) 622-9545

KMS Service Inc.
651 Gateway Boulevard, Suite 420,
South San Francisco, California 94080,
U.S.A.
Tel: +1 (650) 246-8600
Fax: +1 (650) 952-0455

Japan Food (Hawaii), Inc.*
887 North Nimitz, Highway Honolulu,
Hawaii 96817, U.S.A.
Tel: +1 (808) 537-9528
Fax: +1 (808) 526-0389

Japan Food Canada Inc.*
1880 Bonhill Road, Mississauga,
Ontario L5T 1C4, Canada
Tel: +1 (905) 564-5511
Fax: +1 (905) 564-6644

JFC de Mexico S.A. de C.V.*
Av. Ano de Juarez No. 160-B
Col Granjas San Antonio
Mexico, D.F.C.P. 09070
Tel: +52 (5) 55-686-8893
Fax: +52 (5) 55-686-8868

Europe

Kikkoman Foods Europe B.V.*
De Vosholen 100, 9611 TG
Sappemeer, The Netherlands
Tel: +31 (598) 399898
Fax: +31 (598) 399988

Kikkoman Trading Europe GmbH*
Heerdter Lohweg 61,
40549 Düsseldorf, Germany
Tel: +49 (211) 5375940
Fax: +49 (211) 5379555

JFC International (Europe) GmbH*
Heerdter Lohweg 57-59,
40549 Düsseldorf, Germany
Tel: +49 (211) 5374160
Fax: +49 (211) 592827

JFC (UK) Ltd.
Unit 3, 1000 North Circular Road
London, NW2 7JP, United Kingdom
Tel: +44 (20) 8450-4626
Fax: +44 (20) 8452-3734

JFC France S.A.R.L*
4/8 Quai de Seine
93400 Saint-Ouen, France
Tel: +33 (1) 4918-9140
Fax: +33 (1) 4918-9149

Asia

Kikkoman (S) Pte. Ltd.*
7 Senoko Crescent, Singapore 758263
Tel: +65 (6758) 8822
Fax: +65 (6758) 3016

Del Monte Asia Pte Ltd*
290 Orchard Road #17-08
Paragon, Singapore 238859
Tel: +65 (6235) 1926
Fax: +65 (6235) 3044

Kikkoman Trading Asia Pte Ltd*
290 Orchard Road #17-08
Paragon, Singapore 238859
Tel: +65 (6235) 6022
Fax: +65 (6235) 2237

JFC Hong Kong Limited*
5th Floor, Ever Gain Centre
43-57, Wang Wo Tsai Street, Tsuen Wan,
N.T., Hong Kong, S.A.R., China
Tel: +852 (2428) 6431
Fax: +852 (2480) 4762

President Kikkoman Inc.
7, Ta Ying Village, Hsin Shih Hsiang,
Tainan, Taiwan
Tel: +886 (6) 5997995
Fax: +886 (6) 5990123

Kunshan President Kikkoman Biotechnology Co., Ltd.
301 South of Qingyang Road
Economy and Technology Development Zone
Kunshan City, Jiangsu Province, China
Tel: +86 (512) 5770-6146
Fax: +86 (512) 5770-6145

Oceania

Kikkoman Australia Pty. Limited
Suite 2, Level 6, 132 Arthur St., North Sydney,
N.S.W. 2060, Australia
Tel: +61 (2) 9923-2533
Fax: +61 (2) 9923-2050

Japan Food Corp. (Aust.) Pty. Limited*
Woodcock Place, Building D1,
16 Mars Road, Lane Cove,
N.S.W. 2066, Australia
Tel: +61 (2) 9429-8000
Fax: +61 (2) 9429-8010

*Consolidated subsidiary
Note: Numbers preceded by "+" are country codes.

Home page address: http://www.kikkoman.com/

(As of July 2003)

BOARD OF DIRECTORS AND OFFICERS

Board of Directors and Corporate Auditors

President and Representative Director
Yuzaburo Mogi

Deputy President and Representative Director
Kenzaburo Mogi

Representative Directors
Michio Miyaji
Kaichiro Someya
Kiyoshi Omori

Directors
Noboru Miki
Takashi Ushiku
Mitsuo Someya
Tsunao Hashimoto
Yukio Sato

Corporate Auditors
Kiyochika Fukushima
Shinichi Matsumoto
Reiichi Hisamoto
Nobuyuki Takashima

Corporate Officers

President and Chief Executive Officer
Yuzaburo Mogi

Deputy President
Kenzaburo Mogi

Senior Executive Corporate Officers
Michio Miyaji
Kaichiro Someya
Kiyoshi Omori

Executive Corporate Officers
Noboru Miki
Takashi Ushiku
Mitsuo Someya
Toru Kumagai
Kenzaburo Mogi

Corporate Officers
Shigetaka Ishii
Hideaki Imanari
Teruo Taniguchi
Hiroshi Yanagimoto
Hiroshi Takamatsu
Tadao Kondo
Akio Kumakiri
Masatoshi Noguchi
Yukio Sato
Yasufumi Kataoka
Kuniki Hatayama
Koji Negishi
Kenichi Saito
Yoshiyuki Nogi
Kazuo Yoshihashi
Masaru Ogihara
Hiroyuki Enomoto
Michinori Nishimura
Katsumi Amano
Noriaki Horikiri

(As of June 25, 2003)

CORPORATE DATA

Name
Kikkoman Corporation

Head Office
250 Noda, Noda-shi, Chiba 278-8601, Japan

Date of Establishment
December 7, 1917

Paid-in Capital
¥11,599,398,094

Number of Shares
Authorized: 300,000,000
Issued and outstanding: 197,202,300

Number of Employees
2,365

Stock Exchange Listings
Tokyo, Osaka

Transfer Agent
Mitsubishi Trust & Banking Corporation
4-5 Marunouchi, 1-chome, Chiyoda-ku, Tokyo 100-8212

Stock Price Range on the Tokyo Stock Exchange

Fiscal 2003:	High:	¥850	Low:	¥660
Fiscal 2002:	High:	¥890	Low:	¥637
Fiscal 2001:	High:	¥870	Low:	¥765

Business Activities
- Production and marketing of soy sauces, sauces, tomato ketchup, and related food seasonings and flavorings
- Production and marketing of mirin (sweet sake for cooking), fruit liquor, shochu (a clear Japanese spirit), and other sake and wine
- Production and marketing of carbonated drinks, juices, and other beverages
- Production and marketing of delicatessen items, rice, noodles, and processed soy bean products
- Production and marketing of processed agricultural and marine food products and livestock feed
- Production and marketing of medicines, quasi-drugs, industrial-use enzymes, reagents, and other chemicals
- Production and marketing of health foods, functional foods, and their ingredients.
- Development and marketing of production machinery and automated systems for food, medicines, and livestock feed
- Management of restaurants and coffee shops
- Administration of athletic clubs, swimming schools, and other sports facilities
- Leasing and management of real estate and car parking centers
- Operation of delivery trucks and warehouse facilities
- Production and marketing of plant seedlings, fruits and vegetables, compost, and garden fertilizers and provision of gardening advisory services
- Environmental health monitoring, testing activities, and certification

(As of July 2003)

Kikkoman Corporation

Head Office
250 Noda, Noda-shi, Chiba 278-8601, Japan
Tokyo Head Office
1-1, Nishi-Shinbashi 2-chome,
Minato-ku, Tokyo 105-8428, Japan

http://www.kikkoman.com/

Printed in Japan
This annual report is printed on recycled paper.