

Kikkoman Corporation



Corporate and Strategic Overview

June 2001

Yuzaburo Mogi

President and Chief Executive Officer

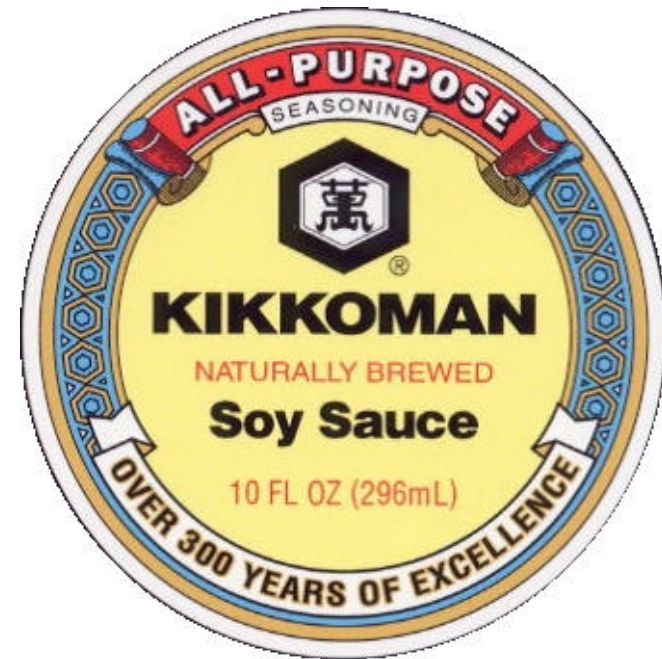


Topics

- . Results and Strategy by Product Segment
- . Midterm Action Plan and Measures to Strengthen Kikkoman
- . Key Issues and Actions

(Appendix)
Results for the Fiscal Year Ended
December 31, 2000

The information in the handouts was based on the company's judgment at the time of preparation and does not constitute a promise or guarantee that the company will achieve its targets or implement the strategies outlined.





I. Results and Strategy by Product Segment

I-1. Financial Performance 2000

2. Soy Sauce
3. Soy Sauce Derivative Products
4. Del Monte
5. Sake & Wine
6. Coca-Cola Business





I-1. Financial Performance 2000

(¥ Million, %)

Consolidated	Amount	Excluding Coca-Cola Business	YoY Increase/ Decrease	%	Exchange Rate Adjustment	YoY Growth Net	Growth Rate (%)
Net Sales	326,708	218,645	-3,078	-1	-4,214	1,135	1
Operating Income	14,686	11,676	629	6	-386	1,016	9
Recurring Income	12,911	10,019	889	10	-349	1,239	14
Net Income	6,150	5,713	1,620	40	-241	1,861	46
Exchange Rate (¥/\$US)	107.95		-5.71	-5			

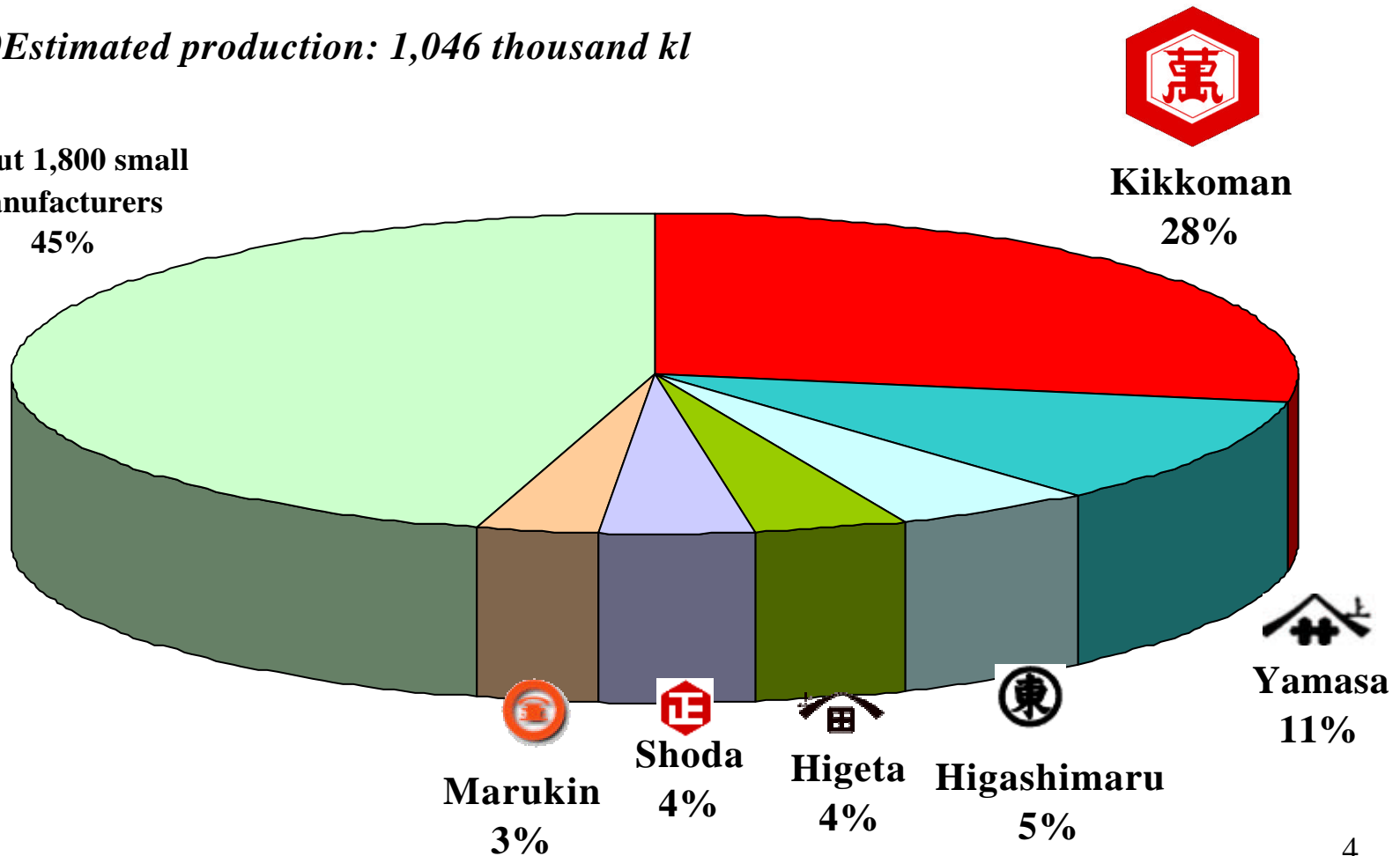


I-2. Soy Sauce

2000 Soy Sauce Market Size and Share Breakdown in JAPAN

2000 Estimated production: 1,046 thousand kl

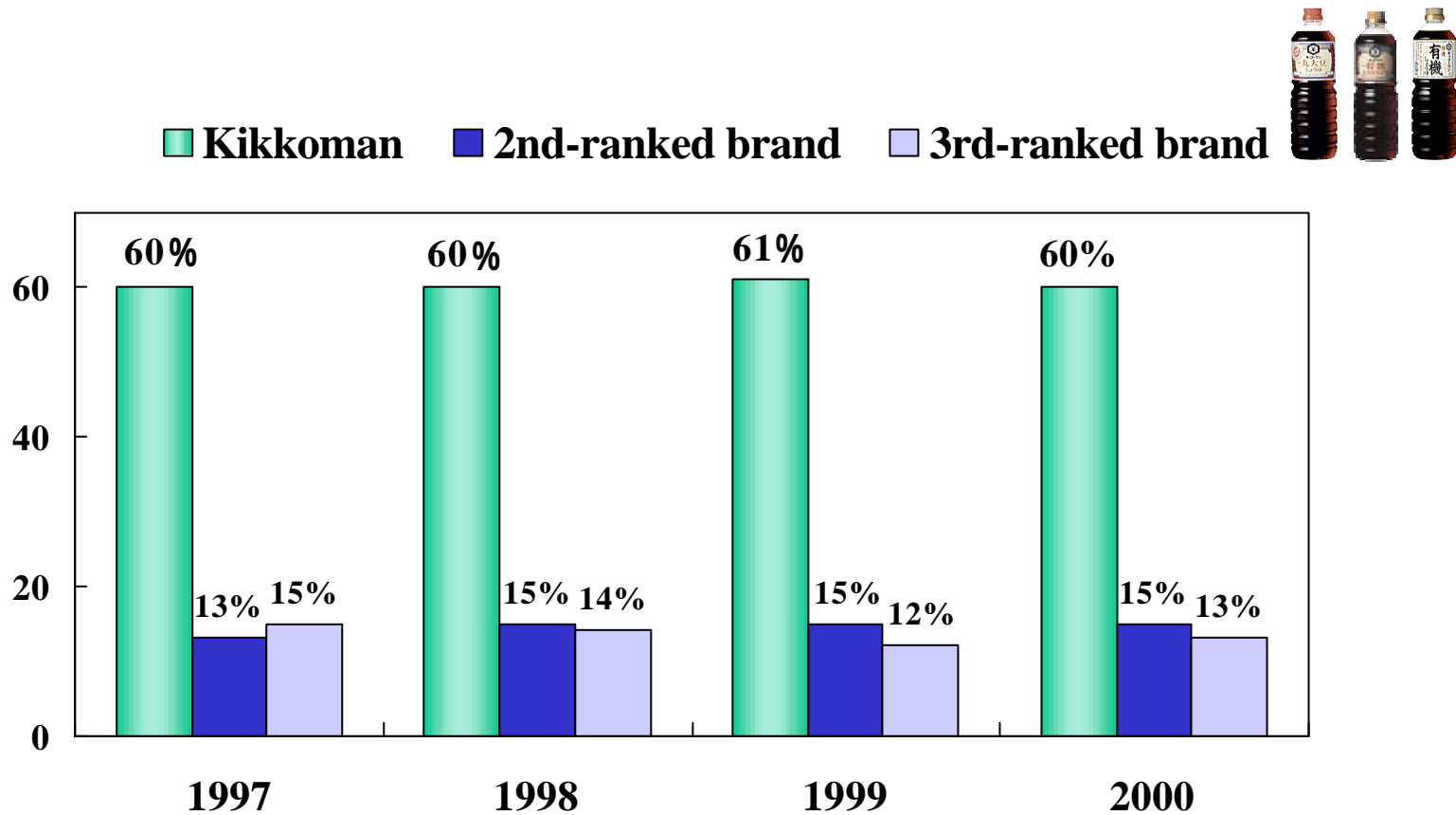
About 1,800 small
manufacturers
45%





I-2. Soy Sauce

Kikkoman Premium Soy Sauce Share in the Home Use Market in JAPAN



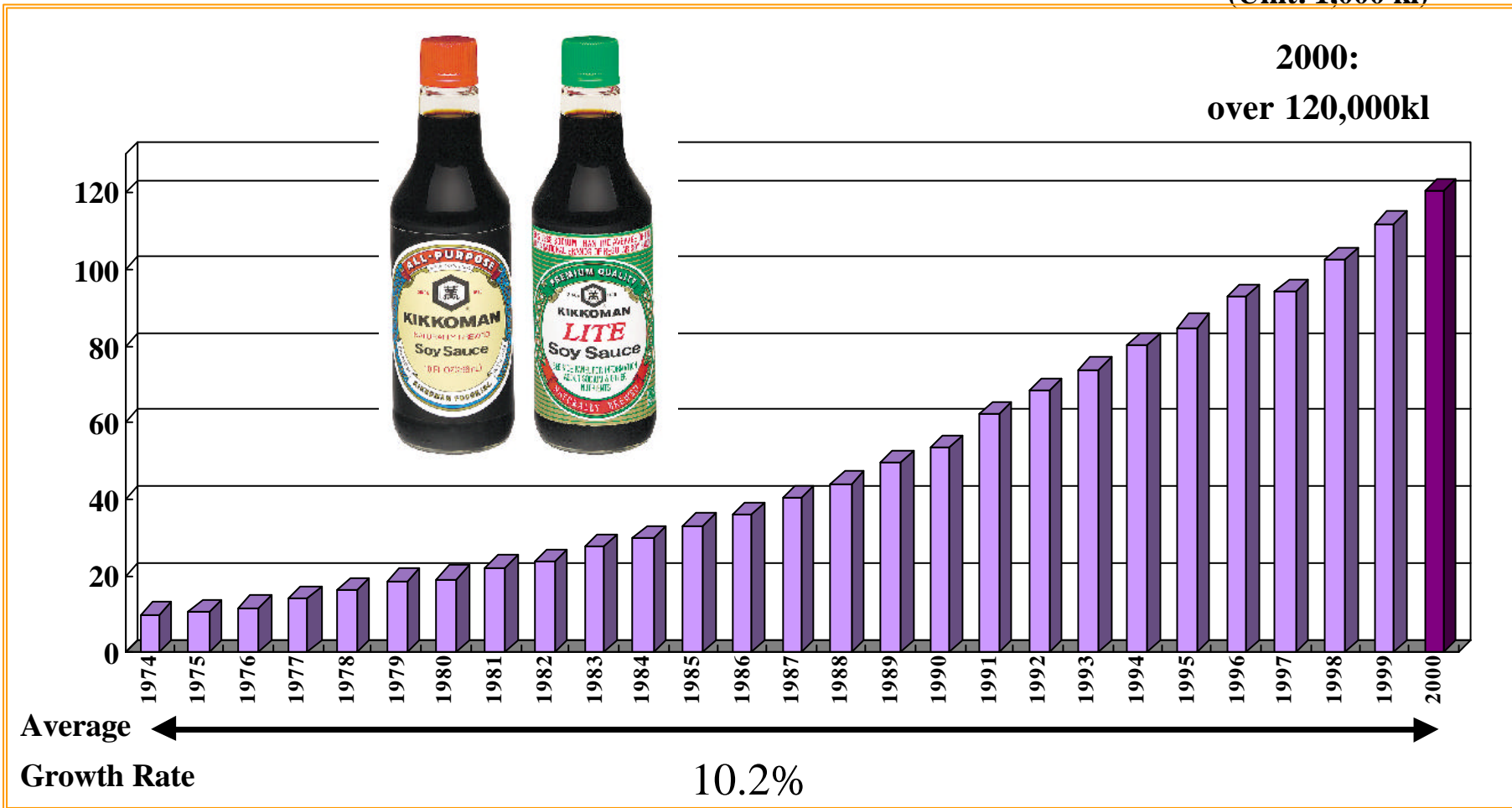


I-2. Soy Sauce

Overseas Soy Sauce Sales

(Unit: 1,000 kl)

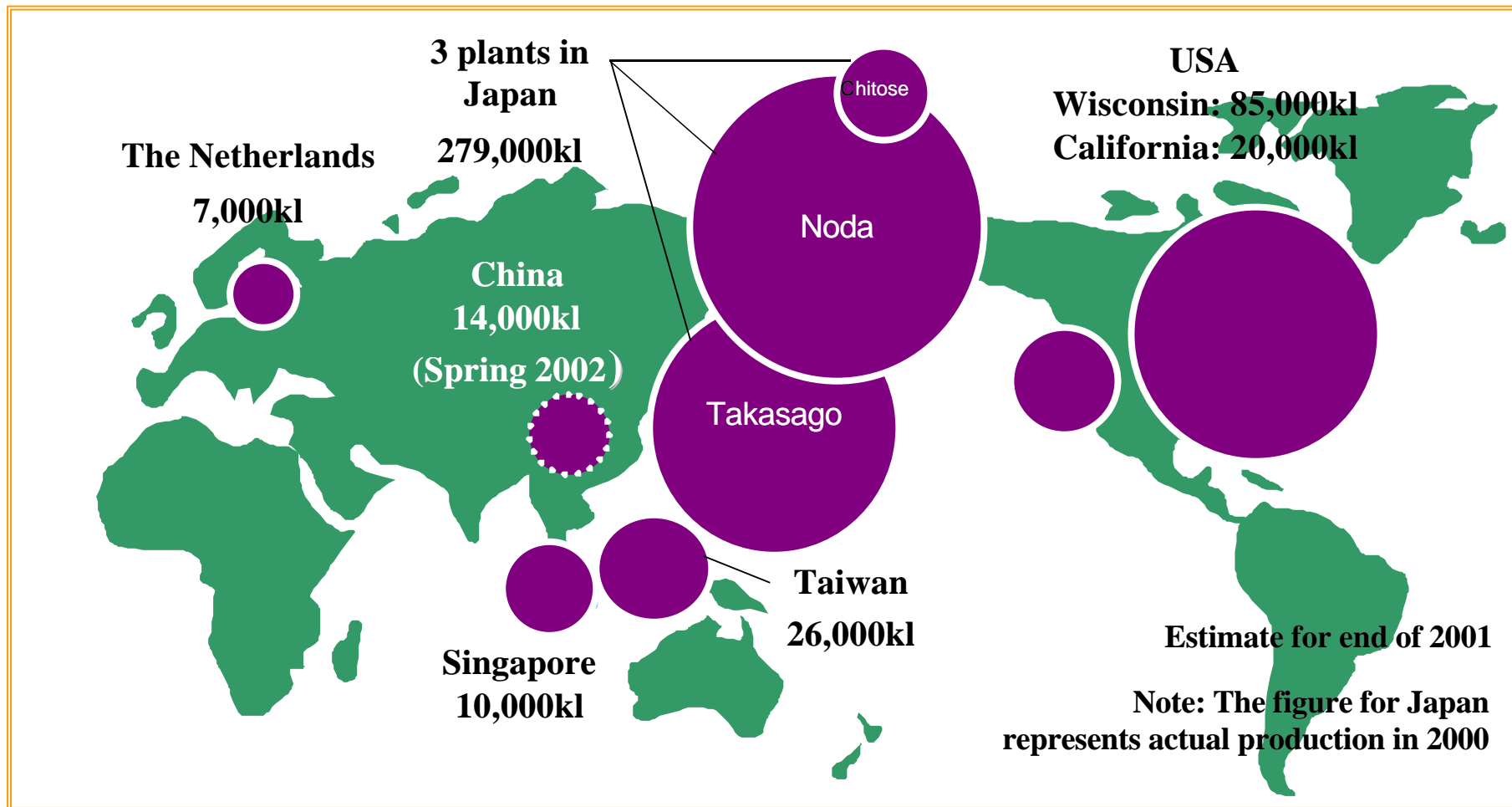
2000:
over 120,000kl





I-2. Soy Sauce

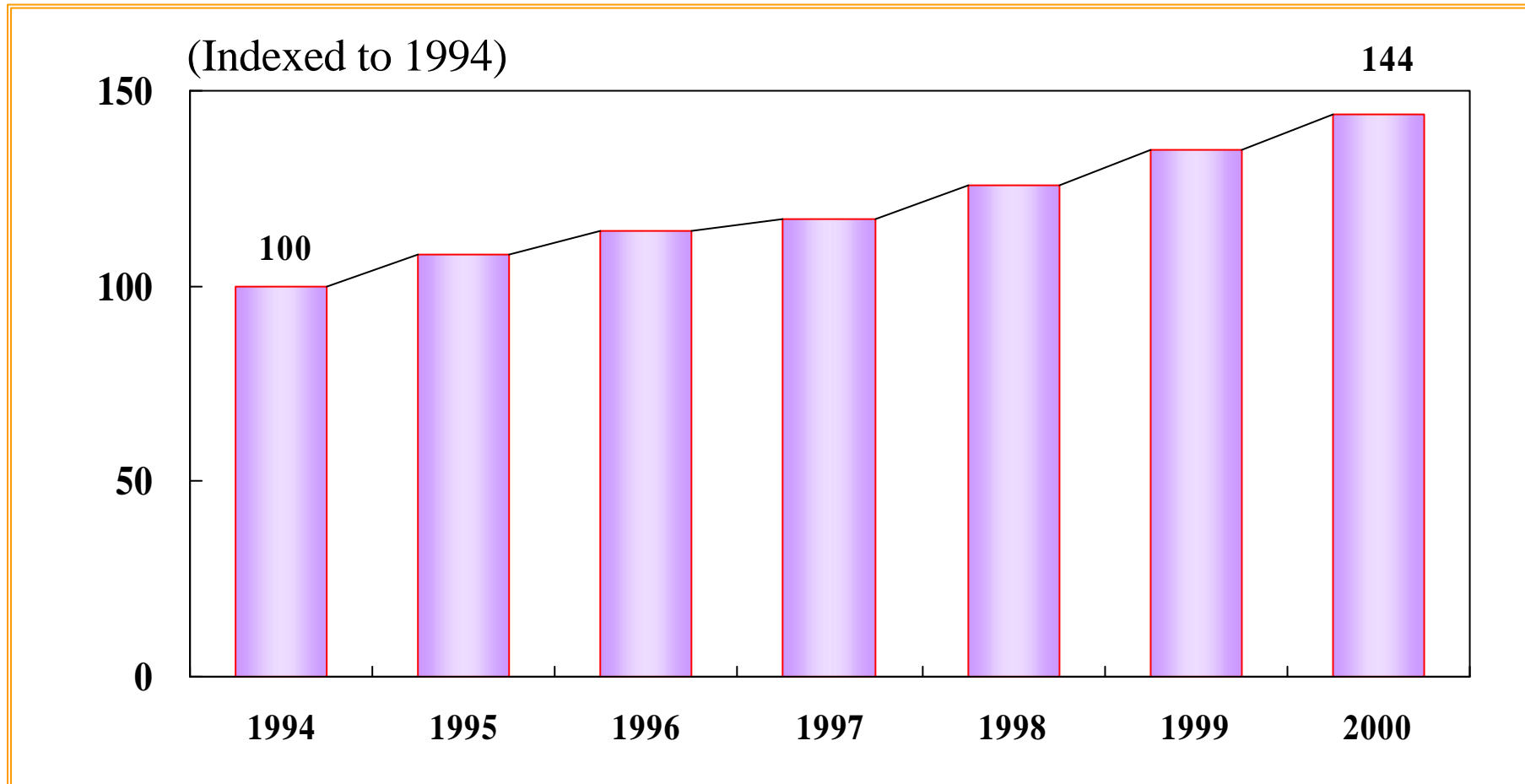
Kikkoman Group Annual Production Capacity





I-2. Soy Sauce

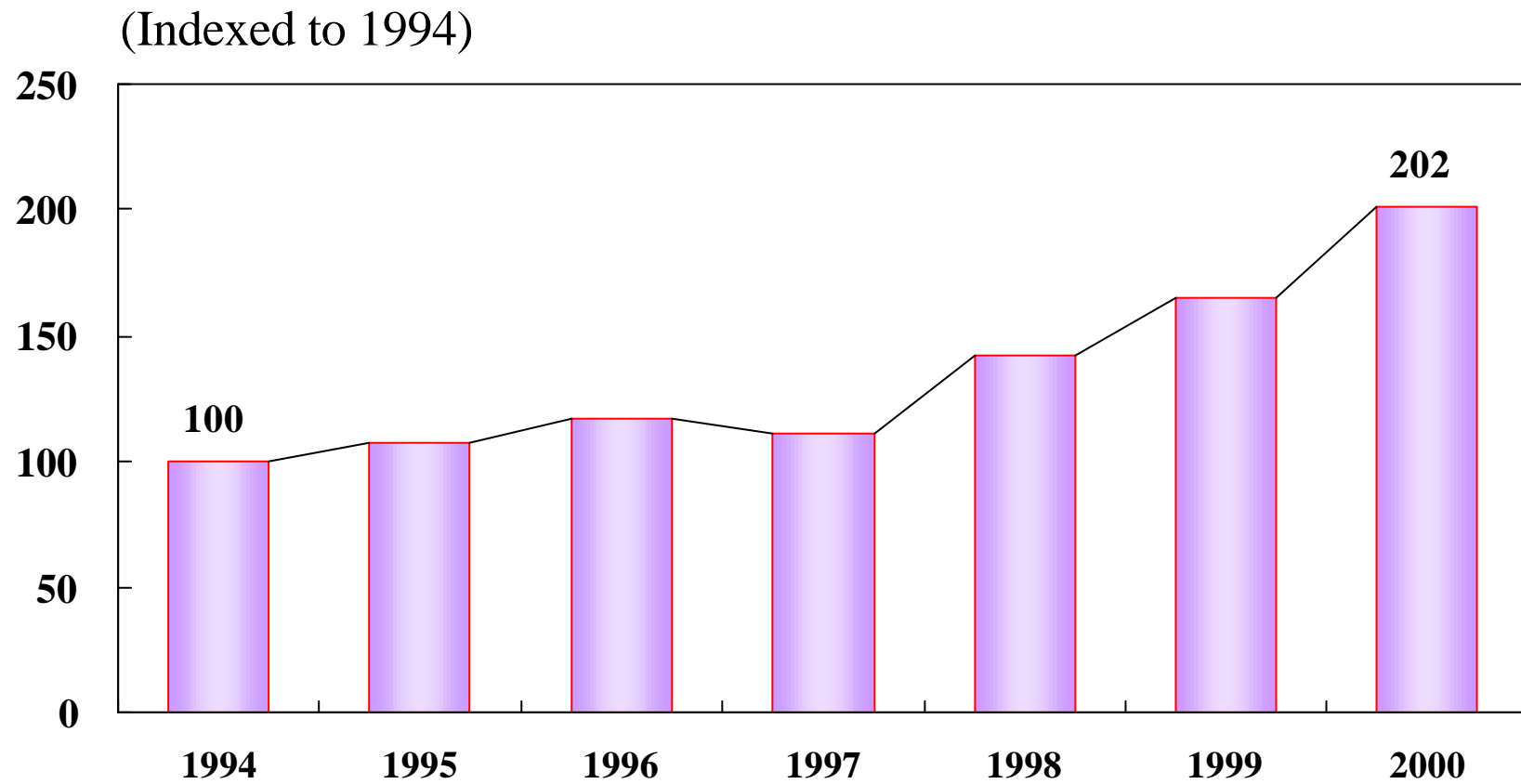
Soy Sauce Sales in the U.S.





I-2. Soy Sauce

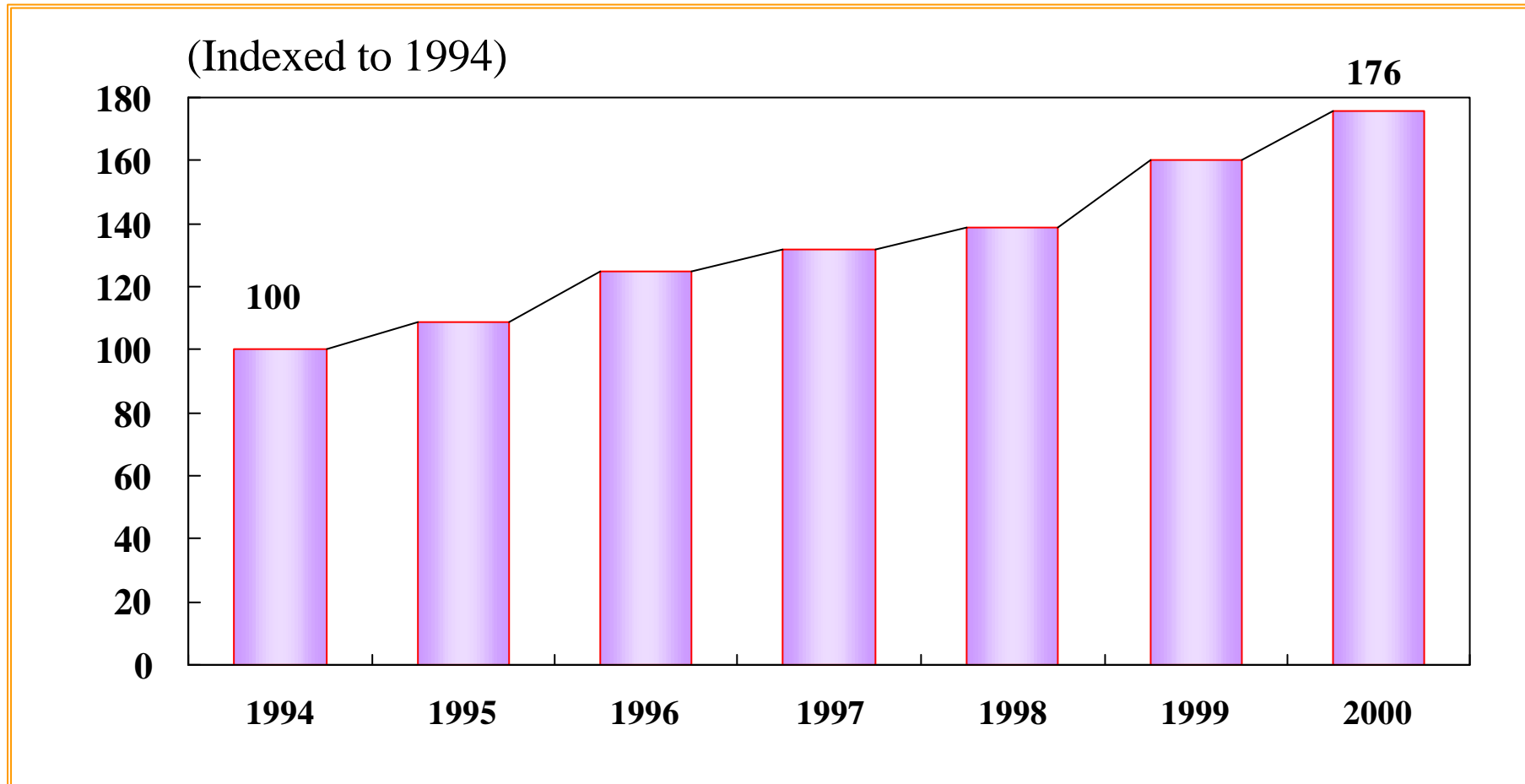
Soy Sauce Sales in EUROPE





I-2. Soy Sauce

Soy Sauce Sales in ASIA and OCEANIA





I-2. Soy Sauce

Production and Sales Bases in the U.S.

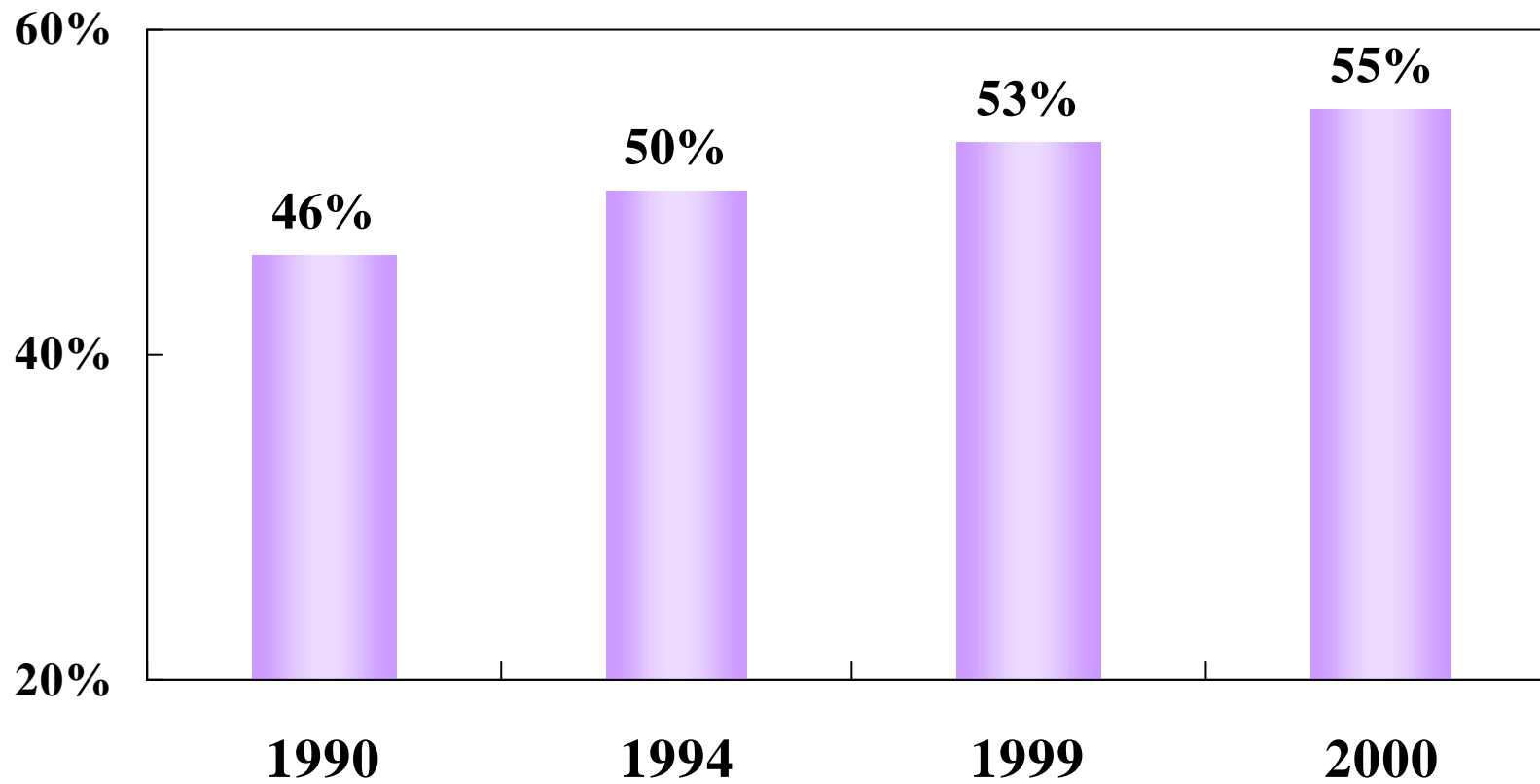


As of the end of 2000



I-2. Soy Sauce

Kikkoman Soy Sauce Share in the U.S. Home Use Market

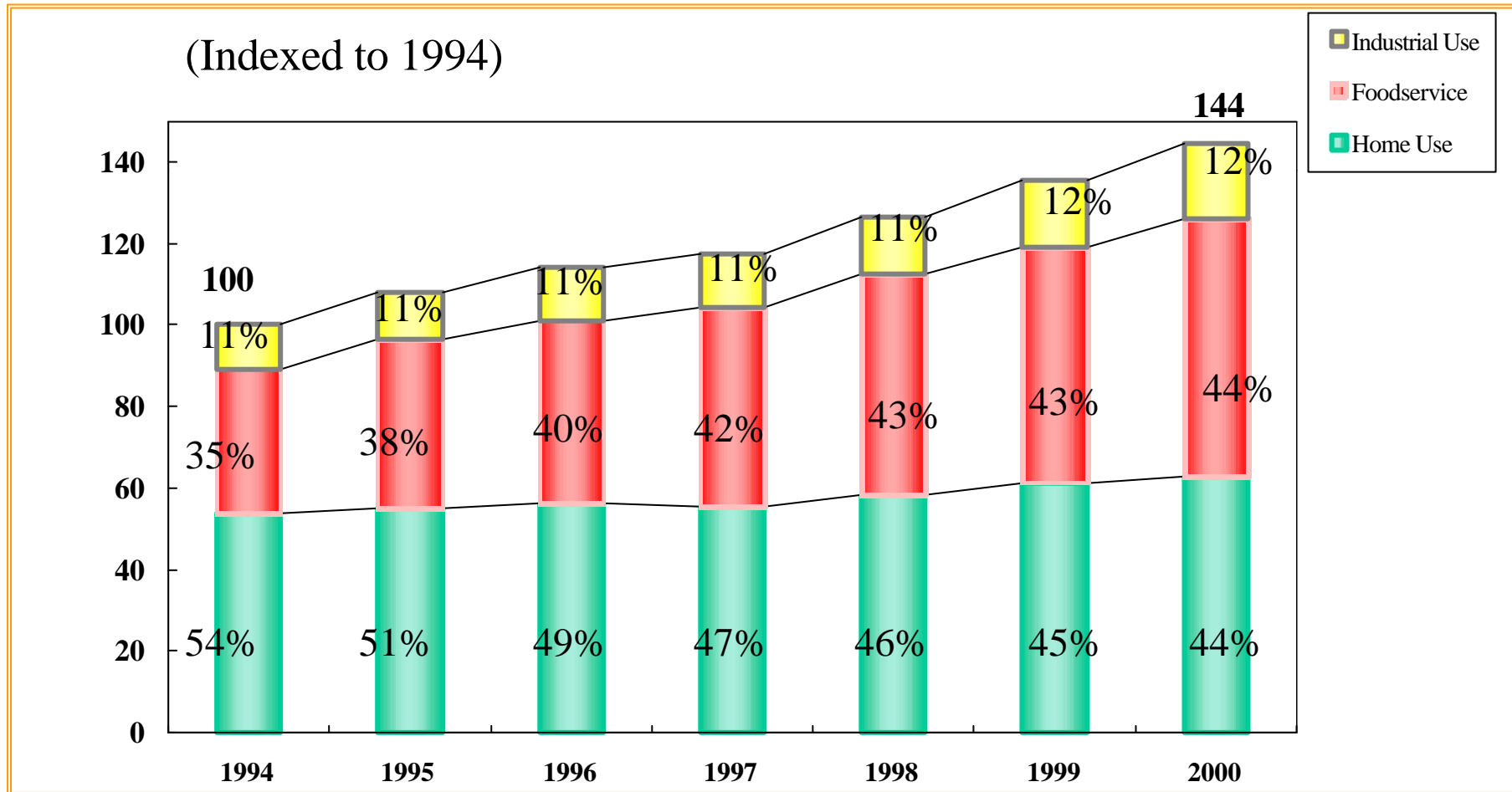


Source: Kikkoman data



I-2. Soy Sauce

Market Breakdown of Sales for Soy Sauce in the U.S.





I-2. Soy Sauce

Main Uses of Soy Sauce in the U.S.

- Home Use
 - To prepare meat dishes
 - To season fish dishes
 - To season stir-fry dishes
- Foodservice
 - To marinate steak, chicken and other meat
 - To season hamburgers
 - To flavor salads and dressings
- Industrial Use
 - To season frozen foods
 - An ingredient in noodles and soups
 - To season bacon and ham





I-2. Soy Sauce

Main Promotions in the U.S.

- Advertising

Ads featuring the “KIKKO-MAN” character have been run on a nationwide cable TV network and in magazines.

- Sales Promotion

Coupon sales and food-tasting promotions at supermarkets

- PR

Promotion of recipes through TV, newspapers and magazines; food-tasting events

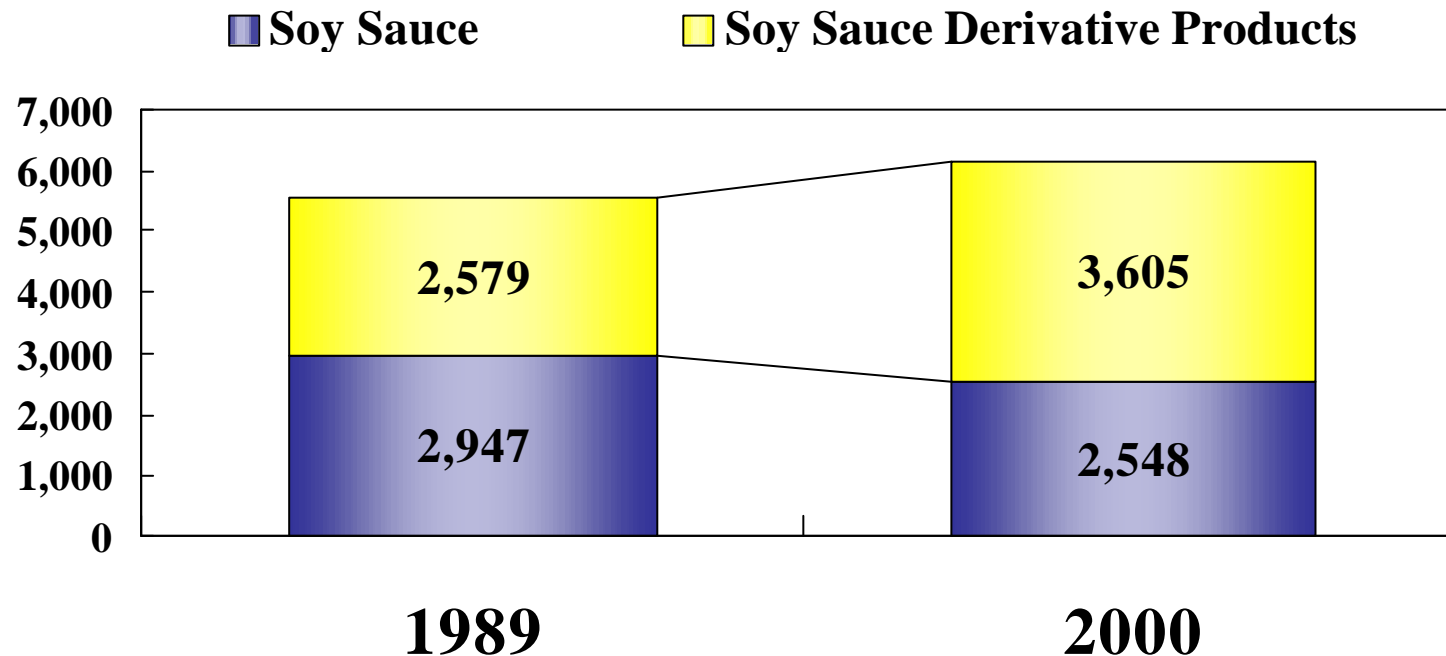




I-3. Soy Sauce Derivative Products

Soy Sauce Derivative Products Growth in JAPAN

Ref: Per household expenditure on soy sauce and soy sauce derivative products (¥)

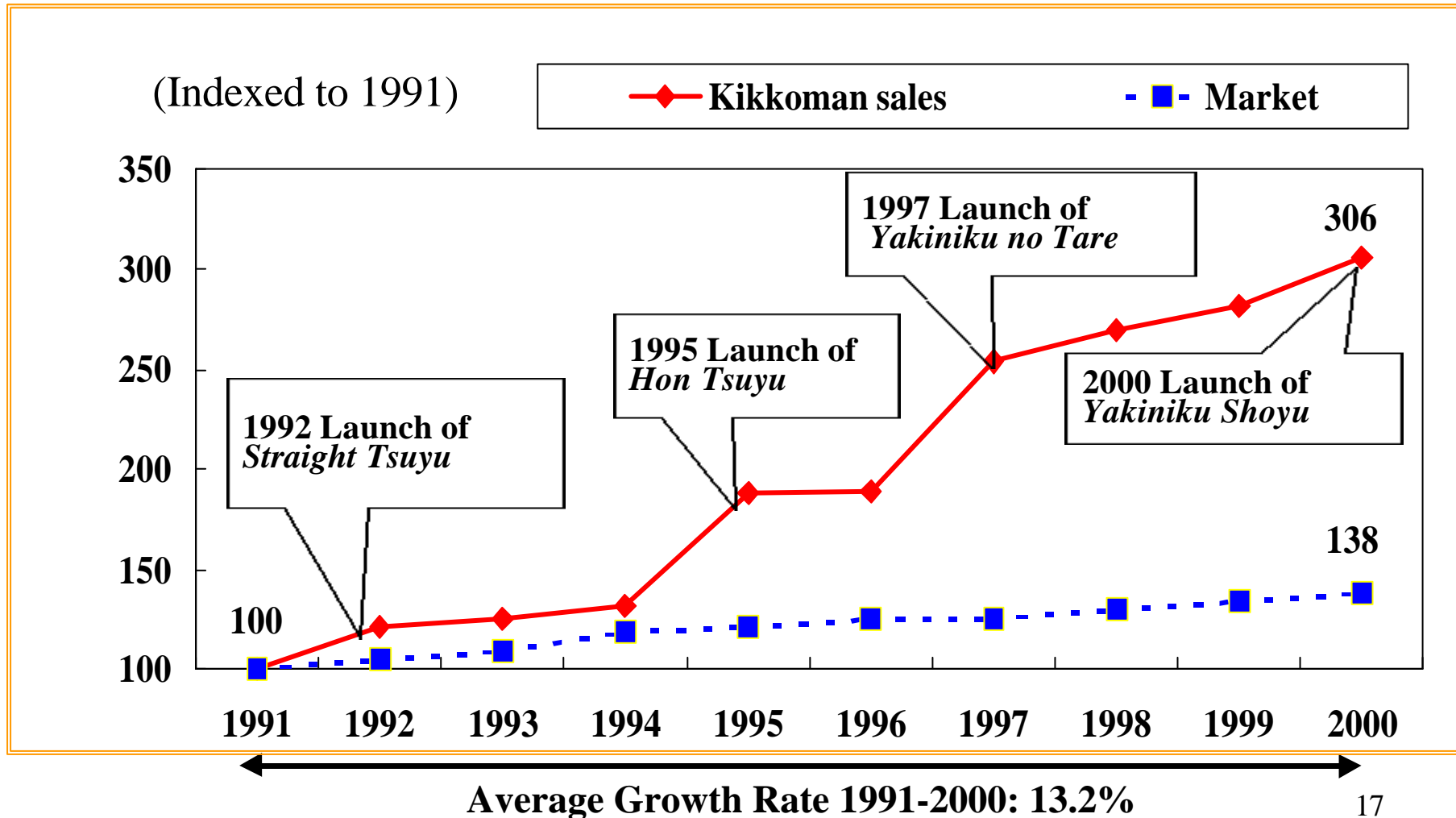


Source: Household Expenses Survey, Ministry of Public Management, Home Affairs, Posts and Telecommunications



I-3. Soy Sauce Derivative Products

Sales of *Tsuyu* and *Tare* in JAPAN





I-4. Del Monte

Results and Strategy

- Japan

Intense competition in a declining market

- Overseas

Strengthening sales with the establishment of Del Monte Asia





I-5. Sake & Wine

Results and Strategy

- Bolstering operations in Japan
- Developing distinctive products

TRIANGLE



MANNS  WINES



I-6. Coca-Cola Business

Operation and Alliance

- Marginal decline in net sales, decrease in profits
- Participation in joint production company





II. Midterm Action Plan and Measures to Strengthen Kikkoman

II-1. Midterm Action Plan

2. Measures to Strengthen Kikkoman

Notes:

Effective from fiscal 2001, Kikkoman has changed its fiscal year from January-December to April-March.





II-1. Midterm Action Plan

Fiscal 2003 Targets

(¥ Million, %)

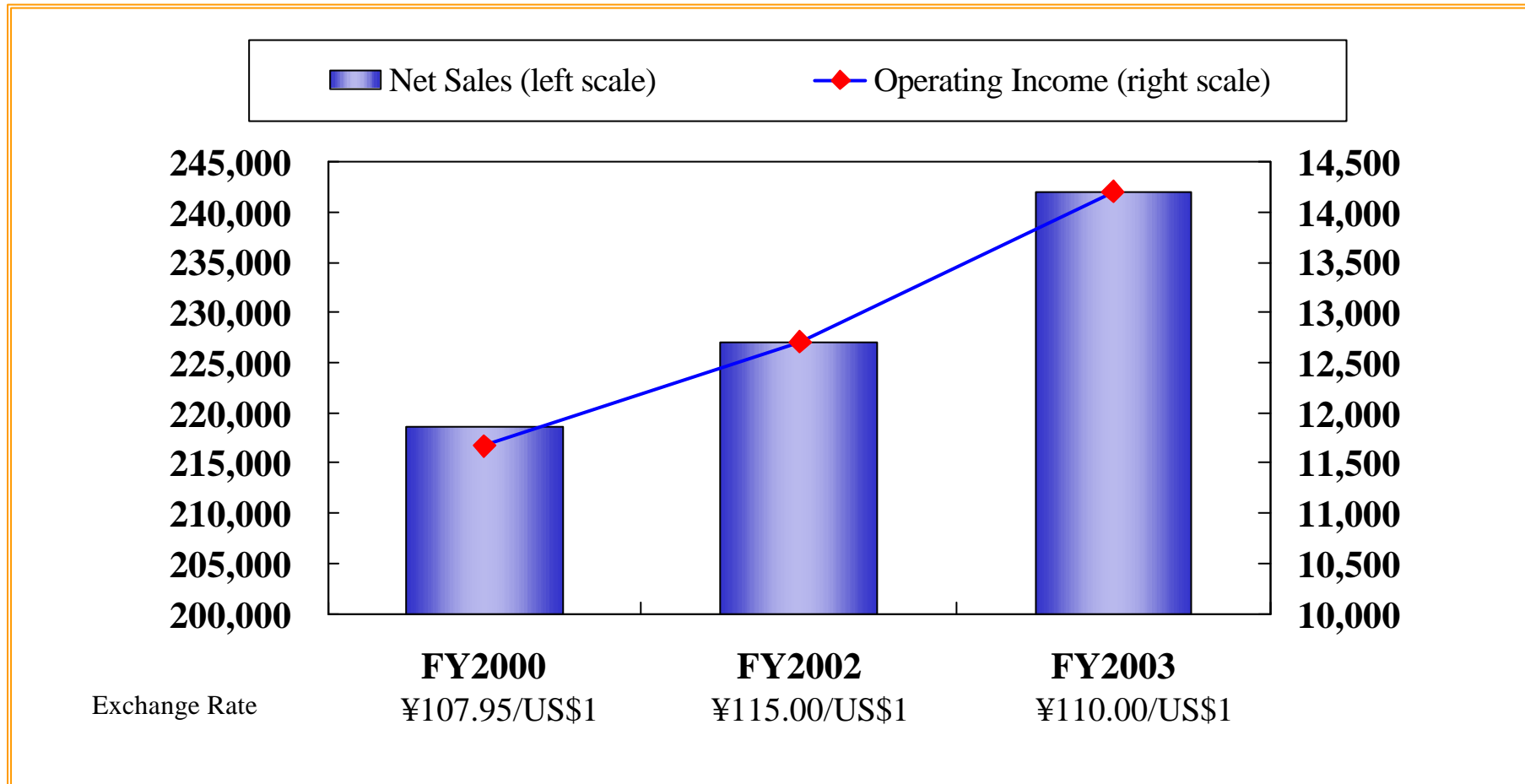
Consolidated	Japan	Overseas	Segment Total	Total	Coca-Cola Business	Grand Total
Net Sales	174,000	78,000	252,000	242,000	115,000	357,000
Operating Income	6,800	7,400	14,200	14,200	3,300	17,500
Operating Income Ratio (%)	3.9	9.5	5.6	5.9	2.9	4.9
ROE (%)						7

Exchange Rate :¥110.00/US\$1



II-1. Midterm Action Plan

Net Sales and Operating Income (Excluding Coca-Cola Business) (¥ Million)



Note: Figures of Fiscal 2002 and Fiscal 2003 are targets.



II-1. Midterm Action Plan

Overseas Production Framework

- Exploring the possibility of a third U.S. plant to bolster production capacity



II-2. Measures to Strengthen Kikkoman

Promoting a Stronger Kikkoman

- Streamlining Non-core Businesses and Assets
- Restructuring Domestic Production
- Improving the Domestic Logistics System



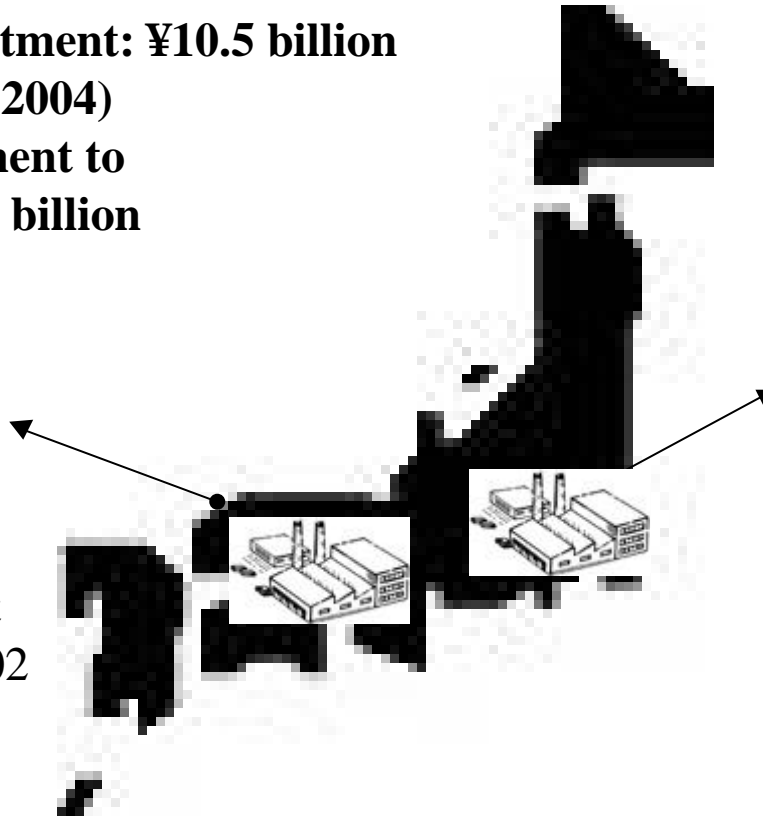
II-2. Measures to Strengthen Kikkoman

Restructuring Domestic Production Facilities (By Fiscal 2004)

**Total planned investment: ¥10.5 billion
(Fiscal 1999- Fiscal 2004)
Cumulative investment to
2000 year-end: ¥3.3 billion**

Takasago Plant

Renew cooking and
culturing equipment
by end of Fiscal 2002



Noda Plant

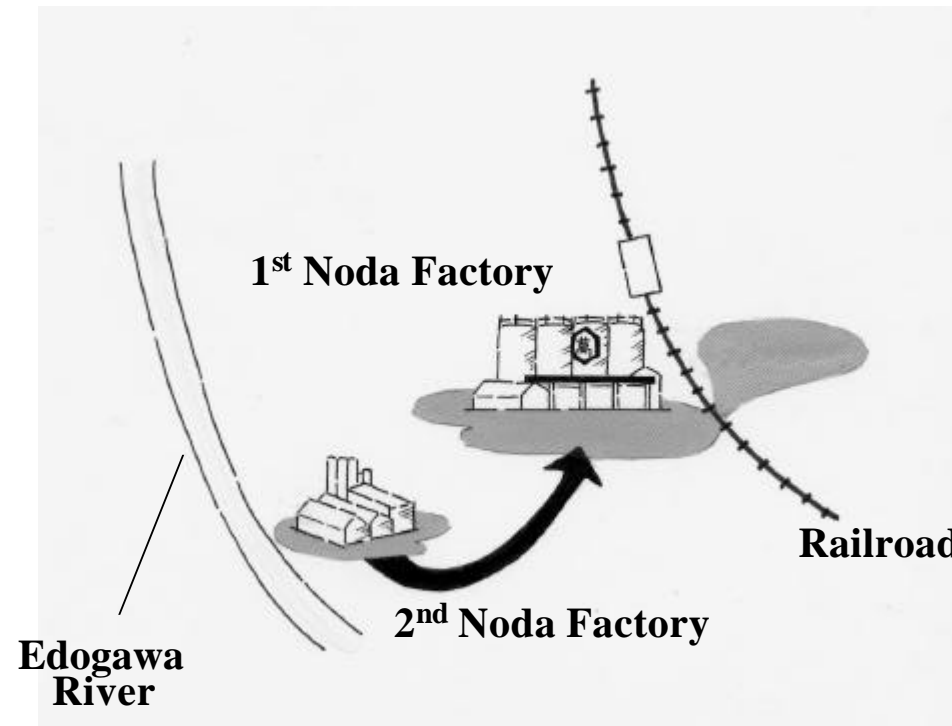
Consolidate cooking
and culturing
equipment in the 1st
Noda Factory by end
of Fiscal 2004



II-2. Measures to Strengthen Kikkoman

Rebuilding the Domestic Production Facilities (By Fiscal 2011)

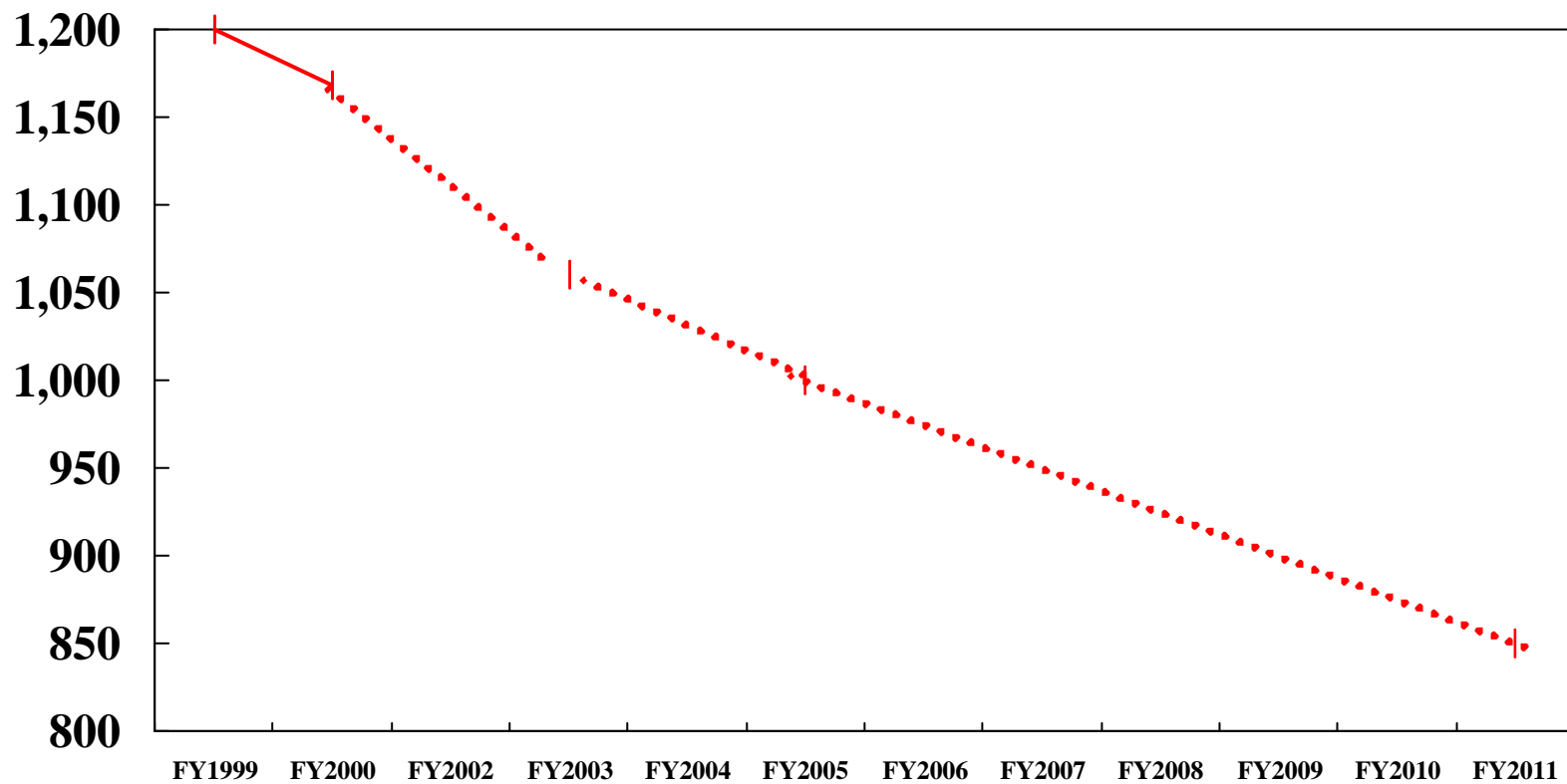
Consolidation of the Noda Plant





II-2. Measures to Strengthen Kikkoman

No. of Employees in Kikkoman's Domestic Production Division



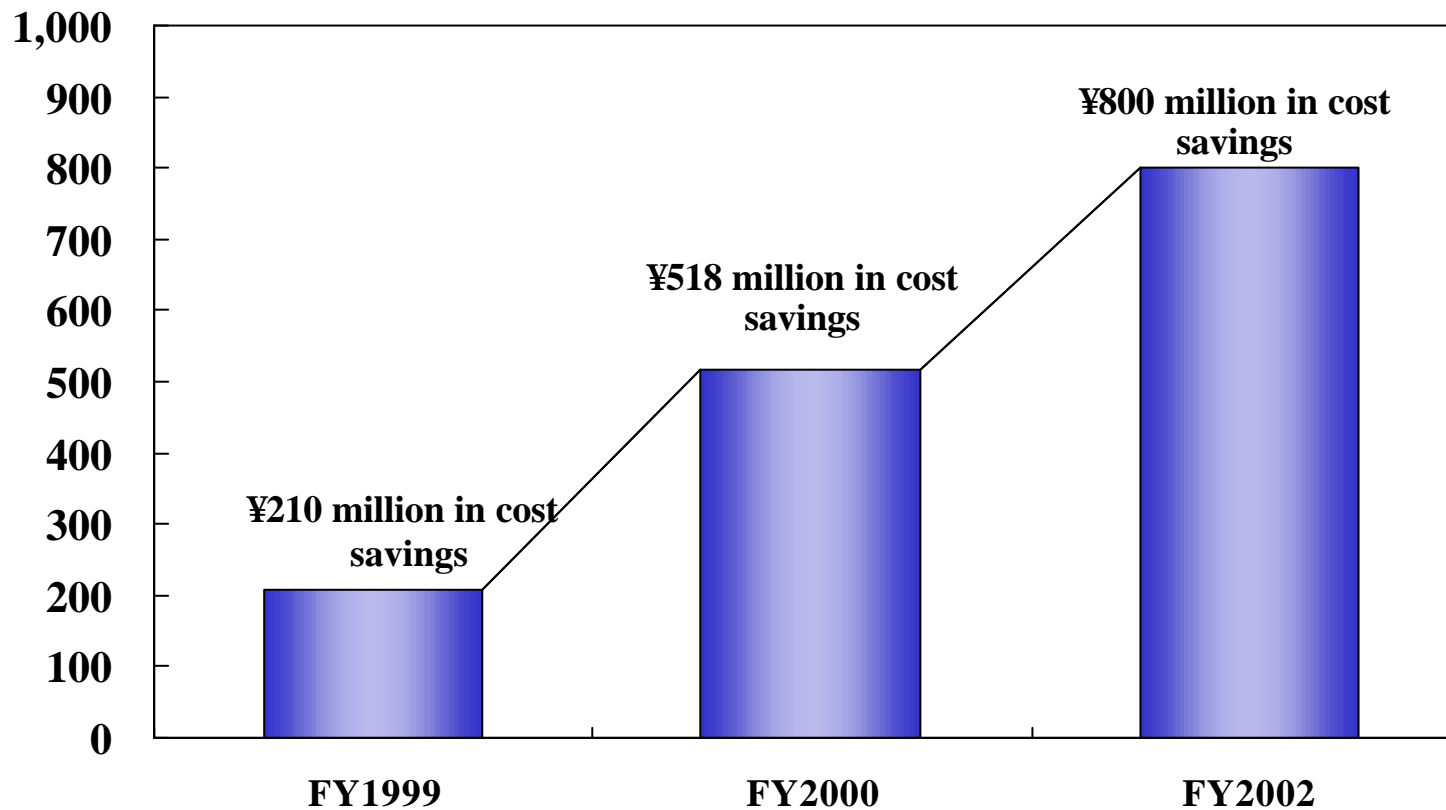
Note: Figures from Fiscal 2002 onward are targets.



II-2. Measures to Strengthen Kikkoman

Improving the Domestic Logistics System
(Cost savings: comparison with Fiscal 1998)

(¥ Million)



Note: Fiscal 2002 figure is a target.



III. Key Issues and Actions

III-1. Measures to Raise Corporate Value

2. Introduction of KPI
3. Environmental Protection





III-1. Measures to Raise Corporate Value

- Introduction of executive officer system
- Retirement of treasury stock
- Introduction of a stock-option plan



III-2. Introduction of KPI

- **Kikkoman Performance Index**

KPI is a performance benchmark that evaluates results against goals and it was introduced this April.



III-3. Environmental Protection

- Release of Environmental Reports

July 2000: Non-consolidated report

July 2001: Consolidated report due out





Corporate Image Survey

- Popularity Ranking of Leading Companies <Among General Public>

1. Kikkoman Corporation

2. Q.P. Corporation
3. Sony Corporation
4. The Calpis Food Industry Co., Ltd.
5. House Foods Corporation

Sample: 9,697 men and women between the ages of 18 and 69, living within a 40km radius of metropolitan Tokyo.

Polling Agency: Nikkei Research





4th Corporate Brand Score Ranking

● The Nikkei Industrial Daily (Feb. 14, 2001)

1. Sony Corporation
2. Toyota Motor Corporation
3. Honda Motor Co., Ltd.

28. Kikkoman Corporation

- 28. Kirin Brewery Company, Limited
- 28. Asahi Breweries, Ltd.
- 28. NSK Ltd.
- 28. Kyocera Corporation
- 28. Olympus Optical Co., Ltd.





ALL-PURPOSE
SEASONING



KIKKOMAN

NATURALLY BREWED

Soy Sauce

10 FL OZ (296mL)

OVER 300 YEARS OF EXCELLENCE



(Appendix)

Results for the Fiscal Year Ended December 31, 2000

Excluding Coca-Cola Business

**1 Share of Sales & Operating
Income by Product Segment**

**2 Operating Income Ratio by
Product Segment**

Including Coca-Cola Business

**1 Share of Sales & Operating
Income by Product Segment**

**2 Operating Income Ratio by
Product Segment**





(Appendix)

I-1. Share of Sales & Operating Income by Product Segment

Excluding Coca-Cola Business

(¥ Million, %)

Consolidated	Net Sales	% of Total	Operating Income	% of Total	Operating Income Ratio (%)
Soy Sauce	85,478	39.1	24,391	64.5	28.5
Soy Sauce Derivative Products	19,980	9.2	2,793	7.4	14.0
Del Monte	25,417	11.6	2,836	7.5	11.2
Sake & Wine	28,269	12.9	3,874	10.3	13.7
Other Foods	52,676	24.1	2,693	7.1	5.1
Others	6,823	3.1	1,218	3.2	17.9
Total	218,645	100.0	37,808	100.0	17.3

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



(Appendix)

I-2. Operating Income Ratio by Product Segment

Excluding Coca-Cola Business

(¥ Million, %)

		Consolidated	Segment Total	Japan	Overseas
Soy Sauce	Net Sales	85,478	88,204	64,140	24,063
	Operating Income	24,391	24,395	15,029	9,365
	Operating Income Ratio	(28.5)	(27.7)	(23.4)	(38.9)
Soy Sauce Derivative Products	Net Sales	19,980	19,980	19,980	
	Operating Income	2,793	2,793	2,793	
	Operating Income Ratio	(14.0)	(14.0)	(14.0)	
Del Monte	Net Sales	25,417	25,420	20,575	4,845
	Operating Income	2,836	2,836	2,590	246
	Operating Income Ratio	(11.2)	(11.2)	(12.6)	(5.1)
Sake & Wine	Net Sales	28,269	28,273	28,269	4
	Operating Income	3,874	3,874	3,874	
	Operating Income Ratio	(13.7)	(13.7)	(13.7)	(9.9)
Other Foods	Net Sales	52,676	58,900	26,261	32,639
	Operating Income	2,693	2,680	797	1,883
	Operating Income Ratio	(5.1)	(4.6)	(3.0)	(5.8)
Others	Net Sales	6,823	6,975	4,945	2,030
	Operating Income	1,218	1,218	1,023	195
	Operating Income Ratio	(17.9)	(17.5)	(20.7)	(9.6)
Total	Net Sales	218,645	227,755	164,172	63,583
	Operating Income	37,808	37,799	26,107	11,691
	Operating Income Ratio	(17.3)	(16.6)	(15.9)	(18.4)

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



(Appendix)

II-1. Share of Sales & Operating Income by Product Segment

Including Coca-Cola Business

(¥ Million, %)

Consolidated	Net Sales	% of Total	Operating Income	% of Total
Soy Sauce	85,478	26.2	24,391	51.1
Soy Sauce Derivative Products	19,980	6.1	2,793	5.9
Del Monte	25,417	7.8	2,836	6.0
Sake & Wine	28,269	8.6	3,874	8.1
Other Foods	52,676	16.1	2,693	5.6
Others	6,823	2.1	1,218	2.6
Coca-Cola Business	108,063	33.1	9,884	20.7
Total	326,708	100.0	47,693	100.0

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



(Appendix)

II-2. Operating Income Ratio by Product Segment

Including Coca-Cola Business

(¥ Million, %)

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Others	Sales	6,823	6,975	4,945	2,030
	Operating Income	1,218	1,218	1,023	195
	Operating Income Ratio	(17.9)	(17.5)	(20.7)	(9.6)
Coca-Cola Business	Sales	108,063	108,063	108,063	
	Operating Income	9,884	9,884	9,884	
	Operating Income Ratio	(9.1)	(9.1)	(9.1)	
Total	Sales	326,708	335,819	272,236	63,583
	Operating Income	47,693	47,683	35,992	11,691
	Operating Income Ratio	(14.6)	(14.2)	(13.2)	(18.4)

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