kikkoman
seasoning your life

Annual Report 2015

Year Ended March 31, 2015

Profile

Kikkoman Corporation takes pride in enriching the lives of consumers throughout the world with the distinctive qualities of its food seasonings. 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 300 years of natural brewing experience. Superseding these activities is a higher goal of contributing to the health and happiness of the communities in the over 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.

Notes:
1. Fiscal years in this report are April to March.
   Example: 2015 = April 2014 - March 2015
2. Certain domestic consolidated subsidiaries have changed their revenue recognition standards, effective from the fiscal year ended March 31, 2014. This change in accounting policy has been retroactively applied to results for the fiscal year ended March 31, 2013. The cumulative effect of the change in accounting policy on results up to the fiscal year ended March 31, 2012 is reflected in net assets at the beginning of the fiscal year ended March 31, 2013.

ON THE FRONT COVER

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

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

During fiscal 2015, customers responded by submitting many wonderful photographs, all of which can be viewed on Kikkoman's website.

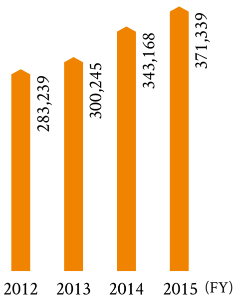
Some of the prize-winning submissions to this photography contest are featured on the cover of this Annual Report.

Financial Highlights

Kikkoman Corporation and Consolidated Subsidiaries

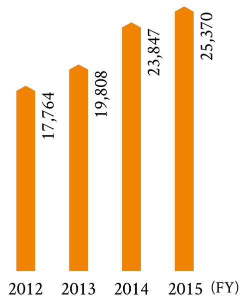
Net Sales

Millions of yen



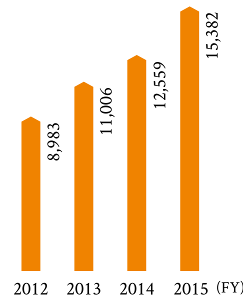
Operating Income

Millions of yen



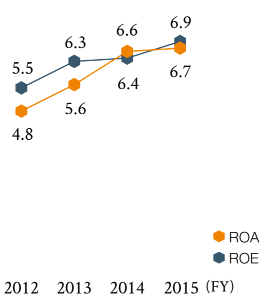
Net Income

Millions of yen



ROA / ROE

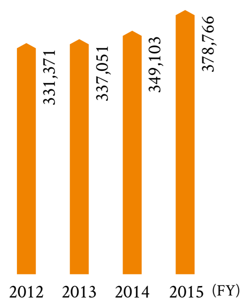
%



ROA=Ordinary income/Average total assets

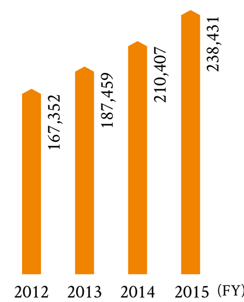
Total Assets

Millions of yen



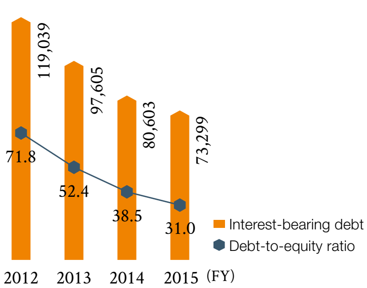
Net Assets

Millions of yen



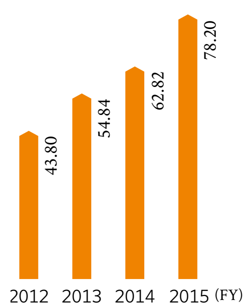
Interest-Bearing Debt / Debt-to-Equity Ratio

Millions of yen / %



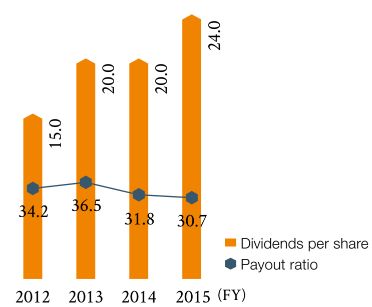
Net Income per Share

Yen



Dividends per Share / Payout Ratio

Yen / %



KEY POINT ANALYSIS

Net Sales

Net sales increased 8.2% year on year to ¥371,339 million, supported by steady growth in sales of Soy Sauce in North America, Europe, and Asia/Oceania and a strong performance by the Overseas Foods – Wholesale business, which offset slightly weaker sales in Japan due to a pullback in demand after a spike ahead of the hike in consumption tax in April 2014.

Operating Income

Despite the impact of a pullback in demand in Japan after a spike ahead of the consumption tax hike and higher selling, general and administrative expenses overseas, operating income rose 6.4% year on year to ¥25,370 million, mainly on the back of higher sales in overseas markets.

Total Assets

Although Kikkoman repaid debt and acquired treasury stock during fiscal 2014, total assets increased ¥29,662 million year on year to ¥378,766 million, mainly due to an increase in investment securities on the back of share price gains and an increase in cash and cash equivalents.

Message from the Management

Make Kikkoman Soy Sauce a truly global seasoning

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

Noriaki Horikiri
President and Chief Executive Officer

The Fiscal Year in Review

In fiscal 2015, ended March 31, 2015, the global economy continued to recover at a moderate pace, supported by an upturn in the U.S. and signs of a pickup in Europe.

The Japanese economy also continued to recover gradually, mirroring trends in the global economy.

Under these conditions, the Kikkoman Group reported lower sales year on year in Japan, despite strong sales of soy milk beverages. The decline in sales mainly reflected a pullback in demand for Soy Sauce, food products, and liquor and wine after the hike in consumption tax. In overseas operations, sales of Soy Sauce grew steadily in North America, Europe, and Asia/Oceania. Sales were also strong in the Overseas Foods – Wholesale business, supporting an increase in overseas sales compared with the previous fiscal period.

As a result, consolidated net sales increased 8.2% to ¥371,339 million, operating income rose 6.4% to ¥25,370 million, and net income increased 22.5% to ¥15,382 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

First, we will look at the Group's performance under the previous medium-term management plan, which ended in fiscal 2015. Consolidated targets and results for the plan's final year are as follows:

	Fiscal 2015 results	Fiscal 2015 medium-term management plan targets
Net sales	¥371.3 billion	¥320 billion
Operating income	¥25.4 billion	¥23 billion
Operating income ratio	6.8%	7.2%
ROA	6.7%	7.0%

The operating income ratio and ROA were slightly lower than our targets, but we achieved our targets for net sales and operating income.

Based on these results, the Kikkoman Group has established a new medium-term management plan that covers the period from fiscal 2016 to fiscal 2018.

Fiscal 2018 medium-term management plan targets

1. Net sales: ¥440 billion
   (average annual growth rate of 5.2%)
2. Operating income: ¥36 billion
   (for a 8.2% operating income ratio)
3. ROE: 9.0% or more

Outlook for the Current Fiscal Year

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

In North America, we will generate stable growth by offering high value-added products and rolling out other initiatives, aiming to raise the frequency of Soy Sauce use among existing users and cultivate demand among new and occasional users.

In Europe, we aim to maintain double-digit 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, aiming to capture demand generated by the region's fast-growing economies.

Amid the growing popularity of Japanese food overseas, we plan to build on our strengths in the Overseas Foods – Wholesale business, leveraging our global network and high-quality products and services to establish a solid position in the market.

In Japan, we are targeting growth and improved profitability 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 continue expanding sales of the *Itsudemo Shinsen* (always fresh) series and add more value to our entire range of Soy Sauce products. We also plan to further reinforce our position in the growth category of handy Japanese-style seasoning mixes.

In Del Monte beverages, we will work to enhance the brand's market presence by developing new products and stepping up sales promotion. In soy milk beverages, we plan to build an even stronger position in the market by strengthening our production framework and stimulating demand through marketing activities.

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

In biochemical products, we aim to enhance earnings capabilities through business restructuring.

By implementing these measures, we will work to increase the Kikkoman Group's corporate value and presence.

October 2015

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

Noriaki Horikiri
President and Chief Executive Officer

SPECIAL FEATURE

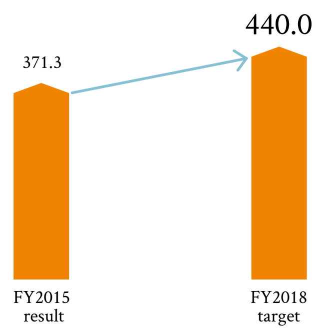
Overview of the New Medium-Term Management Plan

In April 2015, the Kikkoman Group announced a new medium-term management plan that covers the period from fiscal 2016 to fiscal 2018. In this feature section, we provide an overview of the new plan.

CONSOLIDATED TARGETS

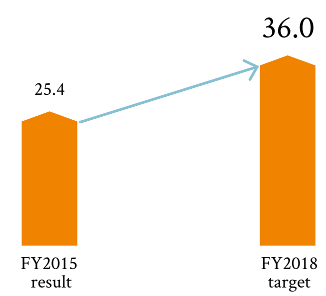
NET SALES

Billions of yen



OPERATING INCOME

Billions of yen



OPERATING INCOME RATIO

FY2015 result: 6.8% ▶▶▶ FY2018 target: **8.2%**

ROE

FY2015 result: 6.9% ▶▶▶ FY2018 target: **9% or more**

* Exchange rate assumptions
FY2018 ¥115.0/US$ ¥125.0/EUR
FY2015 ¥110.0/US$ ¥138.7/EUR

In fiscal 2018, the final year of the new plan, we are aiming for consolidated net sales of ¥440 billion, operating income of ¥36 billion, an operating income ratio of 8.2% and return on equity (ROE) of 9.0% or more.

BUSINESS CHALLENGES

Improving profitability

Maintaining growth overseas	**Improving productivity in Japan**

Our new plan also aims to improve profitability across the whole Kikkoman Group, maintain growth in overseas operations and improve productivity in Japan.

Global Vision 2020

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 the global society

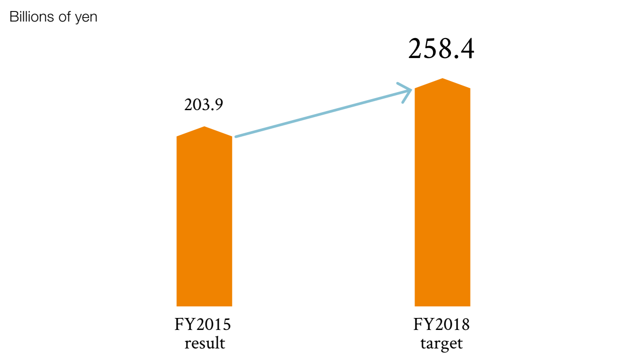
Basic Strategies:

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

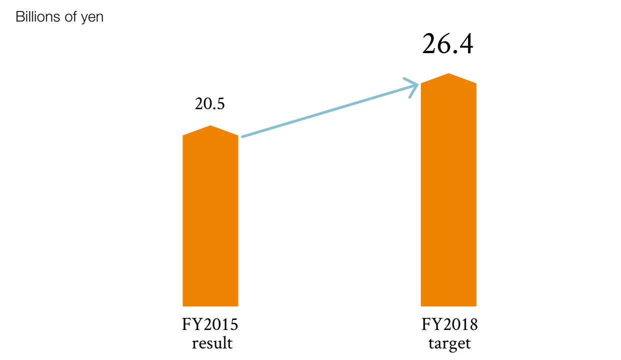
Maintaining growth overseas

FY2018 TARGETS

NET SALES



OPERATING INCOME



* Exchange rate assumptions
FY2018 ¥115.0/US$ ¥125.0/EUR
FY2015 ¥110.0/US$ ¥138.7/EUR

In overseas operations, we plan to expand the Overseas Foods – Manufacturing and Sales business, which is focused on Soy Sauce products, and the Overseas Foods – Wholesale business, which handles Japanese and other oriental food, in markets in North America, Europe and Asia/Oceania.

OVERSEAS SOY SAUCE BUSINESS

Our overriding goal is to make Kikkoman Soy Sauce a truly global seasoning. The strong belief and pride we have in our products has supported our push into overseas markets.

In 1957, we established a Soy Sauce sales company in San Francisco and started actively marketing our Soy Sauce in the U.S. We decided the best way to boost uptake was to focus on how Soy Sauce perfectly complements meat dishes. First, 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 for meat and other dishes, and promoted them through newspapers, magazines and other media.

We have had a presence in the U.S. market for over half a century. Soy Sauce is widely used in the U.S. today, and for many households, Kikkoman is the first name they turn to for soy sauce. After our success in North America, we decided to move into Europe and Asia/Oceania. Kikkoman now has seven overseas production bases, supplying Soy Sauce to loyal customers in over 100 countries worldwide.

We aim to maintain this growth during the three years of the new medium-term management plan, leveraging our more than 50 years of know-how in overseas markets.

OVERSEAS SOY SAUCE BUSINESS: INITIATIVES FOR EACH MARKET

North America

Average annual sales growth of

4% or more

(local currency basis)

In 1957, we established a sales company in San Francisco and began full-fledged marketing activities in the United States. North America is now the largest market by sales in our overseas Soy Sauce business.

Under our new medium-term management plan, we will launch high value-added products to counter intensifying competition in non price-related areas and carefully address customer needs, aiming to raise the frequency of Soy Sauce use among existing users and cultivate demand among new users.

We also plan to develop Soy Sauce markets in Mexico and Canada.

Europe

Average annual sales growth of

10% or more

(local currency basis)

Recently, we have achieved average annual sales growth of around 10% in Europe and we see potential for continued growth in this market.

We will continue to cultivate demand in the key markets of Germany, the U.K., the Netherlands and France, while also developing emerging markets in Southern Europe and elsewhere.

We will also step up the development of new Soy Sauce-based products.

Asia/Oceania

Average annual sales growth of

10% or more

(local currency basis)

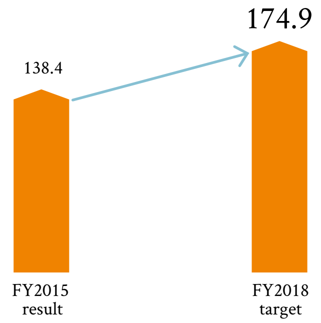
Asia/Oceania is our third key market after North America and Europe. Under our new medium-term management plan, we will develop products and carry out marketing tailored to each area, with a particular focus on Thailand and the Philippines.

In 2014, we unified our sales structure in China and overhauled our distributor network in the Philippines. Going forward, we plan to continue strengthening our sales structure in Asia.

OVERSEAS FOODS – WHOLESALE BUSINESS

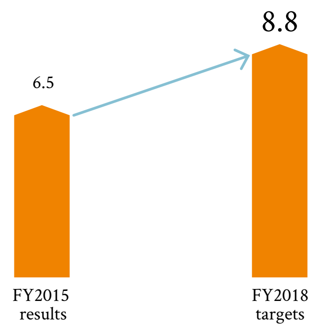
NET SALES

Billions of yen



OPERATING INCOME

Billions of yen



* Exchange rate assumptions

FY2018	¥115.0/US$	¥125.0/EUR
FY2015	¥110.0/US$	¥138.7/EUR

In 1969, we moved into the wholesale market for Japanese and other oriental food products when we began participating in the management of U.S. company Japan Food Corporation (now JFC International Inc.). Since then, we have increased the range of foods we handle and extended our network across the U.S. As a result, JFC International Inc. has grown to become one of the leading wholesalers of Japanese food in the U.S. today.

We subsequently expanded our wholesale operations into Europe and Asia/Oceania. Over the last decade, sales in our Overseas Foods – Wholesale business have expanded at an average annual rate of roughly 9%, supported by growth in the Japanese food market worldwide.

The JFC Group uses its global procurement network, developed over many years, to source Japanese and other oriental food from suppliers worldwide. JFC then sells these products to customers in the U.S., Europe and Asia/Oceania. Our sales channels serve Japanese, Chinese and other Asian supermarkets and restaurants, but we also supply mainstream supermarkets and restaurants.

OVERSEAS FOODS – WHOLESALE BUSINESS: INITIATIVES

Average annual sales growth of

7% or more

(local currency basis)

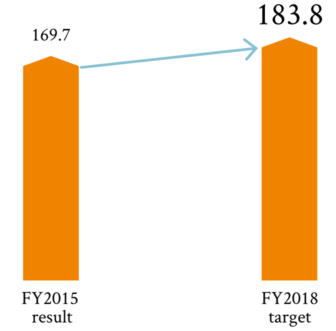
Under the new medium-term management plan, we are targeting a high rate of growth by opening new bases in Europe and Asia/Oceania. Also, centered on JFC Japan Inc., we will procure high-quality products and develop new products, as well as procure and develop products tailored to the needs of each overseas market.

Improving productivity in Japan

FY2018 TARGETS

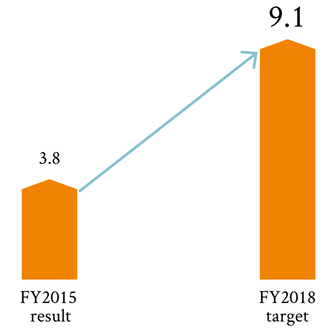
NET SALES

Billions of yen



OPERATING INCOME

Billions of yen



OPERATING INCOME RATIO

FY2015 result		FY2018 target
2.2%	▶▶▶▶▶▶	**5.0%**

In Japan, the value of products made by the domestic food industry is declining due to falling prices and the shrinking population. In this environment, the biggest issue we have to tackle in Japan is productivity improvement. Under our previous medium-term management plan, the domestic operating income ratio fell to 2.2% in fiscal 2015 due to the high cost of raw materials and other factors.

During our new medium-term management plan, we aim to lift the operating income ratio to 5.0% in fiscal 2018 by strengthening growth categories and through structural improvement.

INITIATIVES TO BOOST PRODUCTIVITY IN DOMESTIC OPERATIONS

We estimate the initiatives below will increase profits by around ¥5.3 billion.

POSITIVE FACTOR	**Strengthening growth categories**	We will focus on three promising growth categories where we have already driven market expansion: the *Itsudemo Shinsen* (always fresh) series, *Uchi-no-Gohan* (handy Japanese-style seasoning mixes) and soy milk beverages. We will strengthen our lineup in these categories. • *Itsudemo Shinsen* Series The *Itsudemo Shinsen* series has seen steady growth since its launch in 2010, with sales reaching ¥6.5 billion in fiscal 2015. Under our new medium-term management plan, we plan to grow sales further to more than ¥10 billion. • Soy milk beverages The market for soy milk beverages grew to a new record in fiscal 2015, supported by growing interest in healthy living and wider use of soy milk in cooking. We already have over 50% of the domestic market, but we forecast average annual sales growth of around 5% during the new medium-term management plan.
	Structural improvement	In order to improve the domestic earnings structure, we will boost operating efficiency, logistics efficiency and labor productivity, while also reducing production costs.
	Other	Profits are also set to receive a boost from a change in the depreciation method and other factors.
NEGATIVE FACTOR	**Advertising**	We will actively invest in advertising to strengthen the Kikkoman brand.

TOPICS

Itsudemo Shinsen Series

Our range of always fresh Soy Sauce products are sold in resealable air-tight soft plastic bottles, which preserve the freshness, color and flavor of the Soy Sauce by preventing oxidation.

The soft bottles have proved popular with consumers, as they make it easier to adjust the amount of Soy Sauce. The main product in the series, *Nama Shoyu* (fresh raw Soy Sauce), is not heat-treated like our normal Soy Sauce products, helping to bring out more vivid colors and fuller flavors when used as a seasoning. *Nama Shoyu* has proved to be very popular in the market.

Uchi-no-Gohan Series

Our range of handy Japanese-style seasoning mixes can be made easily in a frying pan using one or two common food ingredients

Amid a shift in Japan to easy-to-prepare food, we launched *Uchi-no-Gohan* in 2002 as a new value proposal that eliminates some of the time needed to prepare and plan meals.

At the time, the Japanese-style seasoning mix category did not exist. As a result, initial sales were weak. However, through steady marketing, we created and then expanded the market for Japanese-style seasoning mixes.

Financial Strategy

USE OF CASH

CASH FLOWS FROM OPERATING ACTIVITIES

Fiscal 2016 to fiscal 2018 approx. **¥90 billion**

RETURNS TO SHAREHOLDERS

- Consolidated payout ratio target of **30% or more**
- Flexible share buybacks

CAPITAL INVESTMENT

- Investment in growth fields of approximately **¥40 billion** for fiscal 2016 - 2018
(the same level as depreciation and amortization)

INVESTMENT IN NEW BUSINESSES

- Actively promote investment to strengthen the business portfolio

During the three years of our new medium-term management plan, we forecast the Kikkoman Group will generate an operating cash flow of roughly ¥90 billion. We plan to use around ¥40 billion of this amount for capital investment, mainly in growth fields.

Returns to shareholders are also a key issue for management. We plan to continue paying stable dividends, aiming for a consolidated payout ratio of 30% or more. We also intend to continue conducting share buybacks on a flexible basis based on demand for funds and market conditions. We will also actively invest in new businesses to strengthen our business portfolio.

INCREASE ROE

FY2015 ROE
6.9%

FY2018 ROE target
9% or more

INITIATIVES TO IMPROVE ROE

Improving profitability
- Maintain growth in highly profitable overseas businesses
- Improve productivity in domestic businesses

Improving asset efficiency
- Reduce inventories
- Improve efficiency in capital investment
- Reduce other assets

Improving capital efficiency
- Dividends
- Flexible purchases of treasury stock

* The above targets assume exchange rates in fiscal 2018 will be ¥115 against the US dollar and ¥125 against the euro, and the stock market will be the same level as at the end of March 2015.

Under the new plan, we are focusing on ROE, because improving capital efficiency, along with profitability and asset efficiency, is a key element of our management strategy. We are targeting ROE of 9% or more in fiscal 2018.

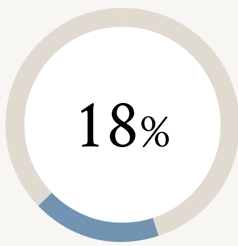
By implementing the initiatives described above, we aim to improve profitability, asset efficiency and capital efficiency to achieve our ROE target.

Kikkoman at a Glance

OVERSEAS Foods–Manufacturing and Sales

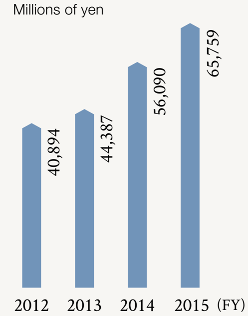
Net Sales Composition

Fiscal 2015



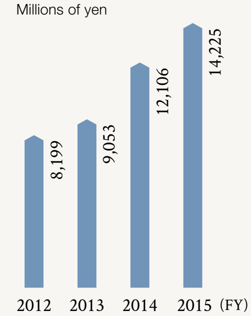
Net Sales

Millions of yen



Operating Income

Millions of yen



Soy Sauce

Major Products:
Soy Sauce
Teriyaki Sauce

> P26

Del Monte

Major Products:
Canned fruits
Canned corn
Tomato ketchup

> P26

Other Foods

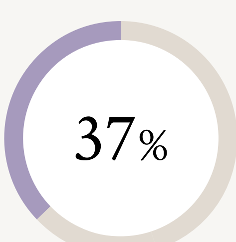
Major Products:
Health foods

> P26

OVERSEAS Foods–Wholesale

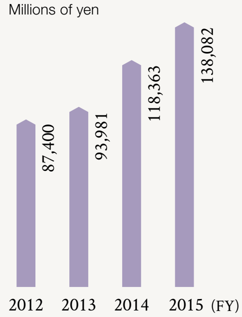
Net Sales Composition

Fiscal 2015



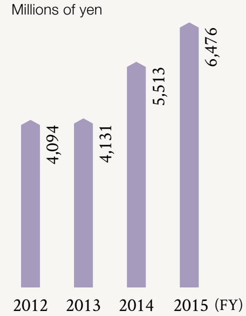
Net Sales

Millions of yen



Operating Income

Millions of yen



Major Products:

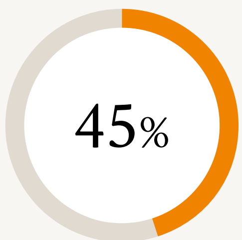
Oriental food products

> P26

DOMESTIC

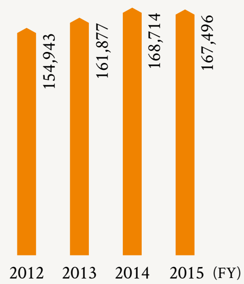
Net Sales Composition

Fiscal 2015



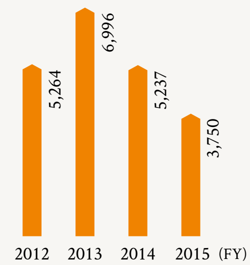
Net Sales

Millions of yen



Operating Income

Millions of yen



Foods–Manufacturing and Sales

Soy Sauce

Major Products:
Soy Sauce

> P25

Food Products

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

> P25

Beverages

Major Products:
Soy milk beverages
Del Monte beverages

> P25

Liquor and Wine

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

> P25

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 and back-office support for the Kikkoman Group, and other businesses.

> P26

* Graphs showing net sales exclude inter-segment transactions.

Corporate Citizenship

KIKKOMAN'S APPROACH TO CORPORATE SOCIAL RESPONSIBILITY

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.

Kikkoman Corporate Citizenship Framework

The Kikkoman Group Management Principles

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 the global society

	Responsible Operations	Products / Services	Actions of global society
	Fundamental responsibilities of a corporate citizen	Fundamental functions of a food company	Kikkoman's initiatives
Key Aspects	We carry out responsible business operations that respond to the trust and expectations of each of our stakeholders; that comply not only with the law but also with social norms and standards of propriety; and that are in harmony with the environment.	We deliver products and services of high quality and safety in a stable manner while promoting research and product development that create new value. We also propose new food lifestyles through the fusion of international food cultures.	We contribute to the sustainable development of global society mainly in the areas of "food and health" by promoting activities that are unique to Kikkoman.
Areas of Focus	• Compliance • Corporate governance • Communication with stakeholders • Environmental activities • Building talent and fostering a positive workplace	• Product and services innovations • Food safety and quality • Stable supplies • Delivering new and healthy food experiences	• Promotion of Japanese food culture • Exchange of food cultures across the world • *Shokuiku* (Food education) • Commitment to society through food and health

Below, we introduce the main activities and programs implemented under the Kikkoman Corporate Citizenship Framework.

Reinforce Corporate Governance

Corporate Governance Overview (as of July 1, 2015)

Organization

Structure	Company with Audit & Supervisory Board
Corporate officer system	Yes

Nominating Committee and Remuneration Committee

	Composition	Role
Nominating Committee	5 members (3 outside directors, 2 directors) Committee chaired by an outside director	Recommends candidates for director, audit & supervisory board member and corporate officer posts to the Board of Directors (The Audit & Supervisory Board provides its consent for audit & supervisory board member candidates)
Remuneration Committee	5 members (3 outside directors, 2 directors) Committee chaired by an outside director	Develops remuneration proposals for directors, audit & supervisory board members and corporate officers

Executives

	Directors	Audit & Supervisory Board Members
Number	11	4
Outside appointments	3	2
Term of office	1 year	4 years

* The Company has submitted independent director and auditor notifications to the Tokyo Stock Exchange for all its outside directors and outside audit & supervisory board members.

Key steps taken to reinforce corporate governance

March 2001	Introduced corporate officer system	Clarified management responsibilities and accelerated decision-making and business execution
June 2002	Appointed outside directors Established Nominating Committee and Remuneration Committee	Increased management transparency and strengthened management oversight
October 2009	Adopted holding company structure	Clarified roles and responsibilities of holding company and operating companies and created a structure to maximize Group synergies

Directors, Audit & Supervisory Board Members and Corporate Officers

(As of June 24, 2015)

Directors and Audit & Supervisory Board Members

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

President
Noriaki Horikiri*

Directors
Kenichi Saito*
Katsumi Amano*
Toshihiko Shigeyama
Koichi Yamazaki
Masanao Shimada
Shozaburo Nakano
Toshihiko Fukui**
Mamoru Ozaki**
Takeo Inokuchi**

* Representative Director
** Outside Director

Audit & Supervisory Board Members
Takashi Ozawa
Koichi Mori
Motohiko Kogo***
Toru Kajikawa***

*** Outside Audit & Supervisory Board Member

Corporate Officers

President and Chief Executive Officer
Noriaki Horikiri

Senior Executive Corporate Officers
Kenichi Saito
Katsumi Amano

Executive Corporate Officers
Koichi Yamazaki
Masanao Shimada
Shozaburo Nakano
Masanori Fukumitsu
Shintaro Karasawa
Kazuo Shimizu
Asahi Matsuyama
Takashi Hamada
Osamu Mogi

Corporate Officers
Noboru Mimura
Kiminae Fujimura
Setsuya Hannya
Takao Kamiyama
Yoshiyuki Ishigaki
Shigehiro Kataoka
Yaichi Fukushima
Kazuki Usui
Hiroshi Miyake
Tsuyoshi Matsuzaki
Yoshiaki Asami
Yasuharu Nakajima
Yoshihisa Kitakura
Iwao Kawamura
Yasumasa Tajima
Ryohei Tsuji
Mitsunobu Nakamura

Basic Approach

The Kikkoman Group believes 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 given 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.

Kikkoman Corporation employs an audit & supervisory board 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.

In March 2001, we introduced a corporate officer system and transferred authority for business execution to corporate officers in an effort to streamline operational responsibilities and speed decision-making and business execution.

In October 2009, we shifted the Group's management system to a holding company structure. Individual operational companies will enhance their ability to create value in line with their own areas of authority and responsibility based on a Group management strategy determined by the holding company, thereby maximizing the Group's overall corporate value.

Appointment of Outside Directors and Outside Audit & Supervisory Board Members

In June 2002, Kikkoman Corporation appointed outside directors and established the Nominating Committee and Remuneration Committee to achieve greater management transparency and strengthen management oversight. In fiscal 2015, three of eleven directors were outside directors, and two of four audit & supervisory board members were outside board members.

The role of the outside directors and outside audit & supervisory board members 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.

Measures to Enhance Governance at Group Companies

The Kikkoman Group has prepared Authorization Guidelines, which set out the Company's internal decision-making standards. By abiding by these guidelines, holding company departments and Group companies engage in appropriate decision-making.

In addition, Kikkoman has established Administrative Rules and Regulations for Affiliated Companies to ensure compliance, ethical standards and reliable financial reporting at Group companies.

Under this system, Kikkoman Corporation directors and corporate officers responsible for Group companies issue instructions and provide supervision to ensure appropriate decision-making. These directors and corporate officers and the presidents of Group companies also submit regular business reports to the CEO and receive instructions at the CEO Briefing Meeting.

Internal Control Systems

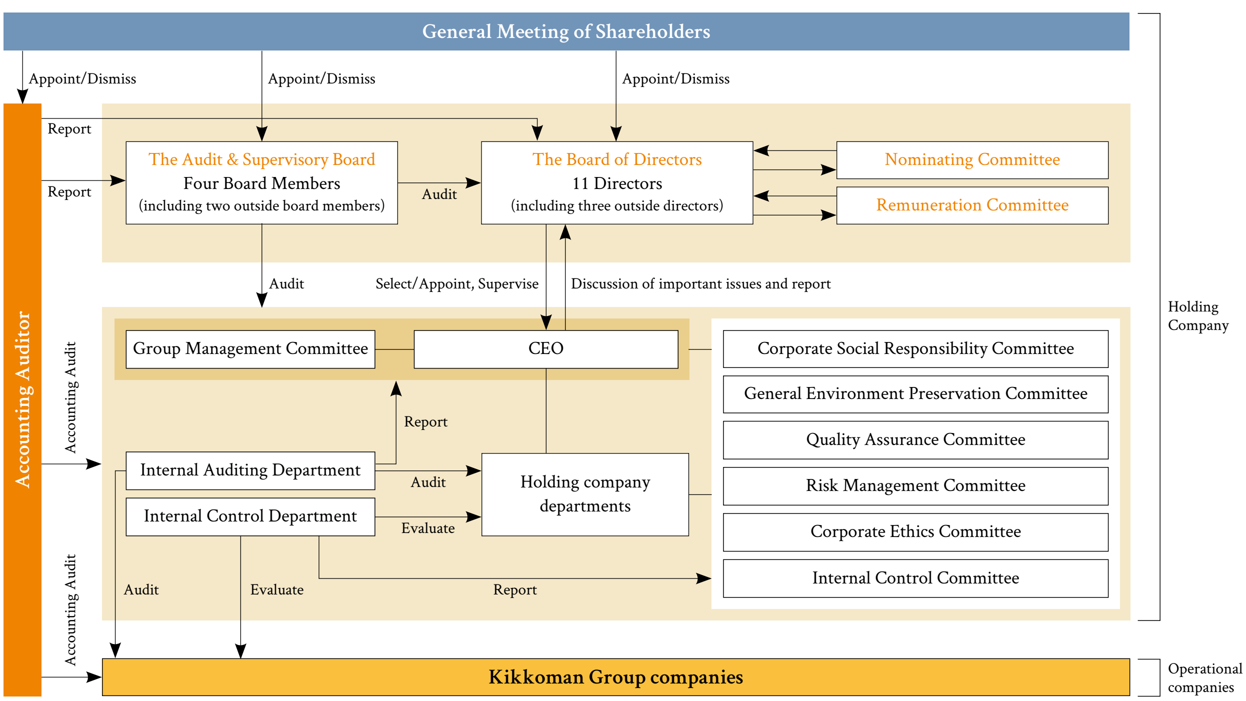
Establishing an internal control system that ensures proper execution of business practices is high on our corporate agenda. Accordingly, we have been making Group-wide efforts to develop an enhanced framework for ensuring effective and efficient operations as well as compliance with laws and regulations.

We review and make appropriate updates to the basic policy for "Establishing an Internal Control System," which was adopted by the Board of Directors in May 2006. Kikkoman has significantly updated this basic policy to comply with the enactment of the revised Corporation Law of Japan in May 2015.

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.

The Corporate Governance System

(As of June 2015)



Environmental Activities

The Kikkoman Group strives to conduct business activities while maintaining harmony with the environment in accordance with the company's environmental philosophy.

Environmental Philosophy

The Kikkoman Group will respect the working of nature, and contribute to the realization of a society comfortable to live in through our corporate activities while maintaining harmony with the environment.

Action Guidelines

We act on our Environmental Philosophy
with vigor and creativity.

1. Each of us will try to keep in harmony with the environment in performing one's own duties in all sectors (development, procurement, production, sales and support).
2. In addition to observing laws, we will formulate and observe the rules and regulations of our own.
3. As a member of society, we will participate actively in environmental preservation activities in our local communities.
4. We will study the environment and deepen our understanding.
5. We will think and act from a global point of view.

Environmental Preservation System

The Kikkoman Group has established the General Environment Preservation Committee; as a decision-making body, it is responsible for environmental preservation throughout the Group. The President and CEO of Kikkoman Corp. serves as the chairperson of the Committee, whose responsibilities include drawing up, implementing, and managing the Medium and Long-Term Environment Policy.

The Environment Preservation Promotion Committee, whose membership includes environmental management officers from Group companies, operates beneath the General Environment Preservation Committee to manage and guide environmental preservation activities from a Group-wide perspective.

Environment Preservation Committees at each Group worksite take the lead in orchestrating specific activities, while environmental manager information exchange meetings, which link major companies, provide a venue for sharing information and technologies of importance to the entire Group.

Compliance

Basic Approach

The Kikkoman Group believes compliance goes beyond compliance with laws and ordinances to include company rules and regulations and social norms. Based on our view that compliance is about meeting the expectations of society, we are strengthening the Group's compliance system as part of efforts to fulfill our responsibility as a corporate citizen.

Compliance System

The Kikkoman Group adopted the Kikkoman Group Code of Conduct in August 2002 to codify standards of behavior and conduct expected of Group employees. To strengthen compliance in accordance with this Code of Conduct, we have established the Kikkoman Group Corporate Ethics Committee and the Corporate Ethics Hotline as an internal whistleblower system. We also conduct compliance training courses for new employees and managers/supervisors and hold sessions at Group company worksites as part of a continuous compliance training program.

PRODUCTS / SERVICES

Aiming for higher quality and greater safety

In addition to providing safe and high-quality products through product quality assurance activities, the Kikkoman Group strives to utilize feedback from customers in initiatives to improve customer satisfaction.

Basic Approach

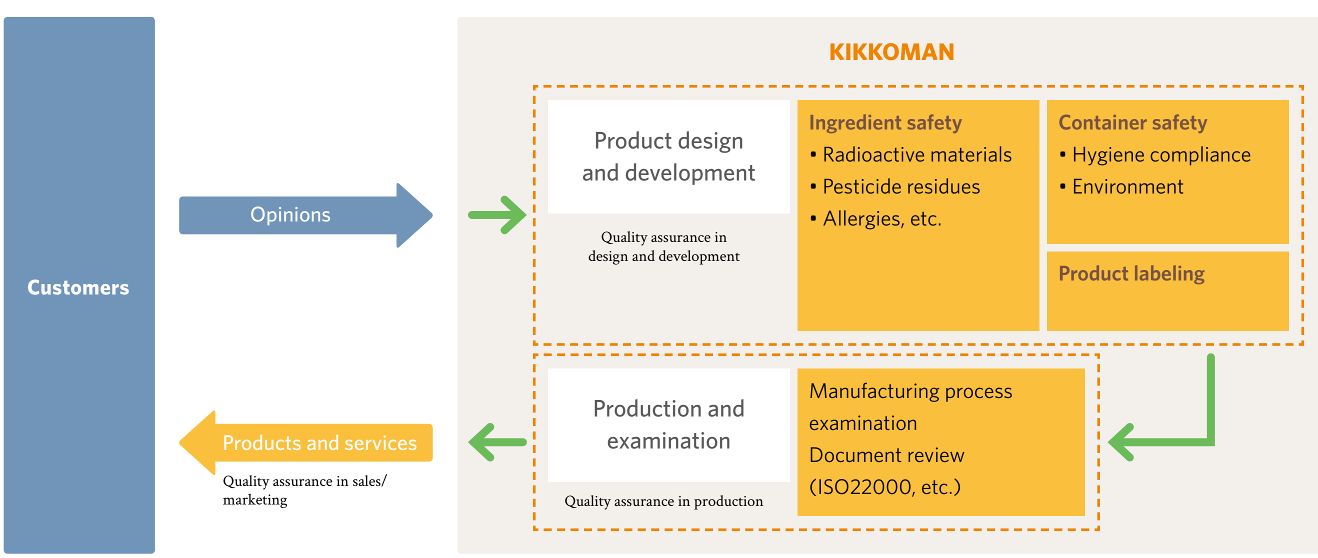
The Kikkoman Group believes that "food safety" is our most important responsibility as a company within the food industry. Our responsibility to food safety takes on an even greater importance as we pursue the goals of Global Vision 2020, and our business becomes more global and diverse. To ensure our customers receive only the safest products and services, the Kikkoman Group will continue striving to provide appropriate information and the highest level of safety.

Quality Assurance Based on Safety and Peace of Mind

At the Kikkoman Group, we consider the safety of the products and services we provide to be our highest priority. To ensure safety, we conduct quality assurance inspections pursuant to strict inspection standards for all processes, from the selection of raw materials and ingredients to the final product stage, as part of our system for ensuring food safety. Our quality assurance inspections extend from the product development stage to raw material and ingredient production sites, processing, manufacturing, sterilization, product packaging, and labeling in accordance with the "Food Sanitation Act" and the "Law Concerning Standardization, etc. of Agricultural and Forestry Products (JAS Law)" and other regulations. We also examine product patentability, trademarks and related regulations, and the Quality Assurance Committee only approves the manufacture of a new product after it passes these inspections.

At the same time, we place importance on delivering products that give peace of mind to customers. The Kikkoman Group believes that this comes from building relationships of deep trust with customers by communicating the safety of our products in an easy-to-understand manner. To ensure peace of mind, we actively disclose information to customers through our website and other channels. We also ensure our product packaging and advertising complies with legal and industry standards, and we endeavor to make product labeling as clear and easy-to-understand as possible for customers.

The Kikkoman Group's quality assurance flow



ACTIONS OF GLOBAL SOCIETY

The Kikkoman Group's *Shokuiku* Activities

The Kikkoman Group considers *Shokuiku* (food education) the special responsibility of companies involved with food and food products. Since we announced our 'Commitment to *Shokuiku*' in May 2005, we have developed a program integrated throughout our business based on our "*Shokuiku* Framework."

Basic Approach

The Kikkoman Group is promoting *Shokuiku* activities based on our *Shokuiku* Framework.

Kikkoman's key *Shokuiku* Activities – educating people about food

The Kikkoman Soy Sauce Academy

Kikkoman employees visit elementary schools in the role of Soy Sauce experts and assistants, using photos and illustrations to tell children about Soy Sauce ingredients and manufacturing processes in an easy-to-understand way.

The Kikkoman Academy

This is a program in which Kikkoman staff visit schools and other organizations to give lectures about a wide range of food-related topics.

Factory tours to see brewing processes first-hand

Kikkoman offers tours of Soy Sauce factories and Manns wineries in Japan. These tours include hands-on Soy Sauce-making courses for elementary school groups and other group visitors.

SHOKUIKU (FOOD EDUCATION)

kikkoman
seasoning your life

Kikkoman's *Shokuiku* Commitment
Expression of Corporate Attitude

The philosophy referred to as "Kikkoman's Three Wishes"

Eating well nourishes the mind. We wish to nourish the mind with good food. Good food makes good health.
We wish good health to all, through good eating.
A smile shared over a meal endures forever.
We wish to share and exchange the joy of food worldwide.

***Shokuiku* Promotion Policies**

1. For families and children it means:
well-balanced, nutritious homemade food; healthy growth, based on regular family meals where food itself is part of the family conversation; sharing good dietary rules via product labels, advertising and other means; and encouraging Kikkoman group employees and families to have food-centered lives making the best use of their family meals for better communication.

2. In Japanese dietary culture it means:
studying and developing our traditional food culture based on our experience of international food culture exchange; reasserting the positive aspects of the rice-centered diet in preventing lifestyle-related diseases and adapting to lifestyle changes; and enriching people's lives through communal meals.

***Shokuiku* Activities**

First Japanese company to sign the United Nations Global Compact

In 2001, the Kikkoman Group became the first Japanese company to sign the United Nations Global Compact. Companies that sign the Compact make a commitment to help resolve global issues through socially responsible corporate activities.

THE GLOBAL COMPACT
WE SUPPORT

What is the United Nations Global Compact?

The Global Compact is an initiative proposed by then UN Secretary-General Kofi Annan at the World Economic Forum held in 1999 and was officially launched at UN Headquarters in 2000. The Global Compact asks participating companies to embrace, support and enact ten universally accepted principles in the areas of human rights, labor standards, the environment, and anti-corruption.

The Ten Principles of the Global Compact

Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses.
Labour Standards	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: the elimination of all forms of forced and compulsory labor; Principle 5: the effective abolition of child labor; and Principle 6: the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

For more information about the Kikkoman Group's corporate citizenship activities, please read our Corporate Citizenship Report.
http://www.kikkoman.com/csr/e/report/index.shtml

Financial Section

Management's Discussion and Analysis

OPERATING RESULTS

In fiscal 2015, ended March 31, 2015, the global economy recovered at a moderate pace, supported by a steady upturn in the U.S. and continued signs of a pickup in Europe.

The Japanese economy also continued to recover gradually, mirroring the trend in the global economy.

Under these conditions, the Kikkoman Group reported lower sales year on year in Japan, despite strong sales of soy milk beverages. The drop in sales mainly reflected a pullback in demand for Soy Sauce, food products, and liquor and wine after a spike in sales ahead of the hike in consumption tax. In overseas operations, sales of Soy Sauce grew steadily in North America, Europe, and Asia/Oceania. Sales were also strong in the Overseas Foods – Wholesale business, supporting an increase in overseas sales compared with the previous fiscal period.

NET SALES

Millions of yen

	2015	2014	Change	
Domestic Foods–Manufacturing and Sales	**¥161,261**	¥161,794	¥ (533)	(0.3)%
Domestic Others	**20,152**	20,268	(116)	(0.6)%
Overseas Foods–Manufacturing and Sales	**74,727**	63,797	10,930	17.1 %
Overseas Foods–Wholesale	**138,406**	118,671	19,735	16.6 %
Adjustments	**(23,208)**	(21,362)	(1,846)	—
Consolidated	**¥371,339**	¥343,168	¥28,171	8.2 %

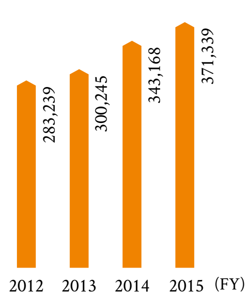
OPERATING INCOME

Millions of yen

	2015	2014	Change	
Domestic Foods–Manufacturing and Sales	**¥ 2,715**	¥ 4,320	¥(1,605)	(37.2)%
Domestic Others	**1,035**	916	119	12.9 %
Overseas Foods–Manufacturing and Sales	**14,225**	12,106	2,119	17.5 %
Overseas Foods–Wholesale	**6,476**	5,513	963	17.5 %
Adjustments	**916**	990	(74)	—
Consolidated	**¥25,370**	¥23,847	¥ 1,523	6.4 %

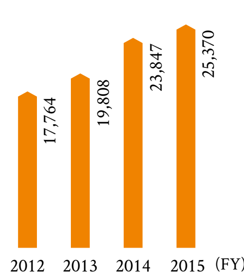
Net sales

Millions of yen



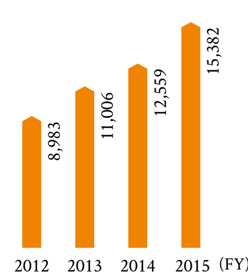
Operating income

Millions of yen



Net income

Millions of yen



SEGMENT INFORMATION

DOMESTIC

Domestic Foods – Manufacturing and Sales

Sales in this segment declined 0.3% year on year to ¥161,261 million and operating income fell 37.2% to ¥2,715 million, partly reflecting an increase in raw material costs and other expenses.

[Soy Sauce Division]

In Soy Sauce for the home-use sector, sales of the *Itsudemo Shinsen* (always fresh) series were solid, but sales volume and sales value both declined overall in the Soy Sauce Division due to the impact of a pullback in demand after the consumption tax hike.

[Food Products Division]

Sales of *tsuyu* (Soy Sauce soup base) increased in the industrial and food service-use sectors, but in the home-use sector sales of flagship products *Hon Tsuyu* and *Straight Tsuyu* declined, partly due to poor weather in the summer. As a result, sales of *tsuyu* overall were lower than in the previous fiscal year. Sales of *tare* (dipping and marinade sauces) increased year on year, supported by solid sales of *Wagaya wa Yakinikuyasan Nokodare* in our mainstay grilled meat sauce range. Sales of *Uchi no Gohan* (handy Japanese-style seasoning mixes) increased year on year, reflecting aggressive product development, TV advertising and storefront promotion activities. In Del Monte seasonings, sales were lower than in the previous fiscal year, partly reflecting a pullback in demand after the consumption tax hike. As a result, sales in the Food Products Division declined compared with the previous fiscal year.

[Beverages Division]

Sales of soy milk beverages increased year on year, reflecting strong growth in the market on the back of sales promotion activities aimed at market expansion. These activities were tied in with advertising campaigns on TV, in magazines and other media, and included the use of recipe books to promote the products as food ingredients, as well as beverages. Also, demand was strong for new products such as *Tonyu Inryo Kyoho* (grape-flavored soy milk beverage). In Del Monte beverages, sales were boosted by *Asa Salada* and *Minna no Tomato / Yasai* (easy-to-drink tomato and vegetable beverages) launched in the previous fiscal year, as well as new products such as *Nomiyasui Yasai Ichinichibun*. However, sales of Del Monte beverages contracted year on year, reflecting weaker sales of tomato juice. As a result, sales overall in the Beverages Division increased compared with the previous fiscal year.

[Liquor and Wine Division]

In *Hon Mirin*, sales of *Komekoji Kodawari-jikomi Honmirin* 450ml (a new premium *Hon Mirin* product) and other products were firm, supported by sales promotion efforts in 2014 to mark the 200th anniversary of the creation of *Shiro Mirin* in the Edo period. However, sales of *Hon Mirin* declined slightly overall due to a drop in sales of flagship products such as *Manjo Hojun Hon Mirin*, reflecting the impact of a pullback in demand after the consumption tax hike. In domestic wines, sales of *Koshu Kobo no Awa*, the *Solaris* series and other products were firm, but cooking wines and other products struggled, leading to lower sales overall year on year. As a result,

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
Liquor 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 and 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 • *Teriyaki* Sauce	North America, Europe, Asia/Oceania
Del Monte Division	• Canned fruits • Canned corn • Tomato ketchup	Asia and Oceania (Excluding the Philippines)
Other Foods Division	• Health foods	North America

Overseas Foods–Wholesale

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

sales in the Liquor and Wine Division declined compared with the previous fiscal year.

Domestic Others

Sales in the logistics business increased year on year, but sales in the segment overall declined due to weaker sales of hyaluronic acid and other chemical products.

As a result, sales in the Domestic Others segment fell 0.6% year on year to ¥20,152 million, while operating income rose 12.9% to ¥1,035 million.

OVERSEAS

Overseas Foods – Manufacturing and Sales

Sales in this segment rose 17.1% year on year to ¥74,727 million and operating income increased 17.5% to ¥14,225 million.

[Soy Sauce Division]

In the North American market, 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 both sectors were firm, supporting higher sales year on year in North America.

In the European market, sales in Russia were affected by higher prices due to the weak ruble, but sales rose overall on the back of firm demand in other key markets such as Germany and France.

In Asia/Oceania, sales rose steadily in the key Philippines market, with sales in the region as a whole growing sharply year on year due to the addition of earnings from a sales subsidiary in China and a manufacturing subsidiary in Taiwan.

As a result, sales in the Soy Sauce Division rose strongly year on year, partly helped by forex factors.

[Del Monte Division]

Sales were affected by a shortage of Philippines-made canned fruit, but sales overall in the division increased year on year due to firm sales in South Korea and other markets.

[Other Foods Division]

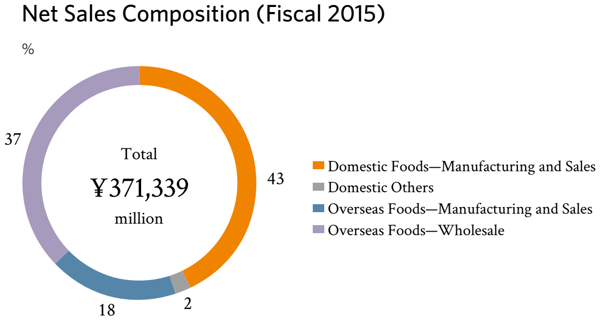
Sales in the division increased year on year, reflecting continued strong sales through general stores and doctors.

Overseas Foods – Wholesale

Sales in North America expanded, supported by efforts to build a stronger presence in the wider local market, in addition to the Asian American market. Also, the Japanese food market continued to grow in Europe and Oceania, contributing to firm sales in each region. As a result, sales increased compared with the previous fiscal year.

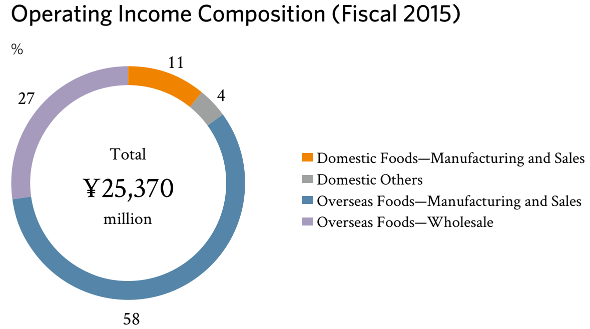
Sales in the Overseas Foods – Wholesale segment rose 16.6% year on year to ¥138,406 million and operating income increased 17.5% to ¥6,476 million.

Net Sales Composition (Fiscal 2015)



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

Operating Income Composition (Fiscal 2015)



FINANCIAL POSITION

ASSETS

Current assets as of March 31, 2015 totaled ¥149,749 million, a rise of ¥16,527 million from the end of the previous fiscal year. This mainly reflected increases in cash and deposits, merchandise and finished goods, and trade notes and accounts receivable. Property, plant and equipment, at cost and investments and other assets totaled ¥229,016 million, an increase of ¥13,135 million from the end of the previous fiscal year, mainly reflecting an increase in investment securities.

As a result, total assets were ¥378,766 million, an increase of ¥29,662 million from the end of the previous fiscal year.

LIABILITIES

Current liabilities as of March 31, 2015 totaled ¥53,579 million, a decline of ¥2,039 million from the end of the previous fiscal year. This mainly reflected a decrease in short-term bank loans, which outweighed an increase in trade notes and accounts payable. Long-term liabilities totaled ¥86,755 million, an increase of ¥3,677 million from the end of the previous fiscal year. This was mainly attributable to an increase in deferred tax liabilities, outweighing a drop in long-term debt.

As a result, total liabilities were ¥140,335 million, an increase of ¥1,638 million from the end of the previous fiscal year.

NET ASSETS

Net assets as of March 31, 2015 totaled ¥238,431 million, an increase of ¥28,024 million from the end of the previous fiscal year. This was primarily attributable to an increase in retained earnings, despite the acquisition of treasury stock, as well as increases in foreign currency translation adjustments and unrealized holding gain on securities, net of taxes.

This resulted in an equity ratio of 62.4%, compared with 59.9% at the end of the previous fiscal year.

Net assets per share increased ¥165.15 to ¥1,210.77.

CASH FLOWS

Cash and cash equivalents were ¥32,398 million as of March 31, 2015, an increase of ¥6,978 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

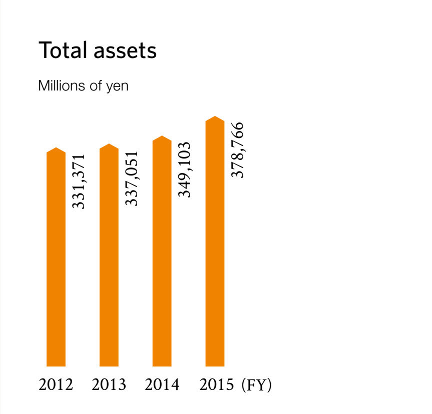
Net cash provided by operating activities was ¥31,658 million, an increase of ¥5,991 million from the previous fiscal year. This mainly reflected cash used for income taxes paid and for an increase in inventories, which was outweighed by cash provided from income before income taxes and minority interests and from non-cash items such as depreciation and amortization.

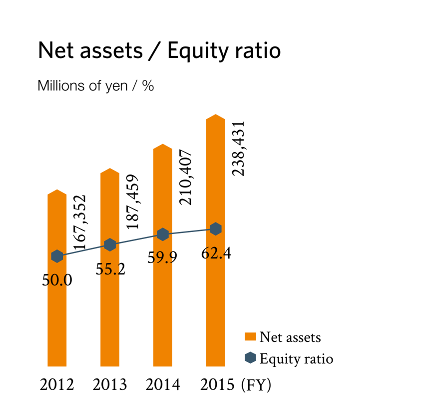
Cash Flows from Investing Activities

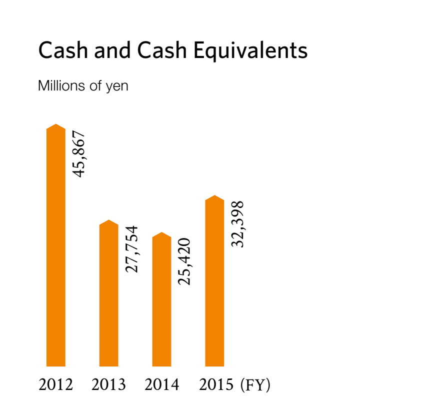
Net cash used in investing activities was ¥5,041 million, mainly reflecting cash used for the acquisition of property, plant and equipment.

Cash Flows from Financing Activities

Net cash used in financing activities was ¥21,566 million, mainly reflecting cash used for the acquisition of treasury stock and for the repayment of debt.







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.

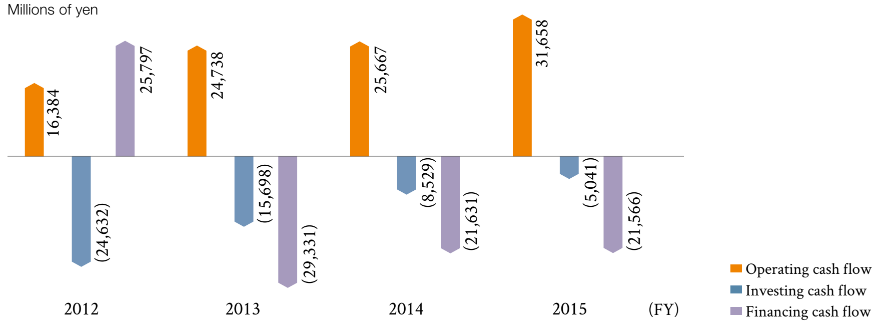
The Kikkoman Group uses various techniques to mitigate and avoid foreign currency exchange risk, but changes in currency markets could adversely affect its business results and financial position.

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 products 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

Cash Flows

Millions of yen



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's business portfolio includes products that are vulnerable to consumption patterns caused by the effects of the weather. In particular, a cool summer or warm winter 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, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 4)
Assets	2015	2014	2015
Current assets:			
Cash and deposits (Notes 5 and 16)	¥ 34,565	¥ 28,564	$ 287,634
Trade notes and accounts receivable (Notes 8 and 16)	50,219	47,370	417,899
Allowance for doubtful receivables	(500)	(422)	(4,160)
	49,719	46,948	413,738
Short-term investment securities (Notes 5 and 6)	273	131	2,271
Merchandise and finished goods	31,442	26,983	261,646
Work in process	12,479	11,193	103,844
Raw materials and supplies	5,088	4,256	42,340
Deferred tax assets (Note 10)	4,178	4,430	34,767
Other	12,001	10,713	99,866
Total current assets	149,749	133,222	1,246,142
Property, plant and equipment, at cost (Note 18):			
Land	21,093	20,706	175,526
Buildings and structures	98,562	96,036	820,188
Machinery, equipment and vehicles	187,235	173,732	1,558,084
Leased assets	421	369	3,503
Other	18,594	17,926	154,730
Construction in progress	2,061	2,919	17,150
	327,968	311,690	2,729,200
Accumulated depreciation	(223,273)	(206,673)	(1,857,976)
Property, plant and equipment, net	104,695	105,017	871,224
Investments and other assets:			
Investment securities (Notes 6 and 16)	50,175	41,305	417,533
Investments in and advances to unconsolidated subsidiaries and affiliates	39,274	37,086	326,820
Goodwill	17,139	18,392	142,622
Other intangible assets	5,265	4,805	43,812
Deferred tax assets (Note 10)	726	1,130	6,041
Net defined benefit asset (Note 9)	8,863	5,245	73,753
Other	2,875	2,899	23,924
Total investments and other assets	124,320	110,864	1,034,534
Total assets	¥378,766	¥349,103	$ 3,151,918

Liabilities	Millions of yen 2015	2014	Thousands of U.S. dollars (Note 4) 2015
Current liabilities:			
Short-term bank loans (Notes 8 and 16)	¥ 5,473	¥ 10,361	$ 45,543
Current portion of long-term debt (Notes 7 and 16)	2,000	2,600	16,643
Lease obligations (Notes 7 and 13)	70	66	582
Trade notes and accounts payable (Note 16)	20,766	18,193	172,805
Other accounts payable (Note 16)	16,481	14,528	137,147
Accrued income taxes	1,078	3,396	8,970
Accrued employees' bonuses	2,238	2,205	18,623
Accrued directors' bonuses	90	90	748
Other	5,380	4,174	44,769
Total current liabilities	53,579	55,618	445,860
Long-term liabilities:			
Long-term debt (Notes 7 and 16)	61,300	63,000	510,110
Lease obligations (Notes 7 and 13)	82	111	682
Net defined benefit liability (Note 9)	4,530	3,737	37,696
Accrued directors' severance benefits	847	898	7,048
Provision for environmental remediation	480	504	3,994
Deposits received	5,272	5,366	43,871
Deferred tax liabilities (Note 10)	12,365	8,075	102,895
Other	1,878	1,385	15,627
Total long-term liabilities	86,755	83,078	721,935
Total liabilities	140,335	138,696	1,167,803
Contingent Liabilities (Note 14)			
Net assets			
Shareholders' equity:			
Common stock, without par value:			
Authorized: 600,000,000 shares at March 31, 2015 and 2014			
Issued: 210,383,202 shares at March 31, 2015 and 2014	11,599	11,599	96,521
Capital surplus (Note 11)	21,405	21,377	178,122
Retained earnings (Notes 11 and 20)	190,440	178,260	1,584,754
Treasury stock, at cost:			
15,046,330 shares at March 31, 2015 and			
10,351,947 shares at March 31, 2014	(20,680)	(10,121)	(172,089)
Deposit for subscriptions to treasury stock	–	10	–
Total shareholders' equity	202,765	201,126	1,687,317
Accumulated other comprehensive income (loss):			
Unrealized holding gain (loss) on securities, net of taxes	19,103	9,623	158,966
Deferred hedge gain (loss), net of taxes	14	3	116
Foreign currency translation adjustments	13,903	(285)	115,694
Remeasurements of defined benefit plans (Note 9)	721	(1,300)	5,999
Total accumulated other comprehensive income (loss)	33,743	8,040	280,793
Stock acquisition rights	–	36	–
Minority interests	1,922	1,203	15,994
Total net assets	238,431	210,407	1,984,114
Total liabilities and net assets	¥378,766	¥349,103	$3,151,918

See accompanying notes to consolidated financial statements.

Consolidated Statements of Income

KIKKOMAN CORPORATION and Consolidated Subsidiaries
Years ended March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 4)
	2015	2014	2015
Net sales	¥371,339	¥343,168	$3,090,114
Cost of sales (Notes 9 and 12)	225,378	204,917	1,875,493
Gross profit	145,960	138,251	1,214,612
Selling, general and administrative expenses (Notes 9 and 12)	120,590	114,404	1,003,495
Operating income	25,370	23,847	211,117
Other income (expenses):			
Interest and dividend income	898	1,024	7,472
Equity in earnings of unconsolidated subsidiaries and affiliates	1,075	1,082	8,945
Unrealized gain on derivatives	4,849	2,172	40,351
Interest expenses	(1,137)	(1,511)	(9,461)
Foreign exchange losses, net	(5,365)	(2,234)	(44,645)
Gain on sales of investment securities (Note 6)	3,275	6,281	27,253
Gain on sales of subsidiaries and affiliates' stocks	11	–	91
Gain on sales of property, plant and equipment	140	1,150	1,165
Gain on revision of retirement benefit plans (Note 9)	–	1,541	–
Loss on disposal of property, plant and equipment	(297)	(966)	(2,471)
Loss on impairment of fixed assets	(3,269)	(6,139)	(27,203)
Loss on sales of investment securities (Note 6)	–	(47)	–
Loss on liquidation of subsidiaries and affiliates	(111)	–	(923)
Loss on valuation of subsidiary securities	(152)	(807)	(1,264)
Loss on revaluation of golf club memberships	(14)	(9)	(116)
Special extra retirement payments	(123)	–	(1,023)
Loss on bond retirement	–	(736)	–
Compensation for termination of business relationship	–	(671)	–
Other, net	(1,326)	(1,698)	(11,034)
Income before income taxes and minority interests	23,823	22,278	198,244
Income taxes (Note 10):			
Current	8,066	9,153	67,121
Deferred	264	558	2,196
	8,330	9,712	69,318
Income before minority interests	15,492	12,565	128,917
Minority interests	(110)	(5)	(915)
Net income (Note 15)	¥ 15,382	¥ 12,559	$ 128,001

See accompanying notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

KIKKOMAN CORPORATION and Consolidated Subsidiaries
Years ended March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 4)
	2015	2014	2015
Income before minority interests	¥15,492	¥12,565	$128,917
Other comprehensive income:			
Unrealized holding gain (loss) on securities, net of taxes	8,111	3,478	67,496
Deferred hedge gain (loss), net of taxes	30	(11)	249
Foreign currency translation adjustments	13,830	9,761	115,086
Unfunded retirement benefit obligation of overseas subsidiaries	–	222	–
Remeasurements of defined benefit plans, net of tax	1,813	–	15,086
Share of other comprehensive income of affiliates accounted for using the equity method	1,987	1,148	16,534
Total other comprehensive income	¥25,772	¥14,599	$214,462
Comprehensive income	¥41,265	¥27,165	$343,388
Total comprehensive income attributable to:			
Owners of the Company	¥41,085	¥27,154	$341,890
Minority interests	180	10	1,497

See accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Net Assets

KIKKOMAN CORPORATION and Consolidated Subsidiaries
Years ended March 31, 2015 and 2014

Year ended March 31, 2015

Millions of yen

	Shareholders' equity					
	Common stock (210,383,202 shares)	Capital surplus (Note 11)	Retained earnings (Notes 11 and 20)	Treasury stock	Deposit for subscriptions to treasury stock	Total shareholders' equity
Balance at beginning of the period	¥11,599	¥21,377	¥178,260	¥(10,121)	¥ 10	¥201,126
Cumulative effects of the change in accounting policy (Note 2(o))			806			806
Balance at the beginning of the period after the retroactive application	11,599	21,377	179,066	(10,121)	10	201,932
Changes of items during the period						
Cash dividends			(4,008)			(4,008)
Net income			15,382			15,382
Purchase of treasury stock				(10,659)		(10,659)
Disposal of treasury stock		28		100	(10)	118
Net changes of items other than shareholders' equity						
Total changes of items during the period	–	28	11,373	(10,558)	(10)	832
Balance at end of the period	**¥11,599**	**¥21,405**	**¥190,440**	**¥(20,680)**	**¥ –**	**¥202,765**

Millions of yen

	Accumulated other comprehensive income (loss)							
	Unrealized holding gain (loss) on securities, net of taxes	Deferred hedge gain (loss), net of taxes	Foreign currency translation adjustments	Remeasurements of defined benefit plans (Note 9)	Total accumulated other comprehensive income (loss)	Stock acquisition rights	Minority interests	Total net assets
Balance at beginning of the period	¥ 9,623	¥ 3	¥ (285)	¥(1,300)	¥ 8,040	¥ 36	¥1,203	¥210,407
Cumulative effects of the change in accounting policy (Note 2(o))								806
Balance at the beginning of the period after the retroactive application	9,623	3	(285)	(1,300)	8,040	36	1,203	211,213
Changes of items during the period								
Cash dividends								(4,008)
Net income								15,382
Purchase of treasury stock								(10,659)
Disposal of treasury stock								118
Net changes of items other than shareholders' equity	9,480	11	14,189	2,021	25,702	(36)	719	26,385
Total changes of items during the period	9,480	11	14,189	2,021	25,702	(36)	719	27,217
Balance at end of the period	¥19,103	¥14	¥13,903	¥ 721	¥33,743	¥ –	¥1,922	¥238,431

Thousands of U.S. dollars (Note 4)

	Shareholders' equity					
	Common stock (210,383,202 shares)	Capital surplus (Note 11)	Retained earnings (Notes 11 and 20)	Treasury stock	Deposit for subscriptions to treasury stock	Total shareholders' equity
Balance at beginning of the period	$96,521	$177,889	$1,483,398	$ (84,222)	$ 83	$1,673,678
Cumulative effects of the change in accounting policy (Note 2(o))			6,707			6,707
Balance at the beginning of the period after the retroactive application	96,521	177,889	1,490,105	(84,222)	83	1,680,386
Changes of items during the period						
Cash dividends			(33,352)			(33,352)
Net income			128,001			128,001
Purchase of treasury stock				(88,699)		(88,699)
Disposal of treasury stock		233		832	(83)	981
Net changes of items other than shareholders' equity						
Total changes of items during the period	–	233	94,640	(87,858)	(83)	6,923
Balance at end of the period	$96,521	$178,122	$1,584,754	$(172,089)	$ –	$1,687,317

Thousands of U.S. dollars (Note 4)

	Accumulated other comprehensive income (loss)							
	Unrealized holding gain (loss) on securities, net of taxes	Deferred hedge gain (loss), net of taxes	Foreign currency translation adjustments	Remeasurements of defined benefit plans (Note 9)	Total accumulated other comprehensive income (loss)	Stock acquisition rights	Minority interests	Total net assets
Balance at beginning of the period	$ 80,078	$ 24	$ (2,371)	$(10,818)	$ 66,905	$ 299	$10,010	$1,750,911
Cumulative effects of the change in accounting policy (Note 2(o))								6,707
Balance at the beginning of the period after the retroactive application	80,078	24	(2,371)	(10,818)	66,905	299	10,010	1,757,618
Changes of items during the period								
Cash dividends								(33,352)
Net income								128,001
Purchase of treasury stock								(88,699)
Disposal of treasury stock								981
Net changes of items other than shareholders' equity	78,888	91	118,074	16,817	213,880	(299)	5,983	219,563
Total changes of items during the period	78,888	91	118,074	16,817	213,880	(299)	5,983	226,487
Balance at end of the period	$158,966	$116	$115,694	$ 5,999	$280,793	$ –	$15,994	$1,984,114

Year ended March 31, 2014

Millions of yen

	Shareholders' equity					
	Common stock (210,383,202 shares)	Capital surplus (Note 11)	Retained earnings (Notes 11 and 20)	Treasury stock	Deposit for subscriptions to treasury stock	Total shareholders' equity
Balance at beginning of the period	¥11,599	¥21,227	¥169,702	¥(10,352)	¥ 78	¥192,254
Cumulative effects of the change in accounting policy (Note 2(o))						–
Balance at the beginning of the period after the retroactive application	11,599	21,227	169,702	(10,352)	78	192,254
Changes of items during the period						
Cash dividends			(4,002)			(4,002)
Net income			12,559			12,559
Purchase of treasury stock				(130)		(130)
Disposal of treasury stock		150		361	(78)	433
Advance received for subscriptions to treasury stock					10	10
Net changes of items other than shareholders' equity						
Total changes of items during the period	–	150	8,557	231	(67)	8,871
Balance at end of the period	¥11,599	¥21,377	¥178,260	¥(10,121)	¥ 10	¥201,126

Millions of yen

	Accumulated other comprehensive income (loss)								
	Unrealized holding gain (loss) on securities, net of taxes	Deferred hedge gain (loss), net of taxes	Foreign currency translation adjustments	Unfunded retirement benefit obligation of overseas subsidiaries	Remeasurements of defined benefit plans (Note 9)	Total accumulated other comprehensive income (loss)	Stock acquisition rights	Minority interests	Total net assets
Balance at beginning of the period	¥5,867	¥ 19	¥(10,918)	¥(1,054)	¥ –	¥ (6,085)	¥115	¥1,174	¥187,459
Cumulative effects of the change in accounting policy (Note 2(o))									–
Balance at the beginning of the period after the retroactive application	5,867	19	(10,918)	(1,054)	–	(6,085)	115	1,174	187,459
Changes of items during the period									
Cash dividends									(4,002)
Net income									12,559
Purchase of treasury stock									(130)
Disposal of treasury stock									433
Advance received for subscriptions to treasury stock									10
Net changes of items other than shareholders' equity	3,755	(16)	10,632	1,054	(1,300)	14,126	(79)	28	14,075
Total changes of items during the period	3,755	(16)	10,632	1,054	(1,300)	14,126	(79)	28	22,947
Balance at end of the period	¥9,623	¥ 3	¥ (285)	¥ –	¥(1,300)	¥ 8,040	¥ 36	¥1,203	¥210,407

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

KIKKOMAN CORPORATION and Consolidated Subsidiaries
Years ended March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 4)
	2015	2014	2015
Cash flows from operating activities			
Income before income taxes and minority interests	¥23,823	¥22,278	$198,244
Depreciation and amortization	12,901	13,002	107,356
Loss on impairment of fixed assets	3,269	6,139	27,203
Increase (decrease) in net defined benefit liability	1,456	(2,361)	12,116
Increase (decrease) in accrued directors' severance benefits	(50)	(69)	(416)
Interest and dividend income	(898)	(1,024)	(7,472)
Interest expenses	1,137	1,511	9,461
Equity in earnings of unconsolidated subsidiaries and affiliates	(1,075)	(1,082)	(8,945)
Gain on sales of property, plant and equipment	(151)	(1,159)	(1,256)
Gain on sales of securities	(3,275)	(6,233)	(27,253)
Loss on disposal of property, plant and equipment	554	1,219	4,610
Loss on revaluation of investment securities	–	4	–
(Increase) decrease in trade notes and accounts receivable	(109)	(1,496)	(907)
(Increase) decrease in inventories	(3,201)	(2,050)	(26,637)
Increase (decrease) in trade notes and accounts payable	538	961	4,476
Other	6,946	4,265	57,801
Subtotal	41,864	33,905	348,373
Interest and dividends received	1,443	1,447	12,007
Interest paid	(947)	(1,773)	(7,880)
Income taxes paid	(10,700)	(7,912)	(89,040)
Net cash provided by operating activities	31,658	25,667	263,443
Cash flows from investing activities			
Acquisition of property, plant and equipment	(11,379)	(15,551)	(94,690)
Proceeds from sales of property, plant and equipment	277	1,453	2,305
Acquisition of intangible assets	(1,405)	(1,825)	(11,691)
Acquisition of investment securities	(881)	(1,686)	(7,331)
Proceeds from sales of investment securities	6,527	9,731	54,314
Purchase of investments in subsidiary accompanied by change in scope of consolidation	–	(364)	–
Addition to loans receivable	(502)	(478)	(4,177)
Collection of loans receivable	952	126	7,922
Other	1,369	63	11,392
Net cash used in investing activities	(5,041)	(8,529)	(41,948)
Cash flows from financing activities			
Increase (decrease) in short-term bank loans	(4,975)	4,979	(41,399)
Proceeds from long-term loans payable	300	–	2,496
Repayment of long-term debt	(2,600)	(2,000)	(21,636)
Redemption of bonds	–	(20,736)	–
Proceeds from exercise of stock options	92	376	765
Acquisition of treasury stock	(10,134)	(130)	(84,330)
Cash dividends paid	(4,008)	(4,002)	(33,352)
Cash dividends paid to minority shareholders	(97)	(6)	(807)
Other	(143)	(111)	(1,189)
Net cash used in financing activities	(21,566)	(21,631)	(179,462)
Effect of exchange rate changes on cash and cash equivalents	1,927	2,159	16,035
Net increase (decrease) in cash and cash equivalents	6,978	(2,334)	58,067
Cash and cash equivalents at beginning of the year	25,420	27,754	211,533
Cash and cash equivalents at end of the year (Note 5)	¥32,398	¥25,420	$269,601

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Years ended March 31, 2015 and 2014

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) Employee Retirement Benefits

(1) Attribution of expected retirement benefits to periods of service
In calculation of retirement benefit obligations, the benefit formula basis is used for attributing expected retirement benefits to periods of service.
(2) Amortization of actuarial gains/losses and prior service costs
Prior service cost is amortized by the straight-line method over a period of 10 years 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 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.

(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.

(o) Changes in Accounting Policies

Application of the accounting standard for retirement benefits
The Company and its domestic consolidated subsidiaries adopted paragraph 35 of the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26 of May 17, 2012; hereinafter referred to as "the Accounting Standard for Retirement Benefits") and paragraph 67 of the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25 of March 26, 2015; hereinafter referred to as "the Guidance on Accounting Standard for Retirement Benefits") from the beginning of the consolidated fiscal year ended March 31, 2015. As a result, the method of calculating retirement benefit obligations and service costs was revised and the method of attributing expected retirement benefits to accounting periods was changed from the straight-line basis to the benefit formula basis. The method of determining the discount rate was also changed from a discount rate based on the average period until expected payment date to a discount rate that reflects the estimated timing of each benefit payment.

In accordance with the transitional guidance as provided in paragraph 37 of the Accounting Standard for Retirement Benefits, the effect of the change in accounting policy has been recognized in retained earnings at the beginning of the consolidated fiscal year ended March 31, 2015.

As a result, net defined benefit asset increased by ¥805 million and net defined benefit liability decreased by ¥372 million, while retained earnings increased by ¥806 million at the beginning of the consolidated fiscal year ended March 31, 2015. The impact of these changes on operating income, ordinary income and income before income taxes and minority interests for the consolidated fiscal year ended March 31, 2015 is immaterial.

The effect of this change on per share information is explained in Note 15. Amounts Per Share.

3. ACCOUNTING STANDARDS ISSUED BUT NOT YET APPLIED

The following accounting standards have been issued but not yet adopted:

- "Accounting Standard for Business Combinations" (ASBJ statement No. 21, September 13, 2013)
- "Accounting Standard for Consolidated Financial Statements" (ASBJ statement No. 22, September 13, 2013)
- "Accounting Standard for Business Divestitures" (ASBJ statement No. 7, September 13, 2013)
- "Accounting Standard for Earnings Per Share" (ASBJ statement No. 2, September 13, 2013)
- "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures"(ASBJ Guidance No. 10, September 13, 2013)
- "Guidance on Accounting Standard for Earnings Per Share" (ASBJ Guidance No. 4, September 13, 2013)

(a) Summary

These accounting standards and guidance were revised mainly in relation to the following areas:

(i) Accounting treatment for changes in ownership interests in subsidiaries in case the parent company's control is continuing after an additional acquisition of a subsidiary's stocks
(ii) Accounting treatment for acquisition-related expenses
(iii) Presentation of net income, and the change from minority interest to non-controlling interest
(iv) Provisional accounting treatment

(b) Scheduled Date of Application

The application of these accounting standards is scheduled from the beginning of the fiscal year ending March 31, 2016. The revised provisional accounting treatment will be applied from business combinations that are implemented after the beginning of the fiscal year ending March 31, 2016.

(c) Impact of Applying These Accounting Standards

The effect of the application of these accounting standards is currently under 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 ¥120.17 = U.S.$1.00, the approximate rate of exchange in effect on March 31, 2015. 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, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars
March 31,	2015	2014	2015
Cash and deposits	¥34,565	¥28,564	$287,634
Short-term investment securities	273	131	2,271
Time deposits with maturities of more than three months	(2,440)	(3,275)	(20,304)
Cash and cash equivalents	¥32,398	¥25,420	$269,601

6. FAIR VALUE OF SECURITIES

As of March 31, 2015 and 2014, 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, 2015 and 2014 are summarized as follows:

	Millions of yen			Thousands of U.S. dollars		
March 31, 2015	Acquisition costs	Carrying value	Unrealized gain (loss)	Acquisition costs	Carrying value	Unrealized gain (loss)
Unrealized gain:						
Stocks	¥15,582	¥42,278	¥26,695	$129,666	$351,818	$222,143
Unrealized loss:						
Stocks	3,221	2,562	(658)	26,803	21,319	(5,475)
Other	273	273	–	2,271	2,271	–
	3,495	2,836	(658)	29,083	23,599	(5,475)
Total	¥19,077	¥45,114	¥26,037	$158,750	$375,418	$216,668

			Millions of yen
March 31, 2014	Acquisition costs	Carrying value	Unrealized gain (loss)
Unrealized gain:			
Stocks	¥15,219	¥31,321	¥16,101
Unrealized loss:			
Stocks	6,656	5,385	(1,271)
Other	131	131	–
	6,788	5,517	(1,271)
Total	¥22,007	¥36,838	¥14,830

Proceeds from sales of securities classified as other securities amounted to ¥6,437 million ($53,565 thousand) with an aggregate gain on sales of ¥3,275 million ($27,253 thousand) and an aggregate loss on sales of ¥1 million ($8 thousand) for the year ended March 31, 2015.

Proceeds from sales of securities classified as other securities amounted to ¥10,362 million with an aggregate gain on sales of ¥6,281 million and aggregate loss on sales of ¥47 million for the year ended March 31, 2014.

7. LONG-TERM DEBT AND CREDIT FACILITIES

Long-term debt and lease obligations as of March 31, 2015 and 2014 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
March 31,	**2015**	2014	**2015**
1.88% unsecured bonds, payable in yen, due 2017	**¥20,000**	¥20,000	**$166,430**
1.312% unsecured bonds, payable in yen, due 2021	**30,000**	30,000	**249,646**
Loans from banks	**13,300**	15,600	**110,676**
Lease obligations	**152**	177	**1,264**
	63,452	65,777	**528,018**
Less: Current portion	**2,070**	2,666	**17,225**
	¥61,382	¥63,111	**$510,793**

The annual maturities of long-term debt and lease obligations subsequent to March 31, 2015 are summarized as follows:

Years ending March 31,	Millions of yen	Thousands of U.S. dollars
2016	**¥ 2,070**	**$ 17,225**
2017	**2,048**	**17,042**
2018	**22,025**	**183,282**
2019	**7,306**	**60,797**
2020 and thereafter	**30,001**	**249,654**
	¥63,452	**$528,018**

The Company and its consolidated subsidiaries have lines of credit from banks that provided for up to ¥65,080 million ($541,566 thousand) and ¥58,103 million in borrowings as of March 31, 2015 and 2014, respectively. There were ¥4,820 million ($40,109 thousand) and ¥9,797 million of short-term bank loans outstanding under these credit facilities as of March 31, 2015 and 2014, respectively.

8. PLEDGED ASSETS

The assets pledged as collateral for short-term bank loans as of March 31, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars
March 31,	**2015**	2014	**2015**
Trade notes and accounts receivable	**¥600**	¥514	**$4,992**

9. EMPLOYEE RETIREMENT BENEFITS

The Company and certain consolidated subsidiaries have funded and unfunded defined benefit plans and defined contribution plans for benefit payments to their employees.

With defined benefit corporate pension plans (all funded plans), a lump-sum payment or pension will be provided on a points' basis by the Company and main domestic subsidiaries, and according to basic rates of pay and length of service by other subsidiaries.

In retirement lump-sum plans (which include unfunded plans and funded plans as a result of setting up employee pension trusts), lump-sum payments are provided as retirement benefits on a points' basis by the Company and main domestic subsidiaries, and according to basic rates of pay and service length by other subsidiaries.

For defined benefit corporate pension plans and retirement lump-sum plans offered by certain consolidated subsidiaries, net defined benefit liability and retirement benefit costs are calculated according to a simplified method.

The disclosures for defined benefit plans included in the tables below include plans to which a simplified method has been applied.

(a) Defined Benefit Plans

(1) Reconciliation of the balance of retirement benefit obligations at beginning and end of the period

	Millions of yen		Thousands of U.S. dollars
March 31,	2015	2014	2015
Balance of retirement benefit obligations at beginning of the period	¥35,071	¥41,787	$291,844
Cumulative effects of the change in accounting policy	(1,178)	–	(9,802)
Balance at the beginning of the period after the retroactive application	33,892	41,787	282,033
Service cost	1,173	1,376	9,761
Interest cost	561	849	4,668
Actual (gain) loss	1,847	(1,354)	15,369
Retirement benefits paid	(2,170)	(3,006)	(18,057)
Prior service cost	(156)	(23)	(1,298)
Increase from changes in the scope of consolidation	897	–	7,464
Amount of decrease associated with the conversion to a defined contribution plan	–	(5,043)	–
Other	1,168	485	9,719
Balance of retirement benefit obligations at end of the period	¥37,214	¥35,071	$309,677

(2) Reconciliation of the balance of plan assets at beginning and end of the period

	Millions of yen		Thousands of U.S. dollars
March 31,	2015	2014	2015
Balance of plan assets at beginning of the period	¥36,578	¥38,559	$304,385
Expected return on plan assets	944	972	7,855
Actuarial gain	3,869	1,179	32,196
Employer contributions	847	2,073	7,048
Retirement benefits paid	(2,015)	(2,747)	(16,767)
Increase from changes in the scope of consolidation	610	–	5,076
Amount of decrease associated with the conversion to a defined contribution plan	–	(3,675)	–
Other	711	217	5,916
Balances of plan assets at end of the period	¥41,547	¥36,578	$345,735

(3) Reconciliation of the balances of retirement benefit obligations and plan assets to net amount recorded on the consolidated balance sheets

	Millions of yen		Thousands of U.S. dollars
March 31,	2015	2014	2015
Retirement benefit obligations of funded pension plans	¥ 35,747	¥ 33,598	$ 297,470
Plan assets	(41,547)	(36,578)	(345,735)
	(5,800)	(2,980)	(48,264)
Retirement benefit obligations of unfunded pension plans	1,466	1,472	12,199
Net amount recorded on the consolidated balance sheet	(4,333)	(1,507)	(36,057)
Amounts recorded on the consolidated balance sheet:			
Net defined benefit liability	4,530	3,737	37,696
Net defined benefit asset	(8,863)	(5,245)	(73,753)
Net amount recorded on the consolidated balance sheet	¥ (4,333)	¥ (1,507)	$ (36,057)

(4) Retirement benefit cost

	Millions of yen		Thousands of U.S. dollars
March 31,	2015	2014	2015
Service cost	¥1,173	¥ 1,376	$ 9,761
Interest cost	561	849	4,668
Expected return on plan assets	(944)	(972)	(7,855)
Amortization of net actuarial loss	578	868	4,809
Amortization of prior service cost	(5)	(350)	(41)
Other	177	185	1,472
Retirement benefit costs relating to defined benefit plans	1,540	1,957	12,815
Gain associated with the conversion to a defined contribution plan	¥ –	¥(1,541)	$ –

Note: Gain associated with the conversion to a defined contribution plan is recognized as "Other income (expenses)" in the Consolidated Statement of Income.

(5) Remeasurements of defined benefit plans

The breakdown of remeasurements of defined benefit plans (before deducting tax effect) is as follows:

	Millions of yen		Thousands of U.S. dollars
March 31,	2015	2014	2015
Prior service cost	¥ 151	¥–	$ 1,256
Actuarial gain or loss	2,298	–	19,122
Total	¥2,449	¥–	$20,379

(6) Accumulated remeasurements of defined benefit plans

The breakdown of accumulated remeasurements of defined benefit plans (before deducting tax effect) is as follows:

	Millions of yen		Thousands of U.S. dollars
March 31,	2015	2014	2015
Unrecognized prior service cost	¥157	¥ 6	$1,306
Unrecognized actuarial gain or loss	(46)	(2,344)	(382)
Total	¥111	¥(2,338)	$ 923

(7) Plan assets

Breakdown of major plan assets

The ratio of each main category to the total plan assets is as follows:

March 31,	2015	2014
Stock	**47%**	47%
Debt securities	**20%**	18%
General life insurance accounts	**19%**	20%
Other	**14%**	15%
Total	**100%**	100%

Note: 30% and 27% as of March 31, 2015 and 2014, respectively, of the total plan assets are assets contributed to a retirement benefit trust for retirement lump-sum plans.

Method for determining expected long-term rate of return

In determining the expected long-term rate of return on plan assets, the Company considers the current and projected plan asset allocations, as well as the current and expected long-term rates of return on various assets constituting plan assets.

(8) Actuarial assumptions

The main actuarial assumptions as of the end of the fiscal year (presented as a weighted average) are as follows:

March 31,	2015	2014
Discount rate	Mainly 0.8%	Mainly 2.0%
Long-term expected return on assets	Mainly 2.0 – 2.5%	Mainly 2.0 – 2.5%

(b) Defined Contribution Plans

The Company and certain consolidated subsidiaries' contributions for defined contribution plans were ¥771 million ($6,415 thousand) and ¥68 million as of March 31, 2015 and 2014, respectively.

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 35.5% and 37.8% for the years ended March 31, 2015 and 2014, respectively.

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

(a) Significant Components of Deferred Tax Assets and Liabilities as of March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars
March 31,	2015	2014	2015
Deferred tax assets:			
Inventories	¥ 368	¥ 178	$ 3,062
Loss on impairment of property, plant and equipment	5,261	4,733	43,779
Other accounts payable	1,906	1,837	15,860
Allowance for doubtful receivables	291	416	2,421
Accrued employees' bonus	717	778	5,966
Accrued pension and severance costs	1,645	3,893	13,688
Unrealized profit	576	515	4,793
Other	3,748	4,172	31,189
Valuation allowance	(3,792)	(3,992)	(31,555)
Total deferred tax assets	10,722	12,532	89,223
Deferred tax liabilities:			
Depreciation	(4,888)	(4,253)	(40,675)
Deferred capital gain	(1,560)	(1,768)	(12,981)
Gain on establishment of pension trust fund	(1,639)	(2,731)	(13,639)
Unrealized holding gains on securities	(8,470)	(5,296)	(70,483)
Adjustment for change in measurement of inventories	(118)	(254)	(981)
Other	(1,584)	(793)	(13,181)
Total deferred tax liabilities	(18,261)	(15,097)	(151,959)
Deferred tax assets (liabilities), net	¥ (7,539)	¥ (2,564)	$ (62,736)

(b) Reconciliation of the Difference between the Statutory Tax Rate and the Effective Tax Rate for the Year Ended March 31, 2015 and 2014

Years ended March 31,	2015	2014
Statutory tax rate	–	37.8%
(Adjustments)		
Entertainment and other permanently non-deductible expenses	–	1.1
Dividend and other permanently non-taxable income	–	(0.4)
Proportional allocation of inhabitants tax	–	0.4
Special deductions for corporate taxes paid	–	(2.3)
Tax rate differences for consolidated subsidiaries	–	(1.9)
Equity in earnings of unconsolidated subsidiaries and affiliates	–	(1.8)
Amortization of goodwill	–	2.8
Net change in valuation allowance	–	5.6
Goodwill impairment loss	–	1.7
Other	–	0.6
Effective tax rate	–	43.6%

Reconciliation of the difference between the statutory tax rate and the effective tax rate for the year ended March 31, 2015 is not disclosed because the difference between the two tax rates was less than 5% of the statutory tax rate.

(c) Adjustment to Deferred Tax Assets and Liabilities due to Change in Corporate Tax Rates

The Act for Partial Amendment of the Income Tax Act, etc. (Act No. 9 of 2015) and the Act for Partial Revision of the Local Taxation Act, etc. were promulgated on March 31, 2015, and as a result the corporate tax rates were amended. Based on the amendments, the statutory tax rate used for calculation of deferred tax assets and liabilities as of March 31, 2015 was reduced from 35.5% to 32.9% for temporary differences that are expected to reverse in the consolidated fiscal year beginning on April 1, 2015 and to 32.1% for temporary differences that are expected to reverse in or after the consolidated fiscal year beginning on April 1, 2016.

The effect of this amendment on the consolidated financial statements as of and for the year ended March 31, 2015 is immaterial.

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 COSTS

Research and development expenses included in cost of sales and selling, general and administrative expenses for the years ended March 31, 2015 and 2014 were ¥3,598 million ($29,940 thousand) and ¥3,564 million, respectively.

13. 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 immateriality.

(b) Operating Leases

As Lessee:

Future minimum lease payments subsequent to March 31, 2015 and 2014 for non-cancelable operating leases are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
March 31,	**2015**	2014	**2015**
Within 1 year	**¥ 2,806**	¥ 1,947	**$ 23,350**
Over 1 year	**12,328**	8,576	**102,588**
	¥15,134	¥10,524	**$125,938**

14. CONTINGENT LIABILITIES

The Company and its consolidated subsidiaries had the following contingent liabilities as of March 31, 2015 and 2014:

	Millions of yen		Thousands of U.S. dollars
March 31,	**2015**	2014	**2015**
As guarantor of indebtedness of:			
Unconsolidated subsidiaries	**¥ 847**	¥ 653	**$ 7,048**
Others	**102**	96	**848**
	¥ 949	¥ 749	**$ 7,897**
Contingent liabilities related to the reduction of corporate bonds by debt assumption	**¥20,000**	¥20,000	**$166,430**

15. AMOUNTS PER SHARE

The computation of basic net income per share is based on the weighted average number of shares of common stock outstanding during each period. Diluted net income per share has been omitted because no potentially dilutive instruments were outstanding during the years ended March 31, 2015 and 2014.

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.

As described in Note 2(o), "Changes in accounting policies," the Accounting Standard for Retirement Benefits and the Guidance on Accounting Standard for Retirement Benefits are applied in a transitional manner as stipulated in paragraph 37 of the Accounting Standard for Retirement Benefits. As a result of application, net assets per share increased by ¥4.13 ($0.03) as of March 31, 2015. The impact on net income per share and diluted net income per share for the year ended March 31, 2015 is immaterial.

	Yen		U.S. dollars
Years ended March 31,	**2015**	2014	**2015**
Net income:			
Basic	**¥ 78.20**	¥ 62.82	**$ 0.65**
Diluted	**78.19**	62.79	**0.65**
Net assets	**1,210.77**	1,045.62	**10.07**
Cash dividends applicable to the year	**24.00**	20.00	**0.19**

16. 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 seven 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, 2015 and 2014 are set out below. The following tables do not include financial instruments for which fair values are difficult to determine.

	Millions of yen			Thousands of U.S. dollars		
As of March 31, 2015	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
(1) Cash and deposits	¥ 34,565	¥ 34,565	¥ –	$ 287,634	$ 287,634	$ –
(2) Trade notes and accounts receivable	50,219	50,219	–	417,899	417,899	–
(3) Investment securities	45,114	45,114	–	375,418	375,418	–
Total assets	129,900	129,900	–	1,080,968	1,080,968	–
(1) Trade notes and accounts payable	20,766	20,766	–	172,805	172,805	–
(2) Other accounts payable	16,481	16,481	–	137,147	137,147	–
(3) Short-term bank loans (*2)	5,473	5,473	–	45,543	45,543	–
(4) Bonds	50,000	52,878	2,878	416,077	440,026	23,949
(5) Long-term bank loans (*2)	13,300	13,775	475	110,676	114,629	3,952
Total liabilities	106,020	109,374	3,353	882,250	910,160	27,902
Derivatives (*1)	¥ 6,393	¥ 6,393	¥ –	$ 53,199	$ 53,199	$ –

	Millions of yen		
As of March 31, 2014	Carrying amount	Fair value	Difference
(1) Cash and deposits	¥ 28,564	¥ 28,564	¥ –
(2) Trade notes and accounts receivable	47,370	47,370	–
(3) Investment securities	36,838	36,838	–
Total assets	112,773	112,773	–
(1) Trade notes and accounts payable	18,193	18,193	–
(2) Other accounts payable	14,528	14,528	–
(3) Short-term bank loans (*2)	10,361	10,361	–
(4) Bonds	50,000	52,724	2,724
(5) Long-term bank loans (*2)	15,600	16,192	592
Total liabilities	108,684	112,001	3,317
Derivatives (*1)	¥ 4,236	¥ 4,236	¥ –

(*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.

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 ¥5,331 million ($44,362 thousand) and ¥4,595 million as of March 31, 2015 and 2014, 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 17. Derivatives.

17. DERIVATIVES

Summarized below are the notional amounts and the estimated fair value of the open derivative positions as of March 31, 2015 and 2014:

(a) Hedge Accounting not Applied
Currency Related Transactions

					Millions of yen
March 31, 2015 Classification	Type of transaction	Notional amount	Over 1 year	Fair value	Unrealized gain (loss)
Non-market transactions	Forward foreign exchange contracts:				
	Sell:				
	USD	¥ 2,670	¥ –	¥ (17)	¥ (17)
	EUR	1,404	–	(27)	(27)
	SEK	100	96	3	3
	HKD	4	–	(0)	(0)
	Buy:				
	USD	36,173	27,297	6,707	6,707
	EUR	2,907	2,847	(247)	(247)
	SEK	14	14	(0)	(0)
	GBP	6	–	(0)	(0)
	SGD	3,369	3,364	(29)	(29)
	JPY	493	–	3	3
Total		¥47,145	¥33,619	¥6,391	¥6,391

					Thousands of U.S. dollars
March 31, 2015 Classification	Type of transaction	Notional amount	Over 1 year	Fair value	Unrealized gain (loss)
Non-market transactions	Forward foreign exchange contracts:				
	Sell:				
	USD	$ 22,218	$ –	$ (141)	$ (141)
	EUR	11,683	–	(224)	(224)
	SEK	832	798	24	24
	HKD	33	–	(0)	(0)
	Buy:				
	USD	301,015	227,153	55,812	55,812
	EUR	24,190	23,691	(2,055)	(2,055)
	SEK	116	–	(0)	(0)
	GBP	49	–	(0)	(0)
	SGD	28,035	27,993	(241)	(241)
	JPY	4,102	–	24	24
Total		$392,319	$279,762	$53,182	$53,182

					Millions of yen
March 31, 2014 Classification	Type of transaction	Notional amount	Over 1 year	Fair value	Unrealized gain (loss)
Non-market transactions	Forward foreign exchange contracts:				
	Sell:				
	USD	¥ 1,948	¥ –	¥ (20)	¥ (20)
	EUR	11	–	(0)	(0)
	SEK	108	108	0	0
	HKD	3	–	(0)	(0)
	Buy:				
	USD	26,428	20,715	4,279	4,279
	EUR	1,730	1,680	(9)	(9)
	SEK	15	–	(0)	(0)
	GBP	3	–	(0)	(0)
	SGD	1,603	1,586	1	1
	JPY	564	–	(11)	(11)
Total		¥32,417	¥24,090	¥4,239	¥4,239

(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
March 31, 2015 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	¥205	¥ –	(Note 2)
	Buy:				
	USD	Accounts payable	569	–	(Note 2)
	EUR		36	–	(Note 2)
	GBP		0	–	(Note 2)
	JPY		0	–	(Note 2)
Deferral hedge accounting	Sell:				
	USD	Accounts receivable	26	–	0
	Buy:				
	USD	Accounts payable	219	–	5
	EUR		¥97	¥ –	¥(3)

March 31, 2015 Hedge accounting method	Type of transaction	Hedged item	Contract amounts	Over 1 year	Fair value
					Thousands of U.S. dollars
Currency forward contracts	Forward foreign exchange contracts:				
	Sell:				
	USD	Accounts receivable	$1,705	$ –	(Note 2)
	Buy:				
	USD	Accounts payable	4,734	–	(Note 2)
	EUR		299	–	(Note 2)
	GBP		0	–	(Note 2)
	JPY		0	–	(Note 2)
Deferral hedge accounting	Sell:				
	USD	Accounts receivable	216	–	0
	Buy:				
	USD	Accounts payable	1,822	–	41
	EUR		$ 807	$ –	$24

March 31, 2014 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	¥215	¥ –	(Note 2)
	Buy:				
	USD	Accounts payable	745	–	(Note 2)
	EUR		–	–	(Note 2)
	GBP		2	–	(Note 2)
	JPY		0	–	(Note 2)
Deferral hedge accounting	Sell:				
	USD	Accounts receivable	0	–	(0)
	Buy:				
	USD	Accounts payable	413	–	(2)
	EUR		¥ 6	¥ –	¥ 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

March 31, 2015 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	¥13,000	¥11,000	(Note)

March 31, 2015 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	$108,180	$91,536	(Note)

					Millions of yen
March 31, 2014 Hedge accounting method	Type of transaction	Hedged item	Contract amounts	Over 1 year	Fair value
Special treatment for interest swaps	Interest rate swap: Floating Receipt Fixed Payment	Long-term debt	¥15,000	¥13,000	(Note)

(Note)
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.

18. 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, 2015 and 2014 was ¥682 million ($5,675 thousand) and ¥935 million, respectively. The Company recorded ¥12 million ($99 thousand) and ¥1,116 million of gain on sales of rental properties as other income for the years ended March 31, 2015 and 2014, respectively. The Company has recorded ¥76 million ($632 thousand) of impairment loss of rental properties as other expenses for the year ended March 31, 2015. There was no impairment loss of rental properties for the year ended March 31, 2014.

The carrying amount and the fair value of such rental properties as of March 31, 2015 and 2014 were as follows:

March 31, 2015							
Carrying amount (Millions of yen)			Fair value as of March 31, 2015 (Millions of yen)	Carrying amount (Thousands of U.S. dollars)			Fair value as of March 31, 2015 (Thousands of U.S. dollars)
Beginning of fiscal year	Net change during fiscal year	End of fiscal year		Beginning of fiscal year	Net change during fiscal year	End of fiscal year	
¥10,077	**¥89**	**¥10,166**	**¥21,269**	**$83,856**	**$740**	**$84,596**	**$176,990**

March 31, 2014			
Carrying amount (Millions of yen)			Fair value as of March 31, 2014 (Millions of yen)
Beginning of fiscal year	Net change during fiscal year	End of fiscal year	
¥8,939	¥1,137	¥10,077	¥20,830

(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.

19. SEGMENT INFORMATION

(a) Segment Information

(1) 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.

(2) 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.

(3) 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, 2015	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	¥160,018	¥ 7,478	¥65,759	¥138,082	¥371,339	¥ –	¥371,339
Intra group sales and transfers	1,243	12,673	8,967	323	23,208	(23,208)	–
Total net sales	161,261	20,152	74,727	138,406	394,547	(23,208)	371,339
Segment income	2,715	1,035	14,225	6,476	24,453	916	25,370
Segment assets	115,371	22,131	122,004	56,661	316,169	62,596	378,766
Other items:							
Depreciation and amortization	7,290	1,051	2,816	784	11,943	884	12,827
Amortization of goodwill	1,401	–	112	–	1,513	–	1,513
Increase in tangible and intangible fixed assets	¥ 6,936	¥ 1,476	¥ 2,842	¥ 683	¥ 11,938	¥ 1,148	¥ 13,087

							Thousands of U.S. dollars
As of and for the year ended March 31, 2015	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	$1,331,596	$ 62,228	$ 547,216	$1,149,055	$3,090,114	$ –	$3,090,114
Intra group sales and transfers	10,343	105,458	74,619	2,687	193,126	(193,126)	–
Total net sales	1,341,940	167,695	621,844	1,151,751	3,283,240	(193,126)	3,090,114
Segment income	22,592	8,612	118,373	53,890	203,486	7,622	211,117
Segment assets	960,064	184,164	1,015,261	471,507	2,631,014	520,895	3,151,918
Other items:							
Depreciation and amortization	60,664	8,745	23,433	6,524	99,384	7,356	106,740
Amortization of goodwill	11,658	–	932	–	12,590	–	12,590
Increase in tangible and intangible fixed assets	$ 57,718	$ 12,282	$ 23,649	$ 5,683	$ 99,342	$ 9,553	$ 108,904

(Notes)

Adjustments are as follows:

(1) Adjustments of ¥916 million ($7,622 thousand) in segment income mainly represent expenses relating to the corporate division of the Company, which totaled ¥997 million ($8,296 thousand).

(2) Adjustments of ¥62,596 million ($520,895 thousand) in segment assets represent the elimination of intersegment assets and assets relating to the corporate division of the Company, which totaled ¥149,670 million ($1,245,485 thousand). Assets relating to the corporate division of the Company consist mainly of cash and deposits and investment securities.

(3) Adjustments of ¥884 million ($7,356 thousand) in depreciation and amortization consist of depreciation of assets related to the corporate division of the Company.

(4) Adjustments of ¥1,148 million ($9,553thousand) in increase in tangible and intangible fixed assets consist of asset acquisitions of the corporate division of the Company.

Application of the accounting standard for retirement benefits

As described in Note 2(o), "Changes in accounting policies," the Company has changed the method of calculating retirement benefit obligations and service costs from the consolidated fiscal year ended March 31, 2015. The impact on segment operating income for the consolidated fiscal year ended March 31, 2015 is immaterial.

Millions of yen

As of and for the year ended March 31, 2014	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	¥160,676	¥ 8,038	¥56,090	¥118,363	¥343,168	¥ –	¥343,168
Intra group sales and transfers	1,118	12,229	7,706	308	21,362	(21,362)	–
Total net sales	161,794	20,268	63,797	118,671	364,531	(21,362)	343,168
Segment income	4,320	916	12,106	5,513	22,857	990	23,847
Segment assets	116,698	21,477	98,691	50,945	287,813	61,289	349,103
Other items:							
Depreciation and amortization	7,586	1,237	2,509	772	12,105	826	12,931
Amortization of goodwill	1,401	83	180	–	1,664	–	1,664
Increase in tangible and intangible fixed assets	¥ 8,670	¥ 3,171	¥ 3,357	¥ 1,756	¥ 16,955	¥ 309	¥ 17,265

(Notes)
Adjustments are as follows:
(1) Adjustments of ¥990 million in segment income mainly represent expenses relating to the corporate division of the Company, which totaled ¥996 million.
(2) Adjustments of ¥61,289 million in segment assets represent the elimination of intersegment assets and assets relating to the corporate division of the Company, which totaled ¥129,057 million. Assets relating to the corporate division of the Company consist mainly of cash and deposits and investment securities.
(3) Adjustments of ¥826 million in depreciation and amortization consist of depreciation of assets related to the corporate division of the Company.
(4) Adjustments of ¥309 million in increase in tangible and intangible fixed assets consist of asset acquisitions of the corporate division of the Company.

(b) Related Information

Information by geographical area

Sales — Millions of yen

For the year ended March 31, 2015	Japan	North America	Other	Total
Amount	**¥168,697**	**¥150,927**	**¥51,775**	**¥371,399**

Sales — Thousands of U.S. dollars

For the year ended March 31, 2015	Japan	North America	Other	Total
Amount	**$1,403,819**	**$1,255,945**	**$430,847**	**$3,090,613**

(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, 2015	Japan	North America	Other	Total
Net book value	**¥71,110**	**¥23,484**	**¥10,101**	**¥104,695**

Tangible fixed assets — Thousands of U.S. dollars

As of March 31, 2015	Japan	North America	Other	Total
Net book value	**$591,745**	**$195,423**	**$84,055**	**$871,224**

Information regarding impairment loss on tangible fixed assets by reporting segment

							Millions of yen
For the year ended March 31, 2015	Domestic Foods – Manufacturing and Sales	Domestic Others	Overseas Foods – Manufacturing and Sales	Overseas Foods – Wholesale	Total	Adjustments	Consolidated
Impairment loss	¥3,193	¥76	¥ –	¥ –	¥3,269	¥ –	¥3,269

							Thousands of U.S. dollars
For the year ended March 31, 2015	Domestic Foods – Manufacturing and Sales	Domestic Others	Overseas Foods – Manufacturing and Sales	Overseas Foods – Wholesale	Total	Adjustments	Consolidated
Impairment loss	$26,570	$632	$ –	$ –	$27,203	$ –	$27,203

Information regarding the balance of goodwill by reporting segment

							Millions of yen
As of March 31, 2015	Domestic Foods – Manufacturing and Sales	Domestic Others	Overseas Foods – Manufacturing and Sales	Overseas Foods – Wholesale	Total	Adjustments	Consolidated
Goodwill ending balance	¥15,391	¥ –	¥1,747	¥ –	¥17,139	¥ –	¥17,139

							Thousands of U.S. dollars
As of March 31, 2015	Domestic Foods – Manufacturing and Sales	Domestic Others	Overseas Foods – Manufacturing and Sales	Overseas Foods – Wholesale	Total	Adjustments	Consolidated
Goodwill ending balance	$128,076	$ –	$14,537	$ –	$142,622	$ –	$142,622

Information regarding amortization of goodwill is omitted, since the same information was disclosed in (a) (3). Information on sales, income or loss, assets and other items by reporting segment.

20. 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, 2015, were approved at the general meeting of shareholders held on June 24, 2015.

	Millions of yen	Thousands of U.S. dollars
Cash dividends (¥24.00= $0.19 per share)	¥4,697	$39,086

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, 2015, 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 its consolidated subsidiaries at March 31, 2015, 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 24, 2015
Tokyo, Japan

Ernst & Young ShinNihon LLC

Corporate Data

As of March 31, 2015

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)
5,912

Stock Exchange Listings
Tokyo

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

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 Noda Shoyu Co., Ltd. (forerunner to Kikkoman) founded in Noda, Japan through the merger of eight family-run companies.

1931 The Kansai Plant (now the Takasago Factory) begins shipments of Soy Sauce in Japan.

1957 Kikkoman International Inc. (now Kikkoman Sales USA, Inc.) established in the United States to sell and market Soy Sauce.

1961 Kikko Food Industries Co., Ltd. (now Nippon Del Monte Corporation) established in Japan.

1962 Katsunuma Yoshu Co., Ltd. (now Manns Wine Co., Ltd.) established in Japan.

1969 Kikkoman invests in food trading company Japan Food Corporation (now JFC International Inc.) in the United States.

1973 Kikkoman Foods, Inc. holds the grand opening of its first Soy Sauce plant in the United States, in Walworth, Wisconsin.

1979 Kikkoman Trading Europe GmbH established in Germany to sell and market Soy Sauce.

1980 The Company takes on its present name, Kikkoman Corporation.

1984 Kikkoman (S) Pte Ltd holds the grand opening of its Soy Sauce plant in Singapore.

1987 Kikkoman's Chitose Plant (now Hokkaido Kikkoman Company) in Hokkaido, Japan begins shipments of Soy Sauce.

1990 Kikkoman buys perpetual marketing rights to the Del Monte brand in the Asia-Pacific region, excluding the Philippines.

1990 President Kikkoman Inc. begins shipments of Soy Sauce from its plant in Taiwan.

1997 Kikkoman Foods Europe B.V. holds the grand opening of its Soy Sauce plant in the Netherlands.

1998 Kikkoman Foods, Inc. holds the grand opening of its second Soy Sauce plant in the United States, in Folsom, California.

2002 Kunshan President Kikkoman Biotechnology Co., Ltd. holds the grand opening of its Soy Sauce plant in Kunshan, China.

2004 Kikkoman invests in soy milk company Kibun Food Chemifa Co., Ltd. (now Kikkoman Soyfoods Company) in Japan.

2005 Health foods company Country Life, LLC established in the United States.

2009 President Kikkoman Zhenji Foods Co., Ltd. holds the grand opening of its Soy Sauce plant in Shijiazhuang, China.

2009 Kikkoman shifts to a holding company structure.

2014 Kikkoman Shanghai Trading Co., Ltd. established in Shanghai, China.

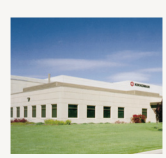

Company boardroom at the time Kikkoman was founded


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/