

Kikkoman Corporation



*Business Performance Presentation
for the Year Ended March 31, 2007*

Fiscal 2007
Year Ended March 31, 2007



- *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.*



Today's Agenda

I. Corporate Strategic Overview in Fiscal 2008

Yuzaburo Mogi, Chairman and CEO

II. Performance in Fiscal 2007 and Forecast for Fiscal 2008

Takashi Ushiku, President and COO

I. Corporate Strategic Overview in Fiscal 2008

Yuzaburo Mogi
Chairman and CEO



Topics for This Presentation

1. Forecast for Fiscal 2008

2. Key Themes in Fiscal 2008

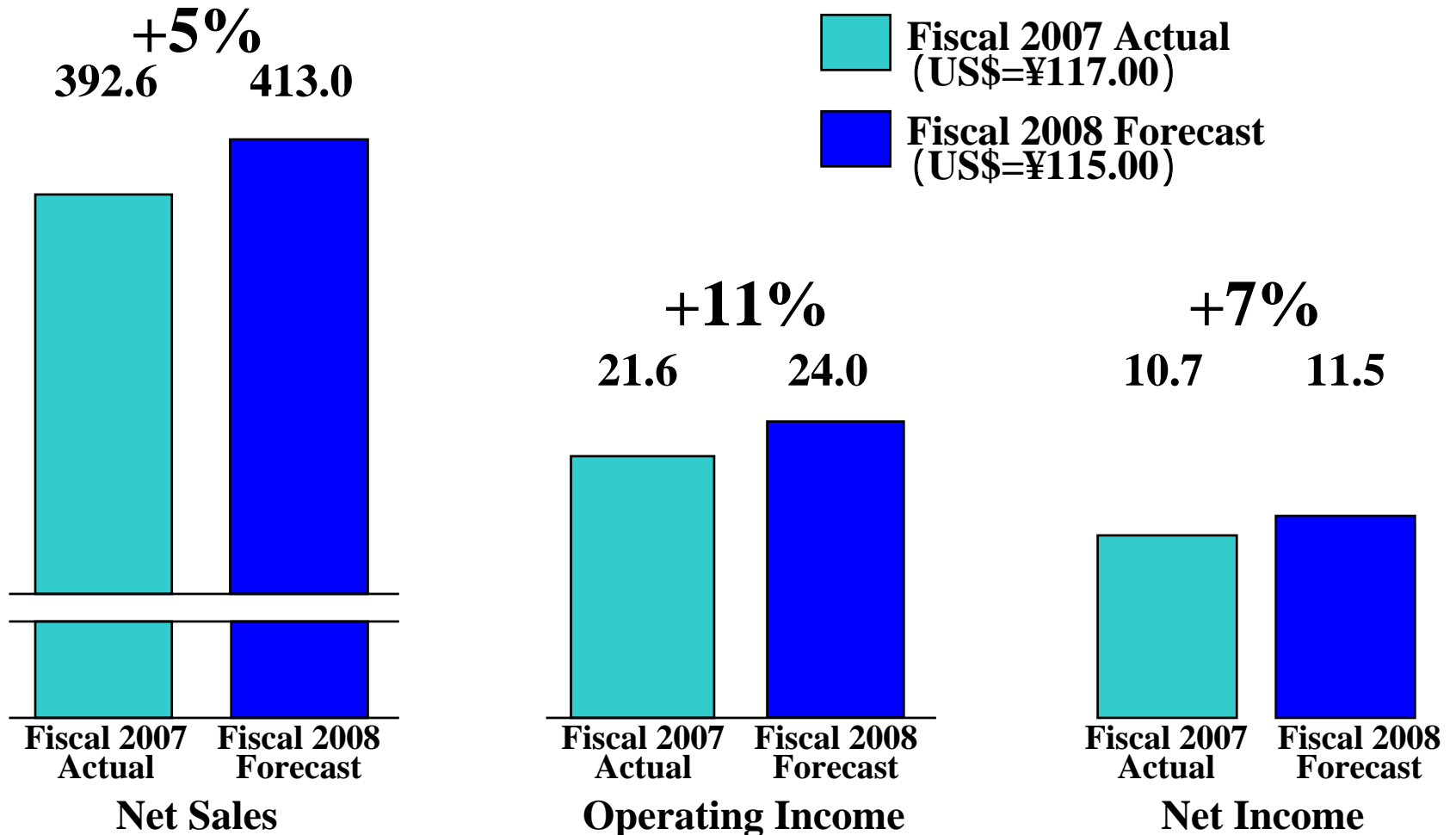
3. Performance Targets for Fiscal 2011



1. Forecast for Fiscal 2008

Consolidated Total

(unit: billions of yen)

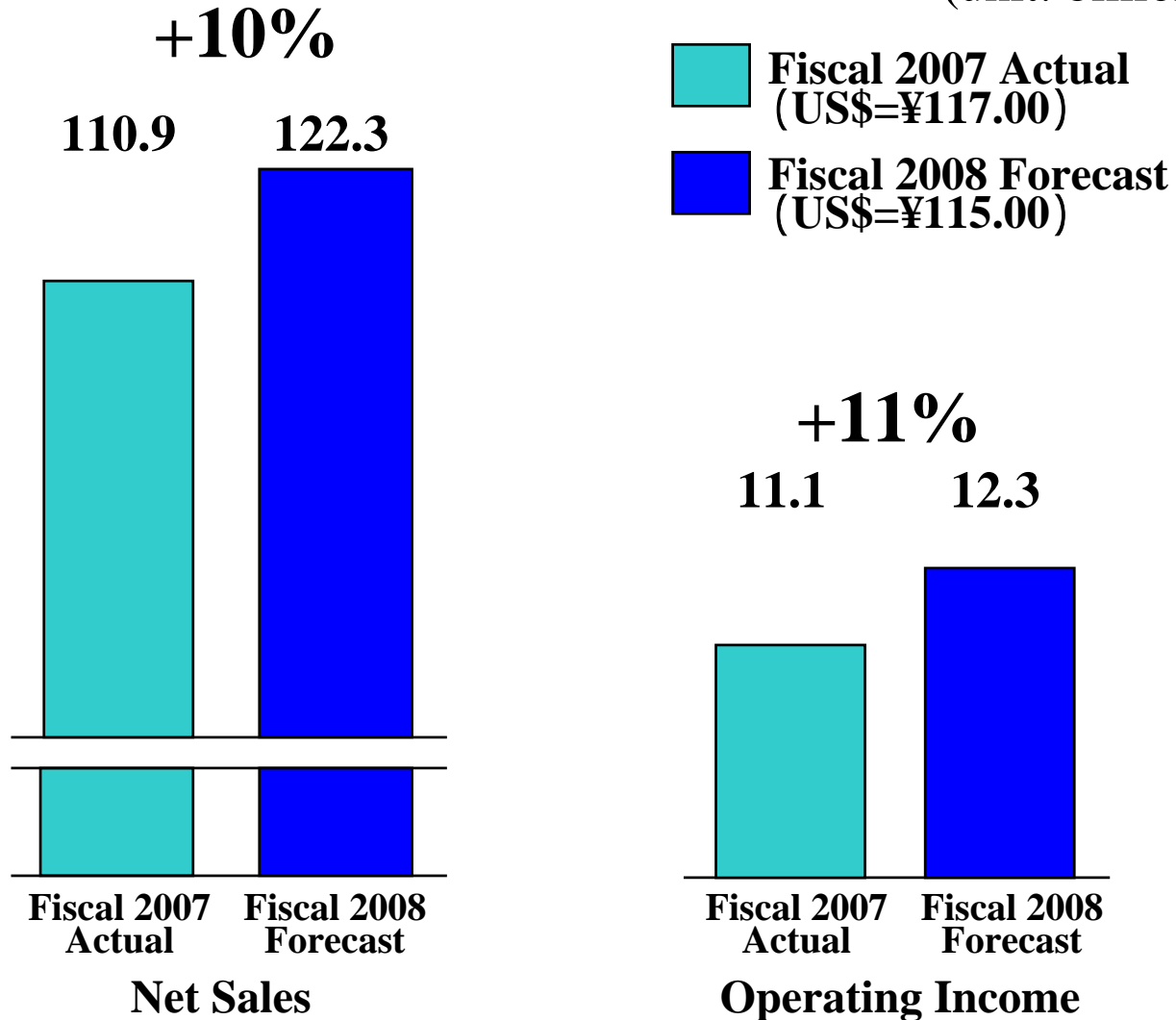




1. Forecast for Fiscal 2008

Overseas Total

(unit: billions of yen)

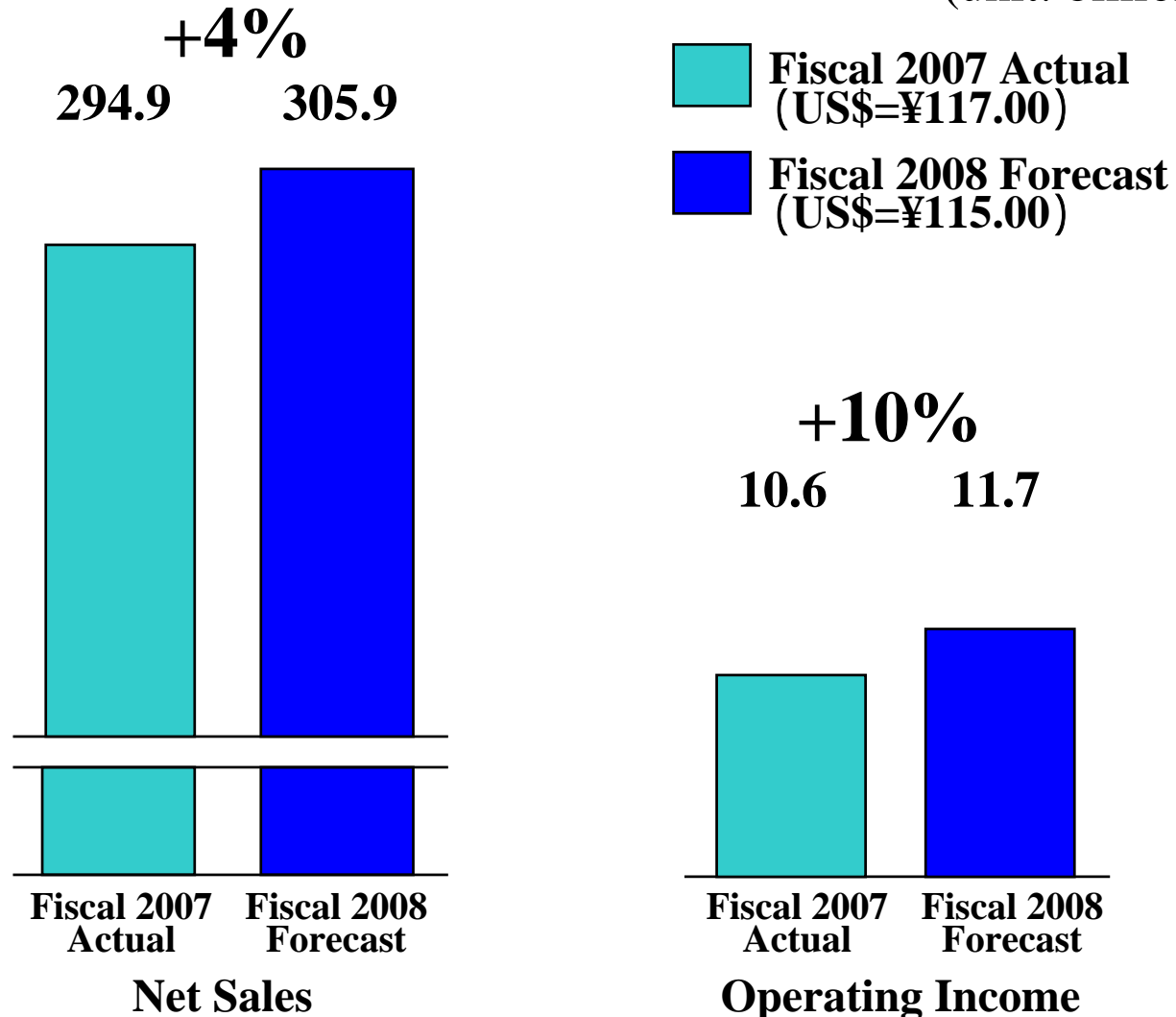




1. Forecast for Fiscal 2008

Japan Total

(unit: billions of yen)





2. Key Themes in Fiscal 2008

1) Cultivate Existing Markets and Develop New Markets

2) Increase Earnings in Domestic Businesses

3) Reform Business Structures

*4) Raise Corporate Value in Marking
Kikkoman's 50th Anniversary in the U.S.*



2. Key Themes in Fiscal 2008

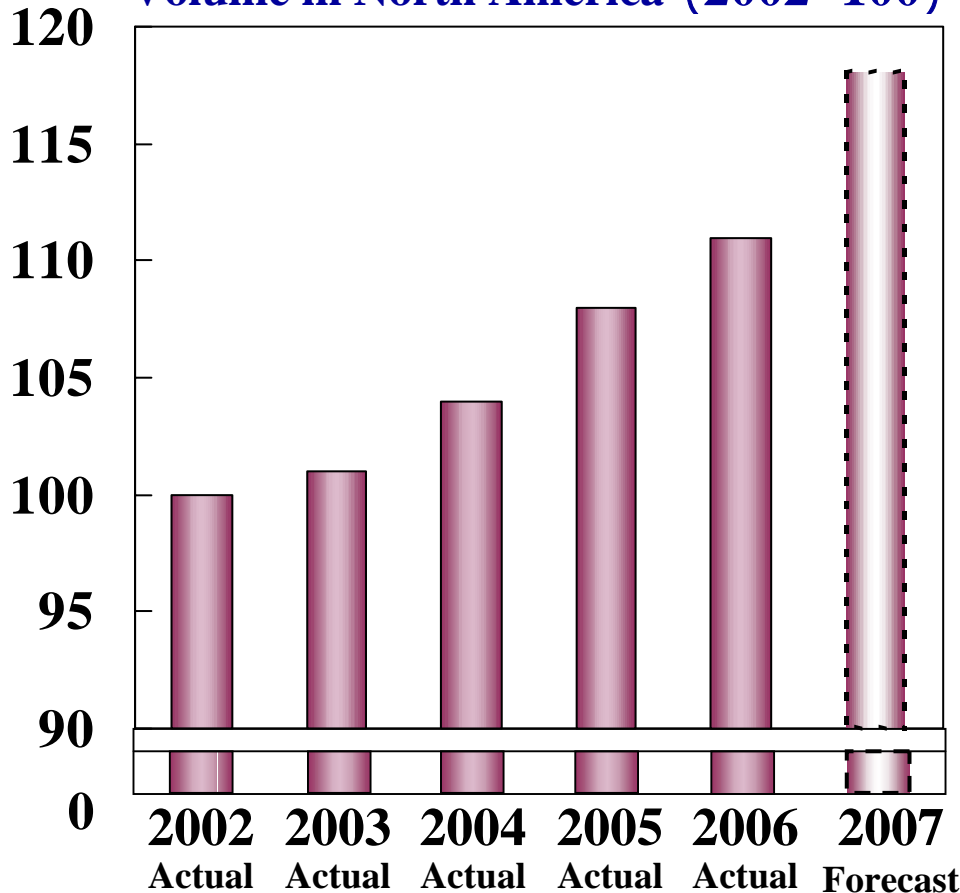
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1) Cultivate Existing Markets and Develop New Markets

Soy Sauce Business

Stable Growth in North America

Changes in Kikkoman Soy Sauce Sales Volume in North America (2002=100)





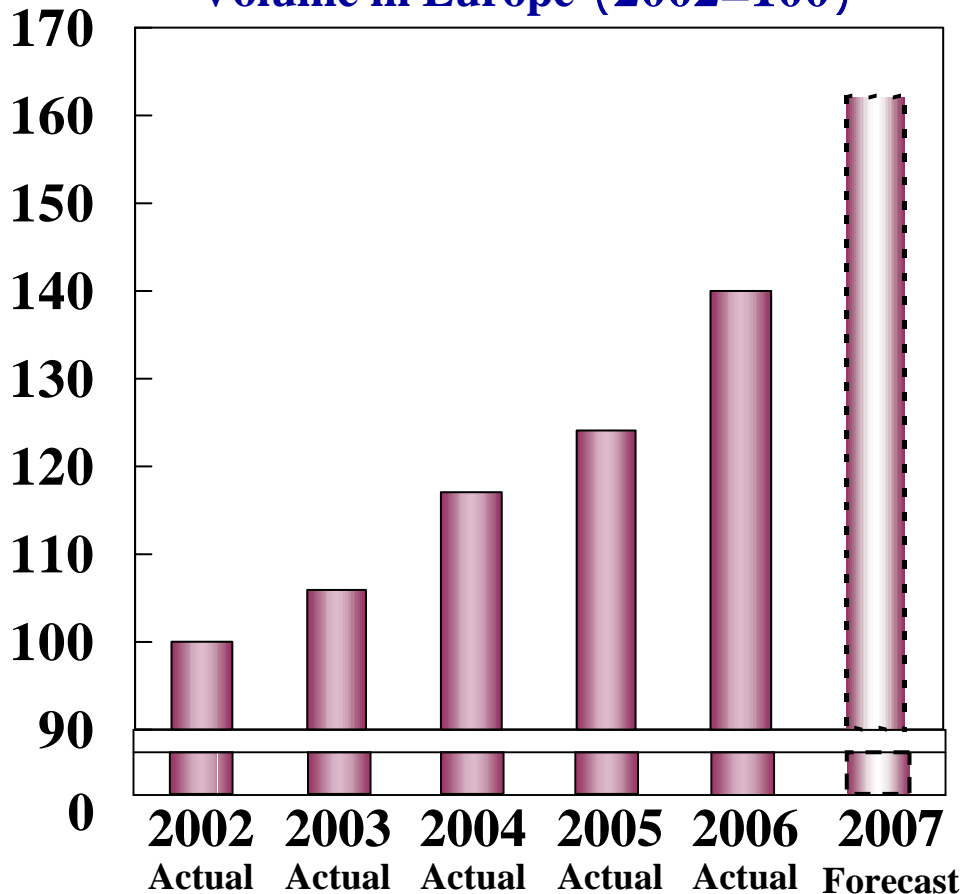
2. Key Themes in Fiscal 2008

1) Cultivate Existing Markets and Develop New Markets

Soy Sauce Business

Europe: Driving Overseas Growth

Changes in Kikkoman Soy Sauce Sales Volume in Europe (2002=100)





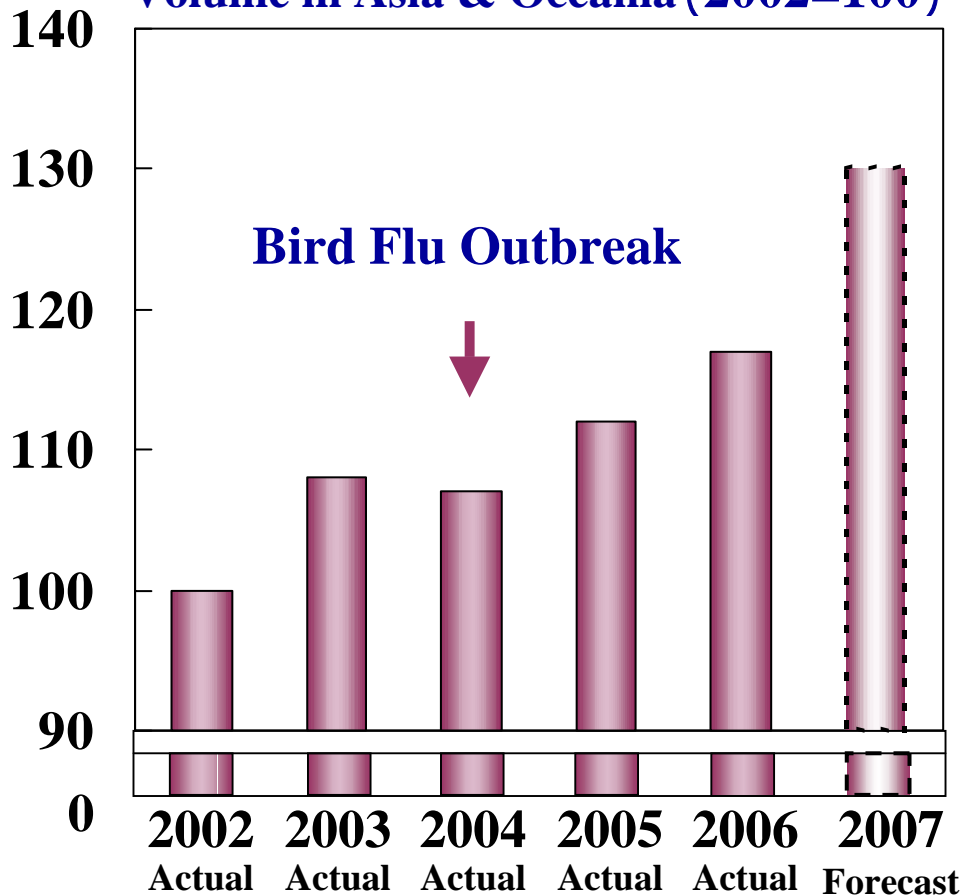
2. Key Themes in Fiscal 2008

1) Cultivate Existing Markets and Develop New Markets

Soy Sauce Business

Asia & Oceania: Future Growth Region

Changes in Kikkoman Soy Sauce Sales Volume in Asia & Oceania (2002=100)





2. Key Themes in Fiscal 2008

1) Cultivate Existing Markets and Develop New Markets

Del Monte Business

Utilize Siam Del Monte Company Limited





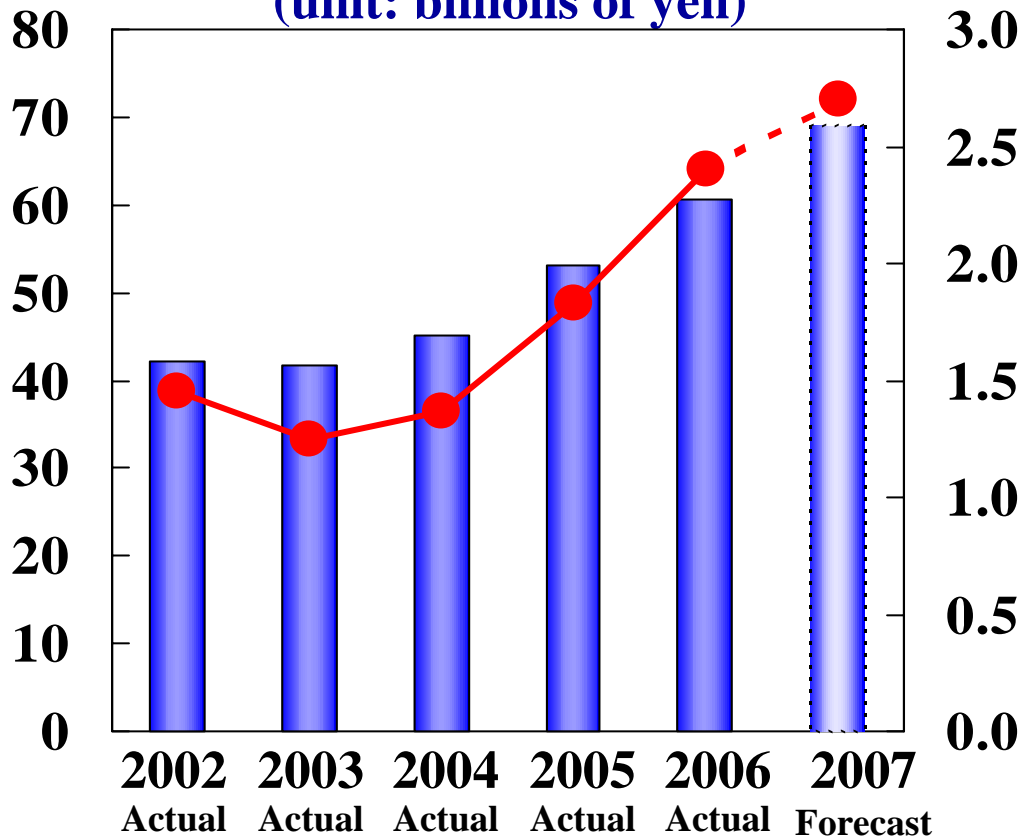
2. Key Themes in Fiscal 2008

1) Cultivate Existing Markets and Develop New Markets

Foods - Wholesale Business

Increase Sales by Tapping Into Expansion of Japanese Food Market

Net Sales and Operating Income of Foods-Wholesale Business Overseas (unit: billions of yen)



Net Sales
 Operating Income



2. Key Themes in Fiscal 2008

2) Increase Earnings in Domestic Businesses

Soy Sauce & Soy Sauce Derivative Products Business

**Promote Development of High-value-added Products
Based on Three Themes**

—Tastiness, Healthiness and Greater Convenience





2. Key Themes in Fiscal 2008

2) Increase Earnings in Domestic Businesses

Del Monte Business

Vitalize the Del Monte Brand





2. Key Themes in Fiscal 2008

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2) Increase Earnings in Domestic Businesses

Sake & Wine Business

Hon Mirin: Strengthen Sales Promotion and Clarify Positioning as Japanese Seasoning

Wine: Promote High-value-added Products





2. Key Themes in Fiscal 2008

3) Reform Business Structures

Capture More Synergies With Kibun Food Chemifa

Use Consolidation of Kibun Food Chemifa to Accelerate Business Development





2. Key Themes in Fiscal 2008

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3) Reform Business Structures

Enhance the Profitability of Coca-Cola Business





2. Key Themes in Fiscal 2008

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4) *Raise Corporate Value in Marking Kikkoman's 50th Anniversary in the U.S.*





3. Performance Targets for Fiscal 2011

Performance Targets for Fiscal 2011

Consolidated	Japan	Overseas	Segment Total	Total
Net Sales (billions of yen)	337.0	160.0	497.0	480.0
Operating Income (billions of yen)	14.0	18.0	32.0	32.0
Operating Income Ratio (%)	4	11	-	7
ROE (%)				8

Exchange rate: US\$=115.00

Note: All figures are targets.

II. Performance in Fiscal 2007 and Forecast for Fiscal 2008

Takashi Ushiku
President and COO



Topics for This Presentation

1. Performance in Fiscal 2007

2. Forecast for Fiscal 2008



1-1. Highlights of Fiscal 2007

Japan: Sales and Earnings up on Consolidation of Kibun Food Chemifa despite Sluggish Business Results of Coca-Cola Business

(unit: billions of yen)

	Fiscal 2007 Actual	Fiscal 2006 Actual	Change Increase / Decrease		Translation Difference	Change Increase / Decrease Excluding Translation Difference	
	Amount	Amount	Amount	%		Amount	%
Net Sales	294.9	279.6	15.3	105.5	-	15.3	105.5
Kikkoman	120.0	128.4	(8.4)	93.4	-	(8.4)	93.4
Coca-Cola Business	116.8	117.9	(1.1)	99.1	-	(1.1)	99.1
Kibun Food Chemifa	24.2	-	24.2	-	-	24.2	-
Operating Income	10.6	8.8	1.8	120.6	-	1.8	120.6
Kikkoman	4.0	4.1	(0.0)	99.8	-	(0.0)	99.8
Coca-Cola Business	2.5	2.7	(0.3)	90.7	-	(0.3)	90.7
Kibun Food Chemifa	2.3	-	2.3	-	-	2.3	-

Overseas: Continued to Perform Well

Net Sales	110.9	91.8	19.1	120.8	4.0	15.1	116.4
Operating Income	11.1	9.8	1.3	113.4	0.5	0.8	108.7

Achieved Higher Consolidated Net Sales and Earnings

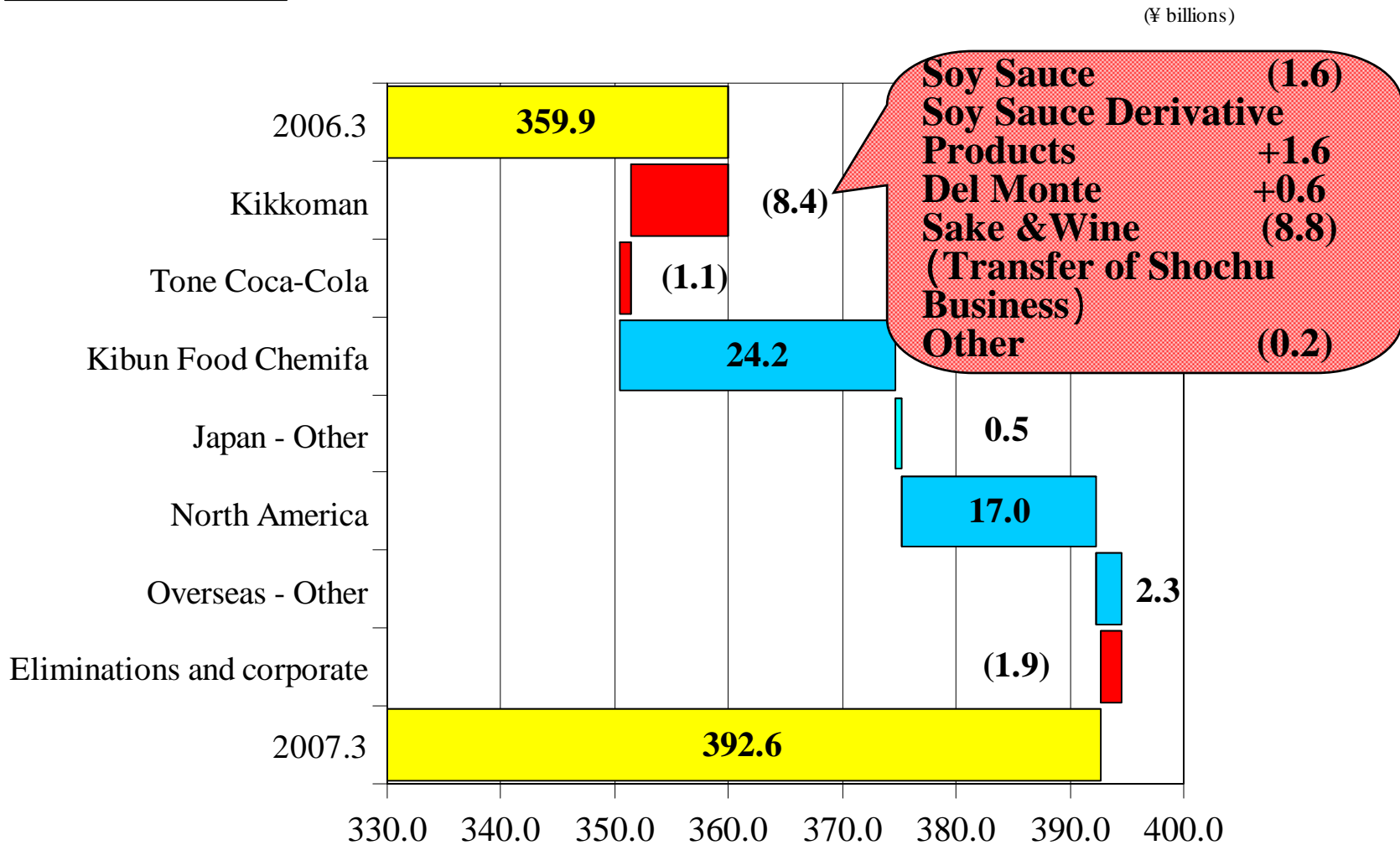
Net Sales	392.6	359.9	32.7	109.1	2.6	28.8	108.0
Operating Income	21.6	18.6	3.1	116.6	0.3	2.6	114.1
Net Income	10.7	10.1	0.6	106.1	0.3	0.3	103.3

¥/US\$ 117.00 113.42 3.58 103.2



1-2. Change in Net Sales by Geographical Segment

+ ¥32.7 billion



For more information, please see page 6 of "Supplementary Schedules"

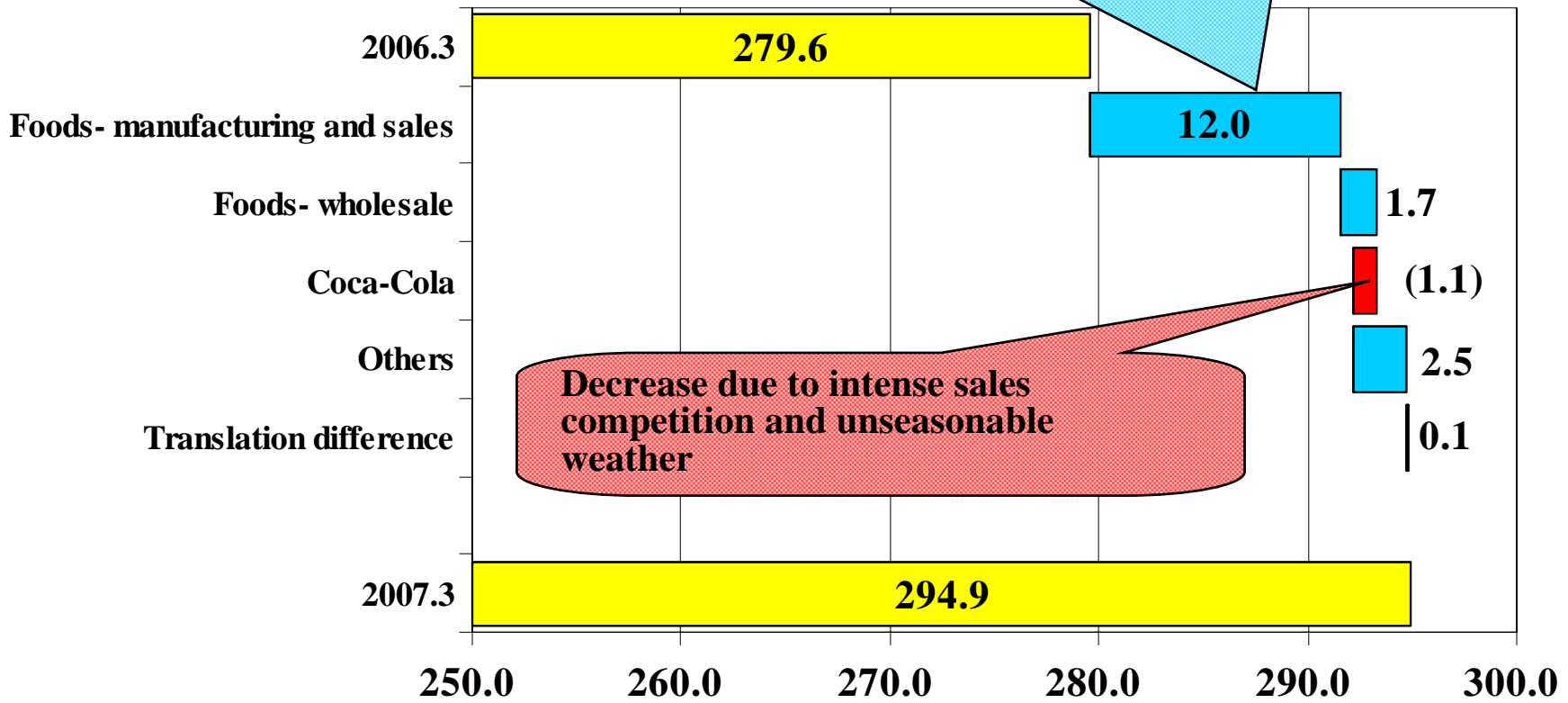


1-3. Change in Net Sales by Business Segment in Japan

+¥15.3 billion

Increase in sales from soy sauce derivative products, and newly consolidated Kibun Food Chemifa covered declines in soy sauce, and sake and wine

(¥ billions)



For more information, please see page 14 of "Supplementary Schedules"

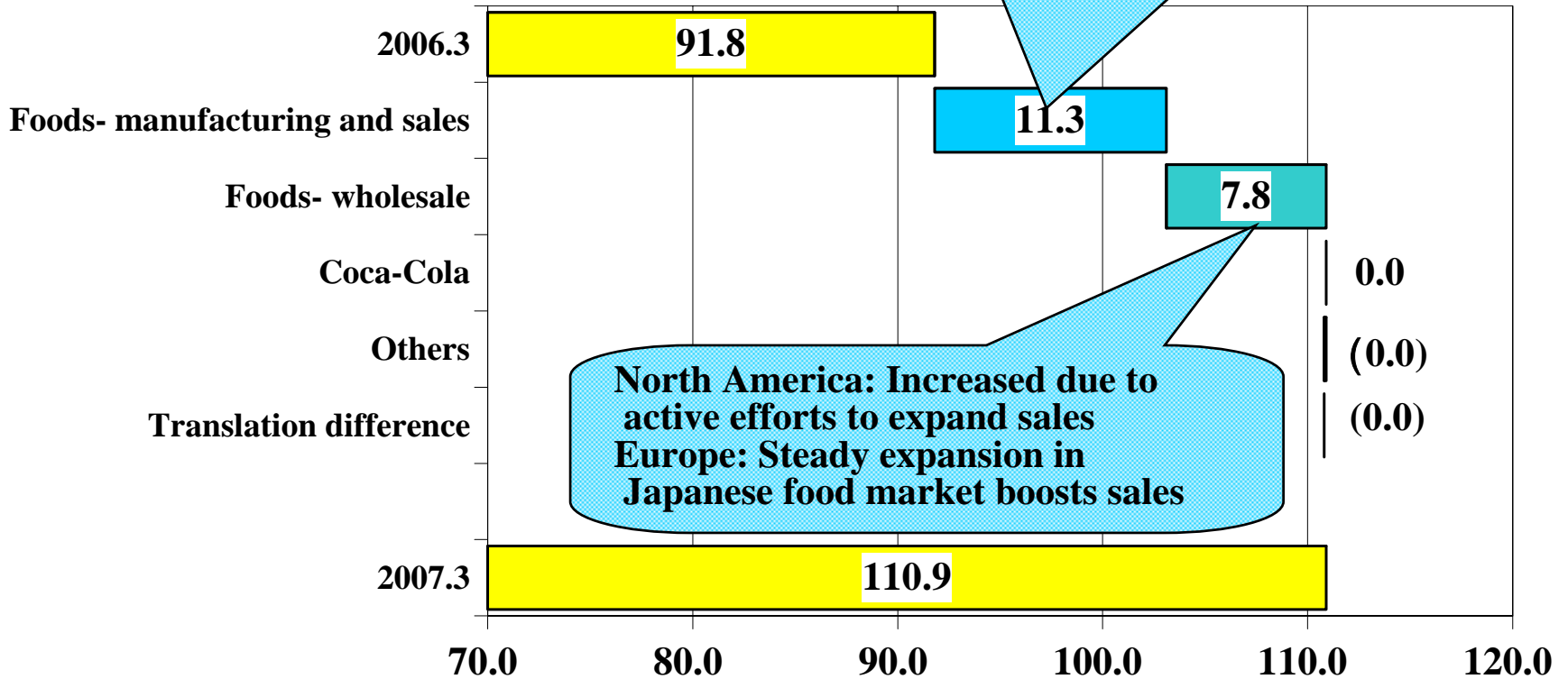


1-4. Change in Net Sales by Business Segment Overseas

+¥19.1 billion

(¥ billions)

**North America: Favorable performance centered on home-use and industrial-use sectors
Europe: Strong results in key markets (U.K., etc.);
High growth in Russia and elsewhere**



**North America: Increased due to active efforts to expand sales
Europe: Steady expansion in Japanese food market boosts sales**

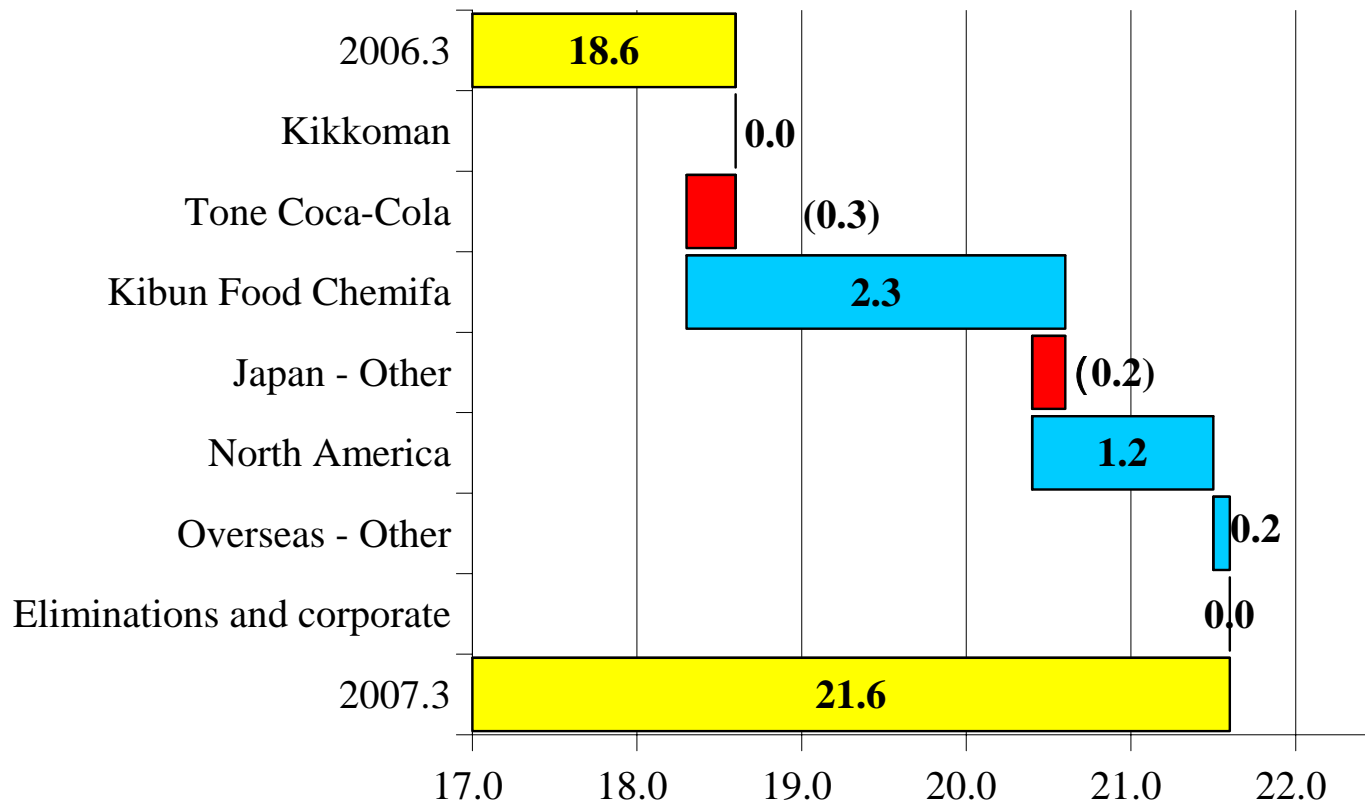
For more information, please see page 14 of "Supplementary Schedules"



1-5. Change in Operating Income by Geographical Segment

+ ¥3.1 billion

(¥ billions)



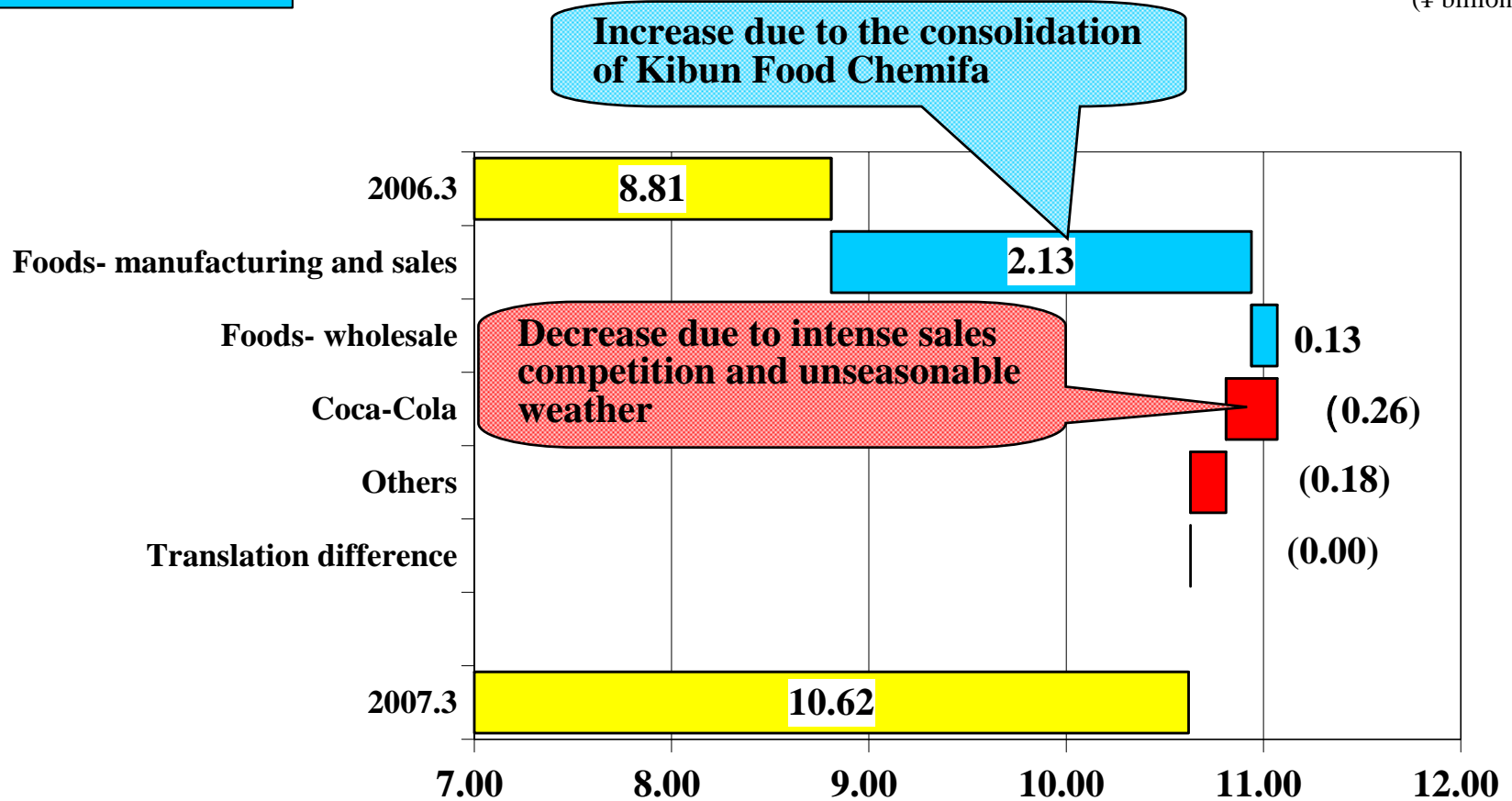
For more information, please see page 14 of "Supplementary Schedules"



1-6. Change in Operating Income by Business Segment in Japan

+¥1.82 billion

(¥ billions)

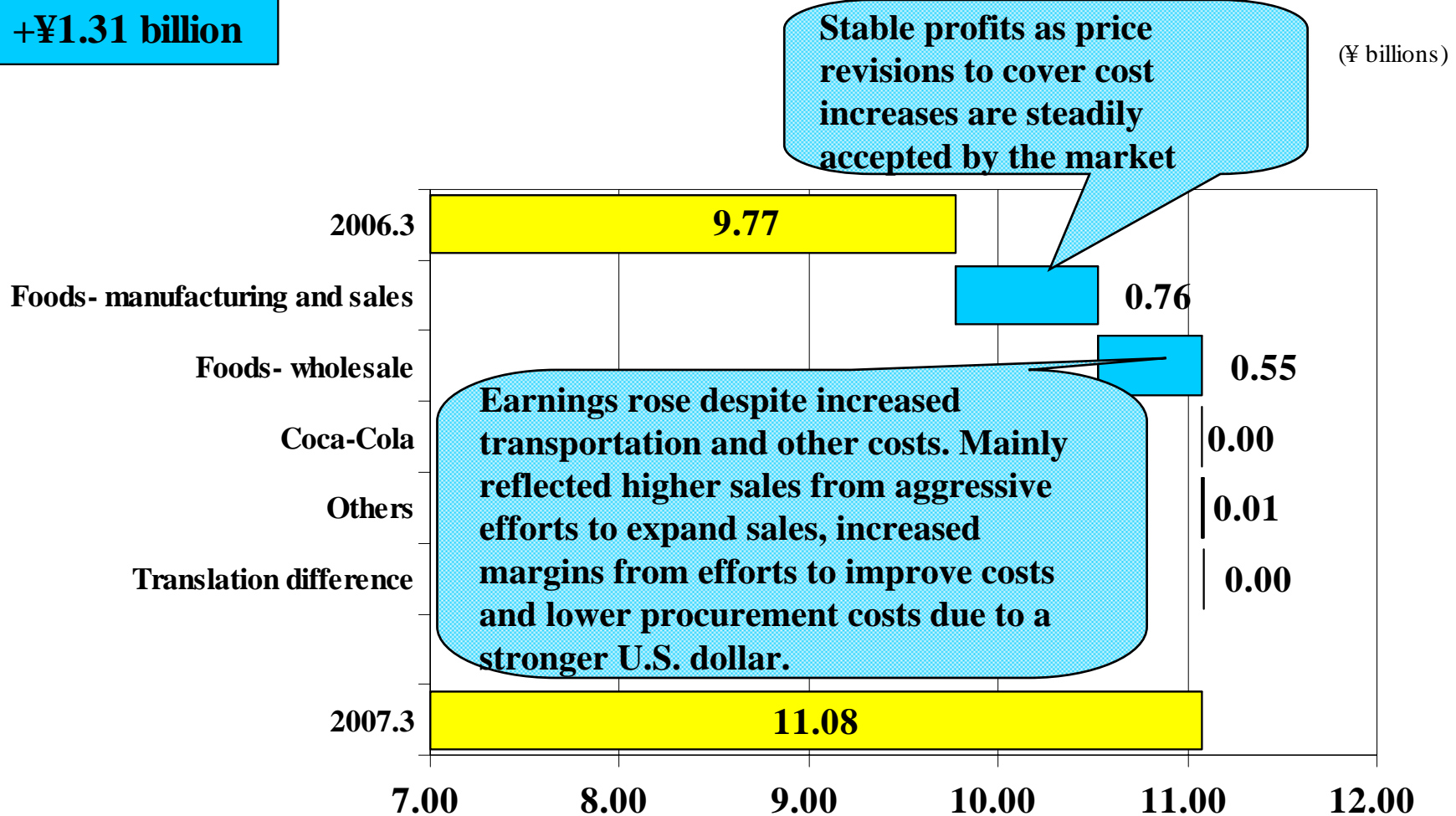


For more information, please see pages 8 and 14 of "Supplementary Schedules"



1-7. Change in Operating Income by Business Segment Overseas

+¥1.31 billion



For more information, please see [pages 9 and 15](#) of "Supplementary Schedules"



1-8. Summary of Consolidated Balance Sheet

Total Assets = 349.0 +17.2 (Unit: billions of yen)

<u>Assets</u>	<u>+17.2</u>	<u>Liabilities and Net Assets</u>	<u>+ 17.2</u>
<u>Current Assets</u>	(2.8)	<u>Liabilities</u>	+ 2.3
(Impact of new consolidation)	+7.9)	Interest-bearing debt	+1.7
Cash and time deposits	(12.0)	(Redemption of bonds (5.0), loans +6.7)	
Trade notes and accounts receivable		Trade notes and accounts payable, other accounts payable	+2.4
	+6.0	Deferred tax liabilities	(0.9)
Inventories	+2.8	Accrued employees' pension and severance costs	(2.2)
Other current assets	+0.5	Other	+1.3
<u>Fixed Assets</u>	+ 20.0	<u>Net Assets</u>	+ 14.9
Property, plant and equipment	+19.5	(Fiscal 2006 : Shareholders' equity + Minority interests)	
(Impact of new consolidation)	+21.8)	Retained earnings	+ 8.5
Goodwill	+27.7	Minority interests	+ 8.1
Investments in securities	(27.5)	Unrealized holding gain on securities	(2.6)
Other	+ 0.2	Translation adjustments	+1.4
		Other	(0.5)

**For more information, please see page 19
of "Supplementary Schedules"**



1-9. Changes in Cash Flows

From April 1, 2006 to March 31, 2007

Summary of Net CF (+ + +) = (12.1)

(Unit: billions of yen)

Cash Flows from Operating

Activities **+ 24.7**

Net income	+ 21.0
Depreciation and amortization	+ 16.3
Accrued employees' pension and severance costs	(2.5)
Income taxes paid	(8.3)
Other	(1.7)

Cash Flows from Investing

Activities **(27.6)**

a) Acquisition of property, plant and equipment	(18.8)
Acquisition of investments in securities	(12.1)
Payments for purchase of shares	(6.0)
Proceeds from sales of property, plant and equipment	+ 6.5
Proceeds from sales of investments in securities	+ 1.9
Other	+ 0.9

+ a) Free Cash Flows

+ 5.8

- a) Cash Flows from Investing Activities

(excluding acquisition of property, plant and equipment)

(8.8)

Cash Flows from Financing

Activities **(9.5)**

Increase in short-term bank loans and long-term debt	(1.4)
Redemption of bonds	(5.0)
Cash dividends paid, etc.	(3.2)

Other

+ 0.4

For more information, please see page 20 of "Supplementary Schedules"



2-1. Forecast for Fiscal 2008

Forecast for Fiscal 2008

(unit: billions of yen)

	Fiscal 2008 Forecast	Fiscal 2007 Actual	Change Increase / Decrease		Translation Difference	Change Increase / Decrease Excluding Translation Difference	
	Amount	Amount	Amount	%		Amount	%
Net Sales	413.0	392.6	20.4	105.2	(1.4)	21.8	105.5
Japan	305.9	294.9	11.0	103.7	-	11.0	103.7
Kikkoman	125.0	120.0	5.0	104.2	-	5.0	104.2
Coca-Cola Business	120.0	116.8	3.2	102.7	-	3.2	102.7
Kibun Food Chemifa	25.9	24.2	1.6	106.7	-	1.6	106.7
Overseas	122.3	110.9	11.4	110.3	(1.4)	12.8	111.5
Eliminations	(15.2)	(13.2)	(2.0)	115.4	(0.0)	(2.0)	115.5
Operating Income	24.0	21.6	2.4	110.9	(0.1)	2.5	111.5
Japan	11.7	10.6	1.1	110.1	-	1.1	110.1
Kikkoman	4.5	4.0	0.5	111.2	-	0.5	111.2
Coca-Cola Business	2.8	2.5	0.3	112.8	-	0.3	112.8
Kibun Food Chemifa	2.2	2.3	(0.1)	96.3	-	(0.1)	96.3
Overseas	12.3	11.1	1.2	111.0	(0.1)	1.4	112.2
Eliminations	-	(0.0)	0.0	-	-	0.0	-
Recurring Income	22.5	21.0	1.5	107.2	(0.1)	1.6	107.8
Net Income	11.5	10.7	0.8	107.1	(0.1)	0.8	107.9
¥/US\$	115.00	117.00	(2.00)	98.3			

For more information, please see pages 21 and 22 of "Supplementary Schedules"



2-2. Net Sales and Operating Income by Geographical Segment

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Forecast for Fiscal 2008

(unit: billions of yen)

		Fiscal 2008 Forecast		Fiscal 2007 Actual		Change Increase / Decrease		Translation Difference	Change Increase / Decrease Excluding Translation Difference	
		Amount	%	Amount	%	Amount	%		Amount	%
Japan	Net Sales	305.9	100.0	294.9	100.0	11.0	103.7	-	11.0	103.7
	Operating Income	11.7	3.8	10.6	3.6	1.1	110.1	-	1.1	110.1
Overseas	Net Sales	122.3	100.0	110.9	100.0	11.4	110.3	(1.4)	12.8	111.5
	Operating Income	12.3	10.1	11.1	10.0	1.2	111.0	(0.1)	1.4	112.2
Eliminations	Net Sales	(15.2)	100.0	(13.2)	100.0	(2.0)	115.4	0.0	(2.0)	115.5
	Operating Income	-	-	(0.0)	-	(0.0)	-	-	0.0	-
Consolidated Total	Net Sales	413.0	100.0	392.6	100.0	20.4	105.2	(1.4)	21.8	105.5
	Operating Income	24.0	5.8	21.6	5.5	2.4	110.9	(0.1)	2.5	111.5
¥/US\$		115.00		117.00		(2.00)	98.3			

For more information, please see page 22
of "Supplementary Schedules"



2-3. Net Sales and Operating Income by Business Segment

KIKKOMAN

Forecast for Fiscal 2008

(unit: billions of yen)

		Fiscal 2008 Forecast		Fiscal 2007 Actual		Change Increase / Decrease		Translation Difference	Change Increase / Decrease Excluding Translation Difference	
		Amount	%	Amount	%	Amount	%		Amount	%
Foods- Manufacturing and sales	Net Sales	208.8	100.0	201.8	100.0	7.0	103.5	(0.6)	7.6	103.8
	Operating Income	16.1	7.7	15.1	7.5	0.9	106.2	(0.1)	1.0	106.9
Foods- Wholesale	Net Sales	75.5	100.0	67.6	100.0	7.9	111.7	(0.8)	8.7	112.9
	Operating Income	3.4	4.6	3.0	4.4	0.4	114.7	-	0.5	115.8
Coca-cola	Net Sales	120.0	100.0	116.8	100.0	3.2	102.7	-	3.2	102.7
	Operating Income	2.8	2.3	2.5	2.1	0.3	112.8	-	0.3	112.8
Other	Net Sales	16.5	100.0	7.3	100.0	9.2	226.0	0.0	9.2	225.9
	Operating Income	1.7	10.3	1.0	14.3	0.7	162.2	-	0.7	162.2
Eliminations and Corporate	Net Sales	(7.9)	100.0	(0.9)	100.0	(6.9)	861.8	0.0	(6.9)	862.0
	Operating Income	-	-	0.0	-	(0.0)	-	-	(0.0)	-
Consolidated Total	Net Sales	413.0	100.0	392.6	100.0	20.4	105.2	(1.4)	21.8	105.5
	Operating Income	24.0	5.8	21.6	5.5	2.4	110.9	(0.1)	2.5	111.5
		¥/US\$	115.00	117.00		(2.00)	98.3			

For more information, please see page 23
of "Supplementary Schedules"

