

Kikkoman Corporation

***Business Performance Presentation
for the Six-Month Period Ended September 30, 2017***

November 2, 2017

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- The information in this presentation is based on Kikkoman's best knowledge at the time it was prepared.*
- This presentation does not constitute a promise or guarantee that the company will achieve its numerical targets or necessarily implement the strategies outlined.*

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Today's Agenda

➤ *Performance in the Six Months Ended
September 30, 2017 and Forecast for
Fiscal 2018*

*Takao Kamiyama
Executive Corporate Officer and CFO*

➤ *Progress of the Medium-Term Management
Plan*

*Noriaki Horikiri
President and CEO*



Performance in the Six Months Ended
September 30, 2017 and
Forecast for Fiscal 2018

Takao Kamiyama
Executive Corporate Officer and CFO

Today's Agenda

(1) Performance in the Six Months Ended September 30, 2017

(2) Forecast for Fiscal 2018



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1-1. Performance in the Six Months Consolidated P/L Results (Compared with Previous Year)

1st half actual

(Unit: billion yen)

	Fiscal 2018	Fiscal 2017	Change Increase / Decrease	%	Breakdown of change		
					Translation Difference	Actual Difference	%
Net Sales	214.5	196.8	17.7	109.0	5.0	12.7	106.4
Japan	92.3	89.0	3.4	103.8		3.4	103.8
Overseas	123.6	109.2	14.4	113.2	5.0	9.4	108.6
Operating Income	19.1	16.9	2.1	112.5	0.3	1.8	110.5
Japan	6.7	5.4	1.3	124.3		1.3	124.3
Overseas	12.8	11.9	0.9	107.4	0.3	0.6	105.0
Kikkoman (Holding Company)	3.2	2.0	1.2	159.0		1.2	159.0
Eliminations	(3.5)	(2.3)	(1.2)		0.1	(1.3)	
Ordinary income	18.8	16.4	2.4	114.6	0.3	2.1	112.8
Income before income taxes	18.4	15.8	2.6	116.7	0.3	2.3	114.8
Net income attributable to owners of parent	12.0	16.0	(4.0)	75.2	0.2	(4.2)	74.0

Exchange Rate (¥/US\$)	111.4	106.4	5.0
(¥/EUR)	126.6	119.1	7.5



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1-2. Performance in the Six Months Net Sales in Japan (Compared with Previous Year)

1st half actual

(Unit: billion yen)

			Fiscal 2018	Fiscal 2017	Change Increase / Decrease	%
Japan	Soy Sauce		24.7	24.5	0.2	100.9
	Food Products		30.0	29.5	0.5	101.7
	Beverages		27.2	24.2	3.0	112.4
	Liquor and wine		5.9	6.0	(0.1)	98.3
	Eliminations		(0.1)	(0.1)		
	Foods-Manufacturing and sales		87.8	84.2	3.6	104.3
	Others		10.7	10.8	(0.1)	99.4
	Eliminations		(6.2)	(6.0)	(0.2)	
Total			92.3	89.0	3.4	103.8

- Soy sauce: The *Itsudemo Shinsen* (“always fresh”) series performed well.
- Food products: Soy sauce-related seasonings sold well.
- Beverages: Sales of soy milk and Del Monte beverages were both strong.

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1-3. Performance in the Six Months Net Sales Overseas (Compared with Previous Year)

1st half actual

(Unit: billion yen)

		Fiscal 2018	Fiscal 2017	Change Increase / Decrease	%	Breakdown of change			
						Translation Difference	Actual Difference	%	
Overseas	North America	91.3	82.2	9.1	111.0	3.8	5.3	106.4	
	Foods-Manufacturing and sales	29.2	27.7	1.5	105.5	1.0	0.5	101.8	
	Foods-Wholesale	66.1	58.2	8.0	113.7	3.0	5.0	108.6	
	Europe	13.0	11.0	2.0	118.4	0.6	1.4	113.1	
	Foods-Manufacturing and sales	5.7	4.9	0.8	116.6	0.3	0.5	109.6	
	Foods-Wholesale	8.5	6.9	1.5	122.0	0.3	1.2	117.5	
	Asia & Oceania	17.4	13.7	3.7	127.3	0.7	3.0	122.1	
	Foods-Manufacturing and sales	9.2	6.8	2.4	135.6	0.2	2.2	132.2	
	Foods-Wholesale	8.4	7.0	1.4	119.3	0.5	0.9	112.5	
	Others	19.1	16.7	2.4	114.6		2.4	114.6	
	Eliminations	(17.3)	(14.4)	(2.9)		(0.1)	(2.8)		
	Total		123.6	109.2	14.4	113.2	5.0	9.4	108.6

Exchange Rate(¥/US\$) 111.4 106.4 5.0

(¥/EUR) 126.6 119.1 7.5

- Actual sales, excluding the effect of exchange rates, rose from the previous year in all regions and segments.

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1-4. Performance in the Six Months

Consolidated Operating Income (Compared with Previous Year)

1st half actual

(Unit: billion yen)

		Fiscal 2018	Fiscal 2017	Change Increase / Decrease	%	Breakdown of change		
						Translation Difference	Actual Difference	%
Japan	Foods-Manufacturing and sales	5.9	4.7	1.3	127.0		1.3	127.0
	Others	0.7	0.7		106.7			106.7
	Total	6.7	5.4	1.3	124.3		1.3	124.3
Overseas	North America	8.9	8.4	0.5	105.8	0.3	0.2	102.2
	Europe	1.9	1.6	0.3	118.6	0.1	0.2	114.7
	Asia & Oceania	1.3	1.1	0.2	117.8		0.2	114.9
	Others	0.9	0.8	0.1	117.1		0.1	117.1
	Total	12.8	11.9	0.9	107.4	0.3	0.6	105.0
Kikkoman (Holding Company)		3.2	2.0	1.2	159.0		1.2	159.0
Eliminations		(3.5)	(2.3)	(1.2)		0.1	(1.3)	
Consolidated Total		19.1	16.9	2.1	112.5	0.3	1.8	110.5
Exchange Rate(¥/US\$)		111.4	106.4	5.0				
(¥/EUR)		126.6	119.1	7.5				

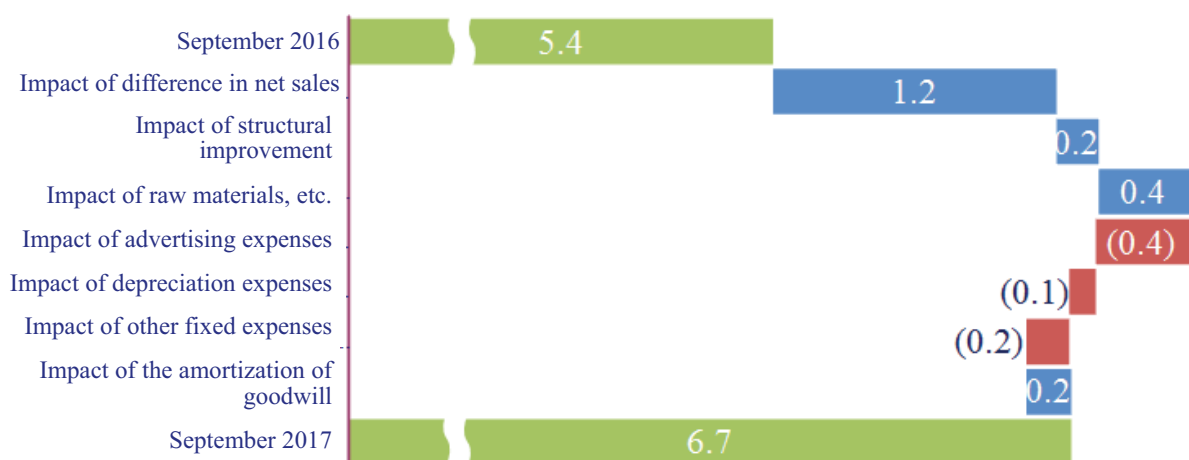
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1-5. Major Factors for Changes in Operating Income in Japan

Japan +¥1.3 billion

(Unit: billion yen)



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1-6. Major Factors for Changes in Operating Income Overseas

Overseas +¥0.9 billion

(Unit: billion yen)



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1-7. Performance in the Six Months

Consolidated P/L Results (Compared with Forecast)

(Unit: billion yen)

1st half actual

	Fiscal 2018	Forecast	Change Increase / Decrease	%	Breakdown of change		
					Translation Difference	Actual Difference	%
Net Sales	214.5	204.0	10.5	105.1	6.3	4.1	102.0
Japan	92.3	90.6	1.7	101.9		1.7	101.9
Overseas	123.6	115.1	8.5	107.4	6.3	2.1	101.9
Operating Income	19.1	17.7	1.4	107.7	0.6	0.7	104.2
Japan	6.7	5.9	0.8	112.7		0.8	112.7
Overseas	12.8	12.3	0.5	103.9	0.6	(0.1)	99.4
Kikkoman (Holding Company)	3.2	2.9	0.3	109.0		0.3	109.0
Eliminations	(3.5)	(3.4)	(0.1)		0.1	(0.2)	
Ordinary income	18.8	16.7	2.1	112.8	0.6	1.6	109.4
Income before income taxes	18.4	16.7	1.7	110.1	0.6	1.1	106.7
Net income attributable to owners of parent	12.0	10.9	1.1	110.5	0.4	0.8	107.1
Exchange Rate(¥/US\$)	111.4	105.0	6.4				
(¥/EUR)	126.6	115.0	11.6				

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1-8. Change in Consolidated Balance Sheets

(Unit: billion yen)

a. Total Asset = 349.2	(Compared with 2017.3)	(12.1)
b. Translation Difference		+2.1
Actual Difference (a. - b.)		(14.2)

Assets	(14.2)	Liabilities and net assets	(14.2)
Current assets	(16.1)	Liabilities	(24.9)
Cash and deposits	(21.4)	Interest bearing debt	(23.9)
Notes and accounts receivable	+4.5	Notes and accounts payable	(1.9)
Inventories	+4.0	Income taxes payable	+1.2
Deferred tax assets	+0.1	Net defined benefit liability	(0.2)
Other	(3.4)	Deferred tax liabilities	(0.1)
Non-current assets	+1.9	Net assets	+10.7
Property, plant and equipment	+0.8	Retained earnings	+8.3
Intangible assets	(0.6)	Valuation difference on available-for-sale securities	+0.1
[Goodwill	(0.3)]	Foreign currency translation adjustments	+1.4
Investments and other assets	+1.6	Non-controlling interests	+0.5
[Investment securities	+1.6]	Other	+0.3
[Deferred tax assets	(0.2)]		

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1-9. Consolidated Cash Flows

Net CF (a + b + c + d) = (20.7)

(Unit: billion yen)

a. Cash flows from operating activities	+17.5	b. Cash flows from investing activities	(9.0)
Income before income taxes	+18.4	2' Purchase of property, plant, equipment and intangible assets	(7.3)
Depreciation and amortization	+6.4	2' Proceeds from sales of property, plant and equipment	+0.0
Decrease (increase) in notes and accounts receivable-trade	(4.1)	Purchase of investment securities	(2.3)
Decrease (increase) in inventories	(3.4)	Decrease (increase) in operating loans receivable	(0.4)
Increase (decrease) in notes and accounts payable-trade	(0.5)	Proceeds from sales of investment securities	+0.8
Income taxes paid	(0.9)	Other	+0.2
Other	+1.6		
a.+2' Free Cash Flows		+10.2	
b.-2' Cash Flows from Investing Activities (Excluding Purchase of Property, Plant and Equipment)		(1.7)	
c. Cash flows from financing activities	(29.2)	d. Effect of exchange rate	+0.0
Increase (decrease) in short-term loans payable	+6.0		
Redemption of bonds	(31.7)		
Cash dividends paid	(3.5)		

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2-1. Forecast for Fiscal 2018 Assumptions Made for Full-Year Forecast

➤ Exchange rates

2nd half: ¥110.0/ US\$, ¥130.0/ EUR

Full year: ¥110.8/ US\$, ¥128.2/ EUR

➤ Impact of raw materials, etc.

Consolidated total

2nd half: Remaining flat

(Japan ±¥0.0 billion, Overseas ±¥0.0 billion)

Full year: ¥0.2 billion increase in profit

(Japan +¥0.4 billion, Overseas -¥0.2 billion)

(Underlying assumptions)

Soybeans (market price) US\$9.0 - 11.5 /bushel

Wheat (market price) US\$5.5 - 7.0 /bushel

Crude oil (market price) US\$45 - 60 /barrel

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2-2. Forecast for the Second Half of Fiscal 2018 Consolidated P/L Results (Compared with Previous Year)

2nd half forecast

(Unit: billion yen)

	Forecast	Fiscal 2017	Change Increase / Decrease	%	Breakdown of change		
					Translation Difference	Actual Difference	%
Net Sales	215.3	205.4	9.9	104.8	0.9	9.1	104.4
Japan	89.3	87.5	1.8	102.1		1.8	102.1
Overseas	127.4	119.3	8.1	106.8	0.9	7.3	106.1
Operating Income	16.9	15.9	1.0	106.5	0.4	0.7	104.3
Japan	4.7	4.4	0.3	106.0		0.3	106.0
Overseas	13.0	11.9	1.1	109.7	0.3	0.8	106.9
Kikkoman (Holding Company)	2.8	3.2	(0.4)	87.8		(0.4)	87.8
Eliminations	(3.6)	(3.6)					
Ordinary income	16.2	15.6	0.6	103.6	0.3	0.2	101.4
Income before income taxes	15.6	11.3	4.3	137.9	0.3	4.0	134.9
Net income attributable to owners of parent	10.3	7.8	2.5	131.6	0.2	2.2	128.4
Exchange Rate(¥/US \$)	110.0	112.1	(2.1)				
(¥/EUR)	130.0	119.7	10.3				

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2-3. Forecast for the Second Half of Fiscal 2018 Net Sales in Japan (Compared with Previous Year)

2nd half forecast

(Unit: billion yen)

		Forecast	Fiscal 2017	Change Increase / Decrease	%
Japan	Soy Sauce	26.3	26.0	0.3	101.2
	Food Products	28.7	28.2	0.4	101.6
	Beverages	23.1	21.8	1.3	105.9
	Liquor and wine	7.2	7.3	(0.1)	99.1
	Eliminations	(0.1)	(0.1)		
	Foods-Manufacturing and sales	85.1	83.2	1.9	102.3
	Others	10.3	10.3		100.2
	Eliminations	(6.1)	(6.0)	(0.1)	
Total	89.3	87.5	1.8	102.1	

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2-4. Forecast for the Second Half of Fiscal 2018 Net Sales Overseas (Compared with Previous Year)

2nd half forecast

(Unit: billion yen)

		Forecast	Fiscal 2017	Change Increase / Decrease	%	Breakdown of change		
						Translation Difference	Actual Difference	%
Overseas	North America	93.3	88.3	5.0	105.6	(0.6)	5.6	106.4
	Foods-Manufacturing and sales	28.8	27.7	1.0	103.7	(0.1)	1.2	104.2
	Foods-Wholesale	68.5	64.3	4.2	106.5	(0.6)	4.8	107.4
	Europe	14.1	12.0	2.1	117.2	1.0	1.1	109.2
	Foods-Manufacturing and sales	6.3	5.3	0.9	117.7	0.5	0.5	108.9
	Foods-Wholesale	9.1	7.5	1.7	122.5	0.6	1.1	114.6
	Asia & Oceania	19.2	16.3	3.0	118.2	0.6	2.4	114.7
	Foods-Manufacturing and sales	10.2	8.8	1.5	117.0	0.3	1.2	113.5
	Foods-Wholesale	9.1	7.6	1.5	119.5	0.3	1.2	115.9
	Others	17.2	18.4	(1.2)	93.4		(1.2)	93.4
	Eliminations	(16.3)	(15.6)	(0.7)			(0.7)	
Total	127.4	119.3	8.1	106.8	0.9	7.3	106.1	

Exchange Rate(¥/US\$) 110.0 112.1 (2.1)
(¥/EUR) 130.0 119.7 10.3

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2-5. Forecast for the Second Half of Fiscal 2018 Consolidated Operating Income (Compared with Previous Year)

2nd half forecast

(Unit: billion yen)

		Forecast	Fiscal 2017	Change Increase / Decrease	%	Breakdown of change		
						Translation Difference	Actual Difference	%
Japan	Foods-Manufacturing and sales	4.0	3.7	0.4	110.6		0.4	110.6
	Others	0.7	0.8	(0.1)	88.3		(0.1)	88.3
	Total	4.7	4.4	0.3	106.0		0.3	106.0
Overseas	North America	8.8	8.2	0.6	107.2		0.6	107.1
	Europe	2.0	1.7	0.3	117.4	0.2	0.1	107.2
	Asia & Oceania	1.3	1.1	0.2	117.4	0.1	0.1	112.8
	Others	0.8	0.8		98.8			98.8
	Total	13.0	11.9	1.1	109.7	0.3	0.8	106.9
Kikkoman (Holding Company)		2.8	3.2	(0.4)	87.8		(0.4)	87.8
Eliminations		(3.6)	(3.6)					
Consolidated Total		16.9	15.9	1.0	106.5	0.4	0.7	104.3
Exchange Rate(¥/US\$)		110.0	112.1	(2.1)				
(¥/EUR)		130.0	119.7	10.3				

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2-6. Forecast for Fiscal 2018 Consolidated P/L Results (Compared with Initial Forecast)

Full-year forecast

(Unit: billion yen)

		Forecast	Initial Forecast	Change Increase / Decrease	%	Breakdown of change		
						Translation Difference	Actual Difference	%
Net Sales		429.8	413.8	16.0	103.9	12.3	3.7	100.9
Japan		181.6	179.7	1.9	101.1		1.9	101.1
Overseas		251.0	236.8	14.2	106.0	12.3	1.9	100.8
Operating Income		36.0	34.5	1.5	104.3	1.4	0.1	100.4
Japan		11.4	10.8	0.6	105.1		0.6	105.1
Overseas		25.8	24.7	1.1	104.5	1.2	(0.1)	99.5
Kikkoman (Holding Company)		6.0	6.0	(0.1)	99.2		(0.1)	99.2
Eliminations		(7.1)	(7.0)	(0.1)		0.1	(0.2)	
Ordinary income		35.0	33.0	2.0	106.1	1.2	0.8	102.4
Income before income taxes		34.0	33.0	1.0	103.0	1.2	(0.2)	99.3
Net income attributable to owners of parent		22.3	21.5	0.8	103.7	0.7	0.1	100.2
Exchange Rate(¥/US\$)		110.8	105.0	5.8				
(¥/EUR)		128.2	115.0	13.2				

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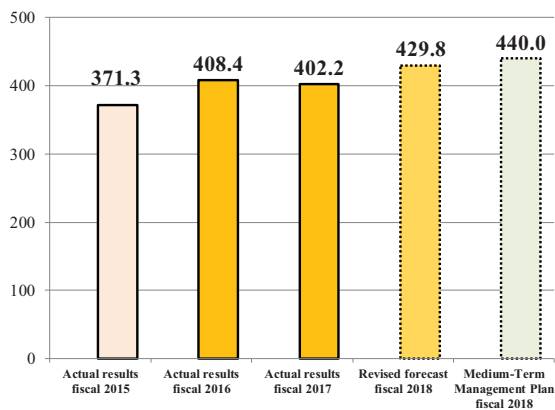
Progress of the Medium-Term Management Plan

Noriaki Horikiri
President and CEO

Medium-Term Management Plan: Consolidated Targets and Progress

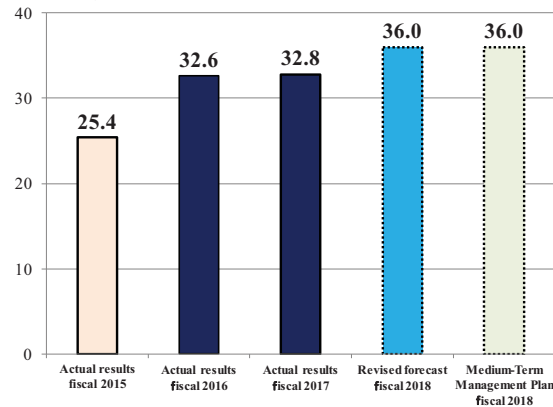
Net Sales

(Unit: billion yen)



Operating Income

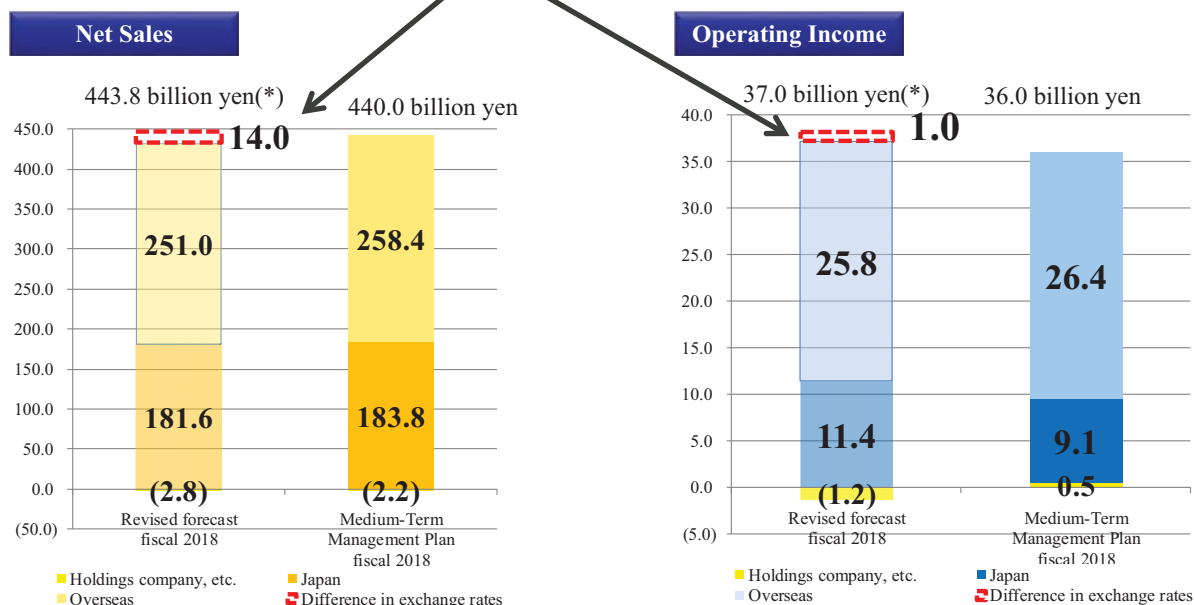
(Unit: billion yen)



	Actual results fiscal 2015	Actual results fiscal 2016	Actual results fiscal 2017	Revised forecast fiscal 2018	Target for fiscal 2018
Net sales	¥371.3 billion	¥408.4 billion	¥402.2 billion	¥429.8 billion	¥440.0 billion
Operating income	¥25.4 billion	¥32.6 billion	¥32.8 billion	¥36.0 billion	¥36.0 billion
Operating income ratio	6.8%	8.0%	8.2%	8.4%	8.2%
ROE	6.9%	8.7%	10.3%	(-)	9% or more
Foreign exchange	US Dollar	¥110.0	¥120.2	¥109.0	¥110.8
	Euro	¥138.7	¥132.4	¥119.4	¥128.2
					¥115.0
					¥125.0

Differences between Full-year Forecast and Consolidated Targets in Medium-Term Management Plan

... Difference between the exchange rates assumed in the Medium-Term Management Plan (115 yen to US dollar and 125 yen to euro) and the rates in revised fiscal 2018 forecast (111 yen to US dollar and 128 yen to euro)



(*) The total amount of the revised fiscal 2018 forecast in the above graphs has used net sales and operating income calculated from the exchange rates assumed in the Medium-Term Management Plan (115 yen to US dollar and 125 yen to euro) as a reference.

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Medium-Term Management Plan: Consolidated Targets by Segment

(Unit: billion yen)

		Actual results fiscal 2015	Actual results fiscal 2016	Actual results fiscal 2017	Revised forecast fiscal 2018	Target for fiscal 2018	Difference in exchange rates	Fiscal 2018 forecast excluding exchange difference	
Japan	Foods-Manufacturing and sales	Net Sales	161.3	167.7	167.3	172.9	174.8	172.9	
		Operating Income	2.7	6.5	8.3	10.0	7.4	10.0	
		Operating income ratio (%)	1.7	3.9	5.0	5.8	4.2	5.8	
	Others	Net Sales	20.2	20.7	21.0	21.0	21.1	21.0	
		Operating Income	1.0	1.5	1.4	1.4	1.7	1.4	
		Operating income ratio (%)	5.1	7.3	6.9	6.7	8.1	6.7	
	Total	Net Sales	169.7	176.6	176.4	181.6	183.8	181.6	
		Operating Income	3.8	8.1	9.8	11.4	9.1	11.4	
		Operating income ratio (%)	2.2	4.6	5.5	6.3	5.0	6.3	
	Overseas	North America	Net Sales	153.5	176.9	170.5	184.6	192.2	(9.2)
Operating Income			13.8	16.6	16.6	17.7	17.4	(0.8)	18.4
Operating income ratio (%)			9.0	9.4	9.7	9.6	9.1	-	9.5
Europe		Net Sales	21.9	23.6	23.0	27.1	25.5	(0.9)	28.0
		Operating Income	3.2	3.3	3.4	4.0	4.2	0.0	3.9
		Operating income ratio (%)	14.7	14.0	14.6	14.6	16.4	-	14.0
Asia & Oceania		Net Sales	25.3	29.2	29.9	36.6	39.2	(4.2)	40.8
		Operating Income	2.1	2.5	2.2	2.6	3.2	(0.3)	2.9
		Operating income ratio (%)	8.4	8.5	7.5	7.2	8.2	-	7.1
Total		Net Sales	203.9	234.3	228.5	251.0	258.4	(14.0)	265.0
		Operating Income	20.5	24.0	23.8	25.8	26.4	(1.0)	26.8
		Operating income ratio (%)	10.1	10.2	10.4	10.3	10.2	-	10.1
Kikkoman (Holding Company) and Elimination	Net Sales	(2.2)	(2.5)	(2.7)	(2.8)	(2.2)	-	(2.8)	
	Operating Income	1.0	0.5	(0.7)	(1.2)	0.5	(0.1)	(1.1)	
Consolidated Total	Net Sales	371.3	408.4	402.2	429.8	440.0	(14.0)	443.8	
	Operating Income	25.4	32.6	32.8	36.0	36.0	(1.0)	37.0	
	Operating income ratio (%)	6.8	8.0	8.2	8.4	8.2	-	8.3	
* Exchange Rate (¥/US\$)		110.0	120.2	109.0	110.8	115.0	(4.2)	115.0	
(¥/EUR)		138.7	132.4	119.4	128.2	125.0	3.2	125.0	

(Ref.) When the exchange rates assumed in the Medium-Term Management Plan are applied to fiscal 2018 forecast.

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Improving profitability

1. Maintaining growth overseas

- All segments in all regions are generally making good progress.
We will continue to aim to achieve the targets and further growth.

2. Improving productivity in Japan

- Both the strengthening of growth categories and structural improvement show good progress.
We will continue to seek to achieve the targets.

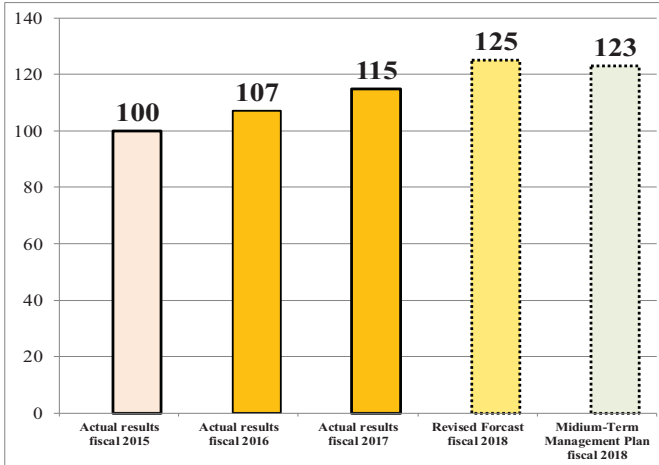
Maintaining Growth Overseas

Maintaining Growth Overseas

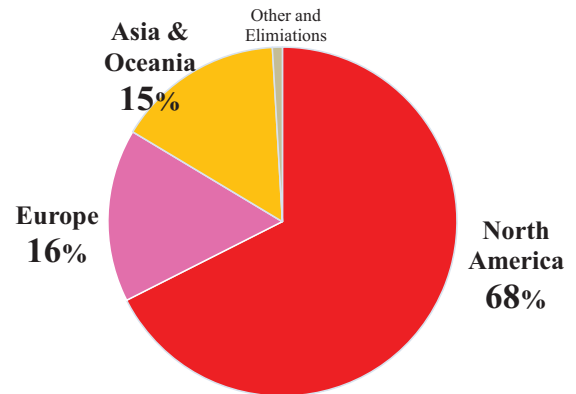
Overseas Soy Sauce Business

Medium-Term Management Plan target and progress, and composition of net sales by region

Net Sales



* Trends and targets (in local currencies) of net sales in the overseas soy sauce business are presented using indexes, with the actual results for fiscal 2015 as 100.



Composition of net sales by region in the overseas soy sauce business (fiscal 2017)



Maintaining Growth Overseas

Overseas Soy Sauce Business: Initiatives and efforts

Sales growth target (in local currencies)

North America

Average of 4% per year or more

Europe

Average of 10% per year or more

Asia & Oceania

Average of 10% per year or more

● Cultivating the major markets

- Promote increased use of products by existing customers
- Acquire more new customers
- Strengthen activities for industrial- and foodservice-users
- Expanding the product lineup
- Carry out promotional activities through the media
- Developing the sales system for sustainable growth

● Developing emerging markets

- Increase the recognition of the high quality of *Honjozo* (traditional Japanese brewing process) soy sauce and our brand
- Develop new products and recipes suited to the preferences and foodstuffs of each country
- Conduct in-store demonstrations
- Establish local offices and further strengthen and improve the existing offices

Make Kikkoman Soy Sauce a truly global seasoning

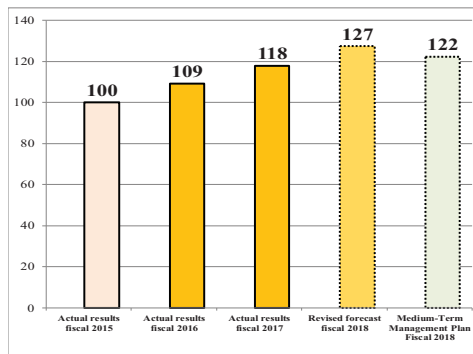
Sales growth target:
Average of 7% per year or more (in local currencies)

● Expansion and improvement of business base

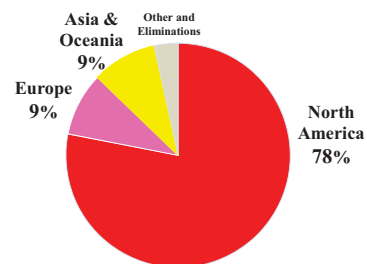
- Open new bases
- Extend and improve existing bases

● Strengthening product sourcing and development capabilities.

- Develop new products that meet local
- Strengthen procurement networks through the coordination of bases around the world and secure stable supply routes



Foods-Wholesale: Changes in the growth rate of net sales
* Trends and target (in local currencies) of net sales in the overseas Foods-Wholesale business are presented using indexes, with the actual results for fiscal 2015 as 100.



Composition of net sales by region in Foods-Wholesale business (fiscal 2017)

Improving Productivity in Japan

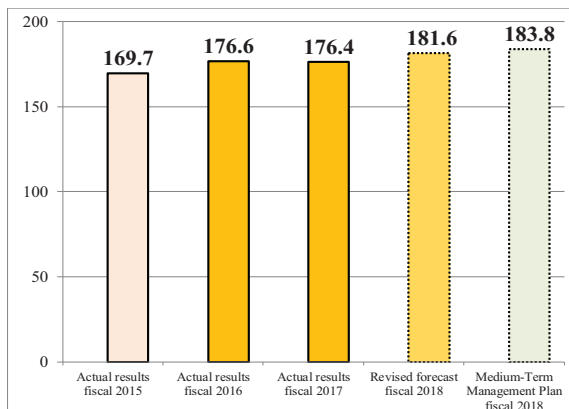
Improving Productivity in Japan

Medium-Term Management Plan Targets and Progress

Strengthening growth categories and promoting structural improvement

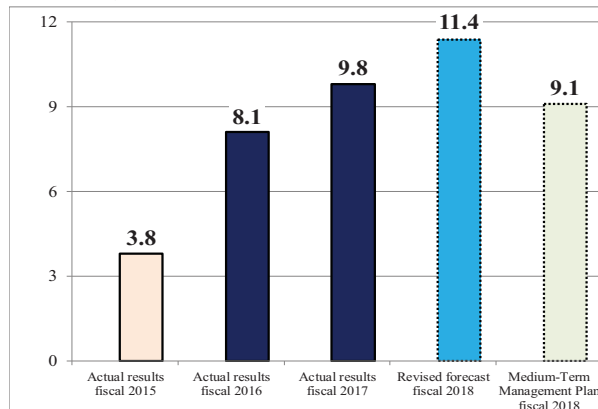
Net Sales

(Unit: billion yen)



Operating Income

(Unit: billion yen)



	Actual results fiscal 2015	Actual results fiscal 2016	Actual results fiscal 2017	Revised forecast fiscal 2018	Target for fiscal 2018
Domestic business Operating income ratio	2.2%	4.6%	5.5%	6.3%	5.0%

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Improving Productivity in Japan

Breakdown of positive and negative factors for Changes in operating income

Issues		Initiatives in the medium-term management plan and major positive and negative factors	Fiscal 2018 vs. fiscal 2015 (forecast)	Fiscal 2017 vs. fiscal 2015 (actual results)
Positive factor	Strengthening growth categories ¥3.6 billion	<ul style="list-style-type: none"> Soy sauce: Shift to <i>Itsudemo Shinsen</i> series Food Products: Growth of <i>Uchi-no-Gohan</i> (handy Japanese style seasoning mixes) Beverages: Growth of the soy milk business 	¥5.2 billion	¥3.3 billion
	Structural improvement ¥1.5 billion	<ul style="list-style-type: none"> Improvement in operating efficiency Improvement in efficiency in distribution Improvement in labor productivity Improvement in cost of manufacturing 	¥1.5 billion	¥1.0 billion
Other ¥1.4 billion		<ul style="list-style-type: none"> Change in the method of depreciation and Amortization Reduction in the burden of raw materials costs due to changes in market prices and exchange rates, etc. 	¥3.1 billion	¥3.2 billion
Negative factor	Advertising (¥1.2 billion)	<ul style="list-style-type: none"> Increase in investment in advertising 	(¥2.2) billion	(¥1.5) billion
Total ¥ 5.3 billion			¥7.6 billion	¥6.0 billion

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Improving Productivity in Japan



Strengthening growth categories: *Itsudemo Shinsen* series

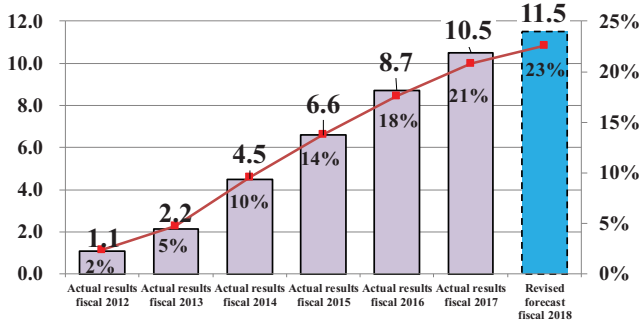
● Increase customers with purchase experience

- Renew TV ads
- Launch limited edition bottles

● Giving the market even greater vigor

- Suggest using different products suited to different dishes
- Strengthen the marketing for products with less sodium soy sauce

(Unit: billion yen)



Trends of annual sales of the *Itsudemo Shinsen* series and the percentage of sales to total sales of the entire Kikkoman Soy Sauce Division.



Improving Productivity in Japan



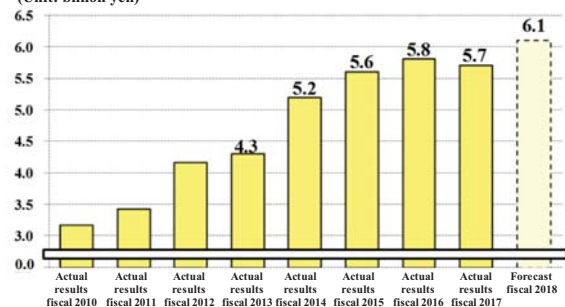
Strengthening growth categories: *Uchi-no-Gohan*

● Acquisition of new customers

Targeting 30s to 40s consumers, who run dual-income households and whose population is expected to increase, into new customers

- Renew TV ads to appeal to the target consumers
- Launch nationwide campaigns to promote the purchase of multiple trial products
- Enhance the taste of the core products
- Change the packages to emphasize the products' strengths

(Unit: billion yen)



Trends of annual sales of *Uchi-no-Gohan*



Improving Productivity in Japan



Strengthening growth categories: Soy milk

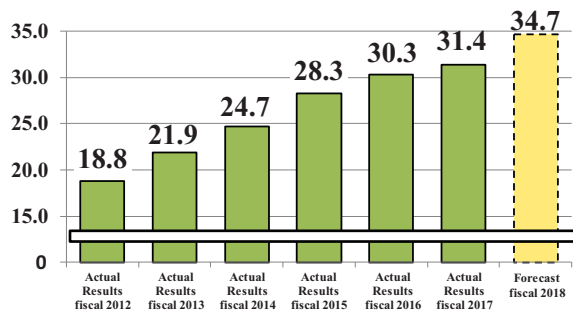
● New product development for further growth

- Develop distinctive products based on health consciousness

● Continuous promotional activities to grow demand

- Enhance pull strategy through nationwide TV ads

(Unit: billion yen)



Trends in annual sales of soy milk



Improving Productivity in Japan

Domestic Business: Efforts for structural improvement

Improvement in operating efficiency of sales activities

Improvement in efficiency of distribution

Structural improvement

Improvement in labor productivity

Improvement in cost of manufacturing

Financial Strategy

Financial Strategy: Uses of Cash

Cash flows from operating activities
Fiscal 2016 to fiscal 2018
Approx. 90 billion yen

Returns to Shareholders

- Consolidated payout ratio target **30% or more**
Fiscal 2018 Forecast 33.7%
- Flexible share buybacks
Fiscal 2018 Plan ¥5.0 billion

Capital Investment

- Investment in growth fields
Approx. **¥45 billion** for fiscal 2016 – 2018
Fiscal 2018 Forecast ¥17.2 billion

Investment in New Business

- Actively promoting investment to strengthen the business portfolio

Financial Strategy: Improving ROE

ROE	Initiatives to improve ROE	
<p>Actual ROE in FY2015</p> <p>6.9%</p> <p>↓</p> <p>Actual ROE in FY2017</p> <p>10.3%</p>	<p>Improving profitability</p>	<ul style="list-style-type: none"> ■ Maintaining growth overseas ■ Improving productivity in Japan
	<p>Improving asset efficiency</p>	<ul style="list-style-type: none"> ■ Reducing inventories ■ Improving efficiency in capital investment ■ Reducing other assets
<p>Target for FY2018</p> <p>9% or more</p>	<p>Improving capital efficiency</p>	<ul style="list-style-type: none"> ■ Dividends ■ Flexible purchases of treasury stock

The target above is based on the assumption that the exchange rates in fiscal 2018 will be 115 yen against the US dollar and 125 yen against the euro and that the stock market will be at the level at the end of March 2015.

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