

# *Kikkoman Corporation*



## *Corporate and Strategic Overview*

**November 2004**

**Takashi Ushiku**

**President and Chief Operating Officer**



- *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.*
- *In 2001, Kikkoman changed its fiscal year from January – December to April – March. In this presentation, fiscal years up to 2000 run January – December. From 2001 onwards, fiscal years run April – March. Overseas businesses and the Coca-Cola business, however, have December 31 balance dates.*



# *Topics for This Presentation*

*I. Summary of Key Themes in Fiscal 2005*

*II. Performance in the Fiscal 2005 Interim Period*

*III. Forecast for Fiscal 2005*

*IV. Appendix*



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# *I. Summary of Key Themes in Fiscal 2005*

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*1. Key Themes in Fiscal 2005 Overseas*

*2. Key Themes in Fiscal 2005 in Japan*



## *I-1. Key Themes in Fiscal 2005 Overseas*

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*1) Cultivate Existing Markets and Develop New Markets*



## *I-2. Key Themes in Fiscal 2005 in Japan*

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*1) Continue to Focus on Key Domestic Products*

*2) Increase Sales in Foodservice-use and Industrial-use Markets*

*3) Push Ahead with Cost-Cutting*

*4) Capture Synergies through Collaboration with Higeta Shoyu Co., Ltd. and Kibun Foods Group*



## *II. Performance in the Fiscal 2005 Interim Period*

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*1. Performance in the Fiscal 2005 Interim Period*

*2. Performance in the Fiscal 2005 Interim Period  
Overseas*



*3. Performance in the Fiscal 2005 Interim Period in  
Japan*

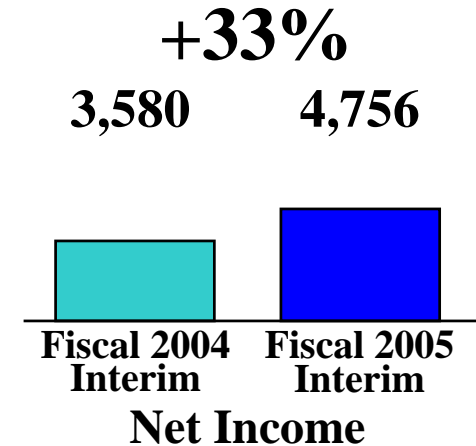
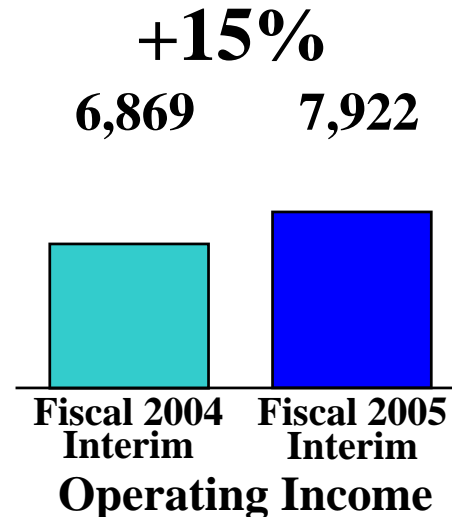
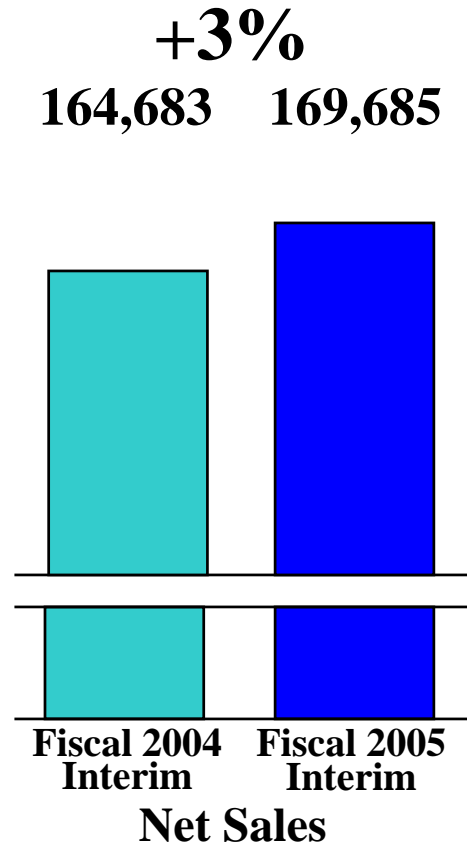


# II-1. Performance in the Fiscal 2005 Interim Period

## Financial Highlights

(unit: ¥ 1 million)

 Fiscal 2004 Interim  
(US\$=119.24)  
 Fiscal 2005 Interim  
(US\$=108.20)






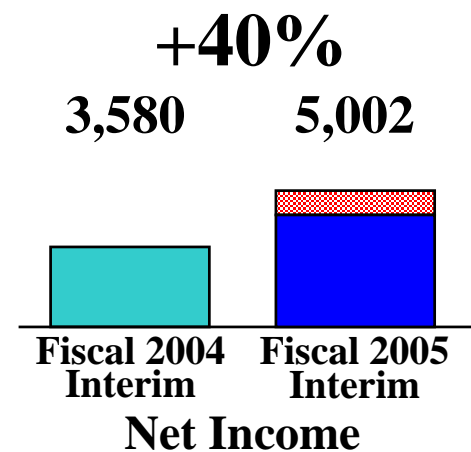
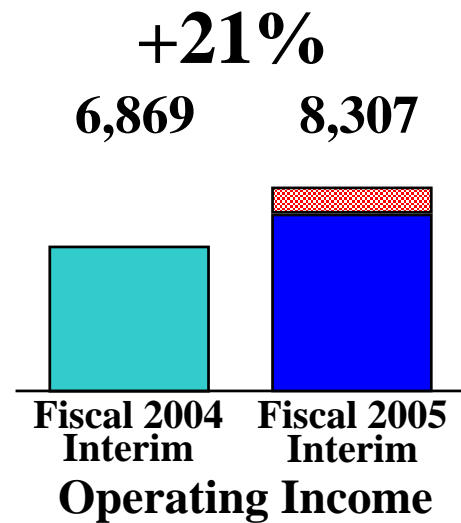
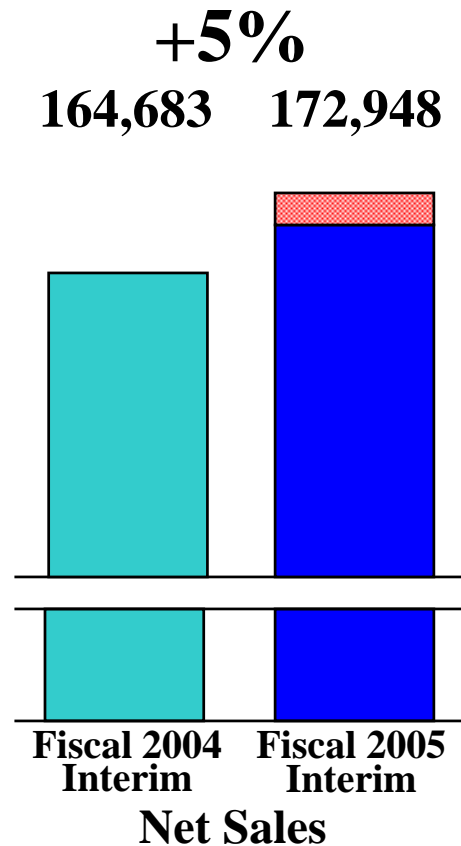


# II-1. Performance in the Fiscal 2005 Interim Period

## Financial Highlights (excluding translation difference)

(unit: ¥ 1 million)

-  Fiscal 2004 Interim (US\$=119.24)
-  Fiscal 2005 Interim (US\$=108.20)
-  Translation Difference

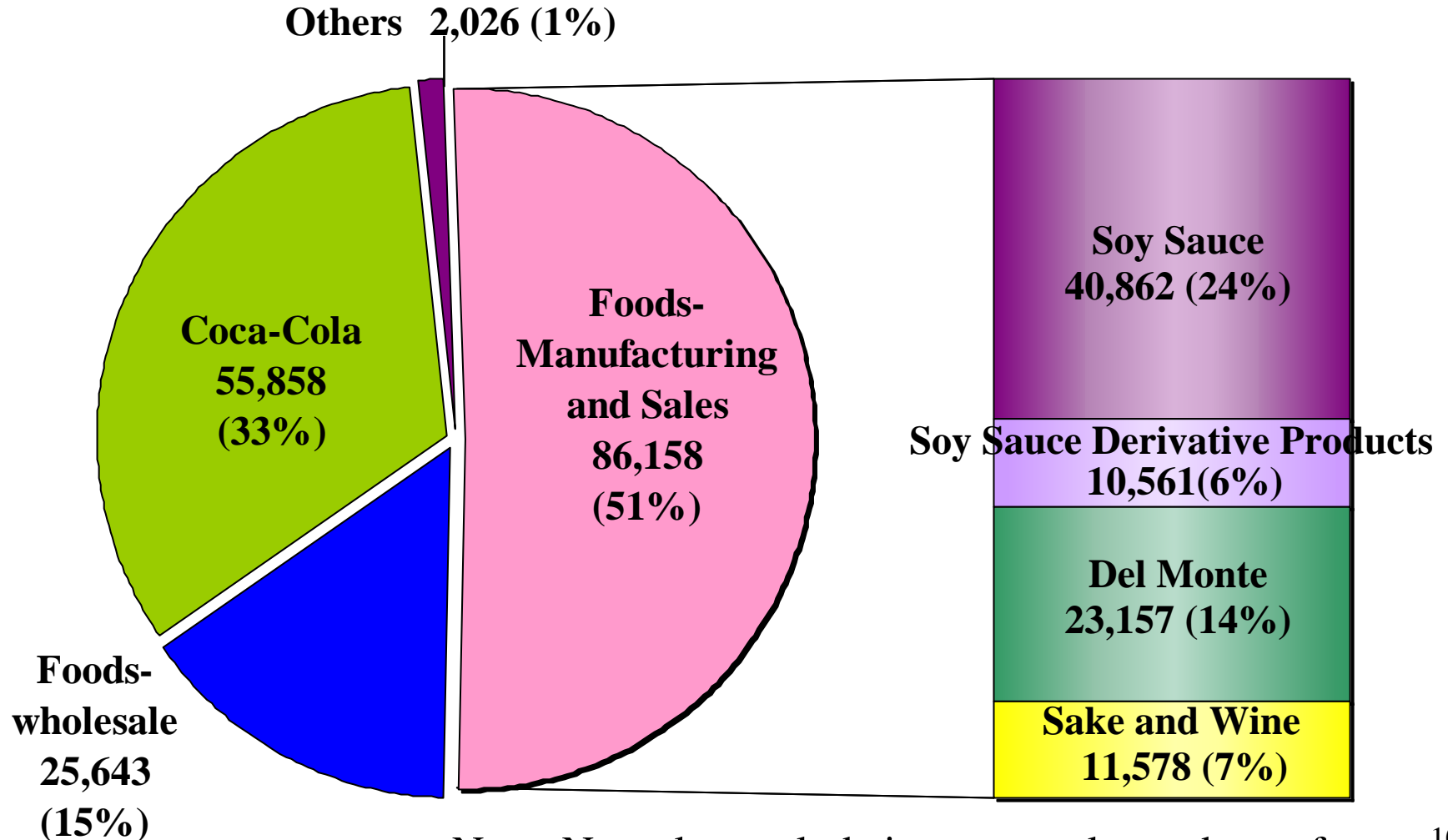




# II-1. Performance in the Fiscal 2005 Interim Period

## Net Sales by Business Segment

(unit: ¥ 1 million)



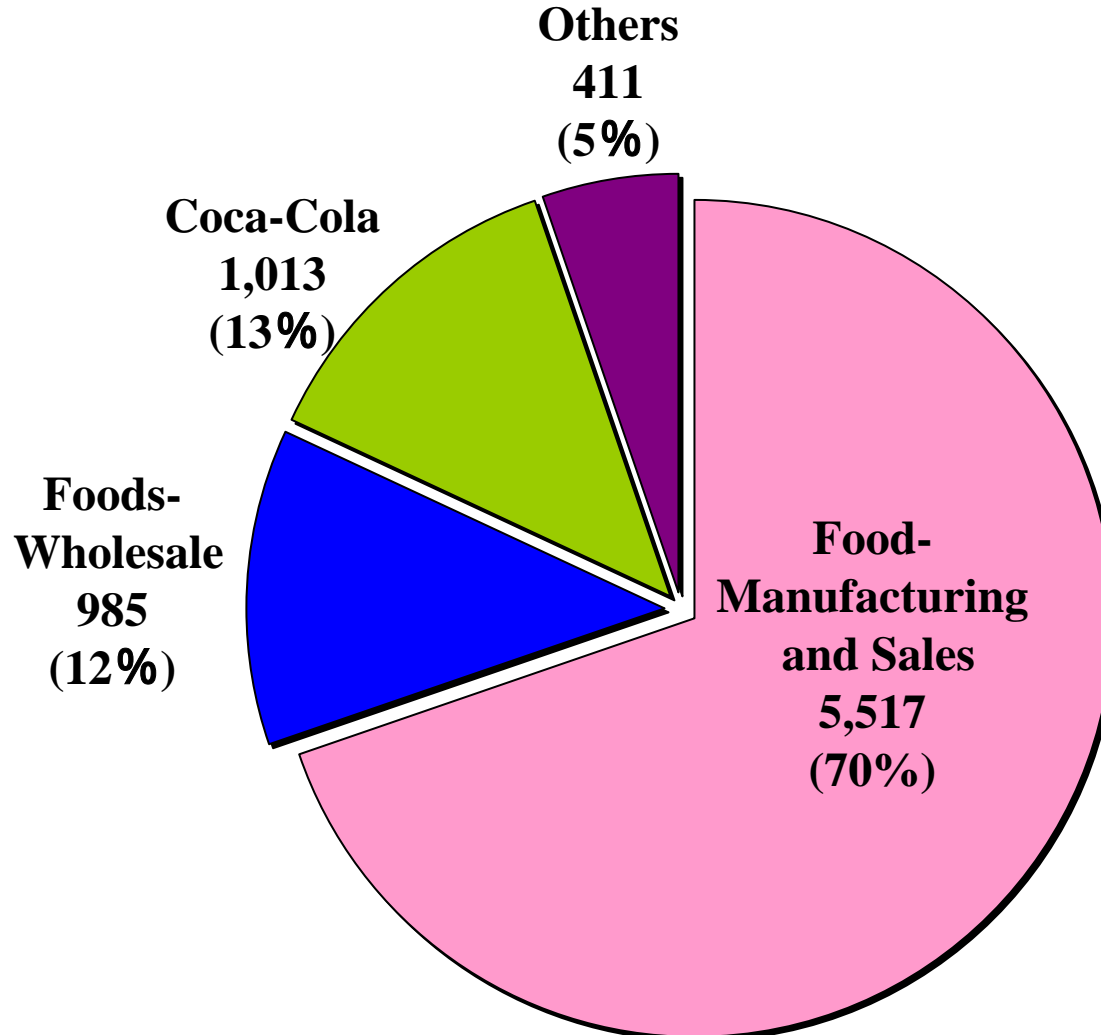
Note: Net sales exclude interarea sales and transfers



## II-1. Performance in the Fiscal 2005 Interim Period

### Operating Income by Business Segment

(unit: ¥ 1 million)

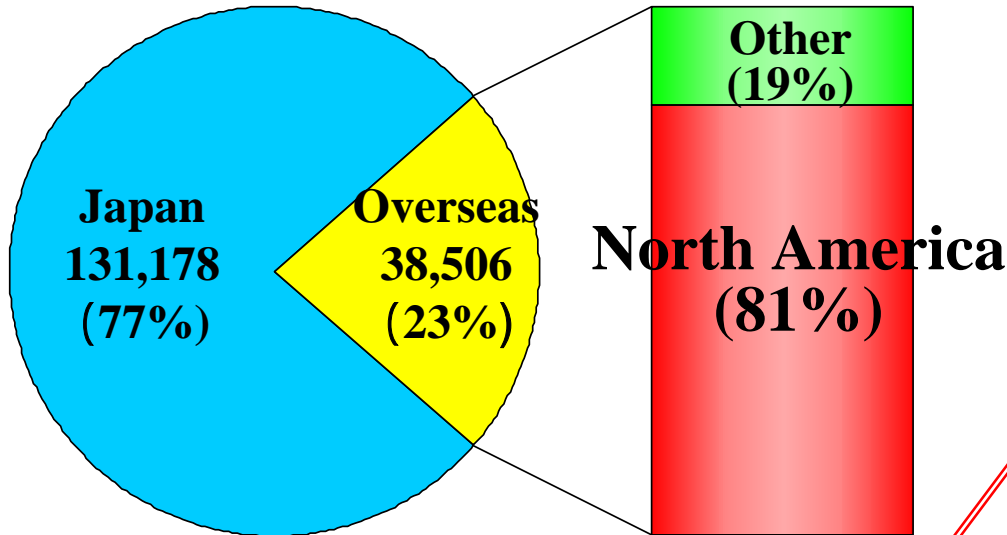




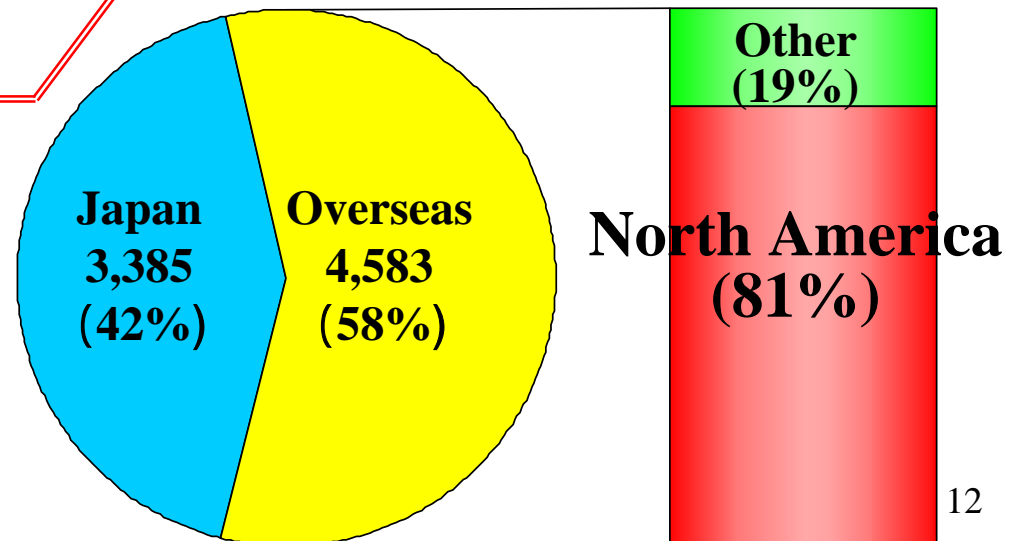
# II-1. Performance in the Fiscal 2005 Interim Period

## Net Sales and Operating Income by Geographical Segment

(unit: ¥ 1 million)



## Operating Income





Note: Net sales exclude interarea sales and transfers

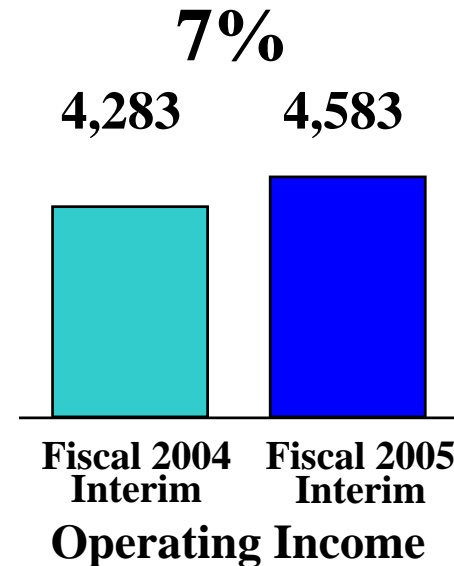
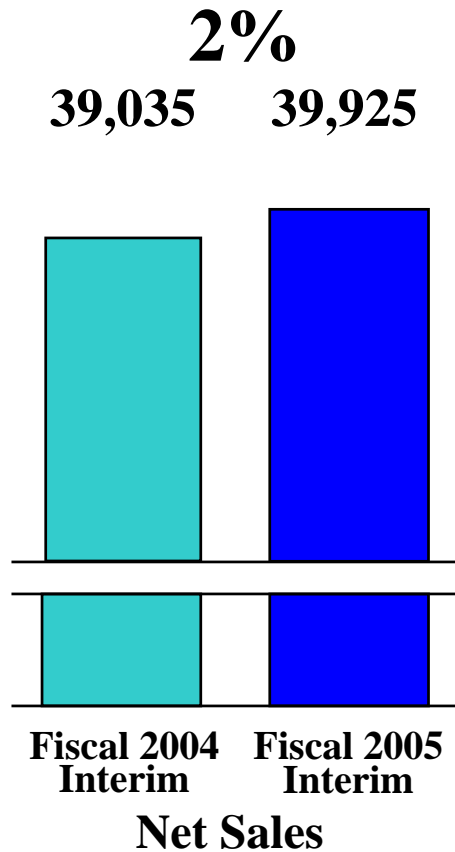


## II-2. Performance in the Fiscal 2005 Interim Period Overseas

### Overseas

(unit: ¥ 1 million)

 Fiscal 2004 Interim  
(US\$=119.24)  
 Fiscal 2005 Interim  
(US\$=108.20)

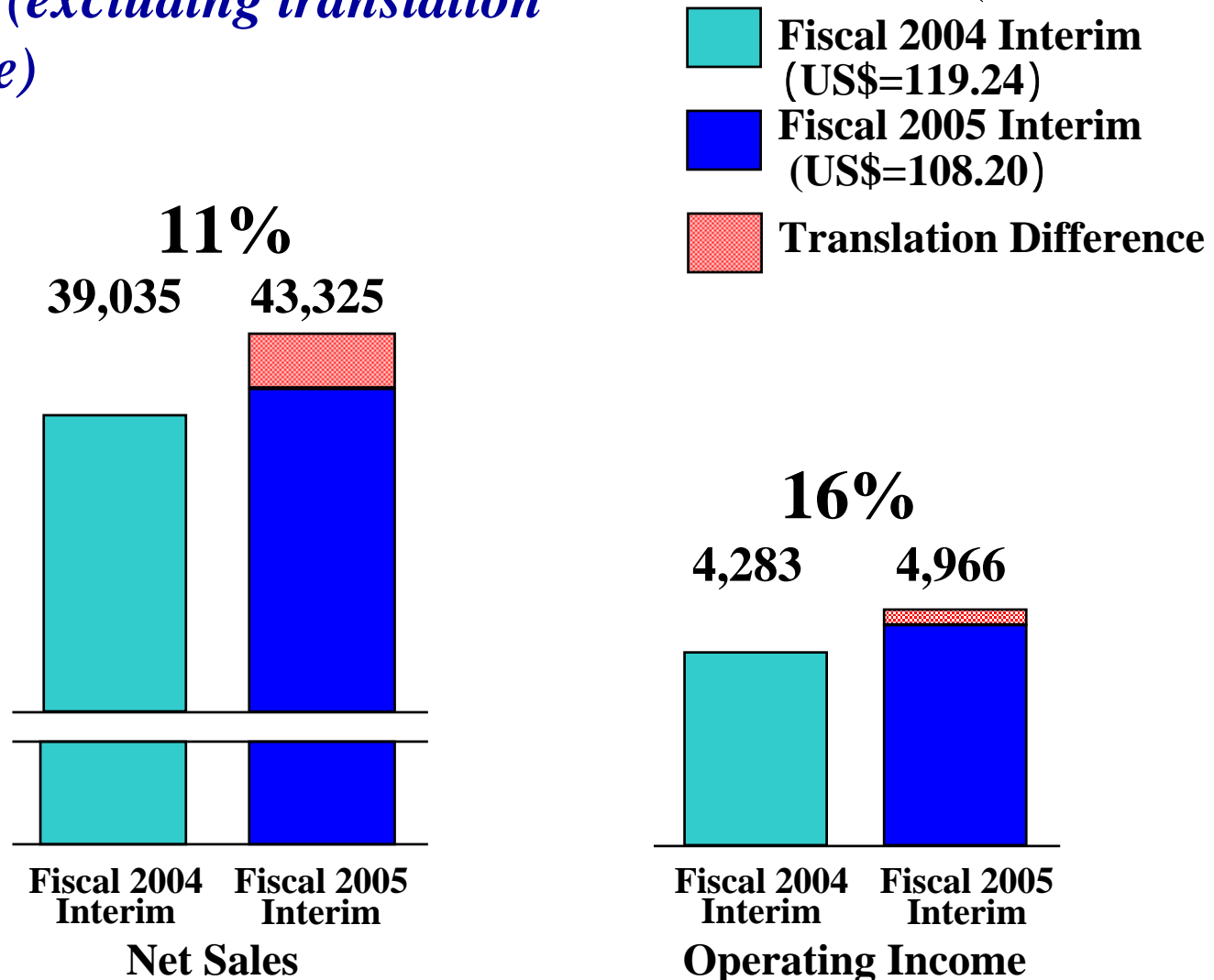




## II-2. Performance in the Fiscal 2005 Interim Period Overseas

*Overseas (excluding translation difference)*

(unit: ¥ 1 million)

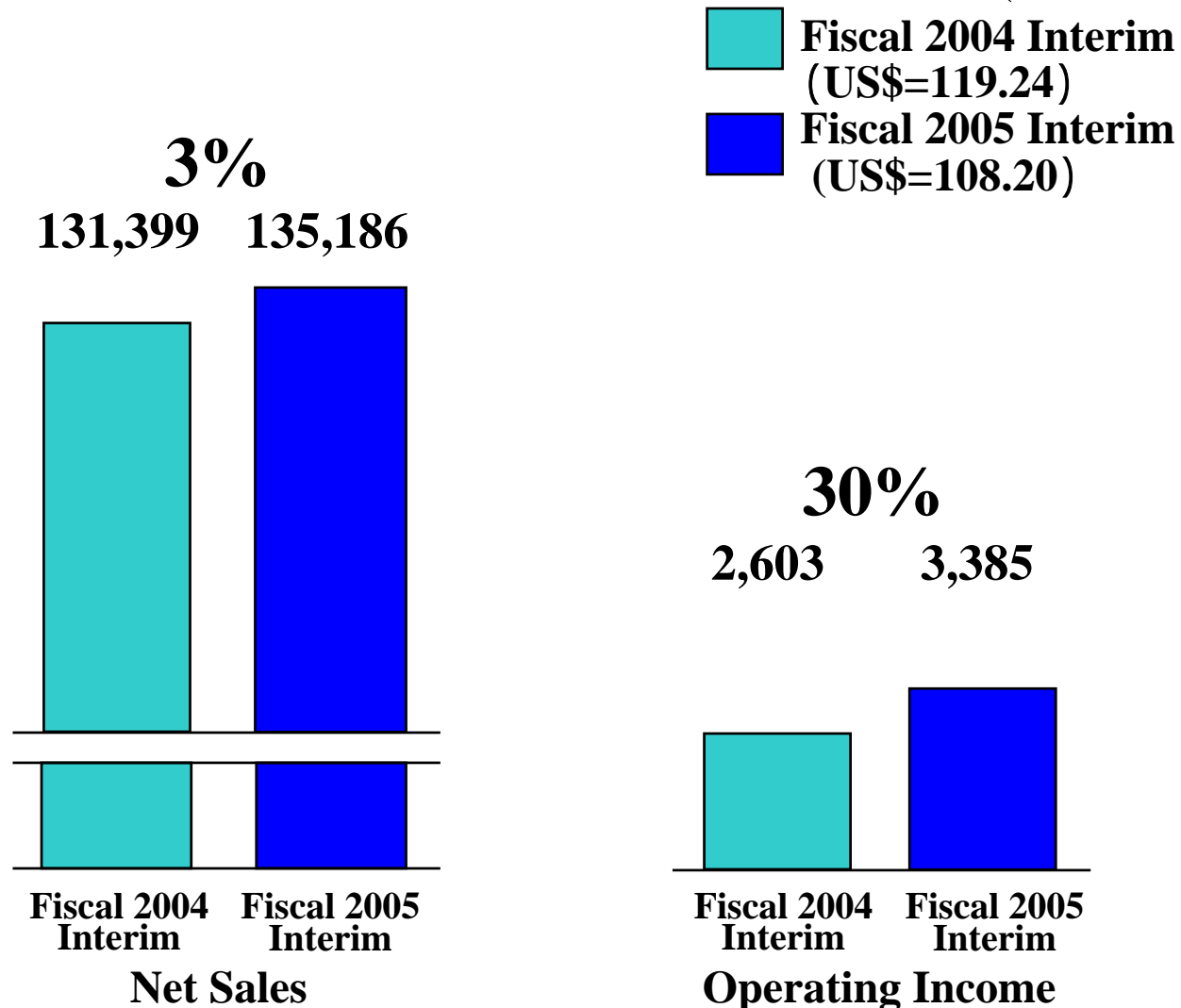




## II-2. Performance in the Fiscal 2005 Interim Period in Japan

Japan

(unit: ¥ 1 million)





## *III. Forecast for Fiscal 2005*

*1. Forecast for Fiscal 2005*

*2. Forecast for Fiscal 2005 Overseas*



*3. Forecast for Fiscal 2005 in Japan*

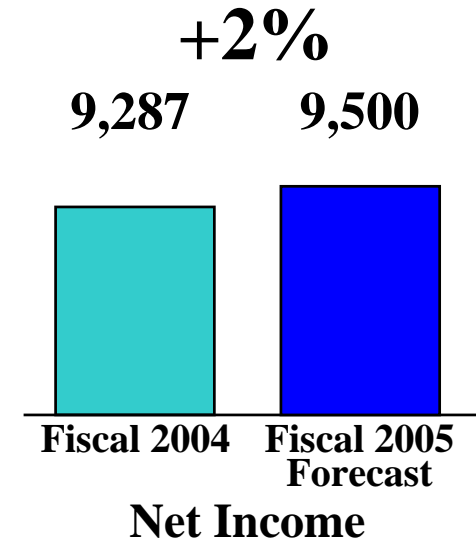
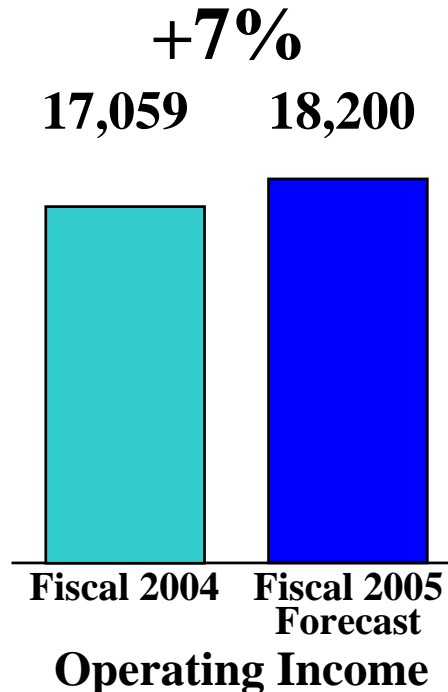
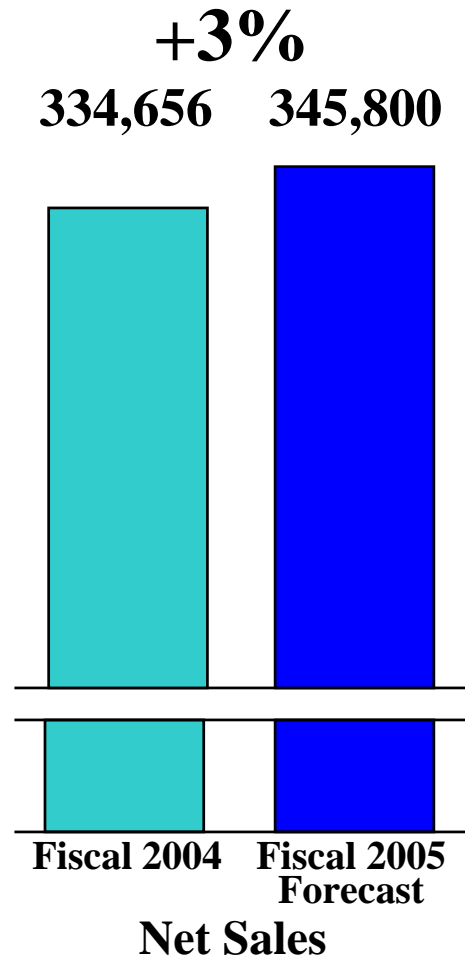


# III-1. Forecast for Fiscal 2005

(unit: ¥ 1 million)

## Forecast for Fiscal 2005

 **Fiscal 2004**  
(US\$=116.05)  
 **Fiscal 2005 Forecast**  
(US\$=108.00)

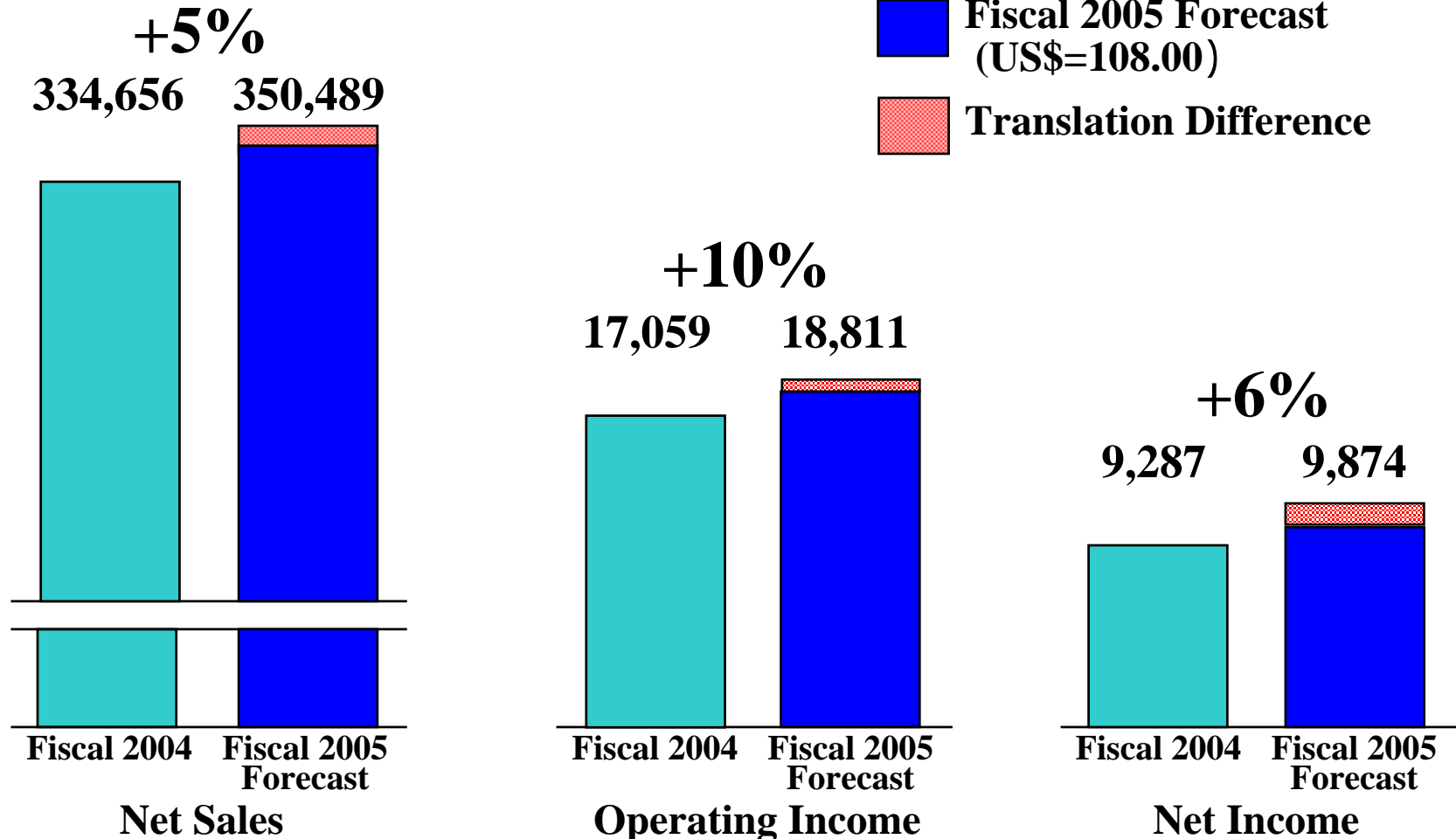




# III-1. Forecast for Fiscal 2005

(unit: ¥ 1 million)

## Forecast for Fiscal 2005 (excluding translation difference)

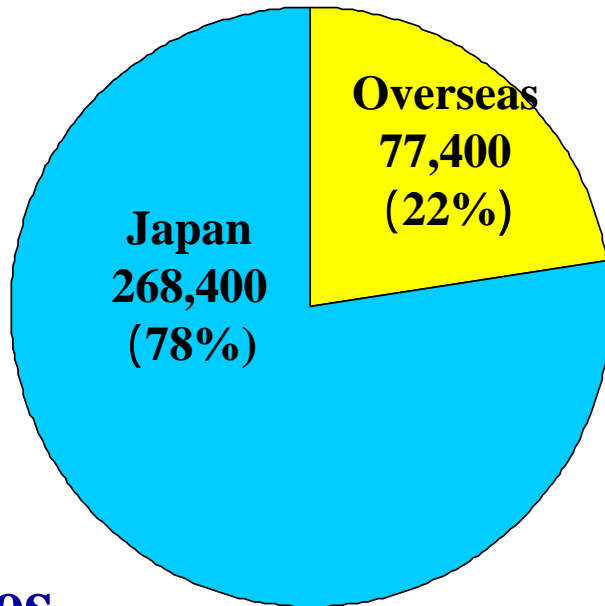




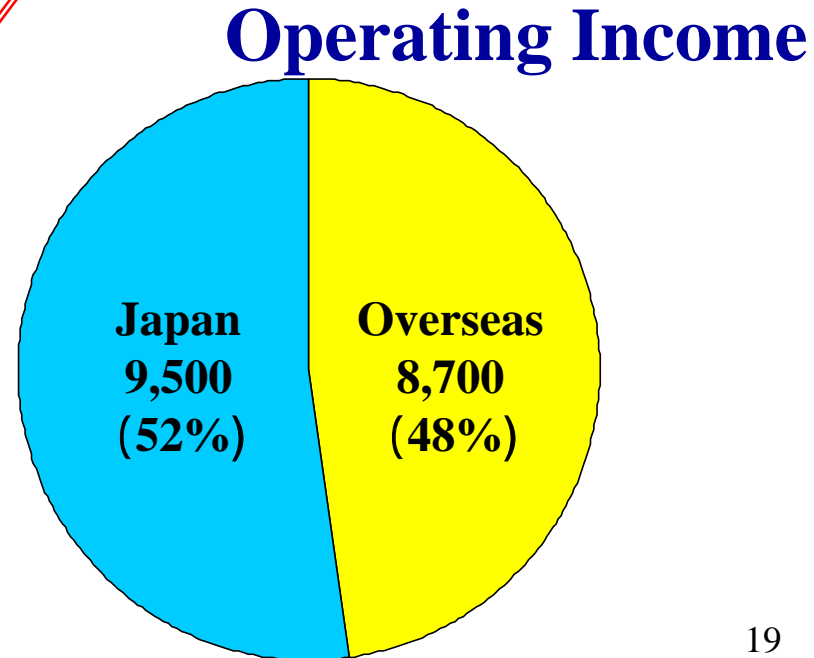
# III-1. Forecast for Fiscal 2005

## Net Sales and Operating Income by Geographical Segment

(unit: ¥ 1 million)



**Net Sales**



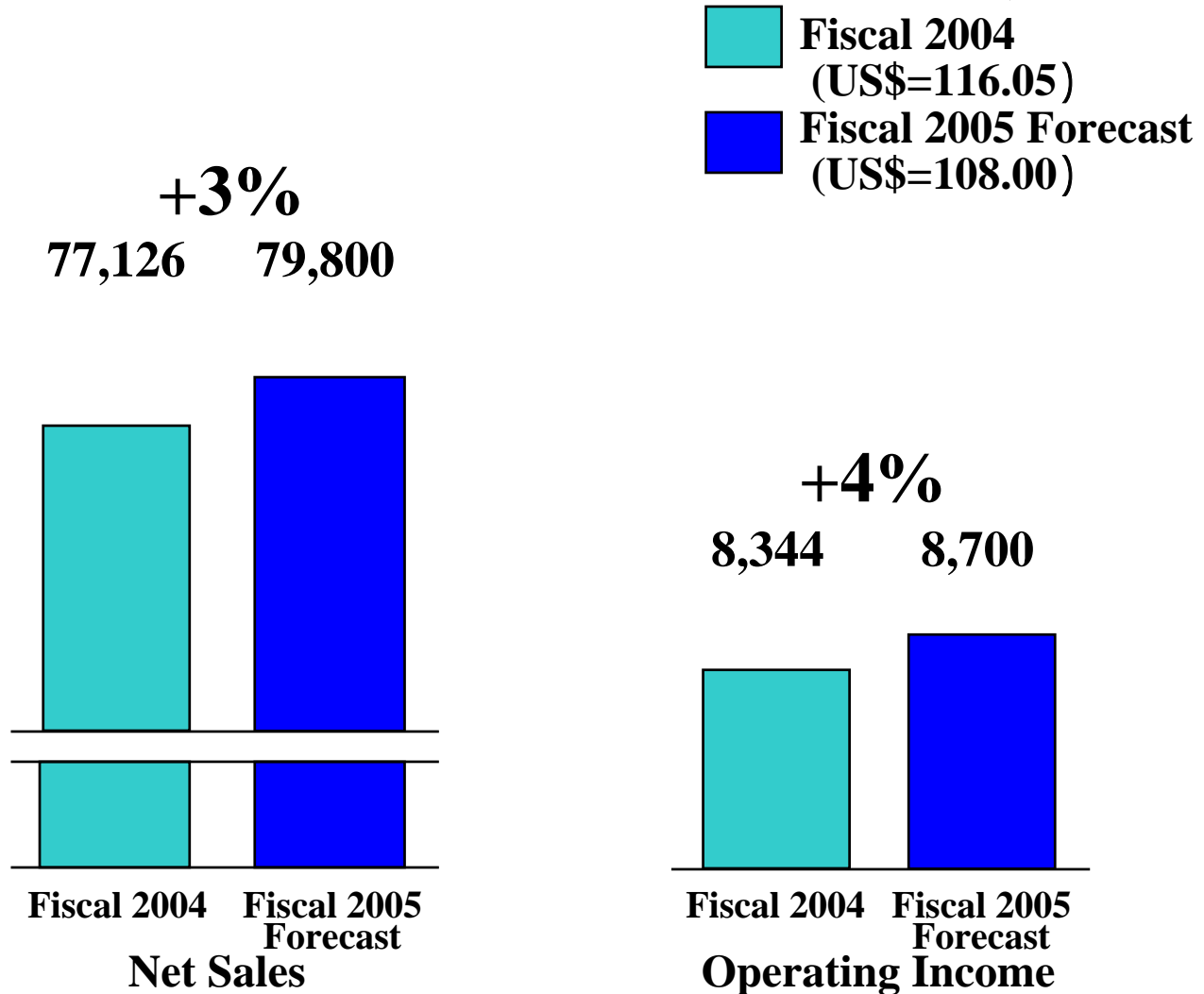
Note: Net sales exclude interarea sales and transfers



# III-2. Forecast for Fiscal 2005 Overseas

Overseas

(unit: ¥ 1 million)

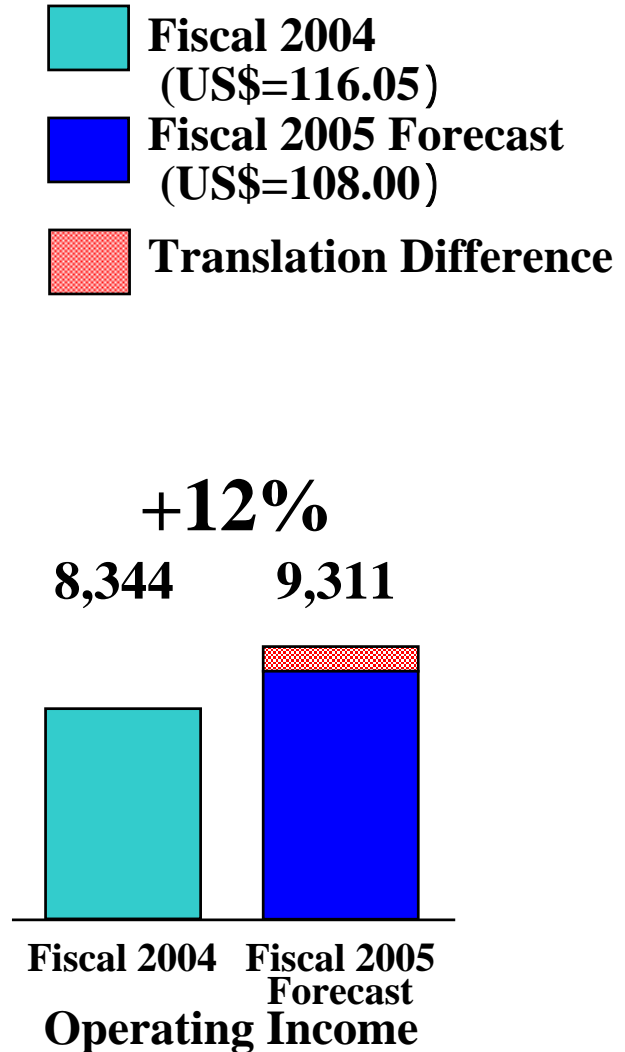
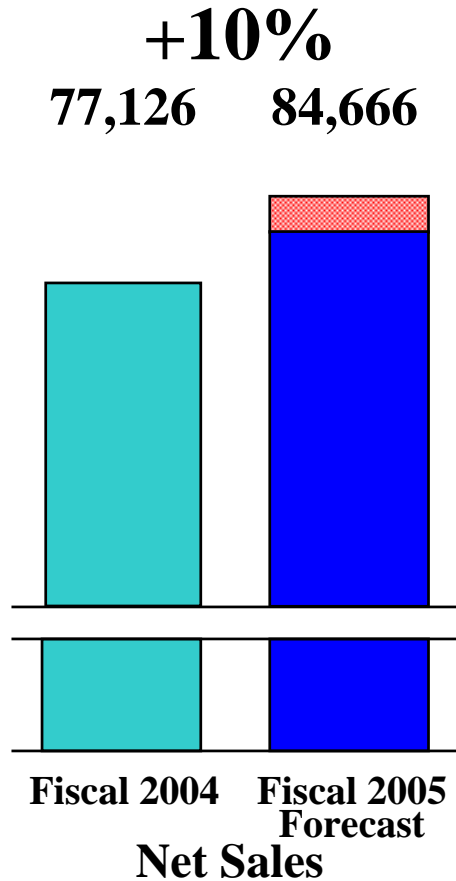




# III-2. Forecast for Fiscal 2005 Overseas

*Overseas (excluding translation difference)*

(unit: ¥ 1 million)

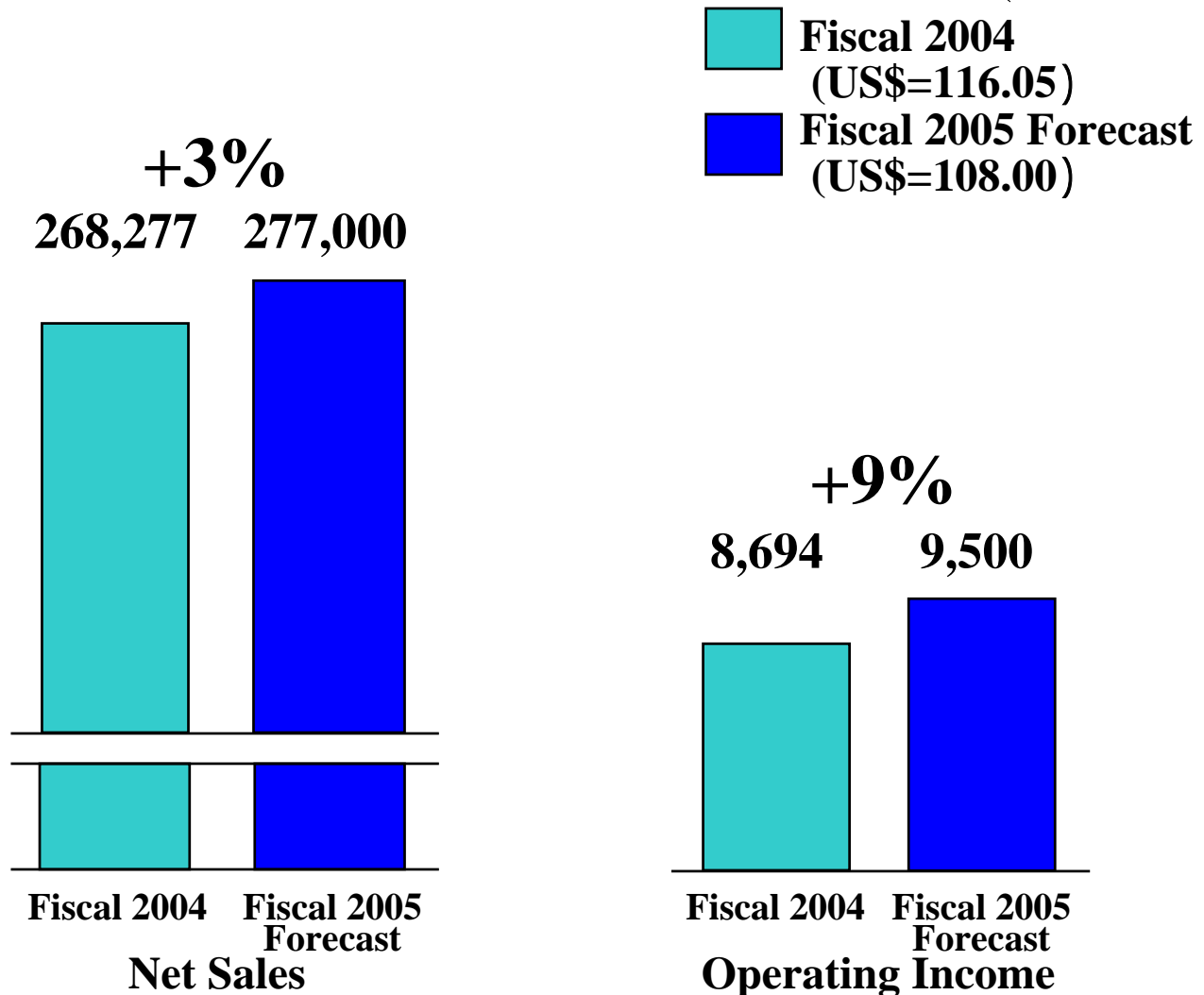




# III-3. Forecast for Fiscal 2005 in Japan

Japan

(unit: ¥ 1 million)





## *IV. Appendix*

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*1. Our Focuses*

*2. Performance in Fiscal 2004*



## *IV-1. Our Focuses*

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*1) Why Focus on Overseas Markets?*

*2) Why Focus on Premium Soy Sauce in Japan?*

*3) Why Focus on the Foodservice-use and  
Industrial-use Markets in Japan?*

*4) Why Focus on Soy Sauce Derivative Products in Japan?*



# IV-1-1) Why Focus on Overseas Markets?

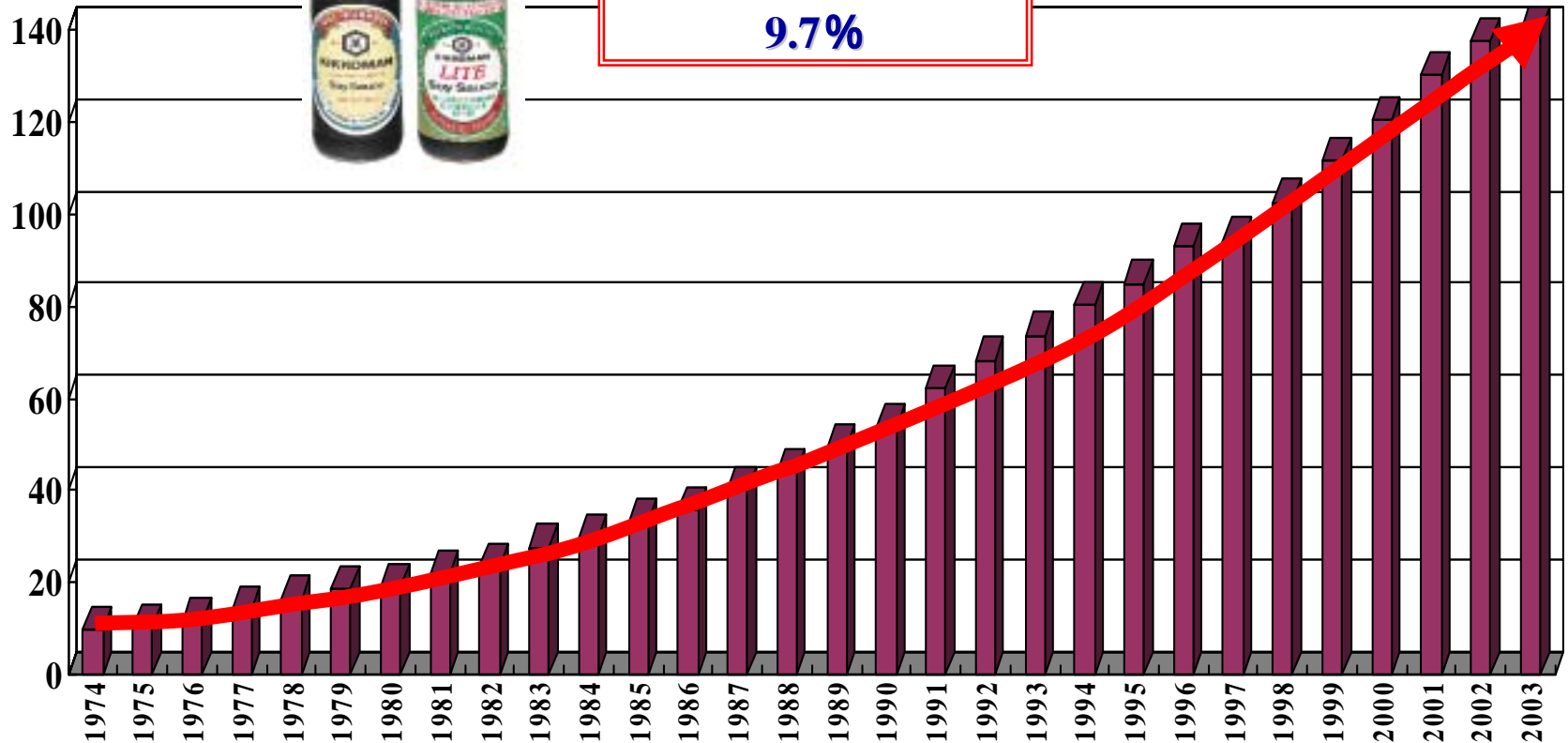
## Sales Volume of Kikkoman Soy Sauce Overseas

(thousands of kiloliters)



Average Annual Growth Rate  
1974-2003  
9.7%

2003  
140,000kl

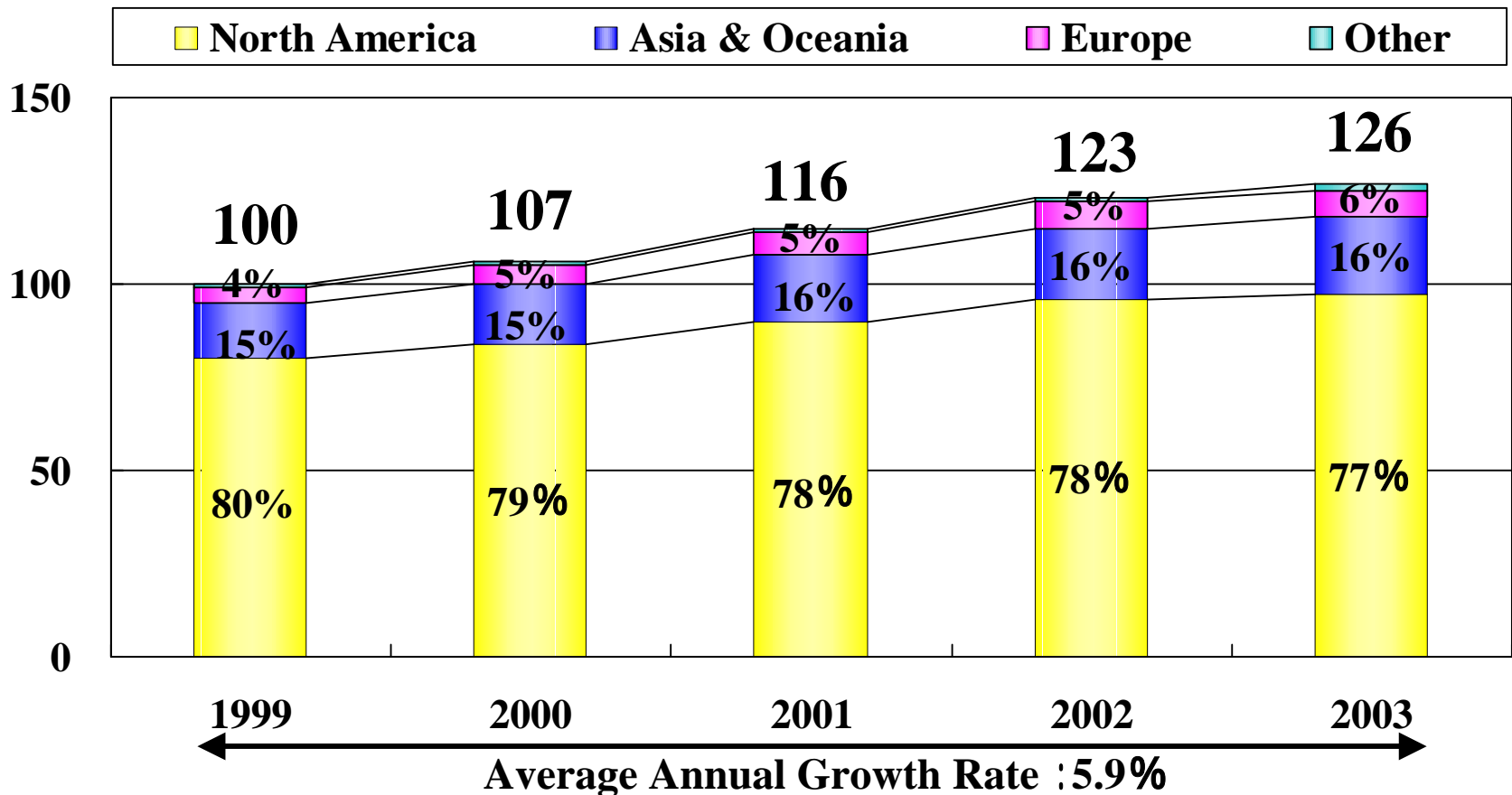




# IV-1-1) Why Focus on Overseas Markets?

## Geographical Breakdown of Sales Volume of Kikkoman Soy Sauce Overseas

1999 Sales Volume = 100

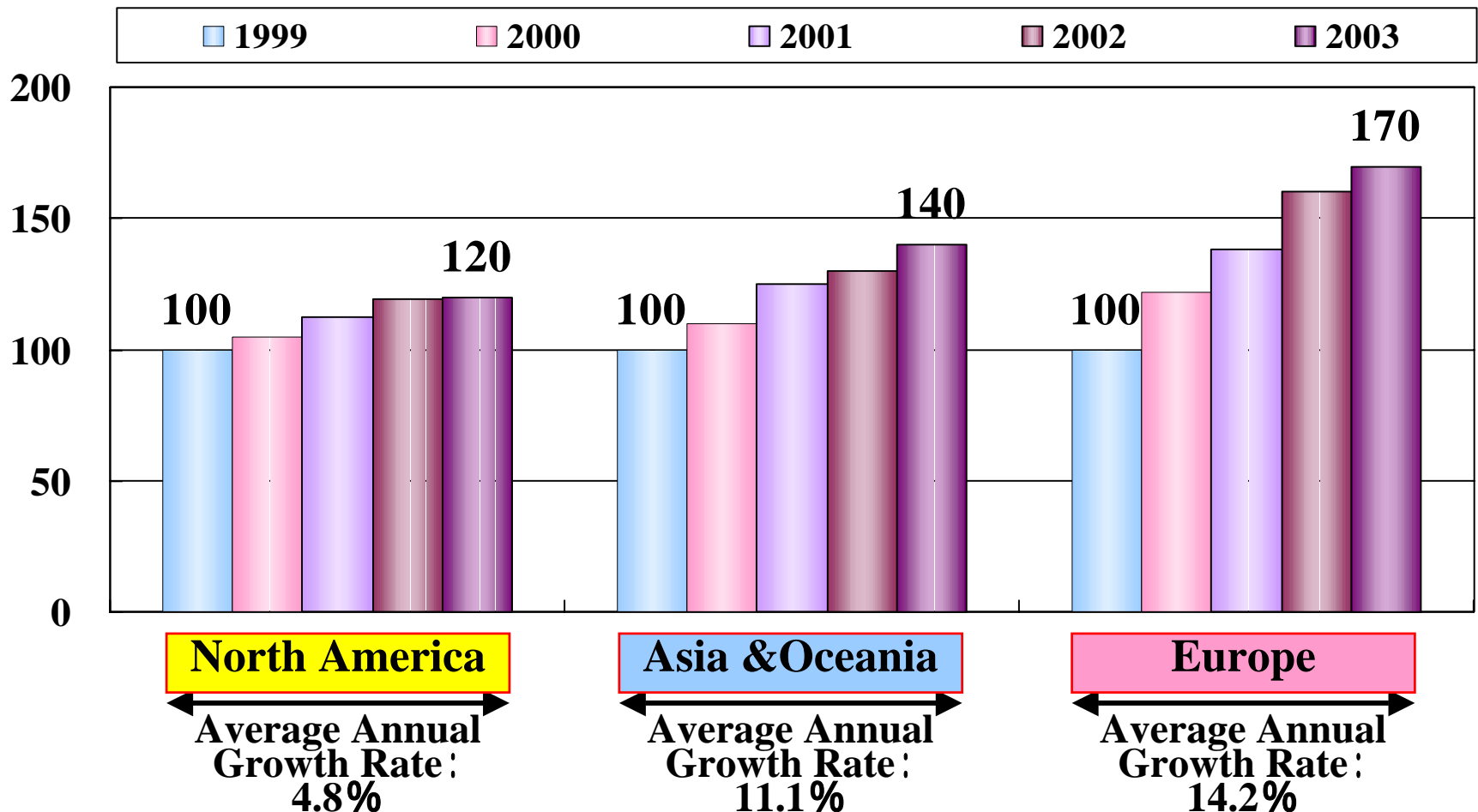




# IV-1-1) Why Focus on Overseas Markets?

## Geographical Breakdown of Sales Volume of Kikkoman Soy Sauce Overseas

1999 Sales Volume = 100

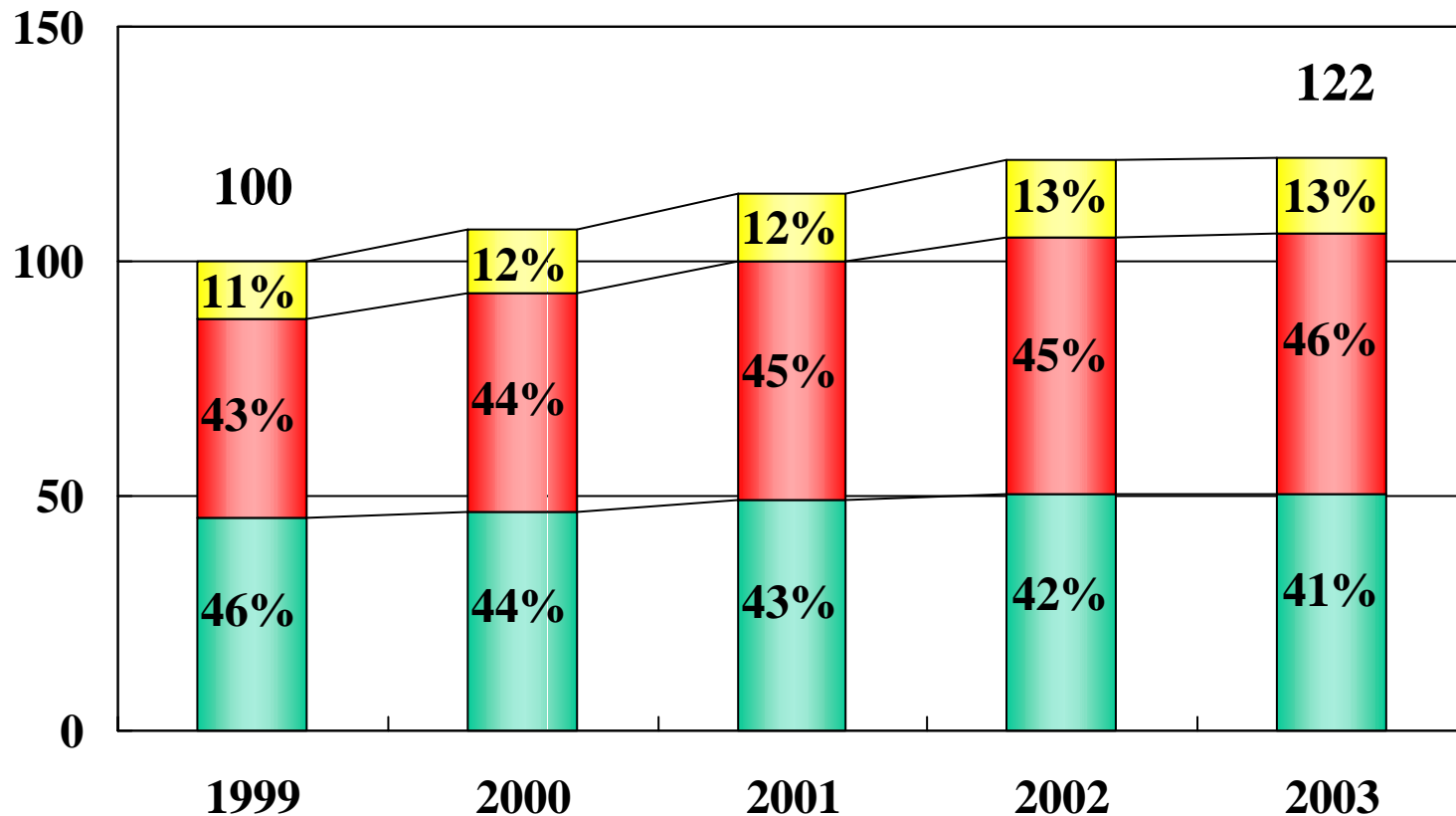




# IV-1-1) Why Focus on Overseas Markets?

## Changes in U.S. Market Breakdown of Sales for Kikkoman Soy Sauce (1999-2003)

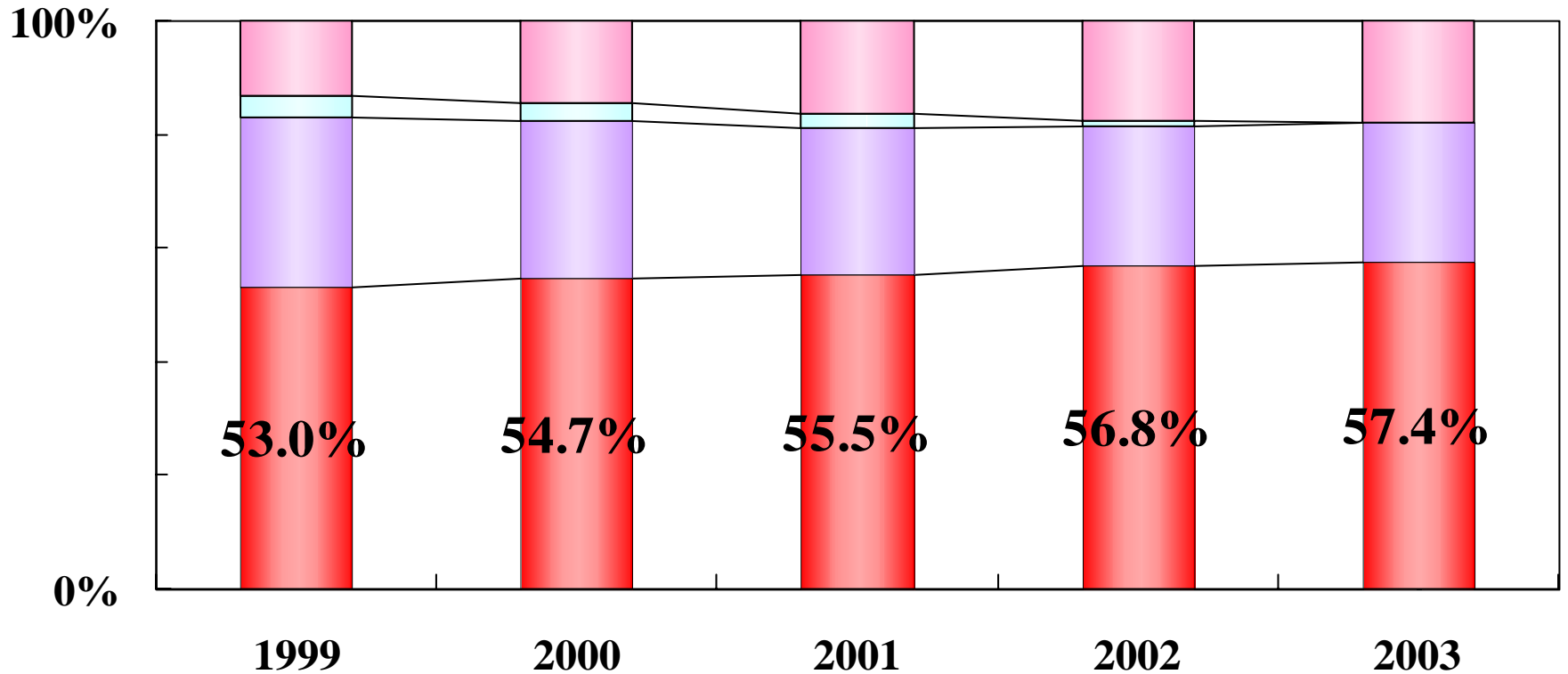
1999 Sales=100





# IV-1-1) Why Focus on Overseas Markets?

## Changes in U.S. Home-Use Market and Breakdown of Share for Kikkoman Soy Sauce (1999-2003)

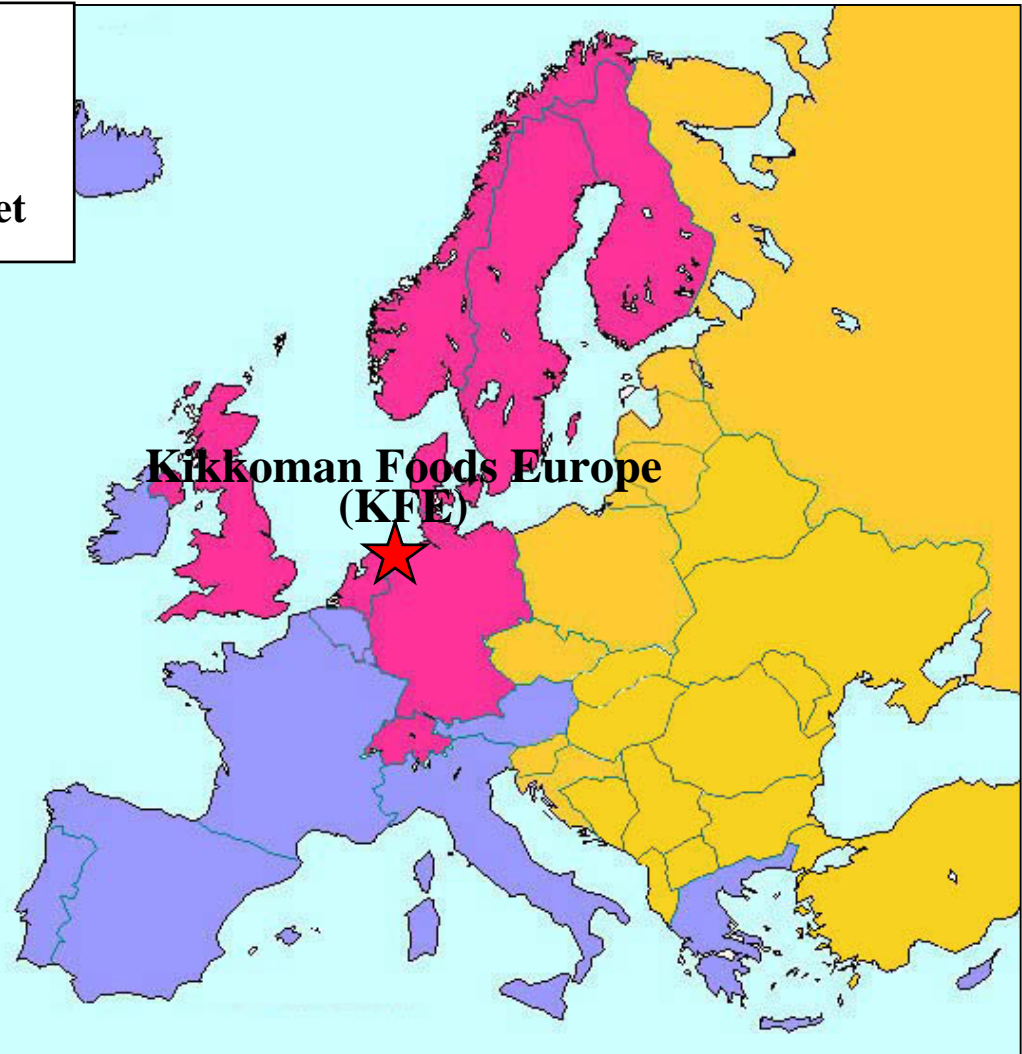




## IV-1-1) Why Focus on Overseas Markets?

### *Expansion of European Market*

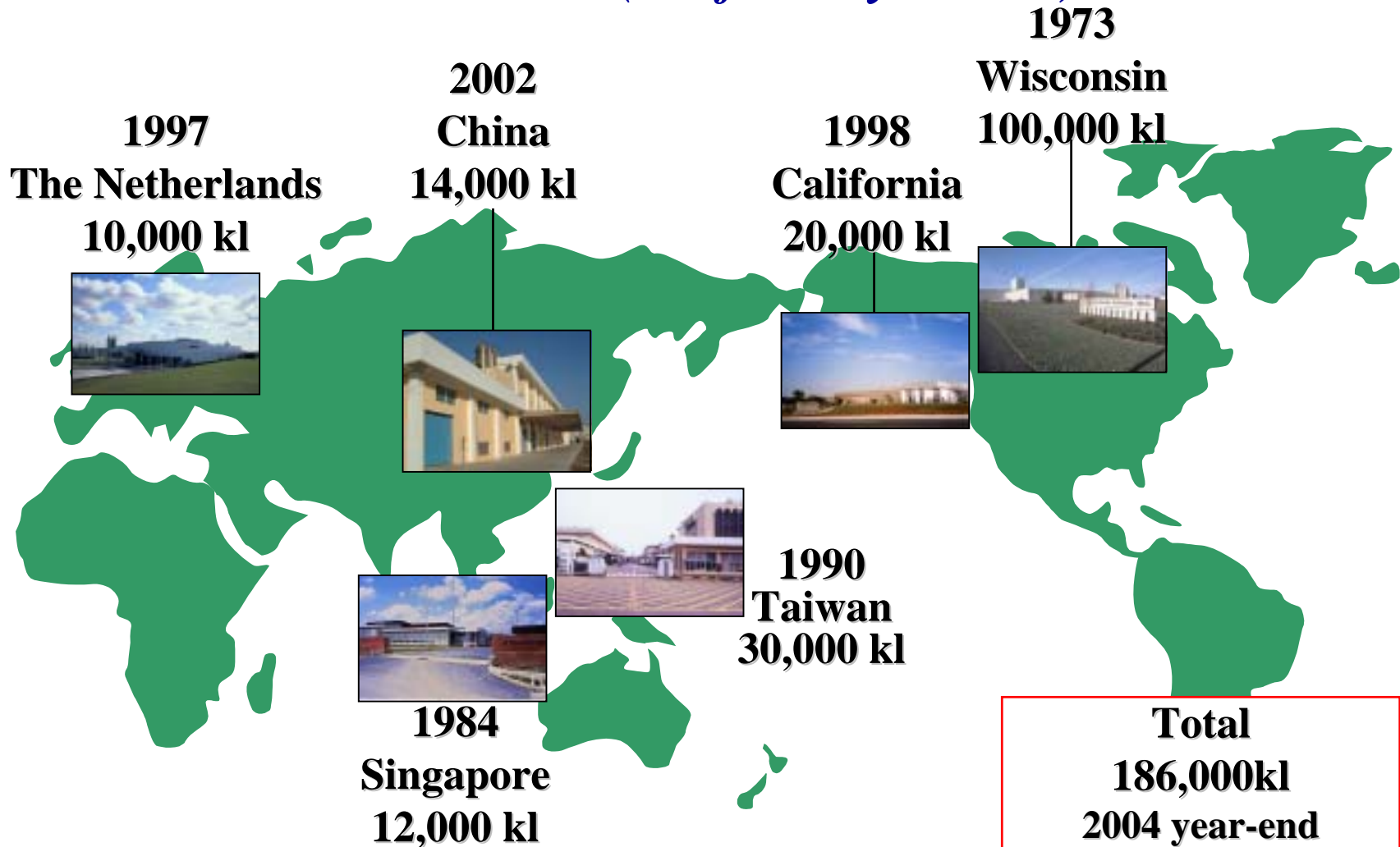
-  Main Markets
-  Western Europe Market
-  Central and Eastern Europe Market





## IV-1-1) Why Focus on Overseas Markets?

### Overseas Production Bases (as of 2004 year-end)



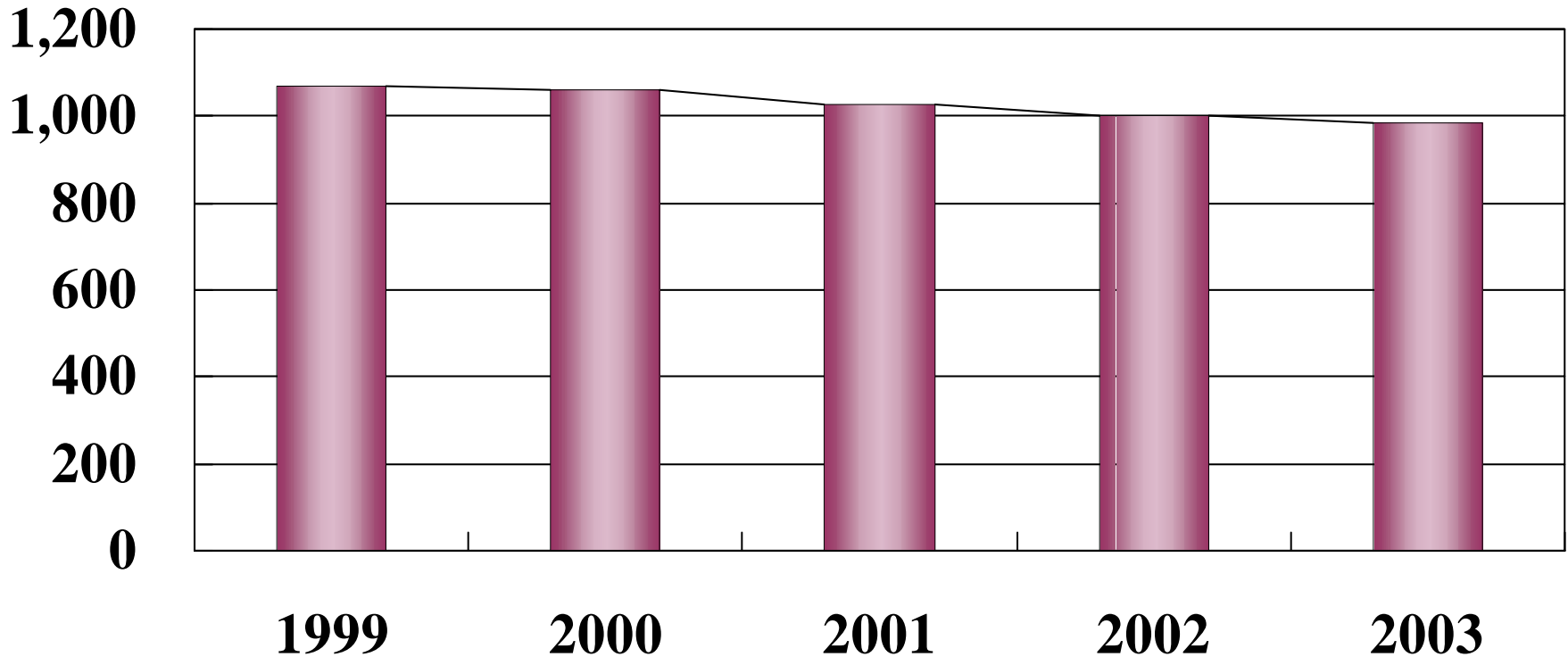
Numbers shown indicate the year of each plant's opening



## *IV-1-2) Why Focus on Premium Soy Sauce in Japan?*

### *Size of Soy Sauce Market in Japan (Volume Basis)*

(thousands of  
kiloliters)



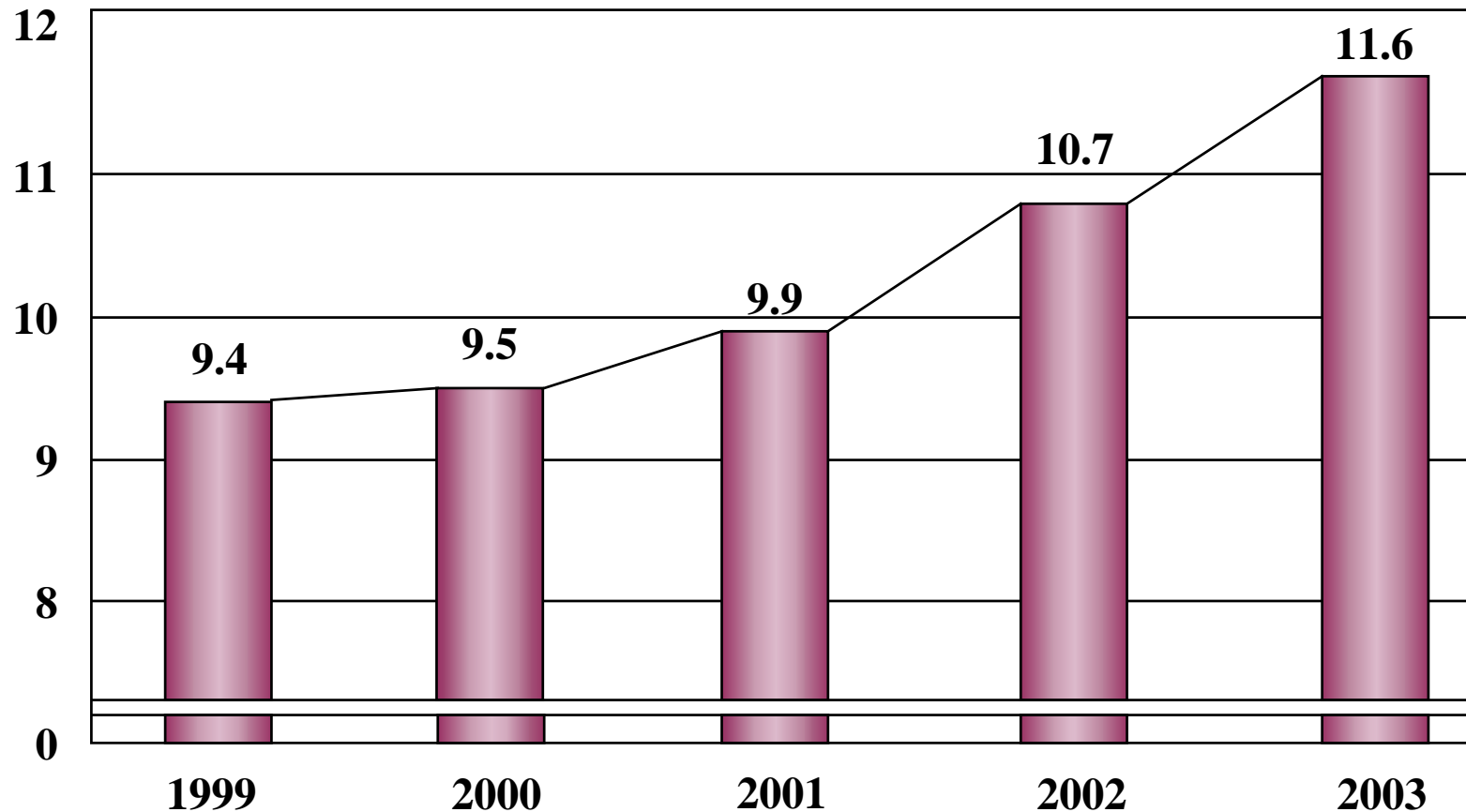
Source : The Japan Soy Sauce Brewers Association



## *IV-1-2) Why Focus on Premium Soy Sauce in Japan?*

### *Premium Soy Sauce Share of Home-Use Market in Japan*

(%)



Source: SCI Data



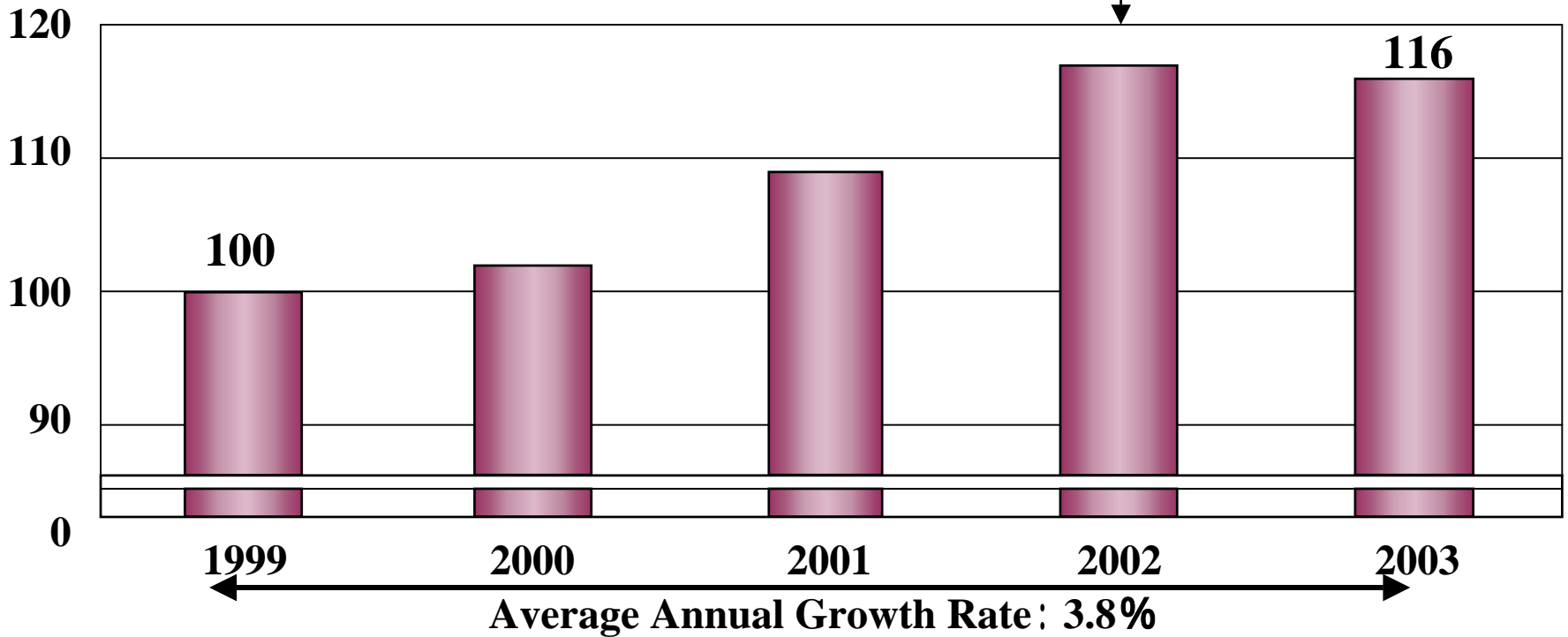
# IV-1-2) Why Focus on Premium Soy Sauce in Japan?

## Kikkoman Premium Soy Sauce Sales Volume in Japan



1999 Sales Volume = 100

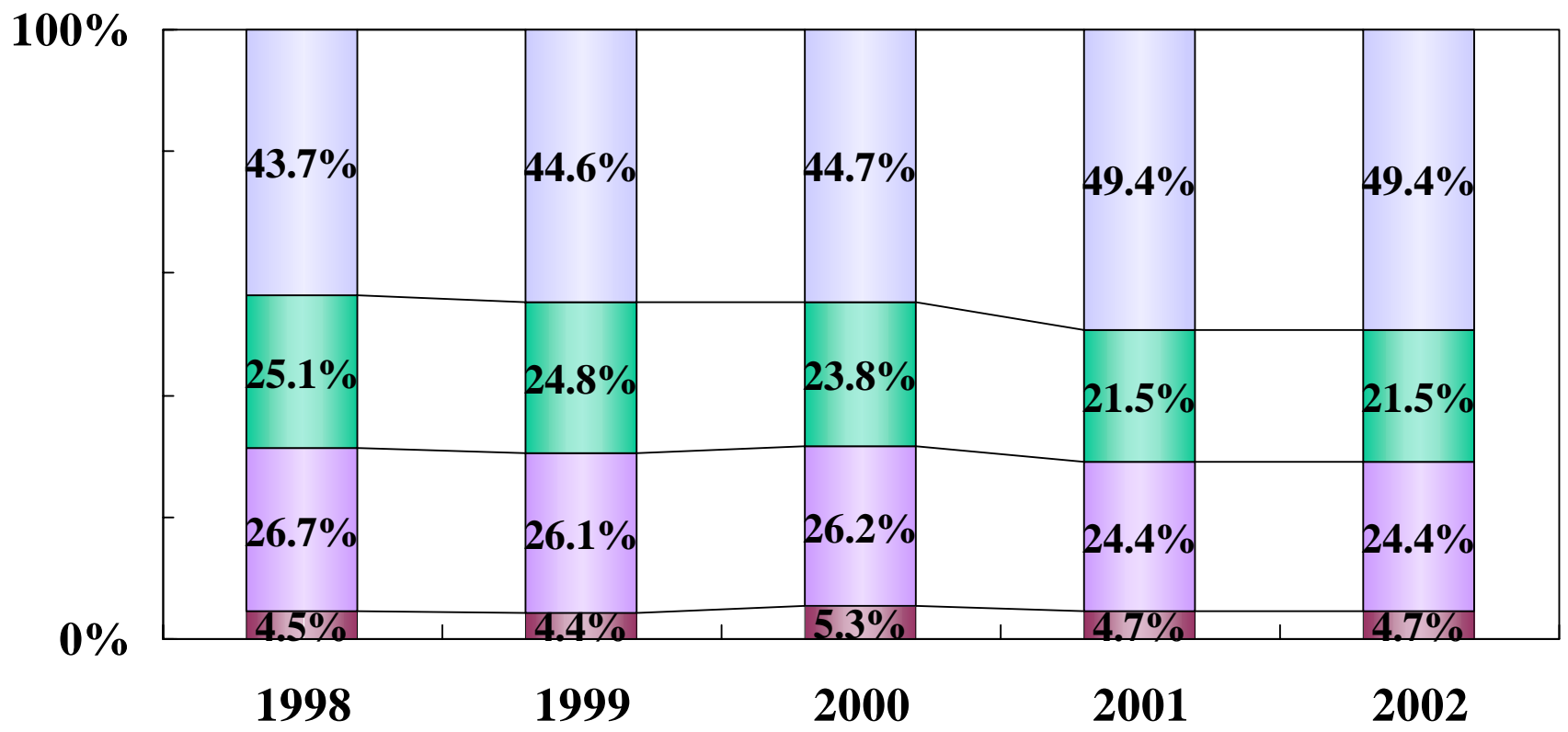
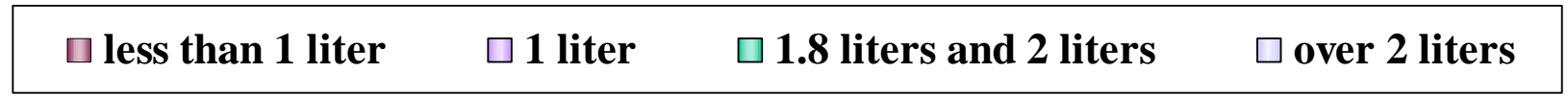
Launch of New Premium Soy Sauce





# IV-1-3) Why Focus on the Foodservice-use and Industrial-use Markets in Japan?

## Breakdown of Soy Sauce Sales Volume by Packages in Japan (1998-2002)



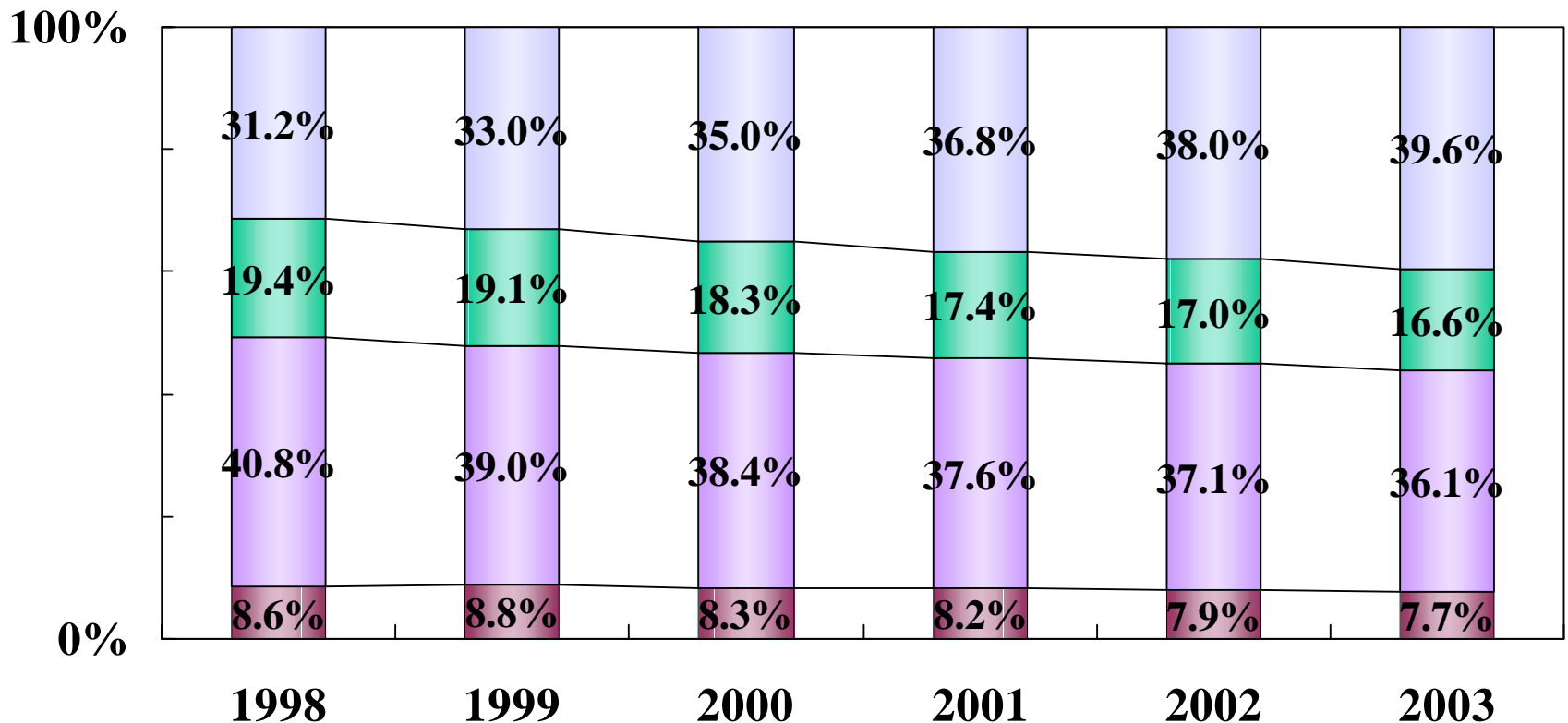
Source: The Japan Soy Sauce Brewers Association



# IV-1-3) Why Focus on the Foodservice-use and Industrial-use Markets in Japan?

## Kikkoman Breakdown of Soy Sauce Sales Volume by Packages in Japan (1998-2003)

■ less than 1 liter    ■ 1 liter    ■ 1.8 liters and 2 liters    ■ over 2 liters



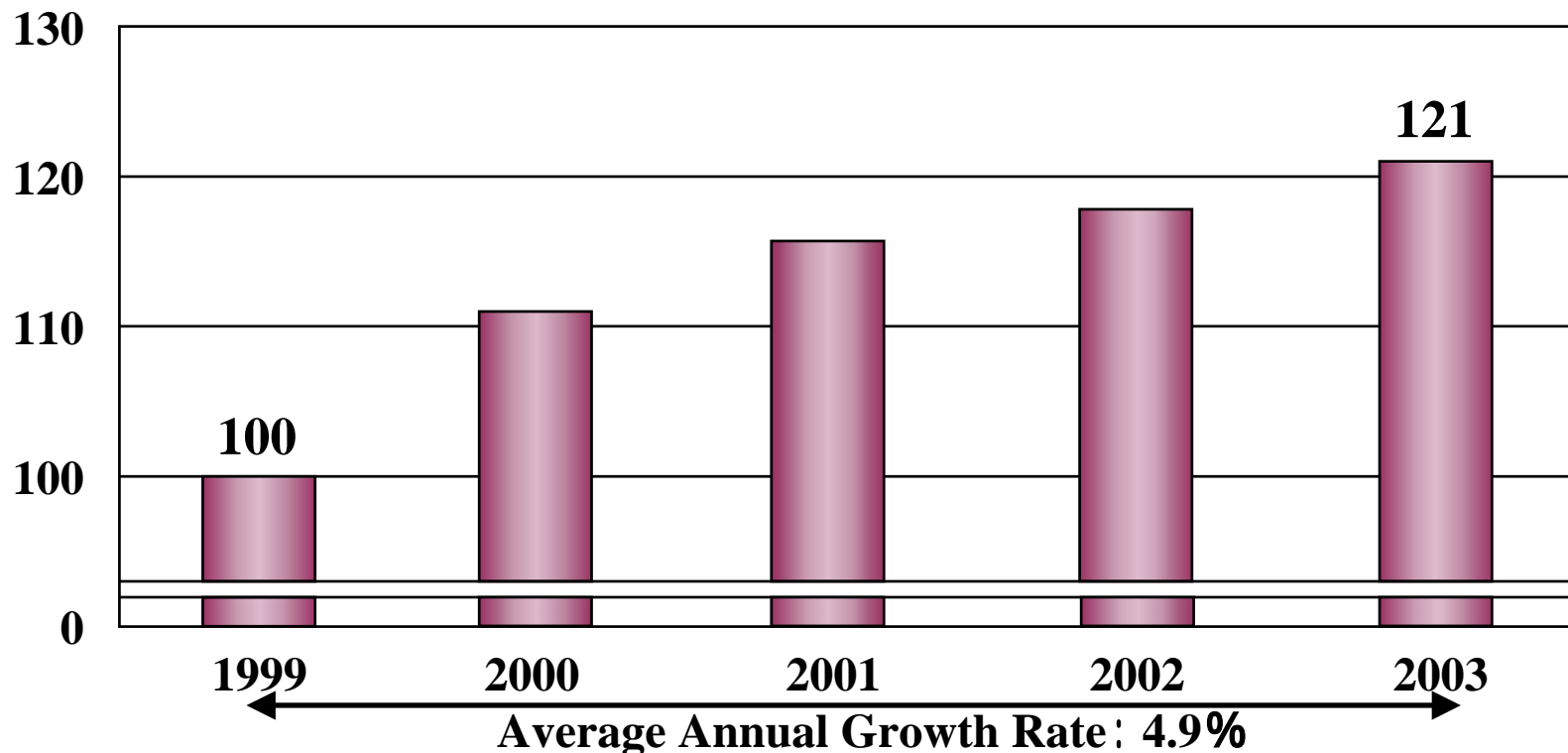


# IV-1-3) Why Focus on the Foodservice-use and Industrial-use Markets in Japan?

## Changes in Sales Volume by Kikkoman Bulk Containers in Japan (1999-2003)



1999 Sales Volume= 100

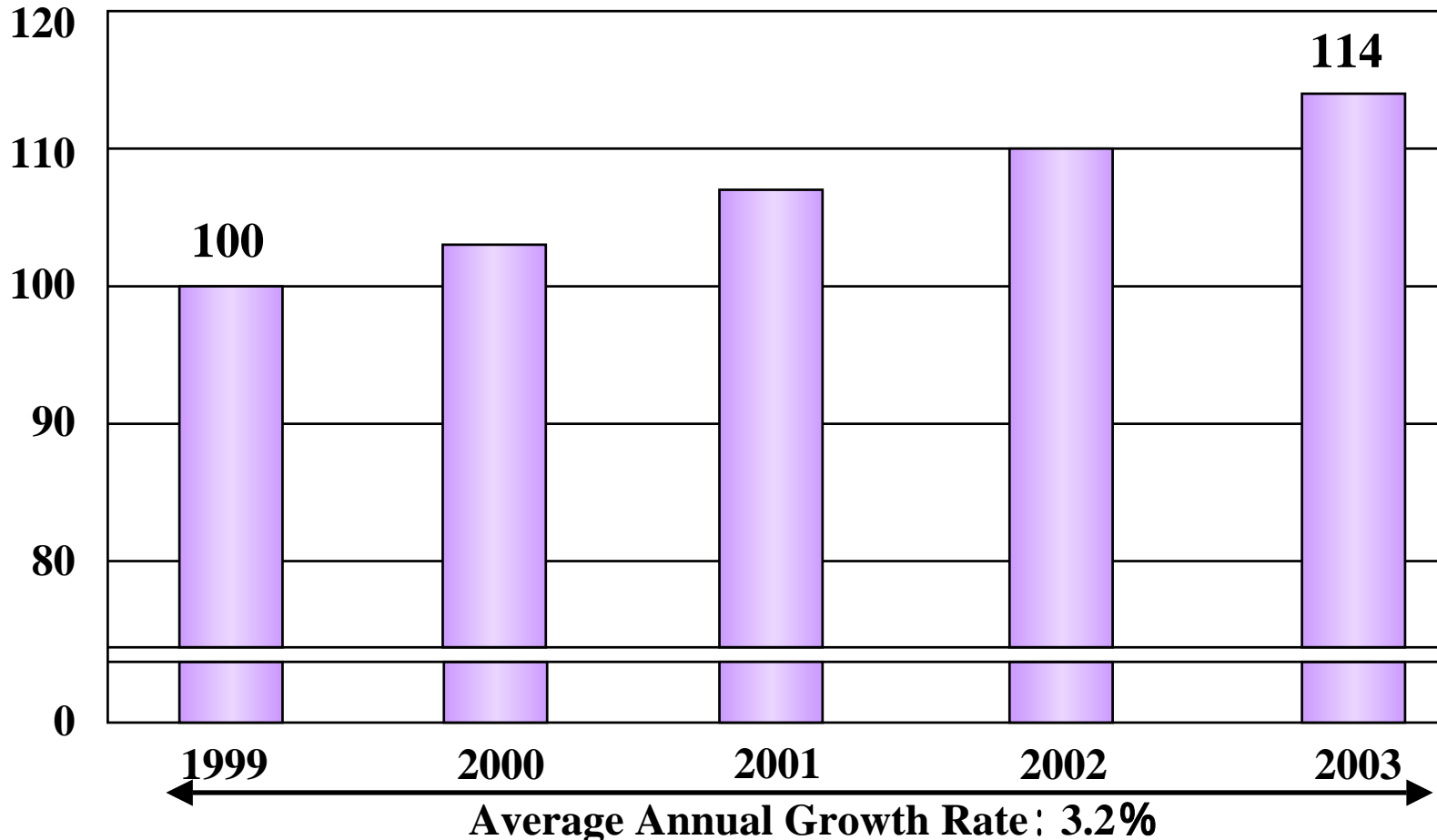




# IV-1-4) Why Focus on Soy Sauce Derivative Products in Japan?

## Soy Sauce Derivative Products Market in Japan

1999 Sales = 100





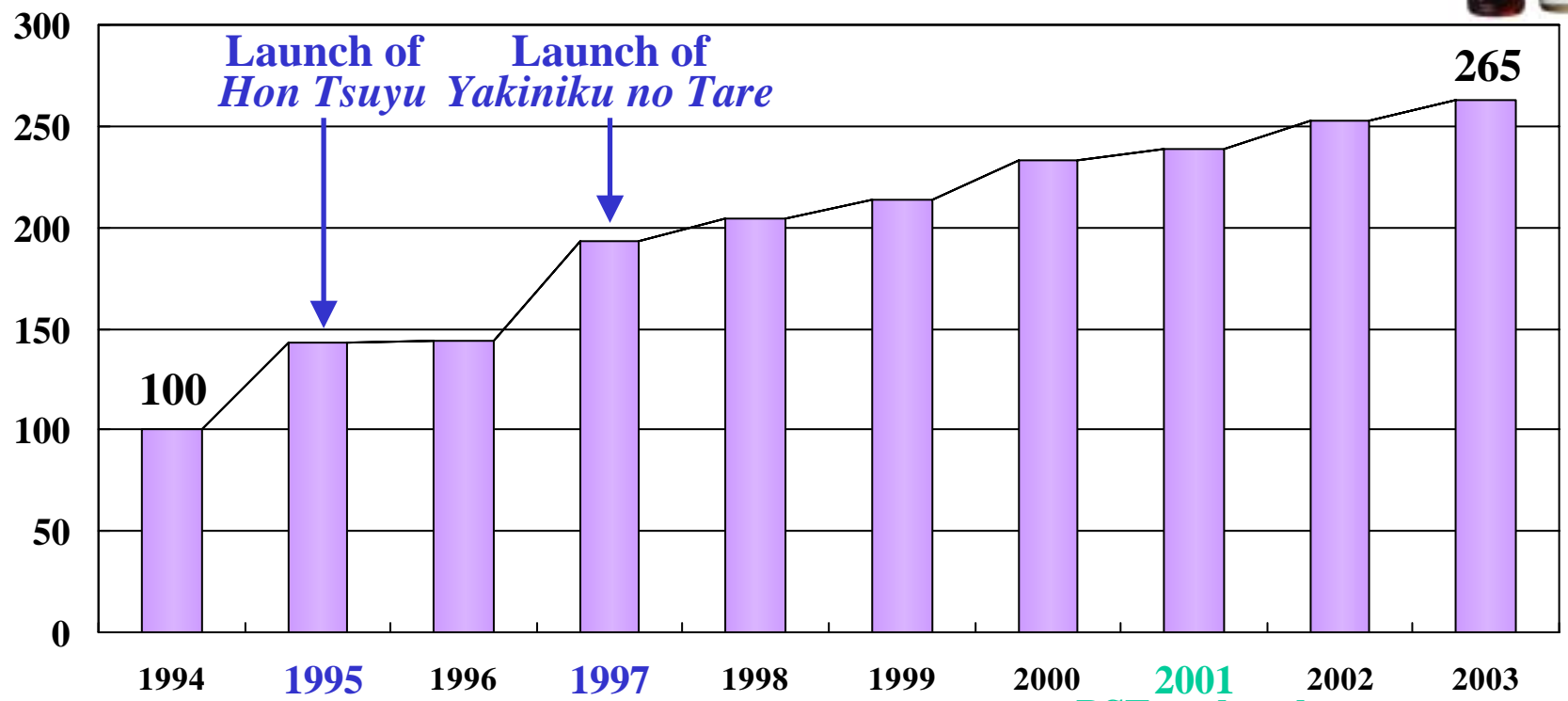
# IV-1-4) Why Focus on Soy Sauce Derivative Products in Japan?

## Changes in Kikkoman Tsuyu\*<sup>1</sup> and Tare\*<sup>2</sup> Sales in Japan (1994-2003)

1994 Sales = 100

Tsuyu \*<sup>1</sup> : Soy Sauce Soup Base

Tare \*<sup>2</sup> : Dipping and Marinade Sauces



← Average Annual Growth Rate: 11.4% →

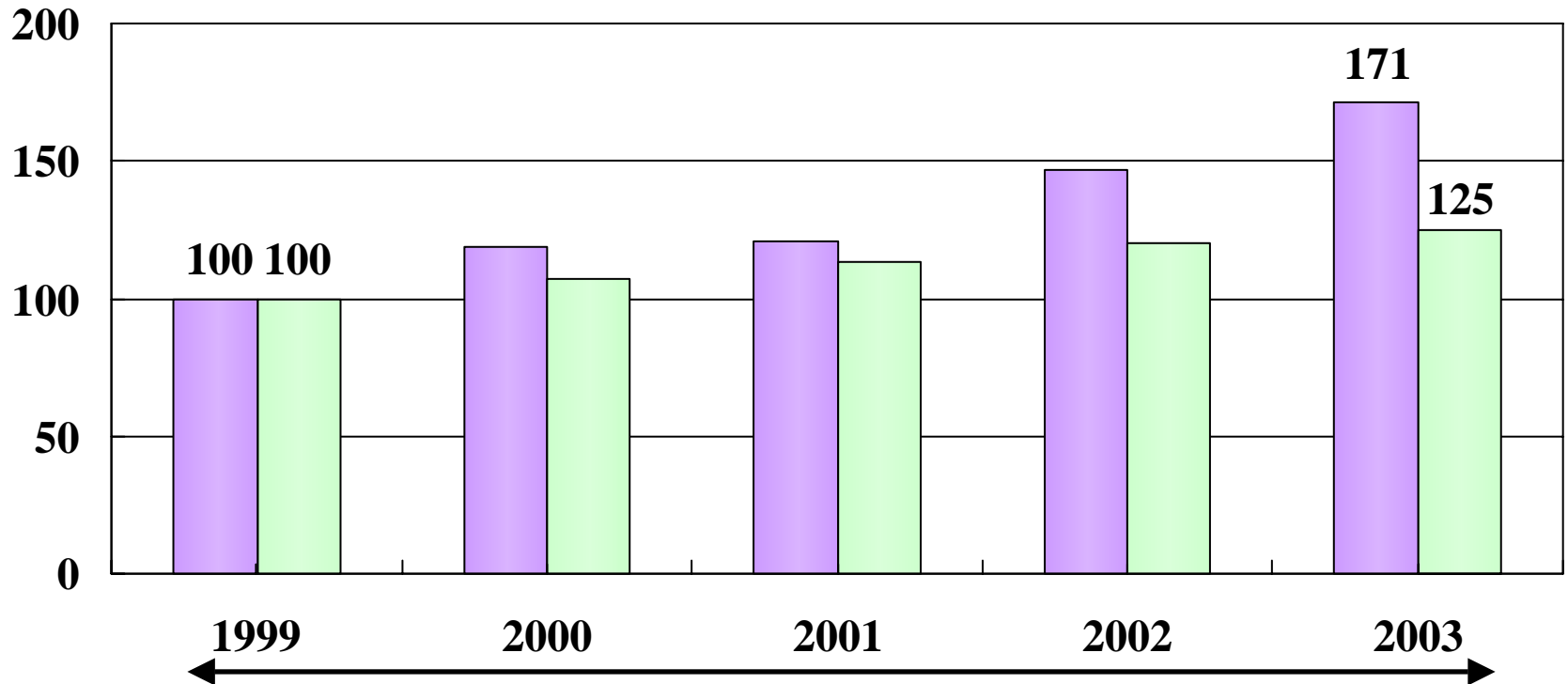


# IV-1-4) Why Focus on Soy Sauce Derivative Products in Japan?

*Changes in Kikkoman and Market Sales volume of Concentrated Soy Sauce Soup Base in Japan (1999-2003)*



1999 Sales Volume= 100



Average Annual Growth Rate: Kikkoman 14.3%

Market 5.7%

Source: SCI Data40

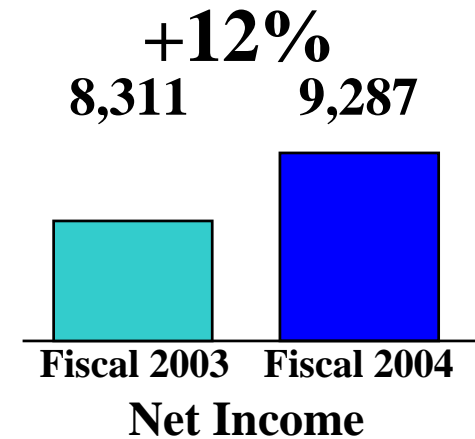
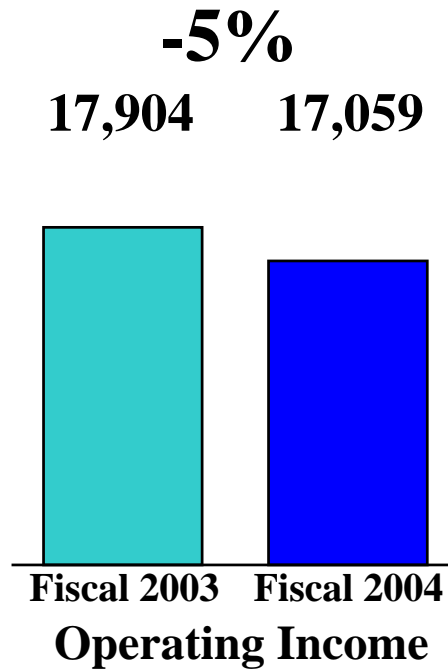
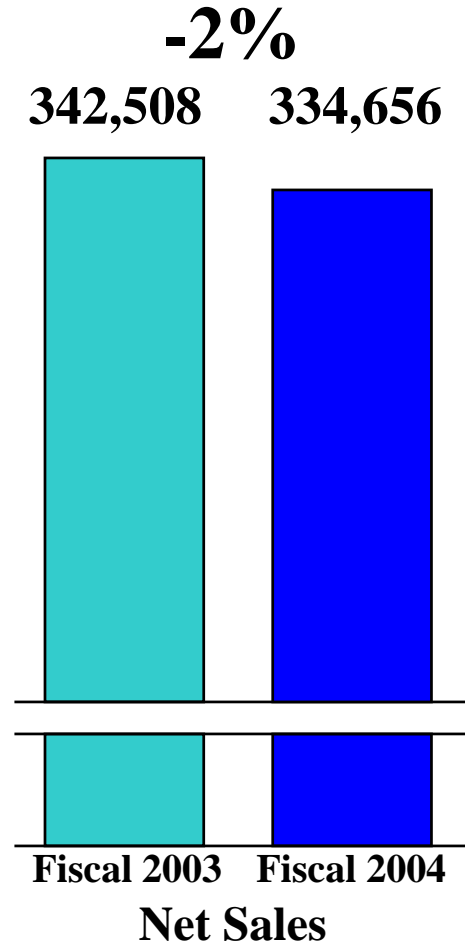


# IV-2. Performance in Fiscal 2004

## Financial Highlights

(unit: ¥ 1 million)

 Fiscal 2003  
(US\$=125.38)  
 Fiscal 2004  
(US\$=116.05)

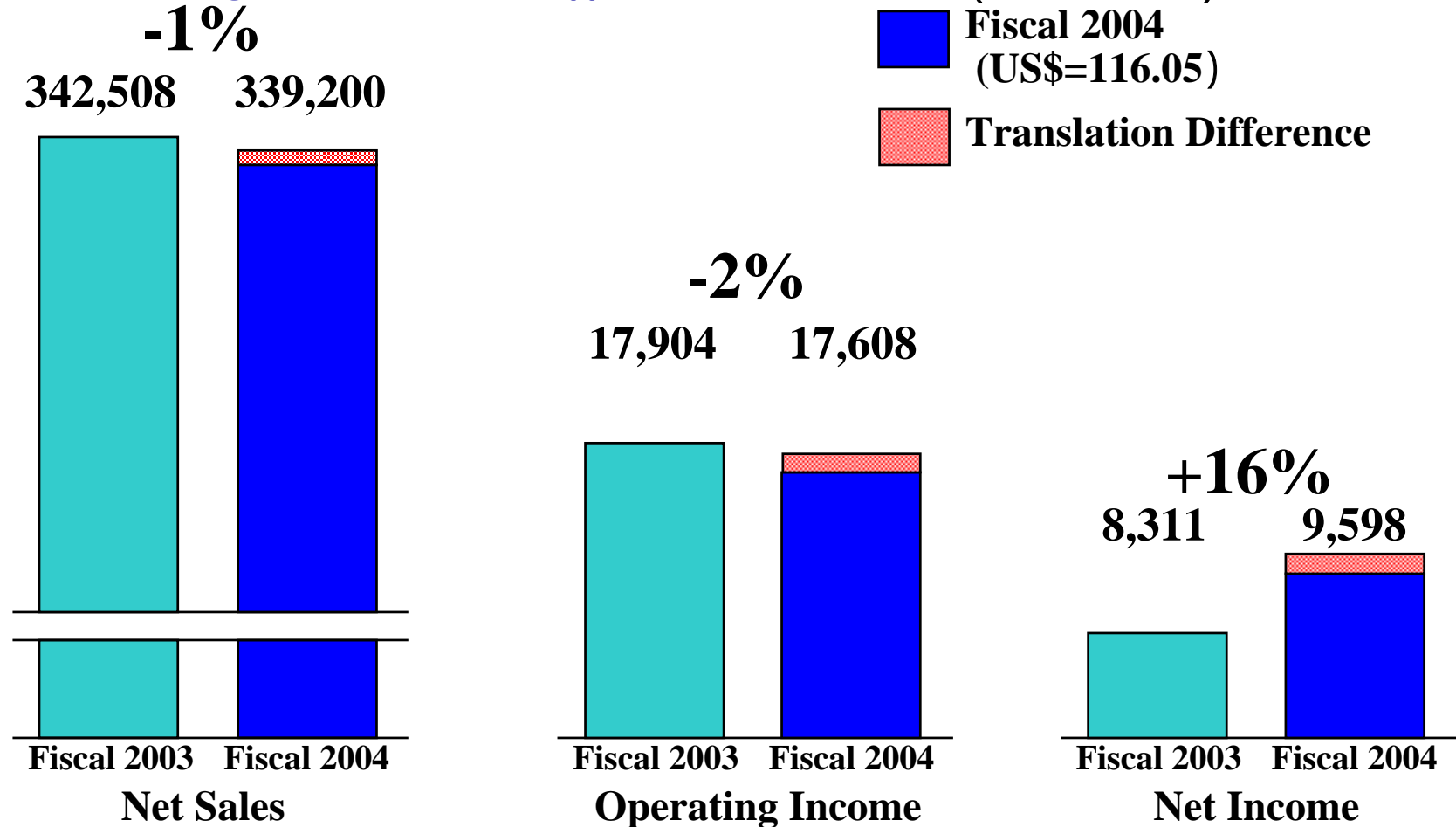




# IV-2. Performance in Fiscal 2004

## Financial Highlights (excluding translation difference)

(unit: ¥ 1 million)

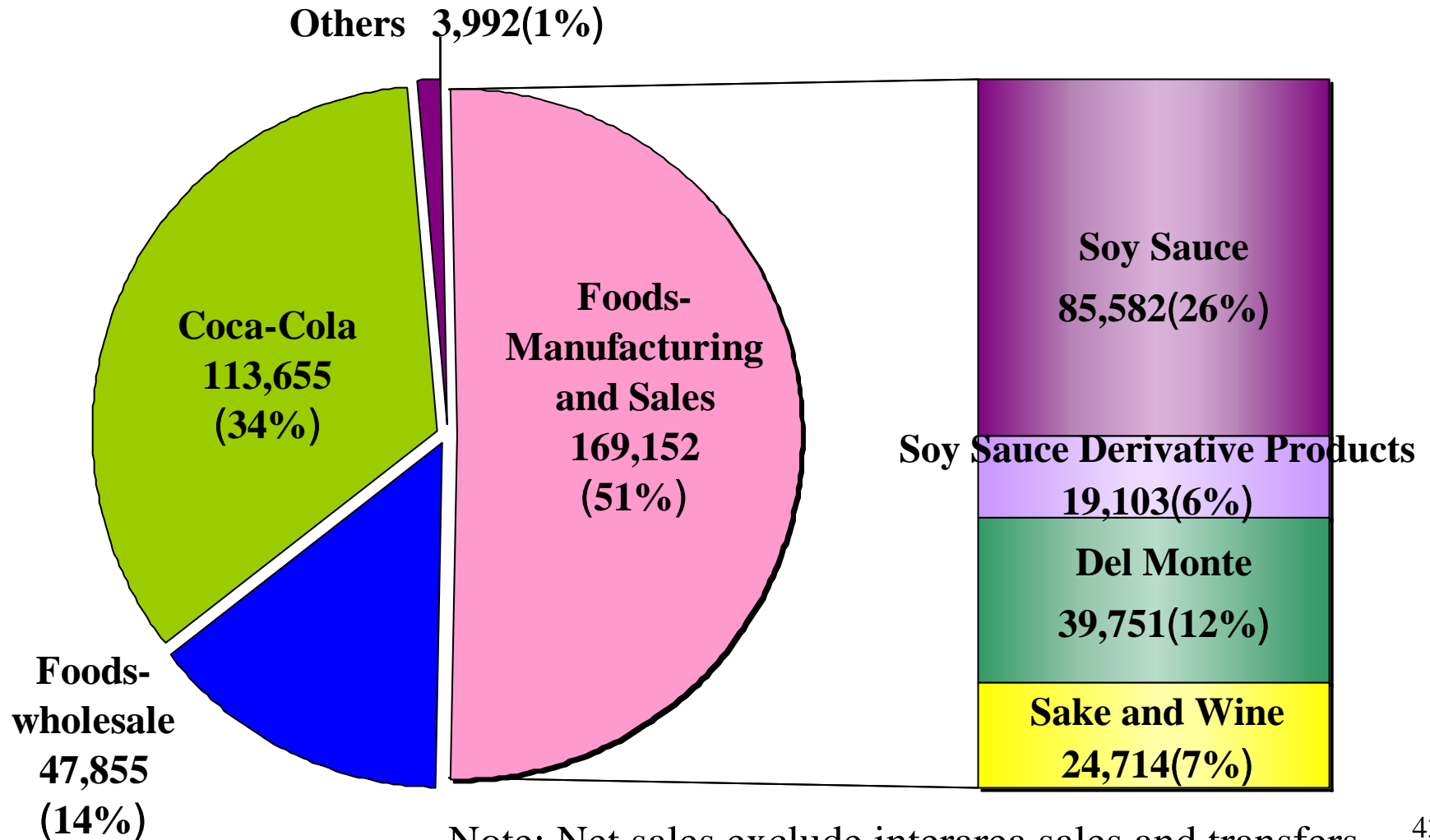




# IV-2. Performance in Fiscal 2004

## Net Sales by Business Segment

(unit: ¥ 1 million)



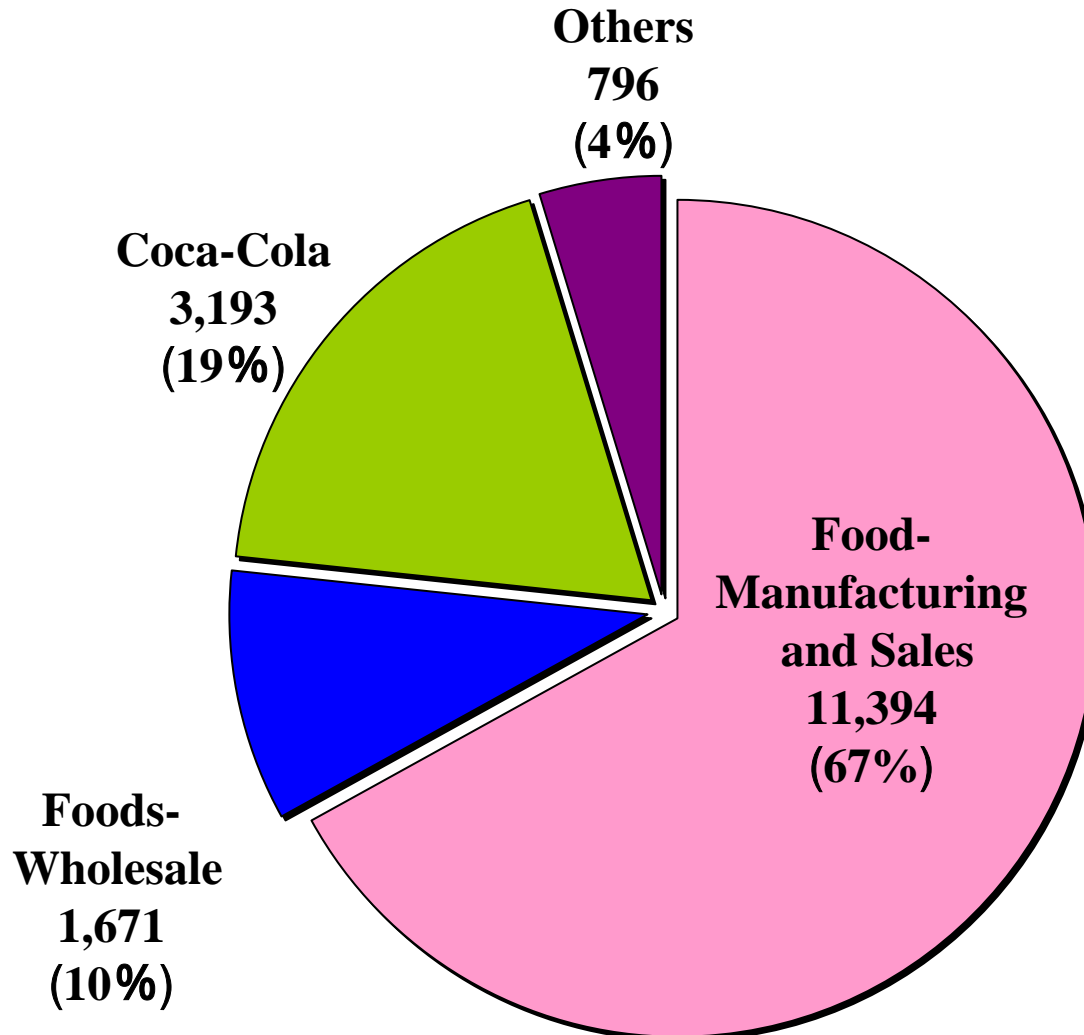
Note: Net sales exclude interarea sales and transfers



# IV-2. Performance in Fiscal 2004

## Operating Income by Business Segment

(unit: ¥ 1 million)

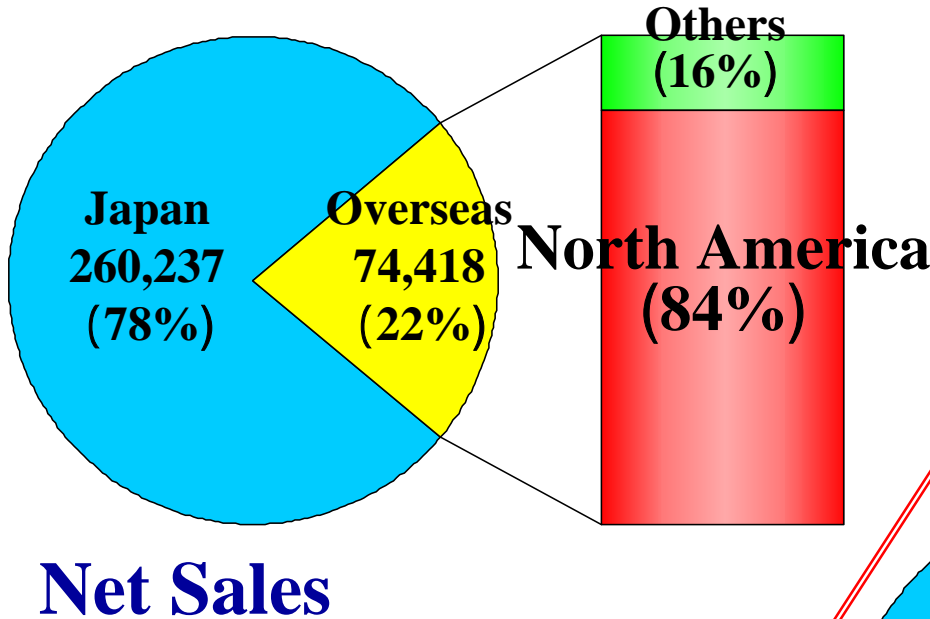




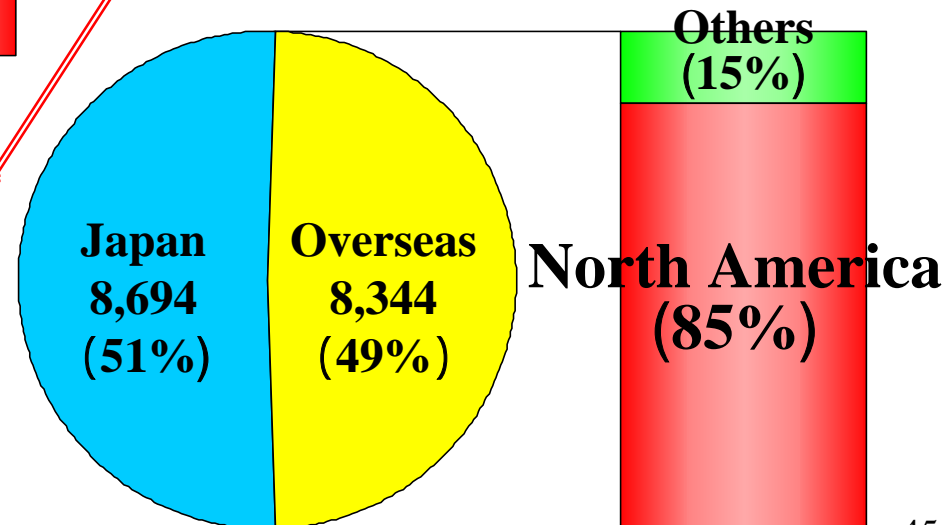
# IV-2. Performance in Fiscal 2004

## Net Sales and Operating Income by Geographical Segment

(unit: ¥ 1 million)



## Operating Income



Note: Net sales exclude interarea sales and transfers

