kikkoman
seasoning your life

Annual Report 2013

Year Ended March 31, 2013

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.

Contents

Forward-Looking Statements:
Statements made in this annual report with respect to the Kikkoman Group's present plans, outlook, strategies and projections regarding future business results inherently involve risks and uncertainties. Potential risks and uncertainties include, without limitation, general economic conditions, conditions in the Group's business domains and exchange rates. Please be aware that actual results could differ significantly from forecasts because of these risks and uncertainties.

On the Front Cover

A word about the photographs used on the cover of this Annual Report

As part of an effort to share the meaning of its corporate slogan of "seasoning your life" with customers everywhere, Kikkoman launched a photography contest on its website in fiscal 2009, based on the theme of "delicious things you use to season your life."

During fiscal 2013, customers responded by submitting many wonderful photographs, all of which can be viewed on Kikkoman's website.

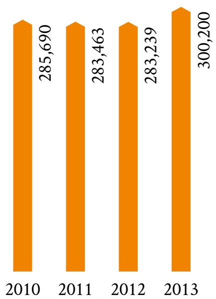
Some of the prize-winning submissions to this photography contest are featured on the cover of this Annual Report.

Financial Highlights

Kikkoman Corporation and Consolidated Subsidiaries

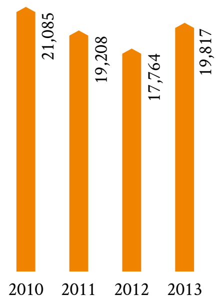
Net Sales

(Millions of yen)



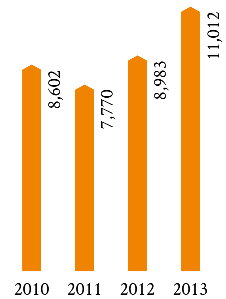
Operating Income

(Millions of yen)



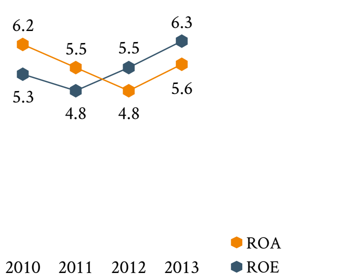
Net Income

(Millions of yen)



ROA/ROE

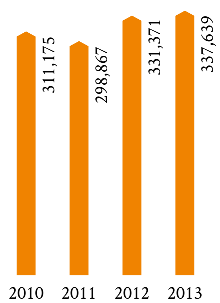
(%)



ROA=Ordinary income/Average total assets

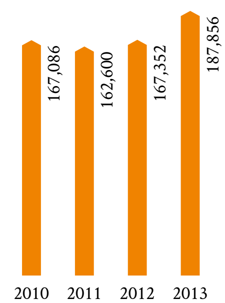
Total Assets

(Millions of yen)



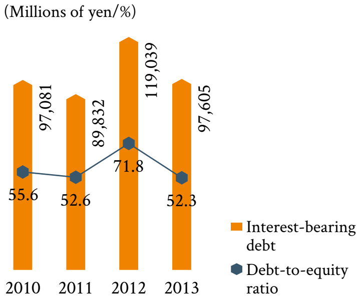
Net Assets

(Millions of yen)



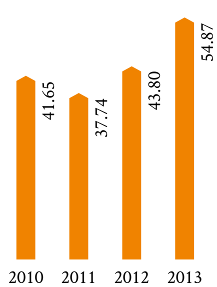
Interest-Bearing Debt/ Debt-to-Equity Ratio

(Millions of yen/%)



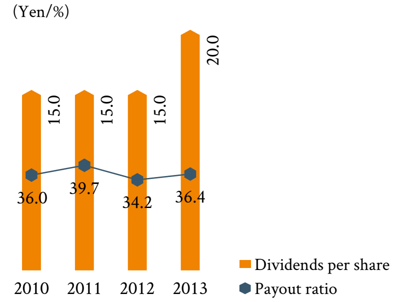
Net Income per Share

(Yen)



Dividends per Share/ Payout Ratio

(Yen/%)



KEY POINT ANALYSIS

Net Sales

Net sales increased 6.0% year on year to ¥300,200 million, supported by robust sales of beverages and food products in Japan and continued strong sales of soy sauce overseas, particularly in North America and Europe.

Operating Income

Although costs increased due to surging raw material prices and aggressive spending on advertising in Japan and overseas, operating income rose 11.6% year on year to ¥19,817 million, reflecting growth in net sales and steady improvement in the operating structure in Japan.

Total Assets

Kikkoman redeemed corporate bonds and acquired treasury stock during fiscal 2013. However, total assets increased ¥6,268 million year on year to ¥337,639 million, mainly due to the impact of foreign exchange rates and an increase in investment securities on the back of share price gains.

Message from the Management

Make Kikkoman soy sauce a truly global seasoning

Left:
Yuzaburo Mogi
Honorary Chief Executive Officer and Chairman of the Board of Directors

Right:
Noriaki Horikiri
President and Chief Executive Officer

The Fiscal Year in Review

In fiscal 2013, ended March 31, 2013, the global economy continued to recover at a moderate pace. Although economic trends were weak in Europe, the U.S. economy saw a gradual recovery.

In Japan, conditions in the employment market remained tough, but consumer spending was solid, supporting a pickup in the economy overall.

Against this backdrop, sales increased year on year in the Kikkoman Group's domestic operations. Although sales of soy sauce declined, this was outweighed by growth in sales of food products and *sake* and wine. Strong sales of soy milk and Del Monte beverages also contributed to growth. In overseas operations, sales of soy sauce grew steadily, centered on North America and Europe, while sales in the Overseas Foods–Wholesale business were strong, supporting overseas sales growth compared with the previous fiscal period.

As a result, consolidated net sales increased 6.0% to ¥300,200 million, while operating income rose 11.6% to ¥19,817 million. Net income increased 22.6% to ¥11,012 million.

Management Principles and Business Fields

The management principles of the Kikkoman Group are based on the following three pillars:
1. To pursue the fundamental principle "consumer-oriented"
2. To promote the international exchange of food culture
3. To become a company whose existence is meaningful to global society

We believe that the future performance and prosperity of the Group will be a reflection of customer satisfaction. Based on this conviction, the Kikkoman Group is sincerely interested in the opinions of consumers and closely observes the market in order to offer products and services that will be of value to them.

Moreover, as a manufacturer of food products, our fundamental mission is to offer consumers a stable supply of safe, high-quality products at reasonable prices. Moving forward, we will continue our efforts in this area.

The Kikkoman Group will pursue global operations in the following fields:
1. Manufacturing and marketing food products
2. Providing products and services related to food and health

Medium-Term Management Plan

In the previous fiscal year, the Kikkoman Group announced its current medium-term management plan, which covers the period from fiscal 2013 to fiscal 2015.

Consolidated targets for fiscal 2015 under the medium-term management plan are:
- Net sales of ¥320,000 million (average annual growth rate of 4.6%)
- Operating income of ¥23,000 million (for a 7.2% operating income margin)
- Return on assets (ROA) of 7.0%

Key issues identified in the medium-term management plan are as follows:

Overseas, we plan to maintain growth in North America, Europe, and Asia and Oceania. The overseas business is developing favorably, and we will look to open up new markets while continuing the measures implemented to date.

Domestically, we will seek to increase profitability through sales growth and restructuring.

We will accelerate the shift to high-margin businesses and products and increase the overall profit margin via cost reductions, efficiency improvements and other measures.

The Kikkoman Group has announced its "Global Vision 2020," which expresses our vision for the future. This vision statement sets forth our goals for 2020 and the basic strategy for reaching those goals.

The new medium-term management plan was formulated in accordance with this basic strategy.

Vision for the Future:
1. Make Kikkoman soy sauce a truly global seasoning
2. Become a company that supports healthy lifestyles through food
3. Become a company whose existence is meaningful to global society

Basic Strategies:
1. Global soy sauce strategy
2. Global strategy for oriental food wholesale
3. Del Monte business strategy
4. Health-related business strategy
5. Soy milk business strategy

Financial Strategy to Support the Medium-Term Management Plan

We will allocate a stable flow of cash (generated from Japan and overseas) to investment in growth areas, while at the same time providing shareholder returns.

In addition, we will strive to increase ROA by boosting profitability and continuing efforts to increase asset efficiency by decreasing inventory and other assets.

Basic Policy on Distribution of Profits

Kikkoman considers its shareholder dividend policy to be a key management issue. Our basic policy is to reward shareholders with a distribution of profits, backed by strong financial performance on a consolidated basis, while using funds to strengthen the company's corporate foundation and future business.

In the long-term, we will deploy internal reserves in ways that create robust corporate value. Our future plans include market and strategic investments to expand our international operations; streamlined production facilities; research and development targeting new businesses; and the cultivation of new demand.

For the fiscal year under review, Kikkoman paid a dividend of ¥20 per share, comprising an annual dividend of ¥18 and a commemorative dividend of ¥2 to mark the 40th anniversary of Kikkoman Foods, Inc. We plan to pay a dividend of ¥18 per share for the fiscal year ending March 31, 2014.

Outlook for the Current Fiscal Year

We expect overseas operations, centered on the soy sauce business, to continue driving growth in the Kikkoman Group.

One of the Group's key markets is North America, where the visibility of the Kikkoman brand is high and the population is growing. We aim to deliver stable growth by raising the frequency of soy sauce use among existing users and by developing other markets, such as the Hispanic market.

In Europe, we aim to maintain double-digit sales growth by focusing on expanding sales of soy sauce and by further cultivating existing markets and developing new markets.

In Asia, we will implement sales strategies tailored to each country and region, and work to establish a Kikkoman business model in Asia capable of generating strong profits.

In terms of future market development, we plan to blend local food culture with Kikkoman soy sauce products in markets such as Brazil, in order to steadily expand our presence in those markets.

Amid the growing popularity of Japanese food overseas, we plan to build on our strengths in the oriental food wholesale business, such as our global network and high-quality products and services, to create a unique and solid position in the market.

In Japan, we are targeting growth in soy sauce and across our entire range of soy sauce-based seasonings, such as *tsuyu* (soy sauce soup base) and *tare* (dipping and marinade sauce). Specifically, in soy sauce, we will work to expand sales of the *Itsudemo Shinsen* (always fresh) series with the aim of growing it into one of the Group's main product lines. Also, we plan to reinforce our position in the growth category of handy Japanese-style seasoning mixes following the full-scale start of production at Saitama Kikkoman Company, our new manufacturing subsidiary in Saitama.

We will work to expand sales of Del Monte beverages while developing the business to ensure it generates a high level of profits.

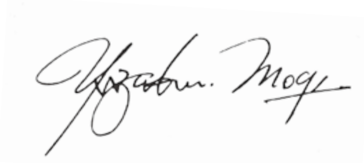
Our subsidiary Kikkoman Soyfoods Company has started operations at its new Ibaraki Plant, which produces soy milk beverages. By strengthening our production system and stimulating demand through marketing activities, we plan to build an even stronger position in the market for soy milk beverages.

In *sake* and wine, we will focus on expanding market share for home-use *mirin* (sweet *sake* for cooking) and on supplying customers with value-added wines.

In biochemical products, we aim to strengthen earnings capabilities by leveraging our unique products, which are underpinned by advanced technologies.

The Kikkoman Group is determined to make every effort in carrying out all these tasks. We will work hard to raise Kikkoman's corporate value and increase our presence as a company.

August 2013



Yuzaburo Mogi
Honorary Chief Executive Officer and
Chairman of the Board of Directors

Noriaki Horikiri
President and Chief Executive Officer

The Kikkoman Group's

More Global, More Diverse

Japan entered a period of strong economic expansion from the 1950s. Despite these conditions, Kikkoman recognized that consumer staples such as soy sauce offered limited prospects for a sharp increase in consumption even as incomes rose, with demand only likely to rise in line with population growth. In a period when many Japanese companies were aiming to make significant progress, Kikkoman, faced with limited prospects for growth in its mainstay soy sauce market, decided to implement two key strategies: globalization and diversification.

Under the globalization strategy, Kikkoman launched a full-scale move into North America from the 1950s, followed by Europe and Asia / Oceania, based on the belief that there was potential demand for soy sauce in overseas markets as well.

Meanwhile, in Japan, Kikkoman started implementing a diversification strategy from the 1960s, moving into new business areas outside its mainstay soy sauce field.

Soy Sauce Goes Global

Our aim has been to encourage people in overseas markets to use soy sauce with their local cuisine. In North America, we promoted soy sauce by holding cooking demonstrations, mainly in supermarkets, where shoppers could try grilled meat seasoned with our soy sauce. We also created American food recipes that included soy sauce. We subsequently used this approach to develop other overseas markets.

A cooking demonstration at a Los Angeles supermarket in 1964

1957 Soy sauce sales company established in the U.S.

1973 Soy sauce plant in the U.S. starts shipments

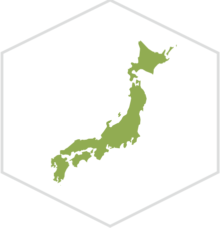
1979 Soy sauce sales company established in Europe

1950s – 1970s

Developments in Our Domestic Business

In Japan, Kikkoman began venturing out of its core soy sauce business in the 1960s, launching the Del Monte business and moving into wine.

From the 1990s, amid a growing shift to simple food preparation, we developed our *tsuyu* (soy sauce soup base) and *tare* (dipping and marinade sauce) product categories and handy seasoning mixes for easy-to-make everyday dishes.



1963 Del Monte tomato ketchup and tomato juice launched

1964 Manns wine launched

Growth Story

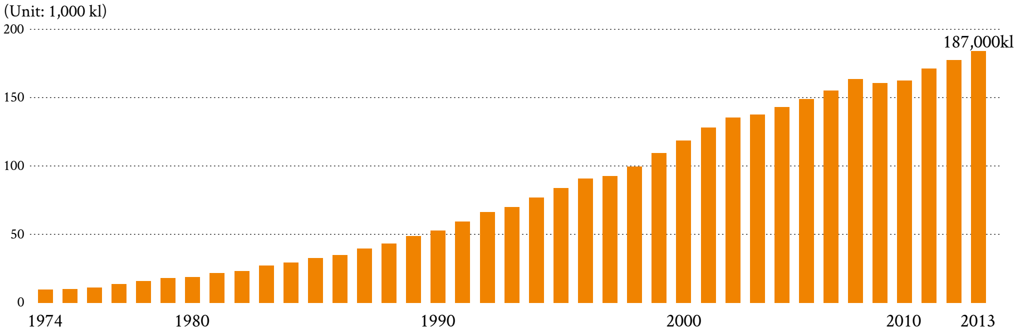
Targeting Sustained Growth

These globalization and diversification strategies have spurred a strong phase of growth for the Kikkoman Group. Targeting the next stage of development, we announced Global Vision 2020 in 2008. Global Vision 2020 sets out our vision for the Kikkoman Group in 2020 and the basic strategy to realize that vision.

In line with this basic strategy, we announced a new three-year medium-term management plan in April 2012, starting from fiscal 2013. In the following pages, we look at the plan's initiatives.

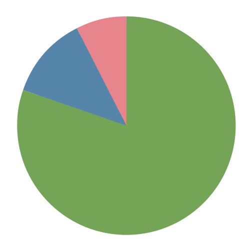
Overseas Soy Sauce Sales Volume

(Unit: 1,000 kl)



* Sales volume shown from 1974, the year after shipments began at our soy sauce plant in the U.S.
* In 2001, Kikkoman changed its fiscal year from January – December to April – March.

Overseas Soy Sauce Sales Volume by Region (Fiscal 2013)



- North America
- Europe
- Asia and Oceania

1984 Soy sauce plant in Singapore starts shipments

1990 Joint-venture soy sauce plant in Taiwan starts shipments

1997 Soy sauce plant in Europe starts shipments

1998 Second soy sauce plant in the U.S. starts shipments

2002 Joint-venture soy sauce plant in China starts shipments

2009 Second joint-venture soy sauce plant in China starts shipments

1980s – 1990s

2000s –

1995 *Hon Tsuyu* (soy sauce soup base) launched

1997 *Yakiniku-no-Tare* (dipping and marinade sauces) launched

2002 *Uchi-no-Gohan* (handy Japanese-style seasoning mixes) launched

* Photos show design of products currently on sale, not at time of launch.

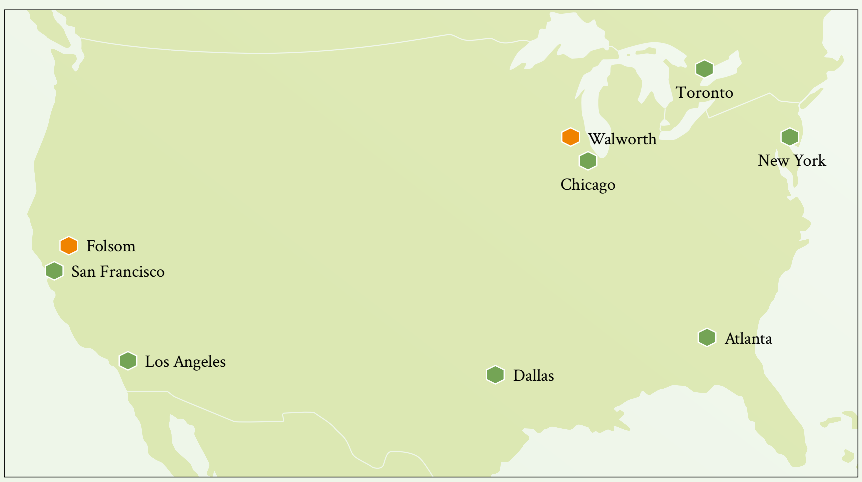
North America

The North American market accounts for roughly 80% of the Group's overseas soy sauce sales volume.

In order to maintain stable growth in this market, we will develop and promote new products to expand our lineup and reinforce the Kikkoman brand, as well as improve our competitiveness in non price-related areas. We will also strengthen our efforts in the food-service market.

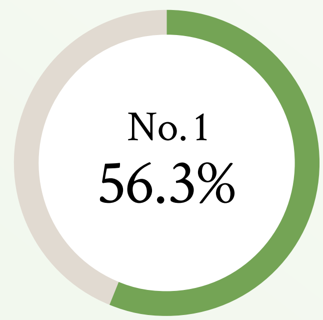
In order to encourage new users to try soy sauce, we have formed tie-ups with cooking schools in the U.S. and are developing new soy sauce recipe ideas for untapped markets.

We plan to maintain stable growth by encouraging greater use among existing users and by developing new user markets.



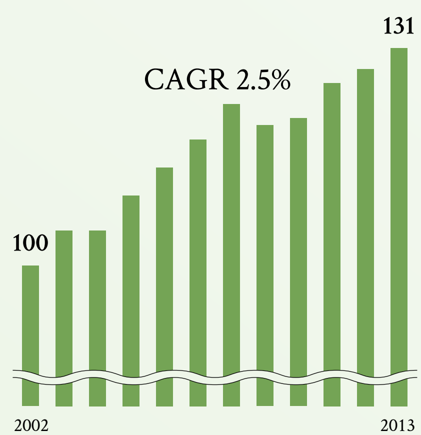
● Soy sauce production bases (Kikkoman Foods, Inc.)
● Soy sauce sales bases (Kikkoman Sales USA, Inc.)

Share of U.S. Home-Use Market



* Fiscal 2013
Source: Kikkoman

Soy Sauce Sales Volume in North America



* Kikkoman sales volume 2002 – 2013
* 2002 sales volume = 100

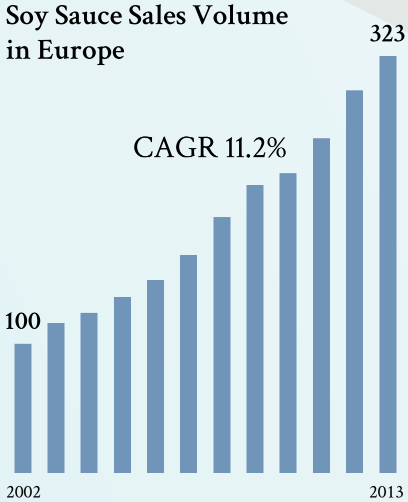
Aiming to Maintain Stable Growth

Europe

The European soy sauce market continues to grow strongly. Europe's population is on par with North America's, offering significant growth potential.

In the region's key markets—Germany, the U.K., the Netherlands, Scandinavia and France—we will implement aggressive marketing activities to generate higher demand, and we also plan to develop the promising markets of Russia and Central and Eastern Europe. Based on this approach, we are targeting continued double-digit growth in Europe.

Soy Sauce Sales Volume in Europe



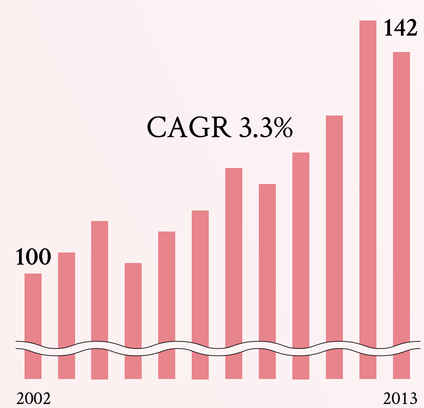
* Kikkoman sales volume 2002 – 2013
* 2002 sales volume = 100

Targeting Continued Double-Digit Growth

Asia and Oceania

In Asia and Oceania, our priority market is the ASEAN region, which has seen rapid economic development in recent years. We will implement highly targeted marketing activities tailored to the conditions and lifestyles of each country, aiming to steadily expand the presence of our high-quality soy sauce products in the market.

Soy Sauce Sales Volume in Asia and Oceania



* Kikkoman sales volume 2002 – 2013
* 2002 sales volume = 100

Accelerate Growth

Japan

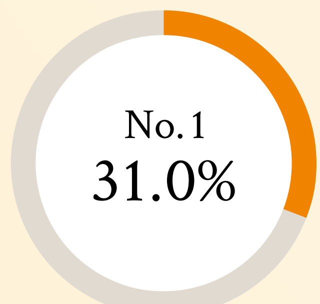
Soy Sauce

As the leading maker of soy sauce in Japan, where the market is maturing, we are shifting to premium products with higher value by launching products that incorporate new value proposals.

In the 1990s, we launched *Tokusen Maru-Daizu Shoyu*, a premium soy sauce made by brewing whole soy beans to create an *umami*-rich flavor. This was followed by a version with half the salt content of the original.

More recently, we launched the *Itsudemo Shinsen* (always fresh) series with air-tight soft plastic bottles, which preserve the freshness, bright color and flavor of the soy sauce by preventing oxidation. These soft bottles have been popular with consumers, as they also make it easier to adjust the amount of soy sauce used. Sales of this series are growing steadily. The main product in the series, raw soy sauce, is not heat-treated like our normal soy sauce products, helping to bring out more vivid colors and milder flavors when used as a seasoning. This product has been popular in the market.

Share of Domestic Soy Sauce Market



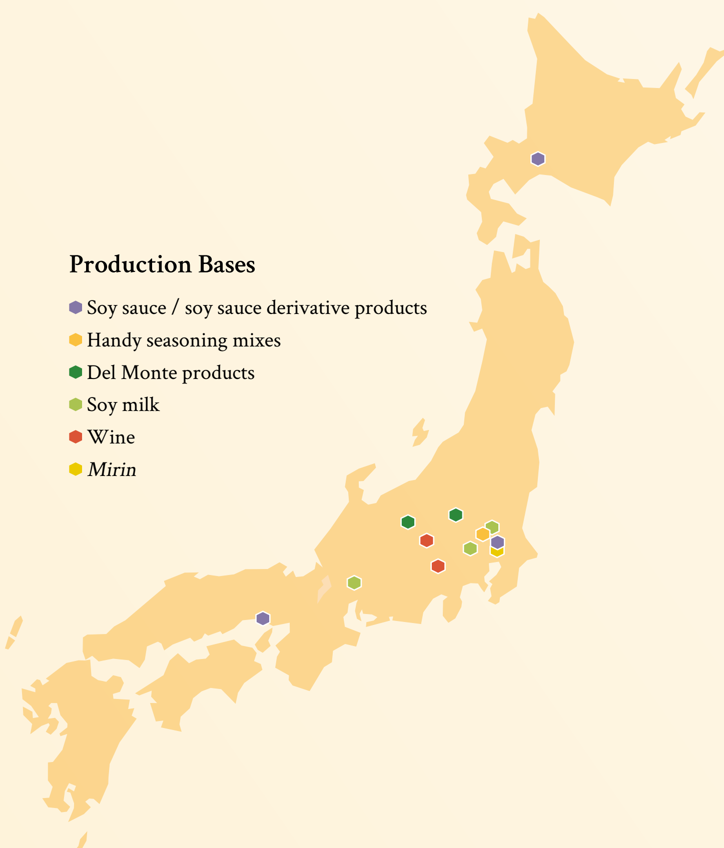
* Jan – Dec 2012
* Including Group company Higeta Shoyu Co., Ltd.
Source: Nikkan Keizai Tsushinsha, Inc.

Accelerating the Shift to Premium Products

Saitama Kikkoman Company: a new plant to make *Uchi-no-Gohan* (handy Japanese-style seasoning mixes)

Soy Sauce Derivative Products

With more women entering the workforce, there has been a growing need for food that is quick and easy to prepare. In response to this trend, we began developing soy sauce derivative products such as *tsuyu* (soy sauce soup base) and *tare* (dipping and marinade sauces) from the 1990s. We also created handy seasoning mixes for easy-to-make everyday dishes that can be made using only a frying pan and one or two common food ingredients. We expect demand for handy seasoning mixes to expand, so we have established a new manufacturing subsidiary to boost capacity. The subsidiary began production in December 2012. We project continued growth in the market.



Production Bases

- Soy sauce / soy sauce derivative products
- Handy seasoning mixes
- Del Monte products
- Soy milk
- Wine
- *Mirin*

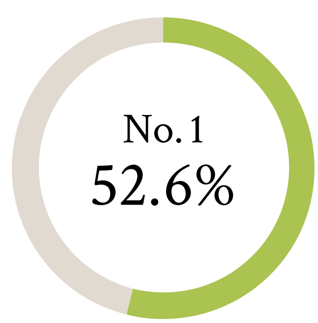
HIGHLIGHTS

Soy Milk Market Expanding

Amid a shift to healthier lifestyles, soy milk is gaining in popularity among people seeking to improve their diets, as it is seen as a good way of ingesting all the active ingredients of soy beans. The market is likely to expand further, so we opened our third domestic soy milk plant in June 2013, giving us the capacity to meet rising demand.

Kikkoman Soyfoods Company
Ibaraki Plant (new soy milk plant)

Share of Domestic Soy Milk Production

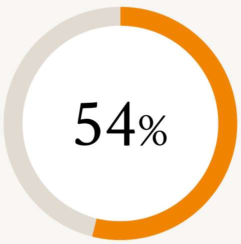


* Jan – Dec 2012
Source: Kikkoman

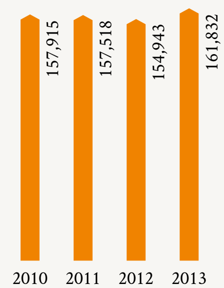
Kikkoman at a Glance

DOMESTIC

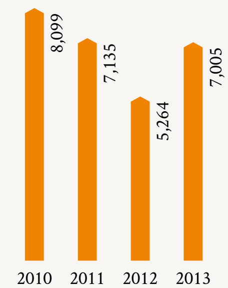
Net Sales Composition



Net Sales
(Millions of yen)



Operating Income
(Millions of yen)



FOODS–MANUFACTURING AND SALES

Soy Sauce

Major Products:
Soy sauce

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Food Products

Major Products:
Tsuyu (soy sauce soup base)
Tare (dipping and marinade sauces)
Handy seasoning mixes
Del Monte seasonings

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Beverages

Major Products:
Soy milk beverages
Del Monte beverages

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Sake and Wine

Major Products:
Mirin (sweet *sake* for cooking)
Wines

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OTHERS

This business segment covers the production and sale of clinical diagnostic reagents, hygiene inspection agents, processing enzymes and chemical products such as hyaluronic acid, as well as real estate rental, logistics, back-office support for the Kikkoman Group, and other businesses.

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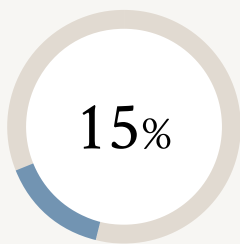
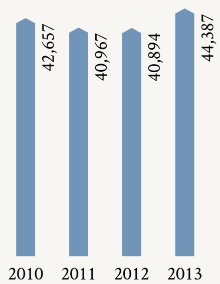
* Graphs showing net sales exclude inter-segment transactions.

OVERSEAS FOODS–MANUFACTURING AND SALES

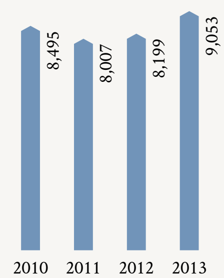
Net Sales Composition



Net Sales
(Millions of yen)



Operating Income
(Millions of yen)



Soy Sauce

Major Products:
Soy sauce

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Del Monte

Major Products:
Canned fruits
Canned corn
Tomato ketchup

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Other Foods

Major Products:
Health foods

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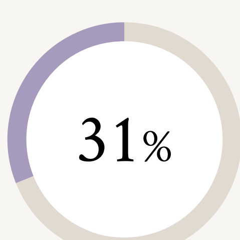
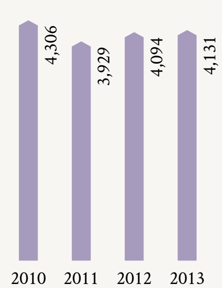
OVERSEAS FOODS–WHOLESALE

Net Sales Composition



Net Sales
(Millions of yen)

Operating Income
(Millions of yen)



Major Products:
Oriental food products

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Corporate Governance Framework and Corporate Citizenship

Corporate Governance

We believe that responding effectively to the changing business environment and maximizing corporate value through the enhancement of the Kikkoman Group management form the true basis for running a company with the mandate granted by shareholders. We also consider one of our most important management priorities to be executing sound governance in order to fulfill our corporate responsibilities to all stakeholders.

The Kikkoman Corporation employs a corporate auditor system. We strive to improve and enhance our corporate governance framework with the aim of achieving greater management transparency, clearly defined management responsibility, speedy decision-making, and stronger management oversight.

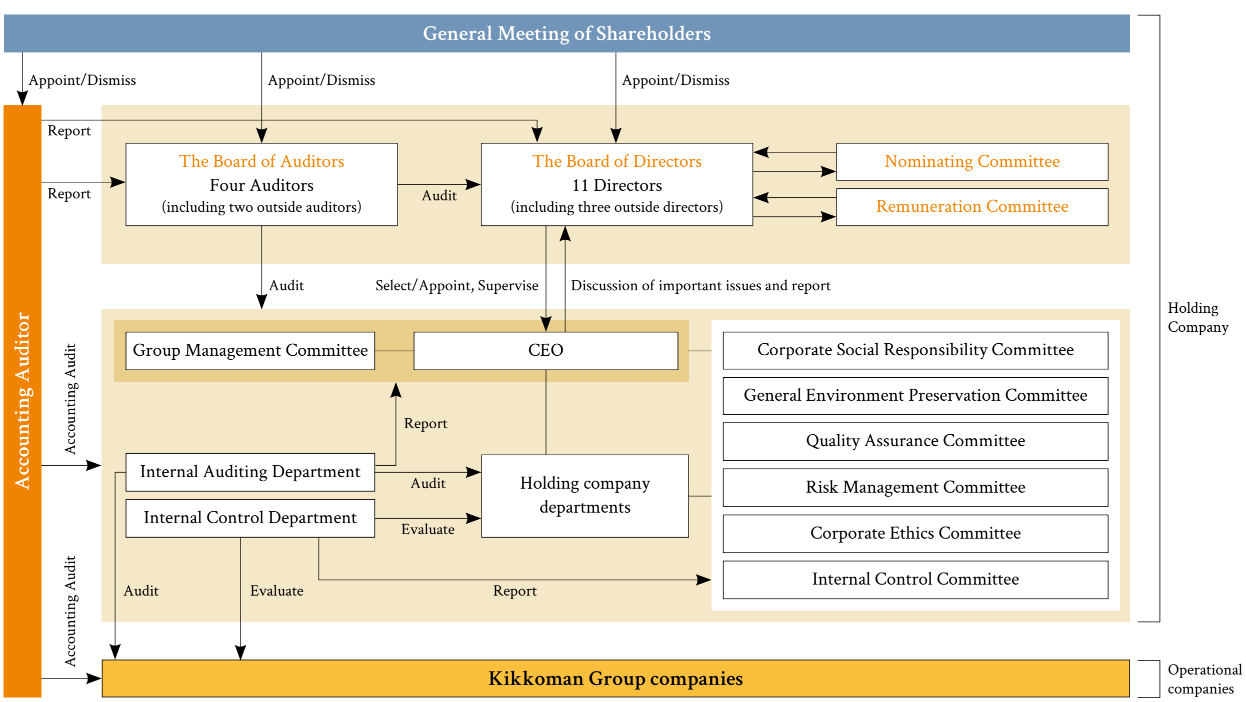
Appointment of Outside Directors and Outside Corporate Auditors

In June 2002, the Kikkoman Corporation appointed outside directors and established the Nominating Committee and Remuneration Committee to achieve greater management transparency and strengthen management oversight. In fiscal 2013, three of eleven directors were outside directors, and two of four corporate auditors were outside auditors.

The role of the outside directors and outside corporate auditors is to strengthen management oversight from an objective perspective on the basis of their wide-ranging experience and deep insight. In addition, the outside directors strive to increase management transparency by participating in the Nominating Committee and Remuneration Committee.

The Corporate Governance System

(As of June 2013)



Measures to Enhance Governance at Group Companies

The Kikkoman Group has prepared the Authorization Guidelines. By abiding by these guidelines, holding company divisions and Group companies engage in appropriate decision-making.

In addition, by instituting the Administrative Rules and Regulations for Affiliated Companies, a system has been put in place for omission-free reporting of the financial and operating details of principal Group companies to the holding company.

The holding company conducts internal audits to confirm that these systems are functioning. In fiscal 2013, audits were conducted at 14 companies, 73 departments, and 141 sections.

Internal Control Systems

Establishing an internal control system that ensures proper execution of business practices is high on our corporate agenda.

Accordingly, we have been making Group-wide efforts to develop an enhanced framework for ensuring effective and efficient operations as well as compliance with laws and regulations.

We periodically review and update the basic policy for "Establishing an Internal Control System" that the Board of Directors adopted in May 2006. In order to comply with the new internal controls reporting system mandated by the Financial Instruments and Exchange Act, which went into effect in April 2008, we established an Internal Control Committee and Internal Control Department in November 2008. To this same end, we have adopted a basic policy concerning internal controls as they relate to financial reporting and established a structure for strengthening internal controls related to financial reporting.

Corporate Citizenship

Since its establishment, Kikkoman has always regarded a connection with society as being of great importance. This attitude is reflected in our Management Principles.

Now that we have come to supply a variety of products and services to customers in more than 100 countries worldwide, we recognize that our responsibilities to global society have grown together with the growth of our business. We aim to become a company that is valued by people around the world and we will continue to implement activities that are aligned with our Management Principles.

The basics of our Management Principles are that we carry out our day-to-day business activities in a reliable and trustworthy manner and that we contribute to the realization of rich and healthy food lifestyles through our products and services. In addition, we aim to fulfill our responsibilities as a public entity and contribute to society through activities that are unique to Kikkoman. We believe that the cumulative pursuit of each and every one of these activities is our corporate social responsibility.

FINANCIAL SECTION

Contents

Management's Discussion and Analysis

Operating Results

During the fiscal year under review, sales increased year on year in the Kikkoman Group's domestic operations. Although sales of soy sauce declined, this was outweighed by sales growth for food products and for *sake* and wine. Strong sales of soy milk and Del Monte beverages also contributed to sales growth. Costs rose year on year due to surging raw material prices and aggressive spending on advertising, but domestic profits grew on the back of higher sales of food products and beverages.

In overseas operations, sales of soy sauce grew steadily, centered on North America and Europe, while sales in the Overseas Foods–Wholesale business segment were strong, supporting overseas sales and profit growth compared with the previous fiscal period.

Consequently, on a consolidated basis, net sales increased 6.0% year on year to ¥300,200 million, operating income rose 11.6% to ¥19,817 million, and net income increased 22.6% to ¥11,012 million.

NET SALES

Millions of yen

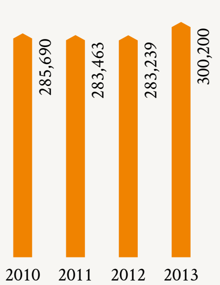
	2013	2012	Change	
Domestic Foods–Manufacturing and Sales	**¥ 154,814**	¥ 147,888	¥ 6,926	4.7 %
Domestic Others	**20,147**	20,503	(355)	(1.7)%
Overseas Foods–Manufacturing and Sales	**50,586**	46,652	3,934	8.4 %
Overseas Foods–Wholesale	**94,202**	87,633	6,568	7.5 %
Adjustments	**(19,550)**	(19,439)	(111)	–
Consolidated	**¥ 300,200**	¥ 283,239	¥ 16,961	6.0 %

OPERATING INCOME

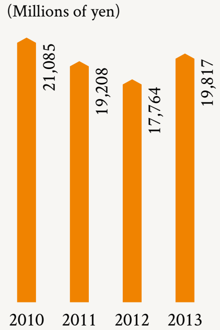
Millions of yen

	2013	2012	Change	
Domestic Foods–Manufacturing and Sales	**¥ 5,546**	¥ 3,610	¥ 1,936	53.6 %
Domestic Others	**1,459**	1,654	(195)	(11.8)%
Overseas Foods–Manufacturing and Sales	**9,053**	8,199	854	10.4 %
Overseas Foods–Wholesale	**4,131**	4,094	37	0.9 %
Adjustments	**(373)**	205	(578)	–
Consolidated	**¥ 19,817**	¥ 17,764	¥ 2,053	11.6 %

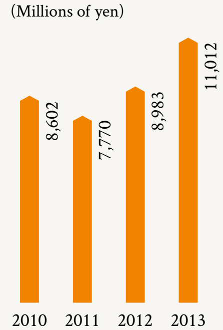
Net Sales
(Millions of yen)



Operating Income
(Millions of yen)



Net Income
(Millions of yen)



Segment Information

DOMESTIC

Domestic Foods–Manufacturing and Sales

Sales in this segment rose 4.7% year on year to ¥154,814 million and operating income increased 53.6% to ¥5,546 million.

[SOY SAUCE DIVISION]

Sales of soy sauce in the home-use sector declined year on year. Although sales grew steadily in new soy sauce product categories, supported by the launch of value-added products in the *Itsudemo Shinsen* (always fresh) series, such as air-tight soft plastic 450ml bottles that are easy to use while maintaining the flavor and freshness of raw soy sauce, sales of existing products continued to contract. In the industrial-use sector, sales increased year on year due to success in expanding and developing business with existing customers.

However, sales declined in the food service-use sector amid a challenging market environment. As a result, sales in the Soy Sauce Division declined compared with the previous fiscal year.

[FOOD PRODUCTS DIVISION]

In *tsuyu* (soy sauce soup base), home-use sales of flagship product *Hon Tsuyu* grew year on year, while sales of sauces for noodle dishes launched in the previous fiscal year were favorable. However, sales of existing products such as *Straight Tsuyu* and *Menmi* (noodle soup base) declined. Sales increased in the industrial- and food service-use sectors, contributing to an increase in *tsuyu* sales overall compared with the previous fiscal year.

Sales of *tare* (dipping and marinade sauces) also increased year on year, supported by firm growth in a number of product categories, such as products for the industrial- and food service-use sectors, the mainstay *yakiniku* (grilled meat) sauce range and soy sauce-based steak sauces. Sales of handy Japanese-style seasoning mixes increased year on year, reflecting aggressive product development and storefront promotion activities.

In Del Monte seasonings, sales expanded overall thanks to a recovery from the supply bottlenecks in the industrial- and food service-use sectors caused by the Great East Japan Earthquake and strong sales of food ingredients sold in cartons.

As a result, sales in the Food Products Division increased compared with the previous fiscal year.

[BEVERAGES DIVISION]

Sales of soy milk beverages increased sharply year on year, reflecting aggressive promotion activities aimed at expanding the market. Amid growing interest in healthy lifestyles, these activities were tied in with advertising campaigns on TV, in magazines and other media promoting the products as food ingredients, as well as beverages.

In Del Monte beverages, sales of tomato juice grew strongly, supported by market expansion on the back of growing interest in healthy lifestyles. Fruit juices centered on gift packs, as well as *Vege Start* and *Hot Vegetable* beverages, also contributed to sales, supporting strong growth in Del Monte beverages year on year.

As a result, sales in the Beverages Division increased significantly compared with the previous fiscal year.

[*SAKE* AND WINE DIVISION]

Sales of *Hon Mirin* rose year on year. Although sales of gift packs in the home-use sector were weak, this was outweighed by sales growth in the industrial-use sector due to success in securing new customers.

Domestic Foods–Manufacturing and Sales

This business segment manufactures and sells the products listed below in the domestic market.

Division	Main Products
Soy Sauce Division	• Soy sauce
Food Products Division	• *Tsuyu* (soy sauce soup base) • *Tare* (dipping and marinade sauces) • Handy seasoning mixes • Del Monte seasonings
Beverages Division	• Soy milk beverages • Del Monte beverages
Sake and Wine Division	• *Mirin* (sweet *sake* for cooking) • Wines

Domestic Others

This business segment covers the production and sale of clinical diagnostic reagents, hygiene inspection agents, processing enzymes and chemical products such as hyaluronic acid, as well as real estate rental, logistics, back-office support for the Kikkoman Group, and other businesses.

Overseas Foods–Manufacturing and Sales

This business segment manufactures and sells the products listed below in overseas markets.

Division	Main Products	Main Region
Soy Sauce Division	• Soy sauce	North America, Europe, Asia and Oceania
Del Monte Division	• Canned fruit • Canned corn • Tomato ketchup	Asia and Oceania
Other Foods Division	• Health foods	North America

Overseas Foods–Wholesale

This business segment purchases and sells oriental food products in Japan and overseas.

In domestic wine, sales were supported by growth in the food service-use sector and *La La Vin*, a wine product packaged in cans that offers consumers new value. The Group's wine products continued to win praise, with the *Solaris* series receiving the gold award at the Japan Wine Competition 2012. These factors supported an increased in domestic wine sales year on year. Sales of imported wine also rose year on year, due to efforts to develop the market.

As a result, sales in the *Sake* and Wine Division increased compared with the previous fiscal year.

Domestic Others

Sales of clinical diagnostic reagents and hygiene inspection agents were strong, but sales of hyaluronic acid declined from the previous fiscal year. As a result, sales in the Domestic Others segment declined 1.7% year on year to ¥20,147 million, while operating income fell 11.8% to ¥1,459 million.

OVERSEAS

Overseas Foods–Manufacturing and Sales

Sales in this segment rose 8.4% year on year to ¥50,586 million and operating income increased 10.4% to ¥9,053 million.

[SOY SAUCE DIVISION]

In North America, the division worked to expand its business by leveraging the power of the Kikkoman brand. Specifically, this included enhancing the lineup of mainstay soy sauce products and soy sauce-based seasonings for the home-use sector. In the industrial- and food service-use sectors, the division worked to accurately address customer needs. As a result, sales in all three market sectors increased year on year.

In Europe, sales increased year on year, reflecting steady sales growth in Russia, Kikkoman's largest market in the region, and in the key markets of France, the Netherlands and the U.K.

In Asia and Oceania, the Group implemented a number of measures to expand the market, including the launch of smaller containers in the Philippines.

However, sales overall were flat year on year in reaction to special demand in the previous year, when sales of Kikkoman soy sauce products made in Singapore sold strongly in the aftermath of the earthquake in Japan.

[DEL MONTE DIVISION]

Sales increased year on year in all major markets except for South Korea. However, sales overall in the division declined compared with the previous fiscal year due to the slump in sales in South Korea.

[OTHER FOODS DIVISION]

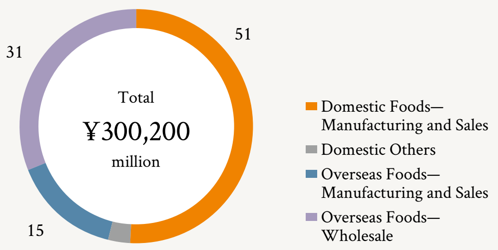
Sales in the division increased year on year, reflecting continued strong sales of health foods through the medical professional channel.

Overseas Foods–Wholesale

Sales in North America grew steadily, supported by efforts to build a stronger presence in the wider local market, in addition to the Asian American market. The popularity of Japanese food continues to grow in Europe and Oceania, contributing to steady sales in each market. As a result, sales increased compared with the previous fiscal year.

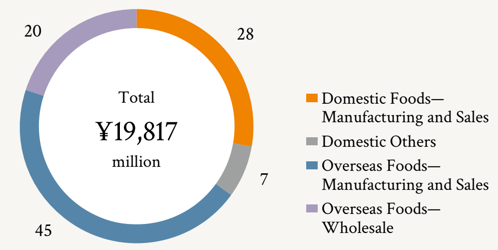
Sales in the Overseas Foods–Wholesale segment rose 7.5% year on year to ¥94,202 million and operating income increased 0.9% to ¥4,131 million.

Net Sales Composition (Fiscal 2013)
(%)



* The figures are after elimination of inter-segment transactions.

Operating Income Composition (Fiscal 2013)
(%)



Financial Position

ASSETS

Current assets as of March 31, 2013 totaled ¥126,597 million, a decline of ¥7,206 million from the end of the previous fiscal year. This mainly reflected increases in cash and deposits and trade notes and accounts receivable and a decrease in short-term investment securities. Property, plant and equipment, net and investments and other assets totaled ¥211,041 million, an increase of ¥13,474 million from the end of the previous fiscal year, mainly reflecting an increase in investment securities. As a result, total assets were ¥337,639 million, an increase of ¥6,267 million from the end of the previous fiscal year.

LIABILITIES

Current liabilities as of March 31, 2013 totaled ¥46,353 million, a decline of ¥14,761 million from the end of the previous fiscal year. This mainly reflected a decrease in the current portion of long-term debt. Long-term liabilities totaled ¥103,429 million, an increase of ¥525 million from the end of the previous fiscal year. This chiefly reflected a decrease in long-term debt and an increase in deferred tax liabilities. As a result, total liabilities were ¥149,783 million, a decline of ¥14,235 million from the end of the previous fiscal year.

NET ASSETS

Net assets as of March 31, 2013 totaled ¥187,856 million, an increase of ¥20,503 million from the end of the previous fiscal year. This mainly reflected an increase in treasury stock, versus an increase in foreign currency translation adjustments due to the weak yen, an increase in unrealized holding gain on securities, net of taxes, due to higher share prices, and an increase in retained earnings. This resulted in an equity ratio of 55.3%, compared with 50.0% at the end of the previous fiscal year.

Net assets per share increased ¥125.28 to ¥933.68.

CASH FLOWS

Cash and cash equivalents were ¥27,754 million as of March 31, 2013, a decline of ¥18,113 million compared with the end of the previous fiscal year.

Details of cash flow positions in each type of activity and the major contributing factors during the year under review are described below.

CASH FLOWS FROM OPERATING ACTIVITIES

Net cash provided by operating activities was ¥24,738 million, an increase of ¥8,353 million from the previous fiscal year. This mainly reflected cash provided from income before income taxes and minority interests, versus an increase in trade notes and accounts receivable and an increase in inventories, which reduced cash.

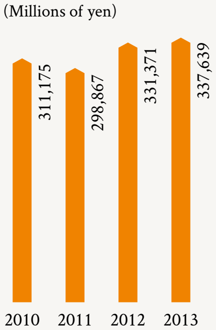
CASH FLOWS FROM INVESTING ACTIVITIES

Net cash used in investing activities was ¥15,698 million, mainly reflecting cash used for the acquisition of property, plant and equipment.

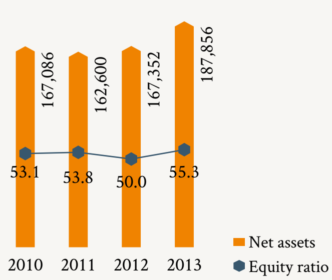
CASH FLOWS FROM FINANCING ACTIVITIES

Net cash used in financing activities was ¥29,331 million, mainly reflecting cash used for the repayment of long-term debt and for the acquisition of treasury stock.

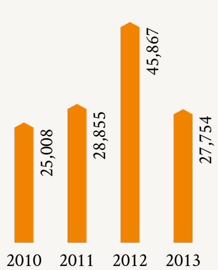
Total Assets
(Millions of yen)



Net Assets/ Equity Ratio
(Millions of yen/%)



Cash and Cash Equivalents
(Millions of yen)



Risk Factors

Listed below are the major risks faced by the Kikkoman Group in its business activities that could have a significant impact on the decisions of investors.

CHANGES IN THE MARKET ENVIRONMENT

The Kikkoman Group is developing business in various countries and regions worldwide, including Japan, North America, Europe and Asia, and aims for sustained business development. A decline in demand for the products and services that the Group provides, due to worsening economic conditions in particular countries where the Kikkoman Group is doing business, a change in consumers' tastes or values held in regard to products, the emergence of new business competitors, or other factors, could result in lower sales and earnings and thus adversely affect the Kikkoman Group's business results and financial position.

CHANGES IN THE SOCIAL ENVIRONMENT

Should any disruption in business activity arise in the countries where the Group does business, due to unexpected events such as war, terrorism or changes in politics or society, it could adversely affect the Group's business results and financial position.

NATURAL DISASTERS, EPIDEMICS AND ACCIDENTS

Should any emergency situation beyond expectation arise, such as an earthquake or other natural disaster, the wide-scale spread of an epidemic, or a major accident, resulting in damage to manufacturing, logistics, or other facilities; difficulties in the procurement of raw materials or energy; or complications in securing the required personnel, such events could reduce the Group's manufacturing and sales capabilities, and could thus lower sales and earnings. In addition, cost increases including expenses incurred to restore facilities and the procurement cost of raw materials, energy and other resources, could adversely affect the Group's business results and financial position.

EXCHANGE RATE FLUCTUATIONS

Kikkoman converts the financial statements of its overseas subsidiaries and other foreign domiciled entities into Japanese yen for preparing its consolidated financial statements. The line items in the financial statements of these subsidiaries and other entities are thus subject to foreign currency exchange rate fluctuations when converted into Japanese yen. In particular, where there is an appreciation of the yen against other currencies, the converted amount in yen will be lower.

Furthermore, exchange rate fluctuations could affect the provision price of products and services denominated in foreign currencies and the procurement cost of raw materials and products purchased by the Kikkoman Group.

The Kikkoman Group uses various techniques to mitigate and avoid foreign currency exchange risk, but changes in currency markets could adversely affect its business results and financial position.

Cash Flows

(Millions of yen)

FLUCTUATIONS IN RAW MATERIAL PRICES

Some raw materials used by the Kikkoman Group are subject to the effects of commodities market conditions. The soybeans, soybean meal and wheat used in the mainstay soy sauce product are subject to the effects of conditions in international commodities markets. Fluctuations in crude oil prices could also affect manufacturing and delivery costs for PET bottles used to package Kikkoman's products and other products. A rapid increase in market prices for these materials could lead to higher manufacturing and delivery expenses and thus adversely affect the Kikkoman Group's business results and financial position.

ACCOUNTING FOR IMPAIRMENT OF ASSETS

The Kikkoman Group owns a variety of assets, including real estate used in the course of business operations. Should recovery of the Group's investment in such assets become unlikely due to a decline in market value or a decrease in profitability, the assets will become liable for asset impairment accounting. This could adversely affect the Kikkoman Group's business results and financial position.

FLUCTUATIONS IN THE MARKET VALUE OF SECURITIES

The Kikkoman Group holds marketable securities with fair market values. Should there be a significant decline in the market value of these securities, this could adversely affect the Kikkoman Group's business results and financial position.

WEATHER

The Kikkoman Group sells beverages such as soy milk and vegetable beverages that are subject to the effects of weather. In particular, a cool summer could result in lower sales of these products, and thus adversely affect the Kikkoman Group's business results and financial position.

ISSUES RELATED TO FOOD SAFETY

The Kikkoman Group works to strengthen its quality assurance and quality control systems based on the fundamental mission of providing high-quality products in a safe and stable manner. Nevertheless, in the event that an accident occurs in connection with one of its products, including as the result of a chance occurrence, or in the event that a situation beyond the scope of the Group's initiatives arises, this could adversely affect the Group's business results and financial position.

INTELLECTUAL PROPERTY

The Kikkoman Group is acquiring industrial property rights, including patent rights, utility model rights, and trademarks, as necessary with respect to the technology it develops. These intellectual property rights have many advantages from an operational perspective and are thus regarded as an important management resource. However, if another company develops similar rights or technology that is superior to the Kikkoman Group's, or if the Kikkoman Group becomes involved in a dispute with another company over intellectual property rights, the Group could lose its competitive advantage, which could adversely affect its business results and financial position.

ALLIANCES AND CORPORATE ACQUISITIONS

The Kikkoman Group has formed alliances with other companies in specific fields of business. Going forward, to utilize resources as necessary from outside the Group, the Group may form strategic alliances, including equity-based alliances and corporate acquisitions. However, the inability of the Kikkoman Group to carry out its business plan as expected after forming an alliance or conducting an acquisition could adversely affect the Group's business results and financial position.

LAWS AND REGULATIONS

In Japan, the Kikkoman Group is subject to laws and regulations such as the Food Sanitation Law and the Product Liability Act. In addition, the Group is subject to the laws and regulations of each country in which it develops business. Changes to these and other laws and regulations in the future could restrict the Kikkoman Group's activities, and thus adversely affect its business results and financial position.

INFORMATION AND IT SYSTEM MANAGEMENT

The Kikkoman Group operates IT systems related to operations such as product development, manufacturing, distribution and sales, and holds important information related to Group management and many corporations and individuals. The Group takes every possible step to ensure the maintenance and security of these systems in order to mitigate IT system problems and other such events, while at the same time operating a strict information management system. However, the Kikkoman Group's business results and financial position could be adversely affected by system failures or the leak or falsification of data due to events such as power failures, natural disasters, software and equipment failures, computer viruses, and unauthorized system access that have an impact which is greater than anticipated by the Group.

Consolidated Balance Sheets

KIKKOMAN CORPORATION and Consolidated Subsidiaries
As of March 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars (Note 4)
Assets	**2013**	2012	**2013**
Current assets:			
Cash and deposits (Notes 5 and 17)	**¥ 30,598**	¥ 27,941	**$ 325,510**
Trade notes and accounts receivable (Notes 8 and 17)	**45,496**	42,274	**484,000**
Allowance for doubtful receivables	**(205)**	(223)	**(2,180)**
	45,290	42,050	**481,808**
Short-term investment securities (Notes 5 and 6)	**131**	20,131	**1,393**
Merchandise and finished goods	**23,354**	21,377	**248,446**
Work in process	**10,405**	9,386	**110,691**
Raw materials and supplies	**3,861**	3,462	**41,074**
Deferred tax assets (Note 10)	**5,368**	4,283	**57,106**
Other	**7,587**	5,171	**80,712**
Total current assets	**126,597**	133,804	**1,346,776**
Property, plant and equipment, at cost (Note 19):			
Land	**20,039**	19,764	**213,180**
Buildings and structures	**91,376**	87,609	**972,085**
Machinery, equipment and vehicles	**163,690**	159,161	**1,741,382**
Leased assets	**442**	384	**4,702**
Other	**16,340**	16,097	**173,829**
Construction in progress	**5,351**	3,356	**56,925**
	297,241	286,374	**3,162,138**
Accumulated depreciation	**(193,547)**	(187,204)	**(2,059,010)**
Property, plant and equipment, net	**103,693**	99,170	**1,103,117**
Investments and other assets:			
Investment securities (Notes 6 and 17)	**38,303**	29,364	**407,478**
Investments in and advances to unconsolidated subsidiaries and affiliates	**35,031**	32,523	**372,670**
Goodwill	**21,792**	23,514	**231,829**
Other intangible assets	**3,675**	3,365	**39,095**
Deferred tax assets (Note 10)	**1,112**	1,538	**11,829**
Other	**7,431**	8,090	**79,053**
Total investments and other assets	**107,347**	98,396	**1,141,989**
Total assets	**¥337,639**	¥ 331,371	**$ 3,591,904**

Liabilities	Millions of yen 2013	2012	Thousands of U.S. dollars (Note 4) 2013
Current liabilities:			
Short-term bank loans (Notes 7, 8 and 17)	¥ 5,338	¥ 4,262	$ 56,787
Current portion of long-term debt (Notes 7 and 17)	2,000	22,150	21,276
Lease obligations (Notes 7 and 14)	57	68	606
Trade notes and accounts payable (Note 17)	16,161	15,474	171,925
Other accounts payable (Note 17)	13,447	11,756	143,053
Accrued income taxes	2,095	980	22,287
Accrued employees' bonuses	2,172	2,154	23,106
Accrued directors' bonuses	84	81	893
Provision for loss on disaster	–	50	–
Provision for loss on plant closing	–	209	–
Other	4,995	3,927	53,138
Total current liabilities	46,353	61,114	493,117
Long-term liabilities:			
Long-term debt (Notes 7 and 17)	85,600	87,600	910,638
Lease obligations (Notes 7 and 14)	94	105	1,000
Accrued employees' pension and severance costs (Note 9)	4,271	4,198	45,436
Accrued directors' severance benefits	967	1,114	10,287
Provision for environmental remediation	321	336	3,414
Deposits received	5,409	5,807	57,542
Deferred tax liabilities (Note 10)	5,699	2,688	60,627
Other	1,066	1,052	11,340
Total long-term liabilities	103,429	102,903	1,100,308
Total liabilities	149,783	164,018	1,593,436
Contingent Liabilities (Note 15)			
Net assets			
Shareholders' equity:			
Common stock, without par value:			
Authorized: 600,000,000 shares at March 31, 2013 and 2012			
Issued: 210,383,202 shares at March 31, 2013 and 2012	11,599	11,599	123,393
Capital surplus (Note 11)	21,227	21,209	225,819
Retained earnings (Notes 11 and 21)	170,099	162,149	1,809,563
Treasury stock, at cost:			
10,651,103 shares at March 31, 2013 and			
5,331,687 shares at March 31, 2012	(10,352)	(5,275)	(110,127)
Deposit for subscriptions to treasury stock	78	–	829
Total shareholders' equity	192,651	189,682	2,049,478
Accumulated other comprehensive income (loss):			
Unrealized holding gain (loss) on securities, net of taxes	5,867	(392)	62,414
Deferred hedge gain (loss), net of taxes	19	15	202
Foreign currency translation adjustments	(10,918)	(22,618)	(116,148)
Unfunded retirement benefit obligation of overseas subsidiaries	(1,054)	(924)	(11,212)
Total accumulated other comprehensive income (loss)	(6,085)	(23,920)	(64,734)
Stock acquisition rights	115	179	1,223
Minority interests	1,174	1,410	12,489
Total net assets	187,856	167,352	1,998,468
Total liabilities and net assets	¥337,639	¥331,371	$3,591,904

See accompanying notes to consolidated financial statements.

Consolidated Statements of Income

KIKKOMAN CORPORATION and Consolidated Subsidiaries
Years ended March 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars (Note 4)
	2013	2012	**2013**
Net sales	**¥300,200**	¥283,239	**$3,193,617**
Cost of sales (Notes 9 and 12)	**176,987**	168,669	**1,882,840**
Gross profit	**123,213**	114,569	**1,310,776**
Selling, general and administrative expenses (Notes 9 and 12)	**103,396**	96,805	**1,099,957**
Operating income	**19,817**	17,764	**210,819**
Other income (expenses):			
Interest and dividend income	**930**	722	**9,893**
Equity in earnings of unconsolidated subsidiaries and affiliates	**695**	232	**7,393**
Unrealized gain on derivatives	**2,663**	164	**28,329**
Interest expenses	**(1,570)**	(1,505)	**(16,702)**
Foreign exchange losses, net	**(2,888)**	(232)	**(30,723)**
Gain on sales of securities	**92**	31	**978**
Gain on sales of property, plant and equipment	**308**	1,745	**3,276**
Subsidy income	**854**	–	**9,085**
Compensation income	**635**	23	**6,755**
Gain on reversal of accrued employees' pension and severance costs	**–**	65	**–**
Loss on disposal of property, plant and equipment	**(553)**	(329)	**(5,882)**
Loss on reduction of property, plant and equipment	**(854)**	–	**(9,085)**
Loss on revaluation of investment securities	**(951)**	(43)	**(10,117)**
Loss on impairment of fixed assets	**(458)**	(427)	**(4,872)**
Loss on revaluation of golf club memberships	**(1)**	(6)	**(10)**
Expenses related to change of corporate names of subsidiaries and affiliates	**–**	(70)	**–**
Loss on disaster (Note 13)	**–**	(701)	**–**
Other, net	**(1,007)**	(1,998)	**(10,712)**
Income before income taxes and minority interests	**17,711**	15,431	**188,414**
Income taxes (Note 10):			
Current	**6,195**	4,343	**65,904**
Deferred	**401**	2,053	**4,265**
	6,596	6,397	**70,170**
Income before minority interests	**11,114**	9,034	**118,234**
Minority interests	**(102)**	(51)	**(1,085)**
Net income (Note 16)	**¥ 11,012**	¥ 8,983	**$ 117,148**

See accompanying notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

KIKKOMAN CORPORATION and Consolidated Subsidiaries
Years ended March 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars (Note 4)
	2013	2012	2013
Income before minority interests	¥11,114	¥ 9,034	$118,234
Other comprehensive income:			
Unrealized holding gain (loss) on securities, net of taxes	5,341	809	56,819
Deferred hedge gain (loss), net of taxes	7	0	74
Foreign currency translation adjustments	11,072	(1,394)	117,787
Unfunded retirement benefit obligation of overseas subsidiaries	(130)	(236)	(1,382)
Share of other comprehensive income of affiliates accounted for using the equity method	1,457	12	15,500
Total other comprehensive income (loss)	¥17,750	¥ (807)	$188,829
Comprehensive income	¥28,864	¥ 8,227	$307,063
Total comprehensive income attributable to:			
Owners of the Company	¥28,741	¥ 8,177	$305,755
Minority interests	123	49	1,308

See accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Net Assets

KIKKOMAN CORPORATION and Consolidated Subsidiaries
Years ended March 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars (Note 4)
	2013	2012	2013
Shareholders' equity			
Common stock			
Balance at beginning and end of the period (210,383,202 shares at March 31, 2013 and 2012)	¥ 11,599	¥ 11,599	$ 123,393
Capital surplus (Note 11)			
Balance at beginning of the period	¥ 21,209	¥ 21,210	$ 225,627
Disposal of treasury stock	18	(1)	191
Balance at end of the period	¥ 21,227	¥ 21,209	$ 225,819
Retained earnings (Notes 11 and 21)			
Balance at beginning of the period	¥162,149	¥156,248	$1,724,989
Net income	11,012	8,983	117,148
Cash dividends	(3,081)	(3,082)	(32,776)
Increase due to change in accounting period of consolidated subsidiaries	17	–	180
Increase due to change in accounting period of affiliates accounted for using the equity method	0	–	0
Balance at end of the period	¥170,099	¥162,149	$1,809,563
Treasury stock			
Balance at beginning of the period	¥ (5,275)	¥ (5,214)	$ (56,117)
Purchase of treasury stock	(5,113)	(71)	(54,393)
Disposal of treasury stock	43	10	457
Increase due to change in investment on affiliates accounted for using the equity method	(7)	–	(74)
Balance at end of the period	¥(10,352)	¥ (5,275)	$ (110,127)
Deposit for subscriptions to treasury stock			
Balance at beginning of the period	¥ –	¥ –	$ –
Advance received for subscriptions to treasury stock	78	–	829
Balance at end of the period	¥ 78	¥ –	$ 829
Total shareholders' equity			
Balance at beginning of the period	¥189,682	¥183,844	$2,017,893
Net income	11,012	8,983	117,148
Cash dividends	(3,081)	(3,082)	(32,776)
Increase due to change in accounting period of consolidated subsidiaries	17	–	180
Increase due to change in accounting period of affiliates accounted for using the equity method	0	–	0
Purchase of treasury stock	(5,113)	(71)	(54,393)
Disposal of treasury stock	62	9	659
Advance received for subscriptions to treasury stock	78	–	829
Increase due to change in investment on affiliates accounted for using the equity method	(7)	–	(74)
Balance at end of the period	¥192,651	¥189,682	$2,049,478
Accumulated other comprehensive income (loss)			
Unrealized holding gain (loss) on securities, net of taxes			
Balance at beginning of the period	¥ (392)	¥ (1,230)	$ (4,170)
Net change during the period	6,260	837	66,595
Balance at end of the period	¥ 5,867	¥ (392)	$ 62,414
Deferred hedge gain (loss), net of taxes			
Balance at beginning of the period	¥ 15	¥ (0)	$ 159
Net change during the period	4	15	42
Balance at end of the period	¥ 19	¥ 15	$ 202
Foreign currency translation adjustments			
Balance at beginning of the period	¥(22,618)	¥(21,194)	$ (240,617)
Net change during the period	11,699	(1,424)	124,457
Balance at end of the period	¥(10,918)	¥(22,618)	$ (116,148)
Unfunded retirement benefit obligation of overseas subsidiaries			
Balance at beginning of the period	¥ (924)	¥ (688)	$ (9,829)
Net change during the period	(130)	(236)	(1,382)
Balance at end of the period	¥ (1,054)	¥ (924)	$ (11,212)
Total accumulated other comprehensive income (loss)			
Balance at beginning of the period	¥(23,920)	¥(23,113)	$ (254,468)
Net change during the period	17,834	(806)	189,723
Balance at end of the period	¥ (6,085)	¥(23,920)	$ (64,734)

	Millions of yen		Thousands of U.S. dollars (Note 4)
	2013	2012	2013
Stock acquisition rights			
Balance at beginning of the period	¥ 179	¥ 179	$ 1,904
Net change during the period	(63)	–	(670)
Balance at end of the period	¥ 115	¥ 179	$ 1,223
Minority interests			
Balance at beginning of the period	¥ 1,410	¥ 1,690	$ 15,000
Net change during the period	(235)	(279)	(2,500)
Balance at end of the period	¥ 1,174	¥ 1,410	$ 12,489
Total net assets			
Balance at beginning of the period	¥167,352	¥162,600	$1,780,340
Net income	11,012	8,983	117,148
Cash dividends	(3,081)	(3,082)	(32,776)
Increase due to change in accounting period of consolidated subsidiaries	17	–	180
Increase due to change in accounting period of affiliates accounted for using the equity method	0	–	0
Purchase of treasury stock	(5,113)	(71)	(54,393)
Disposal of treasury stock	62	9	659
Advance received for subscriptions to treasury stock	78	–	829
Increase due to change in investment on affiliates accounted for using the equity method	(7)	–	(74)
Net change during the period	17,534	(1,086)	186,531
Balance at end of the period	¥187,856	¥167,352	$1,998,468

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

KIKKOMAN CORPORATION and Consolidated Subsidiaries
Years ended March 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars (Note 4)
	2013	2012	2013
Cash flows from operating activities			
Income before income taxes and minority interests	¥ 17,711	¥ 15,431	$ 188,414
Depreciation and amortization	12,160	12,611	129,361
Loss on impairment of fixed assets	458	427	4,872
Increase (decrease) in accrued employees' pension and severance costs	564	328	6,000
Increase (decrease) in accrued directors' severance benefits	(148)	(17)	(1,574)
Increase (decrease) in provision for loss on disaster	(50)	(442)	(531)
Interest and dividend income	(930)	(722)	(9,893)
Interest expenses	1,570	1,505	16,702
Equity in earnings of unconsolidated subsidiaries and affiliates	(695)	(232)	(7,393)
Gain on sales of property, plant and equipment	(320)	(1,755)	(3,404)
Gain on sales of securities	(92)	(31)	(978)
Compensation income	(635)	(23)	(6,755)
Loss on disposal of property, plant and equipment	767	592	8,159
Loss on revaluation of investment securities	951	43	10,117
(Increase) decrease in trade notes and accounts receivable	(1,100)	(3,809)	(11,702)
(Increase) decrease in inventories	(814)	(3,513)	(8,659)
Increase (decrease) in trade notes and accounts payable	(861)	1,045	(9,159)
Other	(41)	1,472	(436)
Subtotal	28,493	22,910	303,117
Interest and dividends received	1,322	1,052	14,063
Interest paid	(1,682)	(1,392)	(17,893)
Proceeds from compensation	635	23	6,755
Income taxes paid	(4,029)	(6,209)	(42,861)
Net cash provided by operating activities	24,738	16,384	263,170
Cash flows from investing activities			
Acquisition of property, plant and equipment	(11,942)	(17,912)	(127,042)
Proceeds from sales of property, plant and equipment	251	2,216	2,670
Acquisition of intangible assets	(810)	(1,310)	(8,617)
Acquisition of investment securities	(2,121)	(6,936)	(22,563)
Proceeds from sales of investment securities	293	42	3,117
Purchase of investments in subsidiary accompanied by change in scope of consolidation	(343)	–	(3,648)
Addition to loans receivable	(601)	(266)	(6,393)
Collection of loans receivable	176	195	1,872
Other	(599)	(661)	(6,372)
Net cash used in investing activities	(15,698)	(24,632)	(167,000)
Cash flows from financing activities			
Increase (decrease) in short-term bank loans	1,016	1,413	10,808
Repayment of long-term debt	(2,150)	(2,200)	(22,872)
Proceeds from issuance of bonds	–	29,827	–
Redemption of bonds	(20,000)	–	(212,765)
Proceeds from exercise of stock option	131	–	1,393
Acquisition of treasury stock	(5,113)	(71)	(54,393)
Cash dividends paid	(3,089)	(3,094)	(32,861)
Other	(127)	(76)	(1,351)
Net cash provided by (used in) financing activities	(29,331)	25,797	(312,031)
Effect of exchange rate changes on cash and cash equivalents	2,109	(537)	22,436
Net increase (decrease) in cash and cash equivalents	(18,182)	17,012	(193,425)
Cash and cash equivalents at beginning of the year	45,867	28,855	487,946
Increase in cash and cash equivalents resulting from change in accounting period of consolidated subsidiaries	69	–	734
Cash and cash equivalents at end of the year (Note 5)	¥ 27,754	¥ 45,867	$ 295,255

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

KIKKOMAN CORPORATION and Consolidated Subsidiaries
Years ended March 31, 2013 and 2012

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 generally accepted 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 Financial Instruments and Exchange Act of Japan and have been prepared in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

As permitted by the Financial Instruments and Exchange Act of Japan, 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.

The consolidated financial statements for the previous fiscal year have been reclassified to conform to the current year's presentation.

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 inter-company 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 between the acquisition costs and the underlying net equities in investments in consolidated subsidiaries are recorded as goodwill in the consolidated balance sheets and amortized using the straight-line method over their estimated useful lives or a period of five years. Any immaterial amounts are charged or credited to income in the year of acquisition.

(b) Foreign currency translation

Income and expenses in foreign currencies are translated at the rates prevailing at the time of the transaction. Except as noted in (m) Derivatives below, all monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen at the year-end rates. Resulting exchange gains or losses are charged or credited to income for the year.

Revenue and expense accounts of foreign consolidated subsidiaries are translated at the average exchange rates in effect during the year. Except for shareholders' equity, the balance sheet accounts of foreign consolidated subsidiaries 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 foreign currency translation adjustments or minority interests as a separate component of net assets.

(c) Cash equivalents

For the purposes of the consolidated statements of cash flows, the Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

(d) Securities

Marketable securities classified as other securities are carried at fair value with any unrealized gains and losses reported as a separate component of accumulated other comprehensive income, net of taxes. Non-marketable securities classified as other securities are carried at cost. Cost of securities sold is mainly determined by the moving average method.

(e) Inventories

Inventories are mainly stated at cost determined by the periodic average method.

In cases where the profitability has declined, the book value is reduced accordingly.

(f) Depreciation and amortization

Property, plant and equipment (excluding leased assets)

Buildings	In general, the straight-line method is adopted.
Assets other than buildings	In general, the declining-balance method is adopted by the Company and its domestic consolidated subsidiaries. However, the straight-line method is adopted for certain rental assets of the Company and by foreign consolidated subsidiaries.

The ranges of useful lives are as follows:

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

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

Software for internal use is amortized over an estimated useful life of 5 years.

The straight-line method is adopted for depreciation of leased assets, with the lease period set as the useful life and the residual value as zero.

(g) Accrued employees' and directors' bonuses

Accrued employees' and directors' bonuses are provided based on the estimated amounts to be paid.

(h) Accrued employees' pension and severance costs

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

Prior service cost is amortized by the straight-line method over a period of 10 years (excluding certain consolidated subsidiaries) which is shorter than the average remaining years of service of the active participants in the plans.

The adjustment made during the fiscal year arising from revisions to the actuarial assumptions (the "actuarial gain or loss") is amortized by the straight-line method beginning the following fiscal year over a period of 10 years, which is shorter than the average remaining years of service of the active participants in the plans.

Certain consolidated subsidiaries have defined contribution plans in addition to defined benefit plans.

(i) Accrued directors' severance benefits

Certain directors, corporate auditors and corporate officers of the Company and certain domestic consolidated subsidiaries are entitled to lump-sum payments under their respective unfunded retirement allowance plans. Provision for retirement allowances for these officers has been made at the estimated amounts which would be paid if all directors and corporate officers resigned as of the balance sheet dates.

(j) Provision for environmental remediation

In preparation for payments relating to disposal of polychlorinated biphenyl (PCB) and other wastes under the "Law Concerning Special Measures Against PCB Waste", a provision for environmental remediation has been made for the estimated costs to be incurred.

(k) 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 are expected to be in effect when the differences are expected to reverse.

The Company and certain domestic consolidated subsidiaries apply the Japanese consolidated taxation system.

(l) Research and development costs

Research and development costs are charged to income as incurred.

(m) 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 but not for speculative purposes. Derivatives are stated at fair value with any changes in unrealized gain or loss charged or credited to income, except for those which meet the criteria for deferral hedge accounting under which unrealized gain or loss is deferred as a separate component of accumulated other comprehensive income, net of taxes. Payables hedged by qualified forward foreign exchange contracts are translated at the corresponding contract rates.

(n) Appropriation of retained earnings

Under the Corporation Law of Japan, 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 financial statements for that period do not, therefore, reflect such appropriations.

3. Accounting Standards Issued but Not Yet Applied

Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, issued on May 17, 2012) and Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, issued on May 17, 2012)

Under the revised accounting standard, unrecognized actuarial differences and unrecognized prior service costs will be recorded in accumulated other comprehensive income in the "Net assets" section after adjusting tax effects, and the funding deficit or surplus shall be recognized as a liability or asset.

Actuarial differences and prior service cost incurred and not expensed in the current year shall be recorded in other comprehensive income.

Unrecognized actuarial differences and unrecognized prior service costs recorded in accumulated other comprehensive income in prior years and expensed in the current year under review shall be treated as reclassification adjustments.

The Company expects to apply the revised accounting standard effective in the fiscal year beginning on or after April 1, 2013.

The effect of adoption of this revised accounting standard is currently under the evaluation.

4. 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 ¥94 = U.S.$1.00, the approximate rate of exchange in effect on March 31, 2013. The translation should not be construed as a representation that yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at the above or any other rate.

5. Cash and Cash Equivalents

The components of cash and cash equivalents in the consolidated statements of cash flows as of March 31, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars
As of March 31,	**2013**	2012	**2013**
Cash and deposits	**¥30,598**	¥27,941	**$325,510**
Short-term investment securities	**131**	20,131	**1,393**
Time deposits with maturities of more than three months	**(2,975)**	(2,205)	**(31,648)**
Cash and cash equivalents	**¥27,754**	¥45,867	**$295,255**

6. Fair Value of Securities

As of March 31, 2013 and 2012, the Company and its consolidated subsidiaries did not possess any securities classified as trading securities and held-to-maturity securities. Securities classified as other securities are included in "short-term investment securities" and "investments securities" in the accompanying consolidated balance sheets.

The components of unrealized gain or loss on marketable securities classified as other securities as of March 31, 2013 and 2012 are summarized as follows:

			Millions of yen			Thousands of U.S. dollars
As of March 31, 2013	Acquisition costs	Carrying value	Unrealized gain (loss)	Acquisition costs	Carrying value	Unrealized gain (loss)
Unrealized gain:						
Stocks	**¥13,523**	**¥25,246**	**¥11,723**	**$143,861**	**$268,574**	**$124,712**
Unrealized loss:						
Stocks	**10,943**	**8,680**	**(2,263)**	**116,414**	**92,340**	**(24,074)**
Other	**131**	**131**	**–**	**1,393**	**1,393**	**–**
	11,075	**8,811**	**(2,263)**	**117,819**	**93,734**	**(24,074)**
Total	**¥24,598**	**¥34,058**	**¥ 9,459**	**$261,680**	**$362,319**	**$100,627**

			Millions of yen
As of March 31, 2012	Acquisition costs	Carrying value	Unrealized gain (loss)
Unrealized gain:			
Stocks	¥12,197	¥17,218	¥ 5,021
Unrealized loss:			
Stocks	13,157	9,324	(3,832)
Other	20,131	20,131	–
	33,288	29,455	(3,832)
Total	¥45,486	¥46,674	¥ 1,188

Proceeds from sales of securities classified as other securities amounted to ¥319 million ($3,393 thousand) and ¥42 million with an aggregate gain on sales of ¥92 million ($978 thousand) and ¥31 million for the years ended March 31, 2013 and 2012, respectively.

7. Long-Term Debt and Credit Facilities

Long-term debt and lease obligations as of March 31, 2013 and 2012 consisted of the following:

		Millions of yen	Thousands of U.S. dollars
As of March 31,	**2013**	2012	**2013**
0.98% unsecured bonds, payable in yen, due 2012	**¥ –**	¥ 20,000	**$ –**
1.89% unsecured bonds, payable in yen, due 2016	**20,000**	20,000	**212,765**
1.88% unsecured bonds, payable in yen, due 2017	**20,000**	20,000	**212,765**
1.312% unsecured bonds, payable in yen, due 2021	**30,000**	30,000	**319,148**
Loans from banks	**17,600**	19,750	**187,234**
Lease obligations	**151**	173	**1,606**
	87,751	109,923	**933,521**
Less: Current portion	**2,057**	22,218	**21,882**
	¥85,694	¥ 87,705	**$911,638**

The annual maturities of long-term debt and lease obligations subsequent to March 31, 2013 are summarized as follows:

	Millions of yen	Thousands of U.S. dollars
Years ending March 31,	2013	2013
2014	¥ 2,057	$ 21,882
2015	2,647	28,159
2016	22,033	234,393
2017	2,011	21,393
2018 and thereafter	59,002	627,680
	¥87,751	$933,521

The Company and its consolidated subsidiaries have lines of credit from banks that provided for up to ¥ 37,362 million ($397,468 thousand) and ¥39,727 million in borrowings as of March 31, 2013 and 2012, respectively. There were ¥4,789 million ($50,946 thousand) and ¥3,783 million of short-term bank loans outstanding under these credit facilities as of March 31, 2013 and 2012, respectively.

8. Pledged Assets

The assets pledged as collateral for short-term bank loans as of March 31, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars
As of March 31,	2013	2012	2013
Trade notes and accounts receivable	¥470	¥410	$5,000

9. Accrued Employees' Pension and Severance Costs

The Company and its domestic consolidated subsidiaries have defined benefit corporate 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. The Company has established a pension trust fund. Certain consolidated subsidiaries have defined contribution plans in addition to defined benefit plans.

The projected benefit obligation and funded status of the defined benefit plans as of March 31, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars
As of March 31,	2013	2012	2013
Projected benefit obligation	¥(41,787)	¥(41,100)	$(444,542)
Plan assets at fair value	38,559	34,257	410,202
Unfunded benefit obligation	(3,227)	(6,843)	(34,329)
Unrecognized actuarial gain or loss	3,832	8,555	40,765
Unrecognized prior service cost (Reduction of obligation)	(344)	(707)	(3,659)
Prepaid pension and severance costs	4,532	5,203	48,212
Accrued employees' pension and severance costs	¥ (4,271)	¥ (4,198)	$ (45,436)

The components of net periodic pension and severance costs for the years ended March 31, 2013 and 2012 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
Years ended March 31,	2013	2012	2013
Service cost	¥1,512	¥1,448	$16,085
Interest cost on projected benefit obligation	896	902	9,531
Expected return on plan assets	(829)	(796)	(8,819)
Amortization of prior service cost	(363)	(363)	(3,861)
Amortization of actuarial differences	1,623	2,050	17,265
Other	324	259	3,446
Total	¥3,163	¥3,501	$33,648

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

Years ended March 31,	2013	2012
Discount rate	**Mainly 2.0 %**	Mainly 2.0 %
Expected rate of return on plan assets	**Mainly 2.0 – 3.5 %**	Mainly 2.0 – 3.5 %
Method of attributing retirement benefits to periods of service	**Periodic allocation method for projected benefit obligations**	Periodic allocation method for projected benefit obligations
Amortization period of unrecognized prior service cost	**10 years**	10 years
Amortization period of unrecognized actuarial differences	**10 years**	10 years

10. Income Taxes

Income taxes applicable to the Company and its domestic consolidated subsidiaries comprise corporation tax, inhabitant tax and enterprise tax which, in the aggregate, resulted in a statutory tax rate of approximately 37.8% and 40.5% for the years ended March 31, 2013 and 2012, respectively.

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

The significant components of deferred tax assets and liabilities as of March 31, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars
As of March 31,	2013	2012	2013
Deferred tax assets:			
Inventories	**¥ 260**	¥ 263	**$ 2,765**
Loss on impairment of property, plant and equipment	**2,328**	2,343	**24,765**
Other accounts payable	**1,578**	1,477	**16,787**
Allowance for doubtful receivables	**410**	616	**4,361**
Accrued employees' bonus	**829**	827	**8,819**
Accrued pension and severance costs	**4,581**	4,789	**48,734**
Unrealized profit	**441**	362	**4,691**
Other	**3,836**	3,830	**40,808**
Valuation allowance	**(2,319)**	(2,153)	**(24,670)**
Total deferred tax assets	**11,948**	12,358	**127,106**
Deferred tax liabilities:			
Depreciation	**(2,578)**	(2,132)	**(27,425)**
Deferred capital gain	**(2,860)**	(2,720)	**(30,425)**
Gain on establishment of pension trust fund	**(2,786)**	(3,426)	**(29,638)**
Unrealized holding gains on securities	**(3,353)**	(413)	**(35,670)**
Adjustment for change in measurement of inventories	**(398)**	(534)	**(4,234)**
Other	**(394)**	(38)	**(4,191)**
Total deferred tax liabilities	**(12,373)**	(9,266)	**(131,627)**
Deferred tax assets (liabilities), net	**¥ (424)**	¥ 3,092	**$ (4,510)**

Reconciliations of the difference between the statutory tax rate and the effective tax rate for the years ended March 31, 2013 and 2012 are not disclosed because the difference between the two tax rates was less than 5% of the statutory tax rate.

11. Capital Surplus and Retained Earnings

The Corporation Law of Japan provides that an amount equal to 10% of the amount to be distributed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of common stock. Such distributions can be made at any time by resolution of the shareholders or by the Board of Directors if certain conditions are met, but neither the capital reserve nor the legal reserve is available for distribution.

12. Research and Development Expenses

Research and development expenses included in cost of sales and, selling, general and administrative expenses for the years ended March 31, 2013 and 2012 were ¥3,727 million ($39,648 thousand) and ¥3,567 million, respectively.

13. Loss on Disaster

Loss on disaster is recognized for losses resulting from the Great East Japan Earthquake.

The loss on disaster for the years ended March 31, 2013 and 2012 is summarized as follows:

	Millions of yen		Thousands of U.S. dollars
Years ended March 31,	**2013**	2012	**2013**
Inspection expenses	**¥–**	¥276	**$–**
Logistics expenses	**–**	217	**–**
Other	**–**	207	**–**
Total	**¥–**	¥701	**$–**

14. Leases

(a) Finance leases

Finance leases, except for leases under which the ownership of the leased assets is considered to be transferred to the lessee, whose inception dates were on or before March 31, 2008, are accounted for in the same manner as operating leases. The details are omitted due to the immateriality.

(b) Operating leases

As lessee:

Future minimum lease payments subsequent to March 31, 2013 and 2012 for non-cancelable operating leases are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
As of March 31,	**2013**	2012	**2013**
Within 1 year	**¥1,944**	¥1,644	**$20,680**
Over 1 year	**4,377**	4,546	**46,563**
	¥6,321	¥6,191	**$67,244**

15. Contingent Liabilities

The Company and its consolidated subsidiaries had the following contingent liabilities as of March 31, 2013 and 2012:

	Millions of yen		Thousands of U.S. dollars
As of March 31,	**2013**	2012	**2013**
As guarantor of indebtedness of:			
Unconsolidated subsidiaries	**¥793**	¥1,061	**$8,436**
Employees	**–**	2	**–**
Others	**83**	84	**882**
	¥876	¥1,147	**$9,319**

16. 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 has been omitted because no potentially dilutive instruments were outstanding during the years ended March 31, 2013 and 2012.

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 fiscal years.

	Yen		U.S. dollars
Years ended March 31,	2013	2012	2013
Net income:			
Basic	¥ 54.87	¥ 43.80	$0.58
Net assets	933.68	808.40	9.93
Cash dividends applicable to the year	20.00	15.00	0.21

17. Financial Instruments

(a) Policy for financial instruments

In light of plans for capital investment, the Company and its subsidiaries mainly raise the funds required through bank loans and bond issuance. The Company and its subsidiaries manage temporary fund surpluses through financial assets that have a high level of liquidity. Further, the Company and its subsidiaries raise short-term working capital through bank loans. Derivative transactions are used in order to mitigate risk as described below, such that speculative transactions are not undertaken based on the Company's policy.

Trade receivables (trade notes and accounts receivable) are exposed to credit risk in relation to customers. Each operating department and the accounting department performs periodic monitoring of the financial condition of major customers, manages due dates and balances, and obtains a prompt understanding and attempts to mitigate the risk of uncollectable receivables in the event of deterioration in a customer's financial condition.

Investment securities are exposed to variable risks associated with market prices. The Company performs periodic monitoring of the financial condition of the issuers for marketable investment securities. A continuing review of the holding of securities, other than held-to-maturity securities, is performed by taking into consideration the market as well as the relationship with the trading counterparties.

Accounts payable have payment due dates mostly within two months. Loans payable and bonds primarily are raised for capital investment and have payment due dates within eight years and nine months at the longest.

Derivative transactions consist of foreign exchange forward contracts entered into in order to hedge currency-associated variable risks that arise from foreign currency-denominated operating receivables and payables, and interest rate swap transactions to hedge variable risk of interest related to loans payable. Enforcement and management of derivative transactions is performed by obtaining the appropriate personnel approval under the administrative procedures for trading authority and budget limits. Derivative transactions are not subject to significant credit risk since the trading counterparties are limited to financial institutions with high credit ratings.

(b) Fair value of financial instruments

The carrying value on the consolidated balance sheets, fair value and differences between carrying value and fair value for financial instruments as of March 31, 2013 and 2012 are set out below. The following table does not include financial instruments for which fair values are difficult to determine.

	Millions of yen			Thousands of U.S. dollars		
As of March 31, 2013	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
(1) Cash and deposits	¥ 30,598	¥ 30,598	¥ –	$ 325,510	$ 325,510	$ –
(2) Trade notes and accounts receivable	45,496	45,496	–	484,000	484,000	–
(3) Investment securities	34,058	34,058	–	362,319	362,319	–
Total assets	110,152	110,152	–	1,171,829	1,171,829	–
(1) Trade notes and accounts payable	16,161	16,161	–	171,925	171,925	–
(2) Other accounts payable	13,447	13,447	–	143,053	143,053	–
(3) Short-term bank loans (*2)	5,338	5,338	–	56,787	56,787	–
(4) Bonds	70,000	74,242	4,242	744,680	789,808	45,127
(5) Long-term bank loans (*2)	17,600	18,407	807	187,234	195,819	8,585
Total liabilities	122,547	127,597	5,049	1,303,691	1,357,414	53,712
Derivatives (*1)	¥ 3,068	¥ 3,068	¥ –	$ 32,638	$ 32,638	$ –

	Millions of yen		
As of March 31, 2012	Carrying amount	Fair value	Difference
(1) Cash and deposits	¥ 27,941	¥ 27,941	¥ –
(2) Trade notes and accounts receivable	42,274	42,274	–
(3) Investment securities	46,674	46,674	–
Total assets	116,890	116,890	–
(1) Trade notes and accounts payable	15,474	15,474	–
(2) Other accounts payable	11,756	11,756	–
(3) Short-term bank loans (*2)	4,262	4,262	–
(4) Bonds (*3)	90,000	93,154	3,154
(5) Long-term bank loans (*2)	19,750	20,405	655
Total liabilities	141,243	145,053	3,809
Derivatives (*1)	¥ (235)	¥ (235)	¥ –

(*1) The carrying amount and fair value of derivative transactions are stated on a net basis. Figures in parentheses represent net liabilities.
(*2) Long-term bank loans include the current portion of long-term debt.
(*3) Bonds include the current portion of bonds.

Methods for calculating fair values of financial instruments

• Assets

(1) Cash and deposits, (2) Trade notes and accounts receivable

Since these assets are short-term in nature, their carrying value approximates fair value.

(3) Investment securities

Since securities such as free financial funds are short-term in nature, their carrying value approximates fair value.

The fair value of investment securities is based on the quoted market prices for listed shares.

Unlisted stocks and others with a carrying amount of ¥4,373 million ($46,521 thousand) and ¥2,818 million as of March 31, 2013 and 2012, respectively, are excluded from investment securities in the above table, since they have no market values and their fair values are difficult to determine.

Information on investment securities categorized by holding purpose is set out in “Note 6. Fair Value of Securities”.

• Liabilities

(1) Trade notes and accounts payable, (2) Other accounts payable, (3) Short-term bank loans

Since these liabilities are short-term in nature, their carrying value approximates fair value.

(4) Bonds

Fair value of corporate bonds is determined based on present values calculated by discounting the total principal and interest using interest rates corresponding to the credit risk and remaining period of the bond.

(5) Long-term debt

Fair value of long-term debt is calculated by discounting the total principal and interest using the incremental borrowing rate. Fair value of long-term debt with variable interest rates for which the special treatment for interest rate swaps is adopted is calculated by discounting the total principal and interest using the interest rate of similar borrowings.

• Derivatives

Information on derivatives is set out in “Note 18. Derivatives”.

18. Derivatives

Summarized below are the notional amounts and the estimated fair value of the open derivative positions as of March 31, 2013 and 2012:

(a) Hedge accounting not applied
Currency related transactions

					Millions of yen
As of March 31, 2013 Classification	Type of transaction	Notional amount	Over 1 year	Fair value	Unrealized gain (loss)
Non-market transactions	Forward foreign exchange contracts:				
	Sell:				
	USD	¥ 1,581	¥ –	¥ (7)	¥ (7)
	SEK	92	92	(4)	(4)
	Buy:				
	USD	17,241	13,292	3,084	3,084
	EUR	13	–	(0)	(0)
	SEK	70	–	(0)	(0)
	GBP	13	–	0	0
	SGD	12	–	(0)	(0)
	YEN	450	–	(1)	(1)
	Currency / interest rate swaps:				
	Fixed Receipt (USD) / Fixed Payment (EUR)	58	–	(3)	(3)
	Fixed Receipt (EUR) / Fixed Payment (THB)	77	–	(15)	(15)
Total		¥19,611	¥13,384	¥3,052	¥3,052

					Thousands of U.S. dollars
As of March 31, 2013 Classification	Type of transaction	Notional amount	Over 1 year	Fair value	Unrealized gain (loss)
Non-market transactions	Forward foreign exchange contracts:				
	Sell:				
	USD	$ 16,819	$ –	$ (74)	$ (74)
	SEK	978	978	(42)	(42)
	Buy:				
	USD	183,414	141,404	32,808	32,808
	EUR	138	–	(0)	(0)
	SEK	744	–	(0)	(0)
	GBP	138	–	0	0
	SGD	127	–	(0)	(0)
	YEN	4,787	–	(10)	(10)
	Currency / interest rate swaps:				
	Fixed Receipt (USD) / Fixed Payment (EUR)	617	–	(31)	(31)
	Fixed Receipt (EUR) / Fixed Payment (THB)	819	–	(159)	(159)
Total		$208,627	$142,382	$32,468	$32,468

					Millions of yen
As of March 31, 2012 Classification	Type of transaction	Notional amount	Over 1 year	Fair value	Unrealized gain (loss)
Non-market transactions	Forward foreign exchange contracts:				
	Sell:				
	USD	¥ 1,871	¥ –	¥ (39)	¥ (39)
	HKD	16	–	(1)	(1)
	Buy:				
	USD	13,485	8,957	(161)	(161)
	EUR	33	–	(0)	(0)
	GBP	7	–	(0)	(0)
	SGD	7	–	(0)	(0)
	YEN	459	–	(7)	(7)
	Currency / interest rate swaps:				
	Fixed Receipt (USD) / Fixed Payment (EUR)	103	49	(11)	(11)
	Fixed Receipt (EUR) / Fixed Payment (THB)	132	63	(15)	(15)
Total		¥16,117	¥9,070	¥(238)	¥(238)

(Notes)

1. Fair value is calculated based on the prices provided by financial institutions.
2. The amounts in the table above include the profit or loss due to eliminating inter-company balances in consolidation.

(b) Hedge accounting applied

Currency related transactions

					Millions of yen
As of March 31, 2013 Hedge accounting method	Type of transaction	Hedged item	Contract amounts	Over 1 year	Fair value
Currency forward contracts	Forward foreign exchange contracts:				
	Sell:				
	USD	Accounts receivable	¥145	¥–	(Note 2)
	Buy:				
	USD	Accounts payable	254	–	(Note 2)
	EUR		5	–	(Note 2)
	JPY		2	–	(Note 2)
Deferral hedge accounting	Sell:				
	USD	Accounts receivable	5	–	0
	Buy:				
	USD	Accounts payable	737	–	15
	EUR		¥ 1	¥–	¥ 0

					Thousands of U.S. dollars
As of March 31, 2013 Hedge accounting method	Type of transaction	Hedged item	Contract amounts	Over 1 year	Fair value
Currency forward contracts	Forward foreign exchange contracts:				
	Sell:				
	USD	Accounts receivable	$1,542	$–	(Note 2)
	Buy:				
	USD	Accounts payable	2,702	–	(Note 2)
	EUR		53	–	(Note 2)
	JPY		21	–	(Note 2)
Deferral hedge accounting	Sell:				
	USD	Accounts receivable	53	–	0
	Buy:				
	USD	Accounts payable	7,840	–	159
	EUR		$ 10	$–	$ 0

As of March 31, 2012 Hedge accounting method	Type of transaction	Hedged item	Contract amounts	Over 1 year	Fair value
					Millions of yen
Currency forward contracts	Forward foreign exchange contracts:				
	Sell:				
	USD	Accounts receivable	¥ 96	¥–	(Note 2)
	Buy:				
	USD	Accounts payable	298	–	(Note 2)
	EUR		21	–	(Note 2)
	JPY		5	–	(Note 2)
Deferral hedge accounting	Sell:				
	USD	Accounts receivable	32	–	(0)
	HKD		2	–	(0)
	Buy:				
	USD	Accounts payable	139	–	3
	EUR		¥ 7	¥–	¥ 0

(Notes)

1. Fair value is calculated based on the prices provided by financial institutions.
2. For certain accounts receivable and accounts payable denominated in foreign currencies for which foreign exchange forward contracts are used to hedge the foreign currency fluctuations, the fair value of derivative financial instruments is included in the fair value of the hedged accounts receivable and accounts payable.

Interest related transactions

As of March 31, 2013 Hedge accounting method	Type of transaction	Hedged item	Contract amounts	Over 1 year	Fair value
					Millions of yen
Special treatment for interest swaps	Interest rate swap: Floating Receipt Fixed Payment	Long-term debt	¥17,000	¥15,000	(Note 1)

As of March 31, 2013 Hedge accounting method	Type of transaction	Hedged item	Contract amounts	Over 1 year	Fair value
					Thousands of U.S. dollars
Special treatment for interest swaps	Interest rate swap: Floating Receipt Fixed Payment	Long-term debt	**$180,851**	**$159,574**	(Note 1)

As of March 31, 2012 Hedge accounting method	Type of transaction	Hedged item	Contract amounts	Over 1 year	Fair value
					Millions of yen
Special treatment for interest swaps	Interest rate swap: Floating Receipt Fixed Payment	Long-term debt	¥19,000	¥17,000	(Note 1)

(Note)

1. For certain long-term debt for which the special treatment for interest swaps is used to hedge the variable risk of interest rates, the fair value of derivative financial instruments is included in the fair value of the long-term debt.

19. Rental Properties

The Company and certain consolidated subsidiaries own a number of commercial facilities including land for rent in Chiba prefecture and other locations. Net rental income from such rental properties for the years ended March 31, 2013 and 2012 was ¥773 million ($8,223 thousand) and ¥831 million, respectively. The Company has recorded ¥274 million ($2,914 thousand) and ¥1,740 million of gain on sales of rental properties as other income for the years ended March 31, 2013 and 2012, respectively. The Company has recorded ¥99 million of impairment losses of rental properties as other expenses for the year ended March 31, 2012.

The carrying amount and the fair value of such rental properties as of March 31, 2013 and 2012 were as follows:

As of March 31, 2013	Carrying amount				Carrying amount		
Millions of yen				Thousands of U.S. dollars			
Beginning of fiscal year	Net change during fiscal year	End of fiscal year	Fair value as of March 31, 2013	Beginning of fiscal year	Net change during fiscal year	End of fiscal year	Fair value as of March 31, 2013
¥10,681	**¥(1,741)**	**¥8,939**	**¥21,231**	**$113,627**	**$(18,521)**	**$95,095**	**$225,861**

As of March 31, 2012	Carrying amount		
			Millions of yen
Beginning of fiscal year	Net change during fiscal year	End of fiscal year	Fair value as of March 31, 2012
¥7,002	¥3,679	¥10,681	¥22,731

(Note)

The fair value of significant properties is calculated based on the appraisal standard used by real estate appraisers, and the fair value of immaterial properties is calculated based on the value for property tax assessment.

20. Segment Information

(a) Segment information

i. Overview of reporting segments

Reporting segments are a component or aggregated component for which segment specific financial information is available. The Company's Board of Directors uses this financial information periodically to make decisions on the allocation of management resources and to evaluate business performance.

The Company, as a holding company, mainly plans group strategy, and manages and controls its subsidiaries. The Company divides its domestic business into manufacturing and sales of foods, and other business. The Company divides its overseas business into manufacturing and sales of foods, and the sales of oriental food products. As a result, the Company identified four reporting segments, which are "Domestic Foods – Manufacturing and Sales", "Domestic Others", "Overseas Foods – Manufacturing and Sales" and "Overseas Foods – Wholesale".

"Domestic Foods – Manufacturing and Sales" includes manufacturing and sales of foods in the domestic market, which include soy sauce, beverages and alcoholic beverages.

"Domestic Others" includes manufacturing and sales of pharmaceuticals and chemical products, real estate rental, logistics and back-office operations in the domestic market.

"Overseas Foods – Manufacturing and Sales" includes manufacturing and sales of soy sauce, Del Monte products and health foods in overseas markets, and sales of domestically manufactured products to overseas markets.

"Overseas Foods – Wholesale" includes the purchase of overseas oriental products for sale in domestic and overseas markets and sales of oriental products in domestic and overseas markets.

ii. Methods of calculating amounts for net sales, income or loss, assets, liabilities and other items by reporting segment

Segment income in the following tables is operating income. Intra group sales and transfers were made based on market prices.

iii. Information on sales, income or loss, assets and other items by reporting segment

Millions of yen

As of and for the year ended March 31, 2013	Domestic Foods – Manufacturing and Sales	Domestic Others	Overseas Foods – Manufacturing and Sales	Overseas Foods – Wholesale	Total	Adjustments	Consolidated
Sales and operating income:							
Net sales to third parties	¥153,706	¥ 8,125	¥44,387	¥93,981	¥300,200	¥ –	¥300,200
Intra group sales and transfers	1,108	12,022	6,199	220	19,550	(19,550)	–
Total net sales	154,814	20,147	50,586	94,202	319,751	(19,550)	300,200
Segment income	5,546	1,459	9,053	4,131	20,190	(373)	19,817
Segment assets	117,674	21,312	82,759	43,649	265,395	72,243	337,639
Other items:							
Depreciation and amortization	7,359	1,155	2,106	691	11,313	798	12,112
Amortization of goodwill	1,401	83	199	–	1,683	–	1,683
Increase in tangible and intangible fixed assets	¥ 8,789	¥ 1,378	¥ 2,542	¥ 490	¥ 13,200	¥ 998	¥ 14,199

As of and for the year ended March 31, 2013	Domestic Foods – Manufacturing and Sales	Domestic Others	Overseas Foods – Manufacturing and Sales	Overseas Foods – Wholesale	Total	Adjustments	Consolidated
							Thousands of U.S. dollars
Sales and operating income:							
Net sales to third parties	$1,635,170	$ 86,436	$472,202	$ 999,797	$3,193,617	$ –	$3,193,617
Intra group sales and transfers	11,787	127,893	65,946	2,340	207,978	(207,978)	–
Total net sales	1,646,957	214,329	538,148	1,002,148	3,401,606	(207,978)	3,193,617
Segment income	59,000	15,521	96,308	43,946	214,787	(3,968)	210,819
Segment assets	1,251,851	226,723	880,414	464,351	2,823,351	768,542	3,591,904
Other items:							
Depreciation and amortization	78,287	12,287	22,404	7,351	120,351	8,489	128,851
Amortization of goodwill	14,904	882	2,117	–	17,904	–	17,904
Increase in tangible and intangible fixed assets	$ 93,500	$ 14,659	$ 27,042	$ 5,212	$ 140,425	$ 10,617	$ 151,053

(Notes)

Adjustments are as follows:

(1) Adjustments of ¥373 million ($3,968 thousand) in segment income mainly represent expenses relating to the corporate division of the Company, which totaled ¥349 million ($3,712 thousand).

(2) Adjustments of ¥72,243 million ($768,542 thousand) in segment assets represent the elimination of intersegment assets and assets relating to the corporate division of the Company, which totaled ¥126,455 million ($1,345,265 thousand). Assets relating to the corporate division of the Company consist mainly of cash and deposits and investment securities.

(3) Adjustments of ¥798 million ($8,489 thousand) in depreciation and amortization consist of depreciation of assets related to the corporate division of the Company.

(4) Adjustments of ¥998 million ($10,617 thousand) in increase in tangible and intangible fixed assets consist of asset acquisitions of the corporate division of the Company, which are mainly acquisitions for Kikkoman General Hospital.

As of and for the year ended March 31, 2012	Domestic Foods – Manufacturing and Sales	Domestic Others	Overseas Foods – Manufacturing and Sales	Overseas Foods – Wholesale	Total	Adjustments	Consolidated
							Millions of yen
Sales and operating income:							
Net sales to third parties	¥146,760	¥ 8,182	¥40,894	¥87,400	¥283,239	¥ –	¥283,239
Intra group sales and transfers	1,127	12,320	5,757	232	19,439	(19,439)	–
Total net sales	147,888	20,503	46,652	87,633	302,678	(19,439)	283,239
Segment income	3,610	1,654	8,199	4,094	17,558	205	17,764
Segment assets	116,856	21,094	68,748	35,394	242,093	89,277	331,371
Other items:							
Depreciation and amortization	8,234	1,185	1,996	600	12,016	546	12,562
Amortization of goodwill	1,401	83	189	–	1,673	–	1,673
Increase in tangible and intangible fixed assets	¥ 9,312	¥ 3,765	¥ 2,227	¥ 1,394	¥ 16,699	¥ 1,314	¥ 18,014

(Notes)

Adjustments are as follows:

(1) Adjustments of ¥205 million in segment income mainly represent expenses relating to the corporate division of the Company, which totaled ¥153 million.

(2) Adjustments of ¥89,277 million in segment assets represent the elimination of intersegment assets and assets relating to the corporate division of the Company, which totaled ¥120,552 million. Assets relating to the corporate division of the Company consist mainly of cash and deposits and investment securities.

(3) Adjustments of ¥546 million in depreciation and amortization consist of depreciation of assets related to the corporate division of the Company.

(4) Adjustments of ¥1,314 million in increase in tangible and intangible fixed assets consist of asset acquisitions of the corporate division of the Company, which are mainly acquisitions for Kikkoman General Hospital.

(b) Related information

Information by geographical area

Sales				Millions of yen
For the year ended March 31, 2013	Japan	North America	Other	Total
Amount	¥162,697	¥101,863	¥35,639	¥300,200

Sales				Thousands of U.S. dollars
For the year ended March 31, 2013	Japan	North America	Other	Total
Amount	$1,730,819	$1,083,648	$379,138	$3,193,617

(Note)
Sales are based on the location of customers, and are classified by country or region.

Tangible fixed assets				Millions of yen
As of March 31, 2013	Japan	North America	Other	Total
Net book value	¥77,871	¥19,104	¥6,718	¥103,693

Tangible fixed assets				Thousands of U.S. dollars
As of March 31, 2013	Japan	North America	Other	Total
Net book value	$828,414	$203,234	$71,468	$1,103,117

Information regarding impairment loss on tangible fixed assets by reporting segment

							Millions of yen
For the year ended March 31, 2013	Domestic Foods – Manufacturing and Sales	Domestic Others	Overseas Foods – Manufacturing and Sales	Overseas Foods – Wholesale	Total	Adjustments	Consolidated
Impairment loss	¥–	¥–	¥458	¥–	¥458	¥–	¥458

							Thousands of U.S. dollars
For the year ended March 31, 2013	Domestic Foods – Manufacturing and Sales	Domestic Others	Overseas Foods – Manufacturing and Sales	Overseas Foods – Wholesale	Total	Adjustments	Consolidated
Impairment loss	$–	$–	$4,872	$–	$4,872	$–	$4,872

Information regarding the balance of goodwill by reporting segment

							Millions of yen
As of March 31, 2013	Domestic Foods – Manufacturing and Sales	Domestic Others	Overseas Foods – Manufacturing and Sales	Overseas Foods – Wholesale	Total	Adjustments	Consolidated
Goodwill ending balance	¥18,193	¥1,081	¥2,517	¥–	¥21,792	¥–	¥21,792

							Thousands of U.S. dollars
As of March 31, 2013	Domestic Foods – Manufacturing and Sales	Domestic Others	Overseas Foods – Manufacturing and Sales	Overseas Foods – Wholesale	Total	Adjustments	Consolidated
Goodwill ending balance	$193,542	$11,500	$26,776	$–	$231,829	$–	$231,829

Information regarding amortization of goodwill is omitted, since the same information was disclosed in (a) iii. Information on sales, income or loss, assets and other items by reporting segment.

21. Subsequent Events

Cash dividends

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, 2013, were approved at the general meeting of shareholders held on June 25, 2013.

	Millions of yen	Thousands of U.S. dollars
Cash dividends (¥20.00 = $0.21 per share)	¥4,002	$42,574

Independent Auditor's Report

The Board of Directors
KIKKOMAN CORPORATION

We have audited the accompanying consolidated financial statements of KIKKOMAN CORPORATION and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2013, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2013, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 4.

June 25, 2013
Tokyo, Japan

Ernst & Young ShinNihon LLC

Directors, Corporate Auditors and Officers

(As of June 25, 2013)

Directors and Corporate Auditors

Honorary Chief Executive Officer and Chairman of the Board of Directors

Yuzaburo Mogi

President

Noriaki Horikiri*

Directors

Kenichi Saito*
Koji Negishi *
Toshihiko Shigeyama
Katsumi Amano
Koichi Yamazaki
Masanao Shimada
Tsunao Hashimoto**
Toshihiko Fukui**
Mamoru Ozaki**

* Representative Director
** Independent Outside Director

Corporate Auditors

Takaharu Nakamura
Koichi Mori
Takeo Inokuchi***
Motohiko Kogo***

*** Independent Corporate Auditor

Corporate Officers

President and Chief Executive Officer

Noriaki Horikiri

Senior Executive Corporate Officers

Kenichi Saito
Koji Negishi

Executive Corporate Officers

Katsumi Amano
Koichi Yamazaki
Masanao Shimada
Masanori Fukumitsu
Shoichi Ui
Shozaburo Nakano
Satoru Abe
Shintaro Karasawa
Kazuo Shimizu

Corporate Officers

Bunji Matsuzaki
Takashi Hamada
Noboru Mimura
Asahi Matsuyama
Naoyuki Kiyomatsu
Yasuyoshi Kase
Kiminae Fujimura
Takashi Ozawa
Setsuya Hannya
Takao Kamiyama
Yoshiyuki Ishigaki
Shigehiro Kataoka
Yaichi Fukushima
Kazuki Usui
Hiroshi Miyake
Osamu Mogi
Tsuyoshi Matsuzaki

Corporate Data

(As of August 2013)

Name

Kikkoman Corporation

Head Office

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

Date of Establishment

December 7, 1917

Paid-in Capital

¥11,599 million

Number of Shares

Authorized: 600,000,000
Issued and outstanding: 210,383,202

Number of Employees (Consolidated)

5,473 (As of March 31, 2013)

Stock Exchange Listings

Tokyo

Shareholder Registry Administrator

Mitsubishi UFJ Trust and Banking Corporation
1-4-5 Marunouchi, Chiyoda-ku, Tokyo 100-8212, Japan

Stock Price Range on the Tokyo Stock Exchange

Fiscal 2013: High: ¥1,660 Low: ¥905
Fiscal 2012: High: ¥ 970 Low: ¥759
Fiscal 2011: High: ¥1,137 Low: ¥707

Group Business Activities

Domestic

- Kikkoman soy sauce, Higeta soy sauce, etc.
- Kikkoman *tsuyu* and *tare*, handy seasoning mixes, Del Monte seasonings, etc.
- Soy milk beverages, Del Monte beverages, etc.
- *Manjo mirin*, Manns Wine, imported alcoholic beverages, etc.
- Clinical diagnostic reagents, hygiene inspection agents, processing enzymes, chemical products, etc.
- Real estate rental, logistics, back-office functions for the Kikkoman Group, etc.

Overseas

- Kikkoman soy sauce, etc.
- Del Monte canned products, seasonings, etc.
- Health foods, etc.
- Oriental foods, etc.

Corporate History

The city of Noda is ideally situated close to soybean-growing regions as well as the Edo River, which provided a convenient transportation route to and from Edo (present-day Tokyo). Noda has been well-known for its soy sauce production since the Edo period (1603–1867). In December 1917, eight family-run companies with capital of ¥7 million merged to form Noda Shoyu Co., Ltd., the predecessor of Kikkoman Corporation.

1917 Dec	Noda Shoyu Co., Ltd. (forerunner to Kikkoman) founded in Noda, Japan through the merger of eight family-run companies.
1931 Sep	The Kansai Plant (now the Takasago Plant) begins shipments of soy sauce in Japan.
1957 Jun	Kikkoman International Inc. (now Kikkoman Sales USA, Inc.) established in the United States to sell and market soy sauce.
1961 Jul	Kikko Food Industries Co., Ltd. (now Nippon Del Monte Corporation) established in Japan.
1962 Oct	Katsunuma Yoshu Co., Ltd. (now Manns Wine Co., Ltd.) established in Japan.
1969 Jun	Kikkoman invests in food trading company Japan Food Corporation (now JFC International Inc.) in the United States.
1973 Jun	Kikkoman Foods, Inc. holds the grand opening of its first soy sauce plant in the United States, in Walworth, Wisconsin.
1979 Mar	Kikkoman Trading Europe GmbH established in Germany to sell and market soy sauce.
1980 Oct	The Company takes on its present name, Kikkoman Corporation.
1984 Nov	Kikkoman (S) Pte Ltd holds the grand opening of its soy sauce plant in Singapore.
1987 Jan	Kikkoman's Chitose Plant (now Hokkaido Kikkoman Company) in Hokkaido, Japan begins shipments of soy sauce.
1990 Jan	Kikkoman buys perpetual marketing rights to the Del Monte brand in the Asia-Pacific region, excluding the Philippines.
1990 Dec	President Kikkoman Inc. begins shipments of soy sauce from its plant in Taiwan.
1997 Oct	Kikkoman Foods Europe B.V. holds the grand opening of its soy sauce plant in the Netherlands.
1998 Oct	Kikkoman Foods, Inc. holds the grand opening of its second soy sauce plant in the United States, in Folsom, California.
2002 May	Kunshan President Kikkoman Biotechnology Co., Ltd. holds the grand opening of its soy sauce plant in Kunshan, China.
2004 Mar	Kikkoman invests in soy milk company Kibun Food Chemifa Co., Ltd. (now Kikkoman Soyfoods Company) in Japan.
2005 Mar	Health foods company Country Life, LLC established in the United States.
2009 Jun	President Kikkoman Zhenji Foods Co., Ltd. holds the grand opening of its soy sauce plant in Shijiazhuang, China.
2009 Oct	Kikkoman shifts to a holding company structure.


Company boardroom at the time Kikkoman was founded


Kikkoman Foods, Inc. (Wisconsin)


Kikkoman (S) Pte Ltd


President Kikkoman Inc.


Kikkoman Foods Europe B.V.


Kikkoman Foods, Inc. (California)


Kunshan President Kikkoman Biotechnology Co., Ltd.


President Kikkoman Zhenji Foods Co., Ltd.

Kikkoman Corporation

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

Tokyo Head Office
2-1-1 Nishi-Shinbashi, Minato-ku, Tokyo 105-8428, Japan

http://www.kikkoman.com/