

# Business Performance Presentation for Fiscal 2023 2Q

Six-Month Period Ended September 30, 2022

Kikkoman Corporation

November 4, 2022

- **Performance in the Six Months Ended September 30, 2022**

Takao Kamiyama, Director, Executive Corporate Officer and CFO

- **Medium-Term Management Plan (FY2023 – FY2025)**

Noriaki Horikiri, Chairman and CEO

# Performance in the Six Months Ended September 30, 2022

Takao Kamiyama

Director, Executive Corporate Officer and CFO

# Performance in H1

## Consolidated P/L (Compared with Previous Year)

**H1 Actual**

Unit: billion yen

	FY23.3 H1 Actual	FY22.3 H1 Actual	Change increase (decrease)	%	Breakdown of change		
					Translation difference	Actual difference	%
Revenue	305.4	248.7	56.7	122.8	34.5	22.2	108.9
Japan	78.5	80.2	(1.7)	97.9		(1.7)	97.9
Overseas	229.4	170.7	58.7	134.4	34.5	24.2	114.2
Business Profit	31.8	27.6	4.1	114.9	3.7	0.4	101.5
Japan	6.6	7.5	(0.8)	89.0		(0.8)	89.0
Overseas	25.6	20.7	4.9	123.8	3.4	1.5	107.3
Kikkoman (Holding Company)	4.5	4.0	0.5	112.1		0.5	112.1
Eliminations	(5.0)	(4.5)	(0.5)		0.3	(0.7)	
Operating Profit	30.3	27.1	3.3	112.0	3.4	(0.1)	99.6
Profit before income taxes	32.5	29.7	2.8	109.5	3.4	(0.6)	97.9
Profit for the year Attributable to Owners of Parent	23.3	21.4	1.9	109.0	2.5	(0.6)	97.1

USD	133.5	110.2	23.3
EUR	138.8	131.0	7.8

# Performance in H1

## Revenue Overseas (Compared with Previous Year)

**H1 Actual**

Unit: billion yen

Revenue		FY23.3 H1 Actual	FY22.3 H1 Actual	Change increase (decrease)	%	Breakdown of change			
						Translation difference	Actual difference	%	
Overseas	North America	Soy Sauce	39.9	28.9	11.0	138.1	7.0	4.0	113.7
		Other Foods	7.5	6.2	1.3	121.1	1.3		99.6
		Foods—Manufacturing and Sales	47.4	35.1	12.3	135.1	8.4	3.9	111.2
		Foods—Wholesale	124.5	91.5	33.0	136.0	21.7	11.2	112.3
		Total	165.5	121.7	43.9	136.0	29.0	14.9	112.2
	Europe	Foods—Manufacturing and Sales	10.8	10.8		100.3	0.6	(0.6)	94.4
		Foods—Wholesale	17.2	14.0	3.2	122.7	1.0	2.2	115.5
		Total	26.0	22.7	3.3	114.8	1.5	1.8	108.0
	Asia & Oceania	Soy Sauce	9.1	8.1	0.9	111.3	1.1	(0.2)	97.9
		Del Monte	4.0	3.0	1.0	132.0	0.6	0.4	112.7
		Foods—Manufacturing and Sales	13.0	11.2	1.9	116.9	1.7	0.2	101.9
		Foods—Wholesale	21.4	14.1	7.3	152.2	2.7	4.7	133.2
		Total	34.2	25.1	9.1	136.5	4.3	4.8	119.3
	Others		31.9	23.4	8.6	136.6		8.6	136.6
Eliminations		(28.3)	(22.1)	(6.2)		(0.3)	(5.9)		
Total		229.4	170.7	58.7	134.4	34.5	24.2	114.2	

USD 133.5 110.2 23.3

EUR 138.8 131.0 7.8

# Performance in H1

## Revenue Overseas (Compared with Previous Year)

**H1 Actual**

Unit: billion yen

Business Profit			FY23.3 H1 Actual	FY22.3 H1 Actual	Change increase (decrease)	%	Breakdown of change			
							Translation difference	Actual difference	%	
Overseas	North America	Foods—Manufacturing and Sales	10.3	7.4	2.9	138.5	1.7	1.2	116.0	
		Foods—Wholesale	8.9	6.2	2.7	142.9	1.5	1.1	118.2	
		Total	19.0	13.6	5.4	139.7	3.1	2.3	116.6	
	Europe	Foods—Manufacturing and Sales	2.7	3.3	(0.6)	82.8	0.2	(0.7)	78.1	
		Foods—Wholesale	0.7	1.0	(0.3)	73.1		(0.3)	69.3	
		Total	3.4	4.2	(0.9)	79.2	0.2	(1.1)	74.9	
	Asia & Oceania	Foods—Manufacturing and Sales	1.3	1.5	(0.2)	89.5	0.2	(0.3)	78.5	
		Foods—Wholesale	1.1	0.5	0.6	208.7	0.1	0.4	182.3	
		Total	2.4	2.0	0.4	119.2	0.3	0.1	104.4	
	Others		1.4	1.2	0.2	119.8		0.2	119.8	
	Total			25.6	20.7	4.9	123.8	3.4	1.5	107.3
	USD			133.5	110.2	23.3				
EUR			138.8	131.0	7.8					

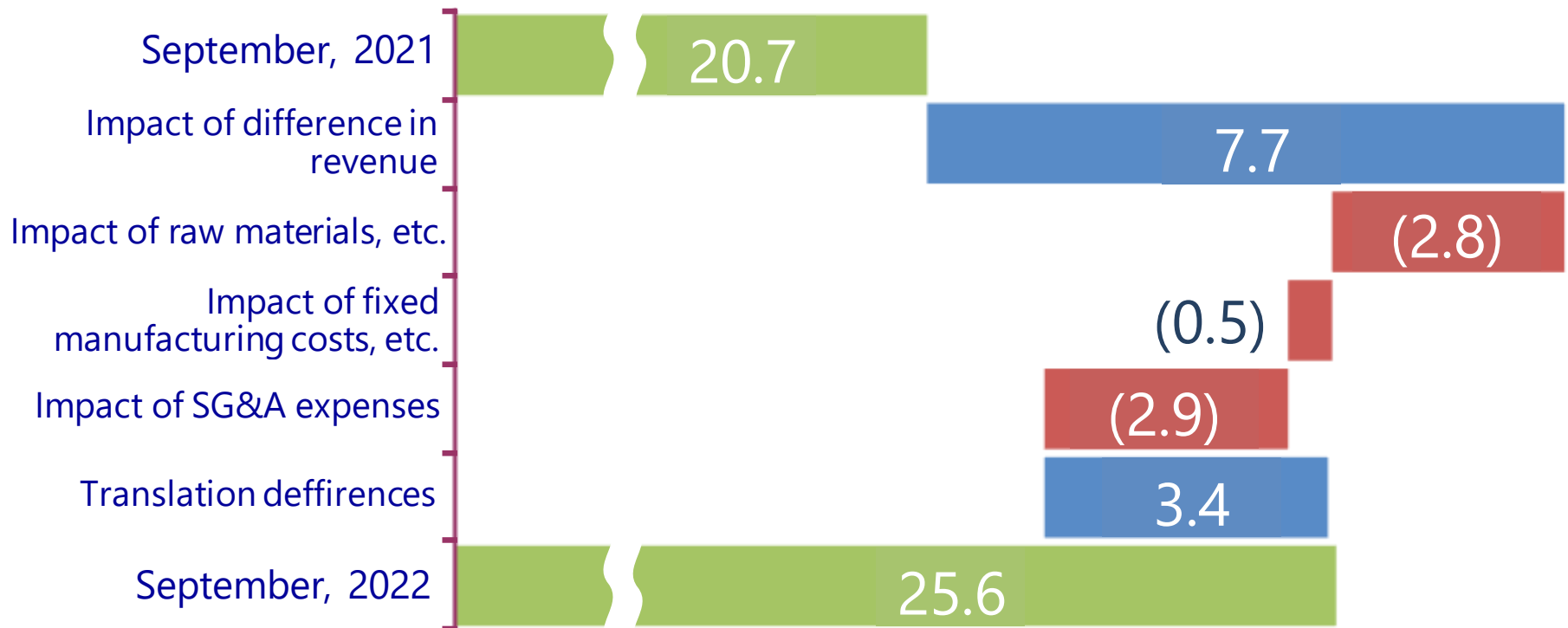
# Performance in H1

## Major factors for Change in Business Profit Overseas

**H1 Actual**

Unit: Billions of yen

Overseas +¥4.9 billion



# Performance in H1

## Revenue and Business Profit in Japan (Comp. with Previous Year)

**H1 Actual**

Unit: billion yen

		FY23.3 H1 Actual	FY22.3 H1 Actual	Change increase (decrease)	%
<b>Revenue</b>					
Japan	Soy Sauce	21.0	20.9	0.2	100.7
	Food Products	25.7	28.0	(2.2)	92.0
	Beverages	22.4	23.1	(0.6)	97.3
	Liquor and Wine	4.8	3.9	0.8	121.4
	Eliminations	(0.1)	(0.1)		
	Foods—Manufacturing and Sales	73.8	75.7	(1.9)	97.5
	Others	10.8	10.6	0.2	102.0
Eliminations	(6.1)	(6.1)			
<b>Total</b>		<b>78.5</b>	<b>80.2</b>	<b>(1.7)</b>	<b>97.9</b>

		FY23.3 H1 Actual	FY22.3 H1 Actual	Change increase (decrease)	%
<b>Business Profit</b>					
Japan	Foods—Manufacturing and Sales	5.7	6.6	(0.9)	86.1
	Others	1.0	0.9	0.1	110.2
	<b>Total</b>	<b>6.6</b>	<b>7.5</b>	<b>(0.8)</b>	<b>89.0</b>



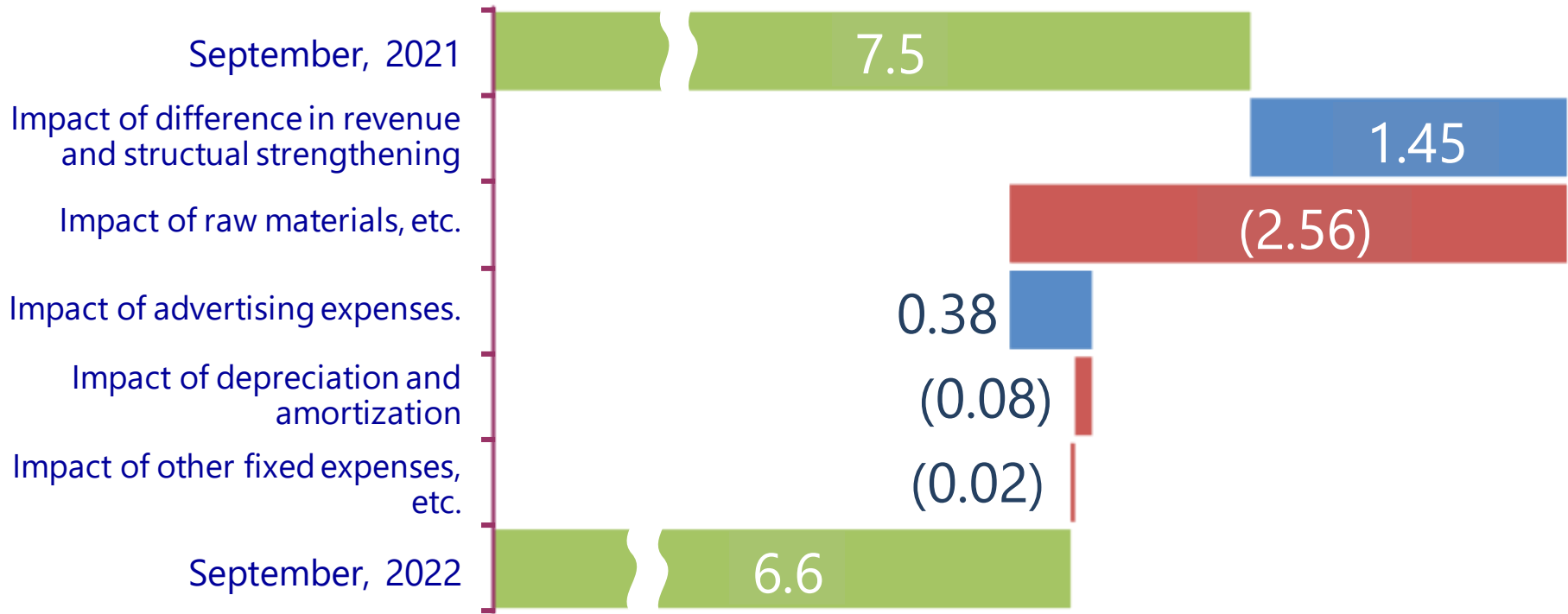
# Performance in H1

## Major factors for Change in Business Profit in Japan

**H1 Actual**

Unit: Billions of yen

Japan -¥0.82 billion



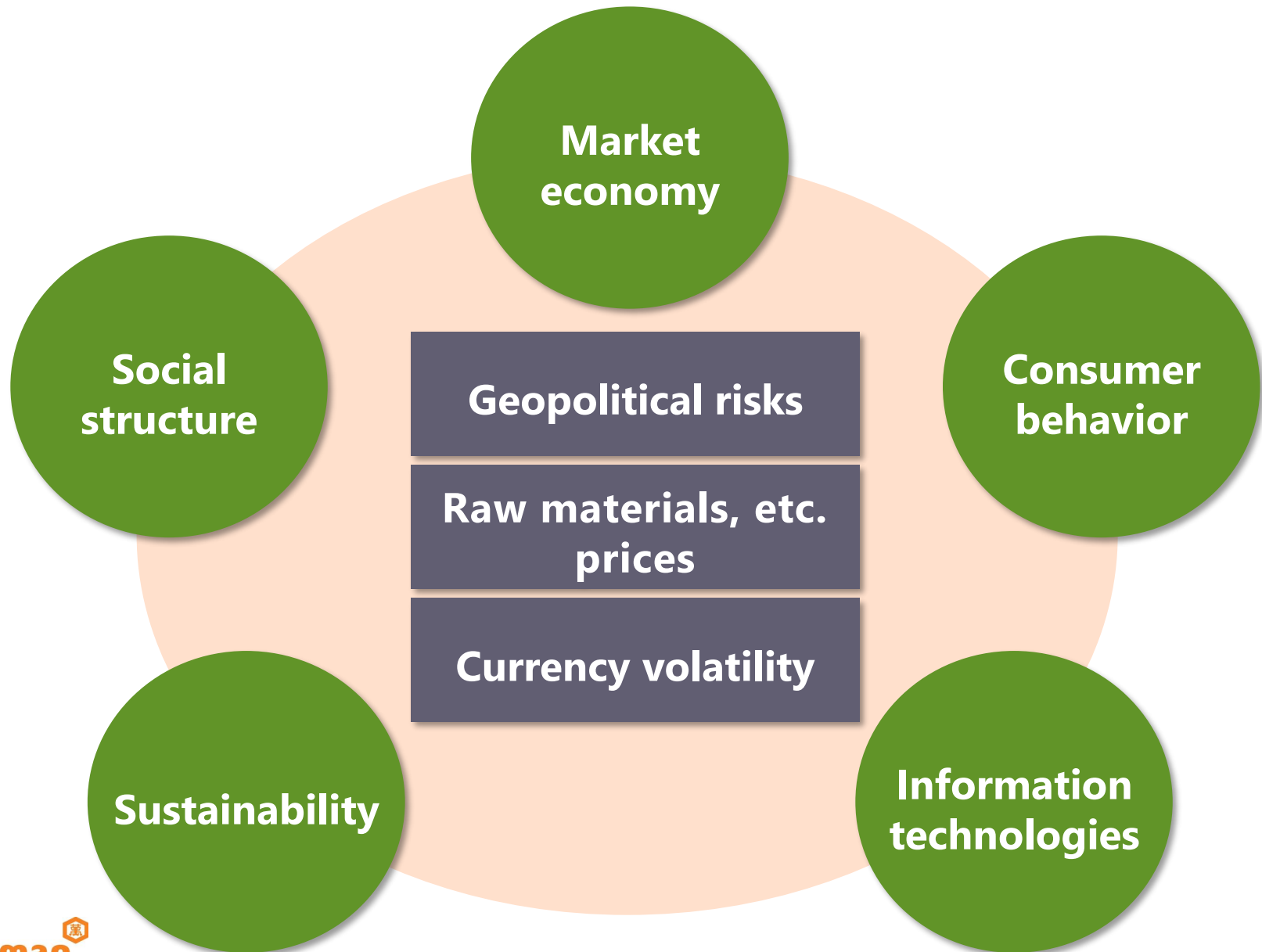
# Medium-Term Management Plan

(FY2023 – FY2025)

Noriaki Horikiri  
Chairman and CEO

# External Environment

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# Medium-Term Management Plan—Objectives

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**Maintain growth and increase profitability while responding to changes in the external environment**

**Contribute to solving social issues through business activities**

# Medium-Term Management Plan—Targets

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<b>Sales growth rate</b>	<b>CAGR 5% or more*</b>
<b>Business profit margin</b>	<b>10% or more</b>
<b>ROE</b>	<b>11% or more</b>

\* Excluding foreign exchange gains (losses)

# Medium-Term Management Plan—Objectives

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**Maintain growth and increase profitability while responding to changes in the external environment**

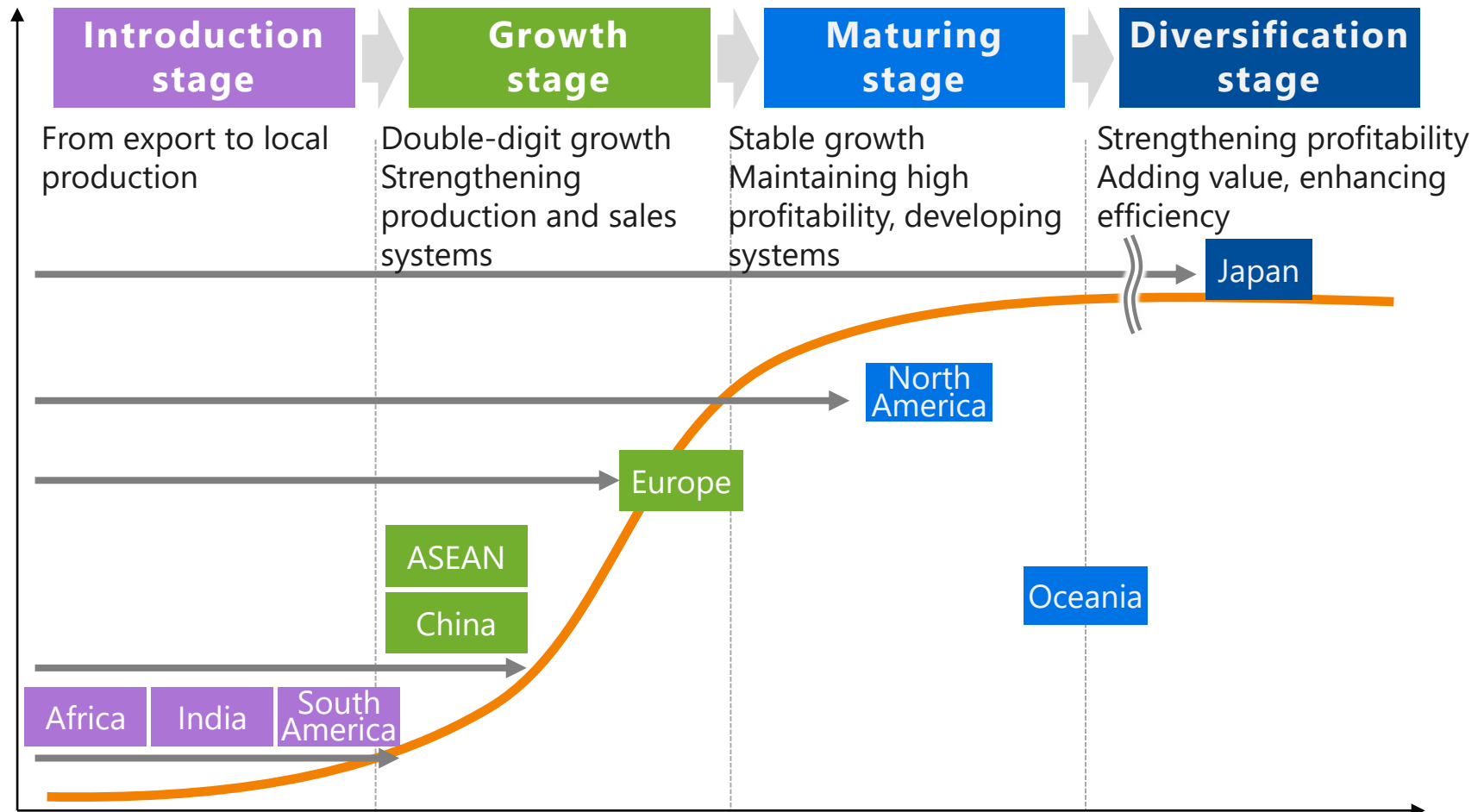
**Contribute to solving social issues through business activities**

## Overseas Soy Sauce Business

# Global Rollout of Kikkoman Soy Sauce

## Stage by Geographical Area

- Continue to cultivate new markets and extend the business life cycle.
- Take initiatives for several decades in each area.





# Overseas Soy Sauce Business—Targets

## Sales growth CAGR 7%\*

- Maintain growth and improve profitability.
- Maintain strong demand for products for home-use amid the COVID-19 pandemic while simultaneously expanding sales of those for foodservice-use.

## North America

- Maintain a stable growth.

Sales growth  
CAGR 5%\*

## Europe

- Sustain double digit growth in FY2024 and beyond by executing detailed initiatives on a region-by-region basis.

Sales growth  
CAGR 10%\*

## Asia & Oceania

- ASEAN region: Maintain double digit growth
- Oceania: Stable growth

Sales growth  
CAGR 7%\*

## New markets

- South America: Facilitate market development
- India: Move on to the growth stage in the 2020s.
- Africa: Lay foundations with a view toward growth in the 2030s.

# Overseas Soy Sauce Business—Strengthening Brand Power

## Communication with consumers

- Deliver recipes & videos using social media and influencers.
- Disseminate information using TV commercials and our websites.



## Product development

- North America: Add items to the organic soy sauce lineup; innovate the Takumi Teriyaki series.
- Europe: Utilize small-volume products, including less-salt and gluten-free soy sauce to earn new commers.
- Asia & Oceania: Develop products suited to local tastes in addition to regular Kikkoman Soy Sauce.



## Overseas Wholesale Business

# Overseas Wholesale Business—Philosophy of the JFC Group



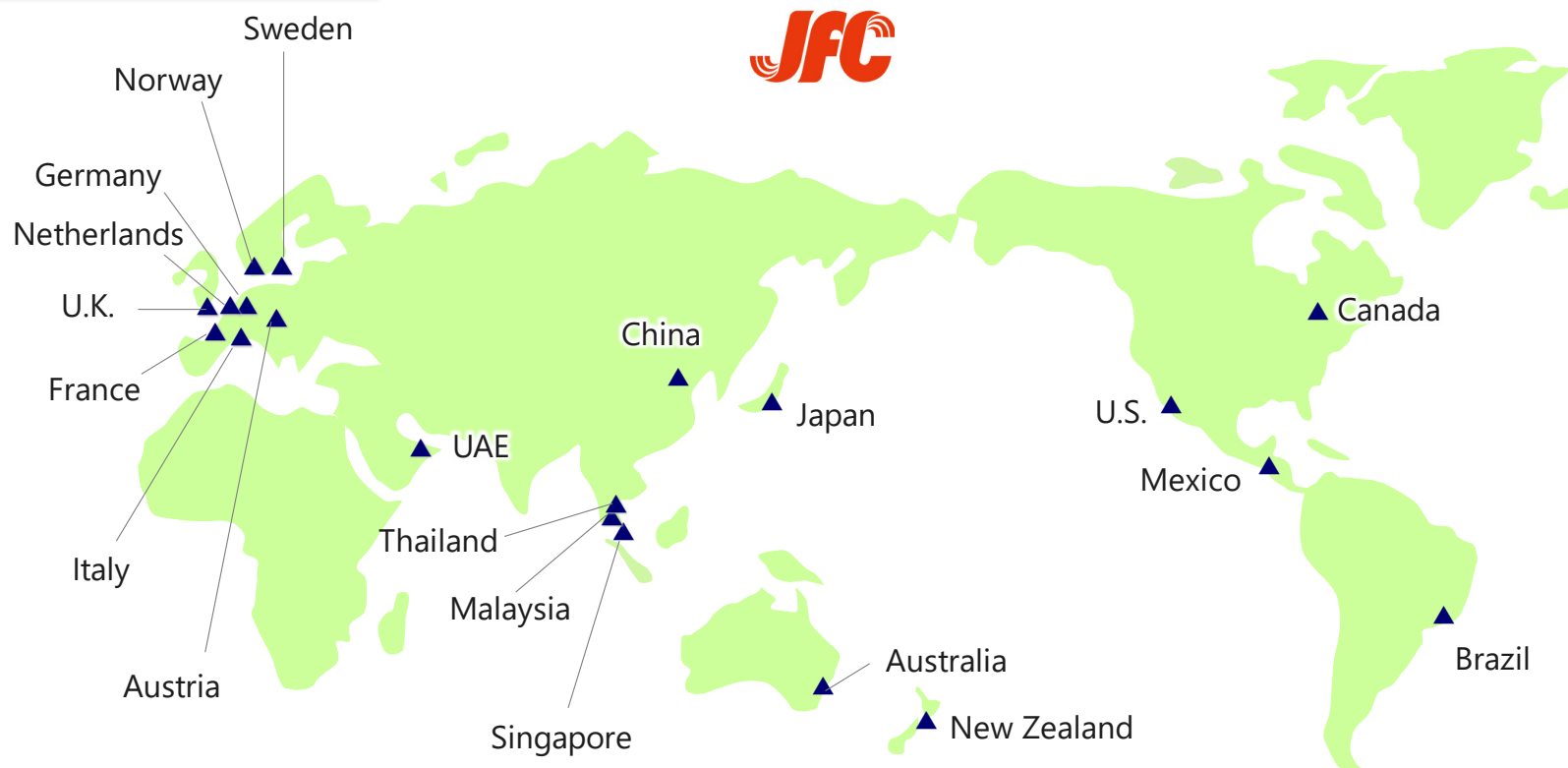
## Quality Merchandising and Good Service



# Overseas Wholesale Business—Targets

**Sales growth  
CAGR 7%\***

- A well-balanced business structure that does not rely excessively on either foodservice-use or home-use sectors
- Improve and expand the existing facilities to strengthen competitiveness.
- Strengthen purchasing capabilities.



\* The annual average sales growth rates exclude foreign exchange gains (losses).

(Note) The map above shows major bases in the wholesale business (JFC Group) as of March 2022.

## Business in Japan

# Business in Japan—Targets

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**Sales growth: CAGR 2%**  
**Business profit Margin: 8%**

- Improve profitability in each segment.

## Soy sauce

- Expand sales of broadly – defined soy sauce including *tsuyu* (soy sauce soup base) and *tare* (dipping and marinade sauces).
- Expand products with high added value and improve efficiency by capital investment.
- Create demand in new categories and new businesses.
- Promote brands through e-commerce.

## Food products

## Soy milk

- Revitalize the market as a leading manufacturer and expand demand.
- Increase business profit through improvements in productivity.
- Take initiatives to develop new categories and new channels.

# Medium-Term Management Plan


## —Utilizing Management Resources

'FY23-25

**Operating CF**

**Approx. ¥185.0bn\***

- Investment for future growth and increasing profitability.



<b>Shareholder returns</b>	<ul style="list-style-type: none"><li>● Consolidated payout ratio of 30% or more</li></ul>	
<b>Capital Investment</b>	<ul style="list-style-type: none"><li>● Japan: Improving profitability, etc.</li><li>● Overseas: Increasing soy sauce production, improving and expanding wholesale facilities, etc.</li></ul>	<u>Approx.</u> <u>¥85.0 bn*</u>
<b>Investment for growth and profitability improvement</b>	<ul style="list-style-type: none"><li>● New businesses, value creation, solving social issues, etc. (capital/IT investment, M&amp;A, etc.)</li></ul>	

\* Calculated based on the following exchange rates:  
145 yen against the dollar and 145 yen against the euro



(Reference)

## Consolidated Revenue and Business Profit in FY2025

Calculated based on the following exchange rates:

145 yen against the dollar and 145 yen against the euro

Unit: billion yen

<b>Consolidated</b>	<b>FY2022 Actual</b>	<b>FY2023 Forecast</b>	<b>FY2025 Medium-term mgmt. plan</b>	<b>CAGR FY23–FY25</b>
Revenue	516.4	596.7	693.5	105%
Business profit	52.3	55.1	70.2	105%
Business profit margin	10.1%	9.2%	10.1%	–
<b>Overseas</b>				
Revenue	362.7	442.4	531.4	106%
Business profit	40.4	47.8	58.7	106%
Business profit margin	11.1%	10.8%	11.0%	–
<b>Japan</b>				
Revenue	158.2	159.1	167.0	102%
Business profit	13.5	9.8	13.5	100%
Business profit margin	8.5%	6.1%	8.1%	–
Foreign exchange rate				
USD	112.9	129.2	145.0	–
EUR	131.0	139.3	145.0	–

# Medium-Term Management Plan—Objectives

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**Maintain growth and increase profitability while responding to changes in the external environment**

**Contribute to solving social issues through business activities**

# Overall Conceptual Image of Initiatives for Social Issues

Management principles

Global Vision 2030

## Initiatives for social issues

Global environment

Food and health

People and society

Contribute to solve

Opportunities

Social issues



# Summarization of Initiatives in Three Priority Fields

Three priority fields	Basic approach	Themes
<b>Global environment</b>	We will respect the workings of nature, and contribute to the realization of a society comfortable to live in through our corporate activities keeping in harmony with the environment.	<ul style="list-style-type: none"><li>● Climate Change</li><li>● Food Environments</li><li>● Natural Resources</li></ul>
<b>Food and health</b>	We will put our thoughts highlighted in the Kikkoman's Promise into practice.	<ul style="list-style-type: none"><li>● Healthy eating of delicious food</li><li>● Diverse needs for food</li><li>● Communication</li></ul>
<b>People and society</b>	We will contribute to sustainable development of society through the creation of a corporate culture where people are valued.	<ul style="list-style-type: none"><li>● Respect for human rights</li><li>● Cooperation with stakeholders</li><li>● Strengthening management structure</li></ul>

# Appendix 1

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## Initiatives to solve social issues

Themes	Initiatives	Targets
Climate change	<ul style="list-style-type: none"> <li>● Reducing CO2 emissions</li> </ul>	<ul style="list-style-type: none"> <li>• Reducing total CO2 emissions (25% reduction compared to FY2019)</li> <li>• Increasing 100% renewable energy facilities</li> </ul>
Food environment	<ul style="list-style-type: none"> <li>● Preservation of water environment</li> </ul>	<ul style="list-style-type: none"> <li>• Reducing water consumption intensity (25% reduction compared to FY2012)</li> <li>• 100% compliance with the voluntary wastewater standard</li> </ul>
Utilization of resources	<ul style="list-style-type: none"> <li>● Promoting recycling activities</li> <li>● Reducing food loss</li> <li>● Reducing plastic usage</li> </ul>	<ul style="list-style-type: none"> <li>• Recycling rate: No less than 99%</li> <li>• Reduction of food loss by 25% (compared to FY2019)</li> <li>• Developing environmentally friendly products</li> </ul>

Themes	Initiatives	Targets
Healthy eating of delicious food	<ul style="list-style-type: none"> <li>● Proposing well-balanced, healthy and delicious food</li> <li>● Dealing with a range of nutritional challenges</li> <li>● Appropriate salt intake</li> </ul>	<ul style="list-style-type: none"> <li>• Developing products and services that will contribute to solving nutritional issues</li> <li>• Using nutritional data</li> <li>• Sales of low-salt soy sauce accounting for 25% (in Japan) (Note) The percentage of sales of home-use Kikkoman Soy Sauce in Japan</li> </ul>
Diverse needs for food	<ul style="list-style-type: none"> <li>● Expanding products using plant-based protein</li> <li>● Making proposals that will increase options for consumers</li> </ul>	<ul style="list-style-type: none"> <li>• Expanding the soy milk business in Japan and overseas</li> <li>• Launching products using plant-based protein</li> <li>• Proposing a variety of choices using labeling</li> </ul>
Communication	<ul style="list-style-type: none"> <li>● Promotion of food education activities</li> <li>● International exchange of food culture</li> <li>● Activities to support mental health</li> </ul>	<ul style="list-style-type: none"> <li>• Proposing recipes using many different media</li> <li>• Making known a variety of food cultures</li> <li>• Implementing programs that will create human relationships</li> </ul>

# Social Issues—Initiatives and Targets

## People and society

Themes	Initiatives	Targets
Respect for human rights	<ul style="list-style-type: none"> <li>● Performing human rights due diligence</li> <li>● Promoting diversity &amp; inclusion</li> </ul>	<ul style="list-style-type: none"> <li>• Human rights training to be received by 100%* of managers *In Japan and at target companies overseas</li> <li>• Increasing the ratio of female managers (10% in Japan)</li> <li>• Increasing the ratio of employees with disabilities (2.5% or more in Japan)</li> </ul>
Cooperation with stakeholders	<ul style="list-style-type: none"> <li>● Creating environments where employees can demonstrate their capabilities</li> <li>● Contribution to local community development</li> <li>● Communication with stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Conducting engagement surveys and improving engagement</li> <li>• Promoting human resources development/cultivation</li> <li>• Increasing the ratio of male employees who take childcare leave (to 100% in Japan)</li> <li>• Support the mental and physical health of employees</li> <li>• Increasing rate of taking annual paid leave to 80% or higher in Japan</li> <li>• Activities that support the development of local communities</li> <li>• Planning and implementing programs for communication with stakeholders</li> </ul>
Strengthening management structure	<ul style="list-style-type: none"> <li>● Strengthening corporate governance</li> <li>● Strengthening compliance</li> <li>● Strengthening risk management structure</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthening the corporate governance system</li> <li>• Providing compliance training every year</li> <li>• Developing a global BCP system</li> <li>• Enhancing data security</li> </ul>



# Appendix 2

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(Reference)

# Kikkoman Soy Sauce Sales Volume Overseas (1974–2022.3)

CAGR 7.5% (FY1974-2022.3)

1974 sales volume = 100



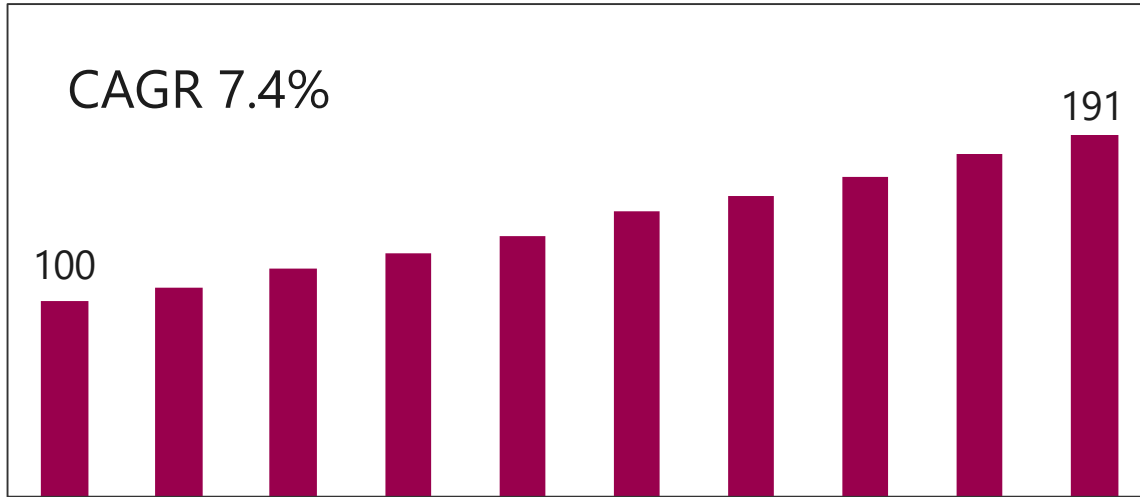
Note: Indexed to sales volume in 1974 as 100.

(Reference)

# Sales (Amount) of Soy Sauce Business Overseas (FY13.3–22.3) & Breakdown by Region

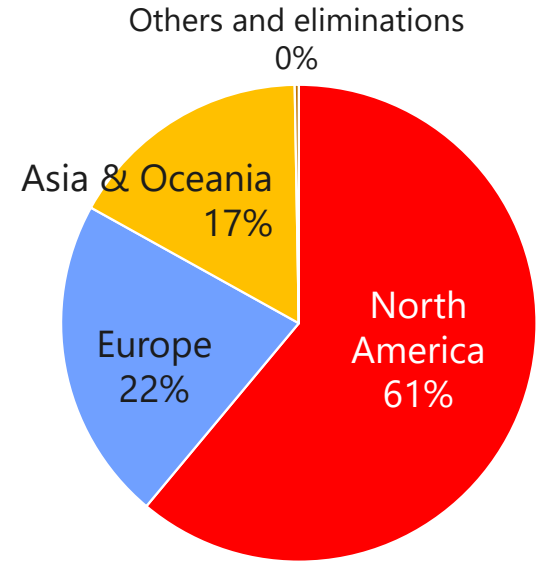


FY2013.3 sales = 100



FY13.3 FY14.3 FY15.3 FY16.3 FY17.3 FY18.3 FY19.3 FY20.3 FY21.3 FY22.3

← JGAAP → ← IFRS →



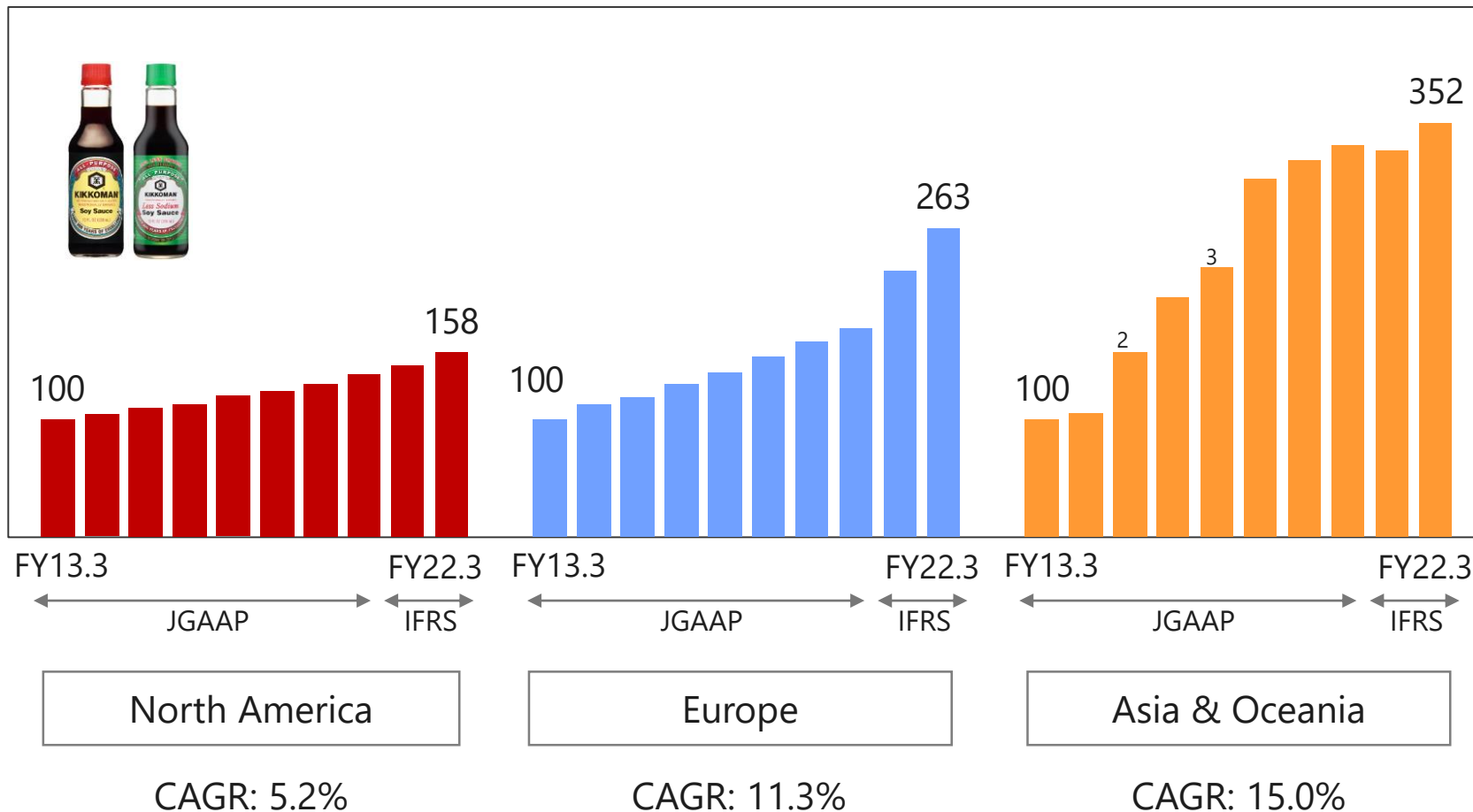
FY22.3

Note: Figures in the table above represent the actual change on a local currency basis, excluding the translation difference, indexed to sales in FY13.3 as 100. The compound average growth rates were calculated by simply comparing net sales for FY13.3 (JGAAP) and revenue for FY22.3 (IFRS).

(Reference)

# Sales (Amount) of Soy Sauce Business Overseas by Region (FY2013.3–2022.3)

FY2013.3 sales = 100 <sup>1</sup>



Notes: <sup>1</sup> Figures in the table above represent actual change on a local currency basis, excluding the translation difference, indexed to consolidated sales in FY13.3 as 100. The compound average growth rates were calculated based on a difference between net sales for FY13.3 (JGAAP) and revenue for FY22.3 (IFRS).  
<sup>2</sup> (Asia & Oceania) Sales at Kikkoman Shanghai Trading Co., LTD. and President Kikkoman Inc. have been included since FY15.3.  
<sup>3</sup> (Asia & Oceania) Sales at President Kikkoman Zhenji Foods Co., LTD. have been included since FY17.3.

(Reference)

# Overseas Kikkoman Soy Sauce Production Bases

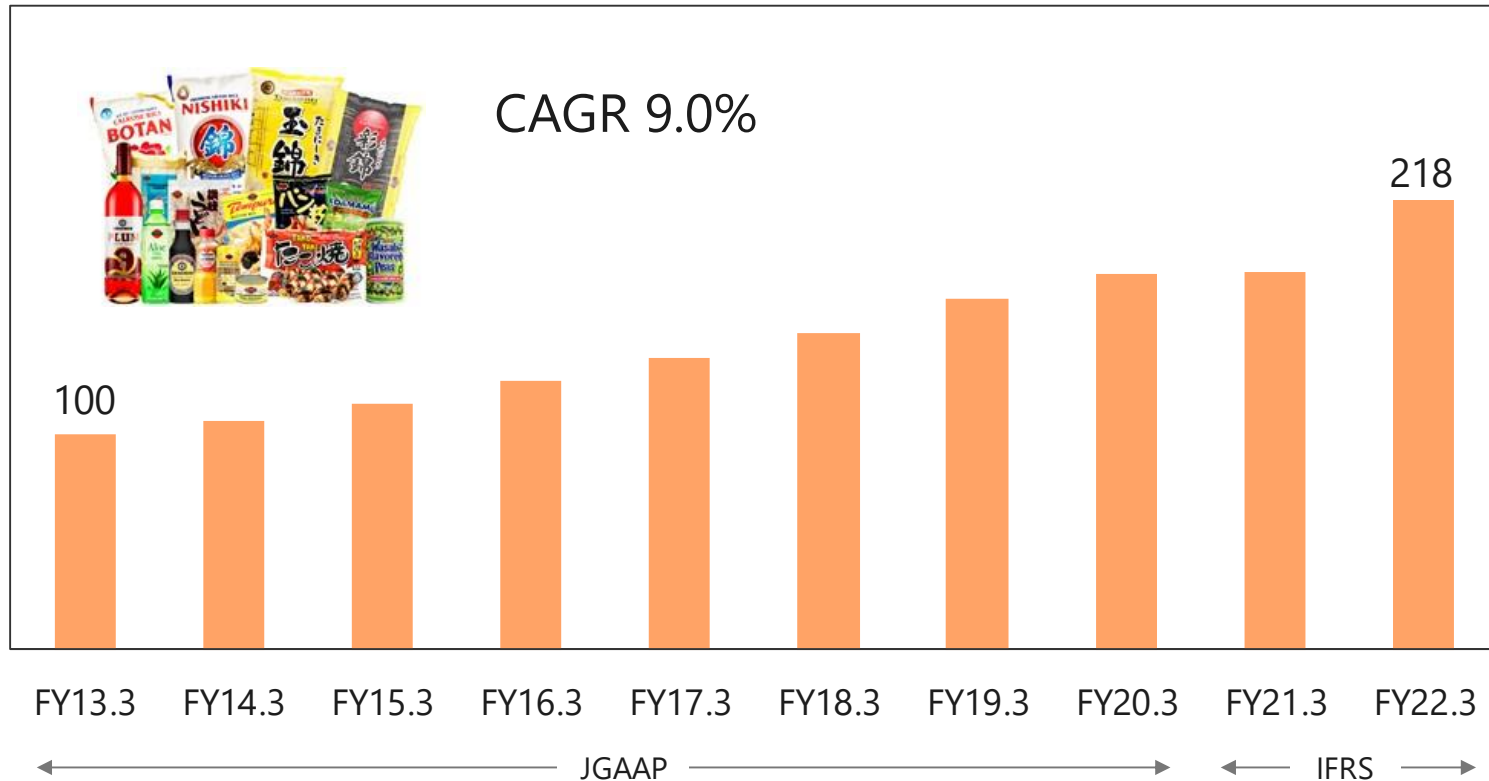


Note: As of March, 2022.

(Reference)

## Sales (Amount) of Foods—Wholesale Business (FY2013.3-2022.3)

FY2013.3 sales = 100



Note: Figures in the table above represent actual change on a local currency basis, excluding the translation difference, indexed to consolidated sales in FY13.3 as 100. Sales for the period of FY13.3 - FY20.3 are JGAAP-based net sales while those for the period of FY21.3 - FY22.3 are IFRS-based revenues. The compound average growth rates were calculated based on a difference between net sales for FY13.3 (JGAAP) and revenue for FY22.3 (IFRS).

# Striving with passion to Create New Values

## Goals

- 1 Make Kikkoman Soy Sauce a truly global seasoning
- 2 Create new delicious experiences around the world, and contribute to richer, healthier lifestyles
- 3 Become a company whose presence in global society is ever more meaningful, through activities unique to Kikkoman

## Challenges toward 2030

### Offering No. 1 values

- 1 Global No.1 strategy
- 2 Area No.1 strategy
- 3 Creating new businesses

### Utilizing management resources

- 1 Fermentation and brewing technologies
- 2 Human resources/information/cash flow



# kikkoman

seasoning your life

1. The information contained in these materials is based on judgments made by the Company as of the date hereof and the Company makes no warranties or guarantees regarding achievement of the projections or measures described herein.
2. All yearly references are for the fiscal year from April to March.  
E.g.) FY2022 = April 2021 to March 2022
3. Business profit is profit after deducting the cost of sales and selling, general and administrative expenses from revenue.