

November 5, 2020

## Consolidated Financial Results

# Kikkoman Corporation Flash Report for Fiscal 2021 2Q

Six-month period ended September 30, 2020

Listed company name: **Kikkoman Corporation**  
Shares listed: Tokyo (1st Section)  
Code No.: 2801  
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Scheduled submission date of quarterly accounting report: November 13, 2020  
Scheduled date for cash dividend payments: December 4, 2020  
Supplementary Schedules for quarter: Yes  
Results briefing for quarter: Yes

Notes:

1. All information has been prepared in accordance with accounting principles and practices generally accepted in Japan.
2. Amounts less than ¥1 million, except for per share amounts, have been omitted in the following tables.

## 1. Business Performance for the Six-month Period Ended September 30, 2020 (April 1, 2020 to September 30, 2020)

### 1) Business Performance

(Millions of yen)

|                                 | Net sales |           | Operating profit |           | Ordinary profit |           | Profit attributable to owners of parent |           |
|---------------------------------|-----------|-----------|------------------|-----------|-----------------|-----------|---|-----------|
|                                 | Amount    | Y o Y (%) | Amount           | Y o Y (%) | Amount          | Y o Y (%) | Amount                                  | Y o Y (%) |
| Apr. 1, 2020<br>-Sep. 30, 2020  | 227,522   | (1.8)     | 21,250           | 1.3       | 21,217          | (2.0)     | 14,620                                  | (4.4)     |
| Apr. 1, 2019<br>- Sep. 30, 2019 | 231,624   | 2.4       | 20,986           | 4.6       | 21,554          | 7.8       | 15,289                                  | 6.7       |

(Note) Comprehensive Income

April 1, 2020 to September 30, 2020: ¥ 13,972 million (77.8%)

April 1, 2019 to September 30, 2019: ¥ 7,859 million ((66.6)%)

|                                 | Earnings per share<br>(yen) | Earnings per share<br>(Assuming full dilution) (yen) |
|---------------------------------|-----------------------------|--|
| Apr. 1, 2020<br>-Sep. 30, 2020  | 76.16                       | —  |
| Apr. 1, 2019<br>- Sep. 30, 2019 | 79.64                       | —  |

### 2) Financial Position

(Millions of yen)

|               | Total assets | Net assets | Shareholders' equity ratio |
|---------------|--------------|------------|----------------------------|
| Sep. 30, 2020 | 391,448      | 287,496    | 72.1%                      |
| Mar. 31, 2020 | 387,329      | 277,757    | 70.3%                      |

(Reference) Total shareholders' equity

September 30, 2020: ¥ 282,305 million

March 31, 2020: ¥ 272,434 million

## 2. Cash Dividends

|   | Cash dividends per share (yen) |                        |                         |                 |       |
|---|--------------------------------|------------------------|-------------------------|-----------------|-------|
|   | Three-month period ended       | Six-month period ended | Nine-month period ended | Full year ended | Total |
| Apr. 1, 2019<br>-Mar. 31, 2020                | —                              | 21.00                  | —                       | 21.00           | 42.00 |
| Apr. 1, 2020<br>-Mar. 31, 2021                | —                              | 21.00                  |                         |                 |       |
| Apr. 1, 2020<br>-Mar. 31, 2021<br>(Estimated) |                                |                        | —                       | 21.00           | 42.00 |

(Note) Revisions to recently announced forecasts of dividends: Yes

3. Forecasts of Business Performance for the Fiscal Year Ending March 31, 2021  
(April 1, 2020 to March 31, 2021)

(Millions of yen)

|                                | Net sales |           | Operating profit |           | Ordinary profit |           | Profit attributable to owners of parent |           | Earnings per share (yen) |
|--------------------------------|-----------|-----------|------------------|-----------|-----------------|-----------|---|-----------|--------------------------|
|                                | Amount    | Y o Y (%) | Amount           | Y o Y (%) | Amount          | Y o Y (%) | Amount                                  | Y o Y (%) |                          |
| Apr. 1, 2020<br>-Mar. 31, 2021 | 463,800   | (1.0)     | 39,500           | (0.8)     | 39,100          | 0.1       | 26,600                                  | 0.0       | 138.56                   |

(Note) Revisions to recently announced forecasts of business performance: Yes

## [Notes]

1) Changes in important subsidiaries during the first six months (Changes in certain specific subsidiaries resulting in a revised scope of consolidation): None

2) Application of special accounting methods in preparation for the consolidated quarterly financial statements: Yes

(Note) For details, please refer to the attachments to this report, Page 16, 2. Consolidated Quarterly Financial Statements and Main Notes, 4) Notes on quarterly consolidated financial statements, (Application of Special Accounting Methods in Preparation for the Consolidated Quarterly Financial Statements).

3) Changes in accounting policy, changes in accounting estimates and restatement of revisions

- ① Changes in accounting policy associated with accounting standard revisions: None
- ② Changes in accounting policy other than those in ① above: None
- ③ Changes in accounting estimates: None
- ④ Restatement of revisions: None

4) Issued and outstanding shares (common stock)

- ① Shares issued and outstanding at end of period (including treasury stock)
 

|                    |   |                    |                |   |                    |
|--------------------|---|--------------------|----------------|---|--------------------|
| September 30, 2020 | — | 193,883,202 shares | March 31, 2020 | — | 193,883,202 shares |
|--------------------|---|--------------------|----------------|---|--------------------|
- ② Treasury stock at end of period
 

|                    |   |                  |                |   |                  |
|--------------------|---|------------------|----------------|---|------------------|
| September 30, 2020 | — | 1,909,866 shares | March 31, 2020 | — | 1,908,731 shares |
|--------------------|---|------------------|----------------|---|------------------|
- ③ Shares outstanding during the period (cumulative for period, consolidated)
 

|                    |   |                    |                    |   |                    |
|--------------------|---|--------------------|--------------------|---|--------------------|
| September 30, 2020 | — | 191,974,013 shares | September 30, 2019 | — | 191,976,914 shares |
|--------------------|---|--------------------|--------------------|---|--------------------|

\* This flash report is not included in the scope of an audit by certified public accountants or the audit corporations.

\* Explanation of appropriate use of business forecasts and other special matters

(Caution Regarding Forward-looking Statements)

Forecasts of business performance and future developments noted in this report are based on assumptions from information available to management at the time of disclosure and deemed reasonable at the present time. Actual results may differ significantly from forecasts. For details of business performance forecasts and guidelines for assumptions, please refer to the attachments to this report, Page 10, 1. Qualitative Information and Consolidated Financial Statements, etc., 3) Explanation of forward-looking statements, including forecasts of consolidated business performance.

(How to obtain business performance presentation materials)

- (1) Kikkoman will publish supplementary schedules to the first half results on TD-net for viewing in Japan, and on its website.
- (2) Kikkoman plans to publish business performance presentation materials on its website.

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## 1. Qualitative Information and Consolidated Financial Statements, etc.

## 1) Explanation of business performance

During the first six months under review, the global economy remained severe due to the impact of the COVID-19 pandemic.

The Group was also affected by the pandemic in the range of geographic areas where it operates. Overall domestic sales of the Group fell year on year in the Foods—Manufacturing and Sales business due to year-on-year decreases in the sales of soy sauce, food products, liquor and wine, despite the solid performance of beverages. Looking overseas, sales increased year on year in the Foods—Manufacturing and Sales business, although they fell short of the year-ago level in the Foods—Wholesale business.

As a result, consolidated operating results for the first six months of fiscal 2021 were as follows.

## &lt;Consolidated Financial Statements&gt;

(Millions of yen, %)

|   | FY2020 2Q            |       | FY2021 2Q            |       | Increase /Decrease |       |       | Translation difference | Increase /Decrease except translation difference |       |
|---|----------------------|-------|----------------------|-------|--------------------|-------|-------|------------------------|--|-------|
|   | 4.1.2019 – 9.30.2019 |       | 4.1.2020 – 9.30.2020 |       | Amount             | YoY   | %     |                        | Amount   | YoY   |
|   | Amount               | %     | Amount               | %     |                    |       |       |                        |  |       |
| Net Sales                               | 231,624              | 100.0 | 227,522              | 100.0 | (4,101)            | 98.2  | —     | (2,832)                | (1,269)  | 99.5  |
| Operating Profit                        | 20,986               | 9.1   | 21,250               | 9.3   | 263                | 101.3 | 0.2   | (394)                  | 658  | 103.1 |
| Ordinary Profit                         | 21,554               | 9.3   | 21,127               | 9.3   | (427)              | 98.0  | (0.0) | (377)                  | (49)   | 99.8  |
| Profit attributable to owners of parent | 15,289               | 6.6   | 14,620               | 6.4   | (668)              | 95.6  | (0.2) | (278)                  | (389)  | 97.5  |
| Exchange Rate (¥/US\$)                  | 109.00               |       | 106.68               |       | (2.32)             |       |       |                        |  |       |
| (¥/EUR)                                 | 121.43               |       | 121.36               |       | (0.07)             |       |       |                        |  |       |

## &lt;Reporting Segments&gt;

(Millions of yen, %)

|  |                  | FY2020 2Q            |        | FY2021 2Q            |        | Increase /Decrease |       |       | Translation difference | Increase /Decrease except translation difference |        |
|--|------------------|----------------------|--------|----------------------|--------|--------------------|-------|-------|------------------------|--|--------|
|  |                  | 4.1.2019 – 9.30.2019 |        | 4.1.2020 – 9.30.2020 |        | Amount             | YoY   | %     |                        | Amount   | YoY    |
|  |                  | Amount               | %      | Amount               | %      |                    |       |       | Amount                 |  |        |
| Domestic Foods—<br>Manufacturing and Sales | Net Sales        | 91,600               | 100.0  | 89,453               | 100.0  | (2,147)            | 97.7  | —     | —                      | (2,147)  | 97.7   |
|  | Operating Profit | 6,577                | 7.2    | 5,828                | 6.5    | (748)              | 88.6  | (0.7) | —                      | (748)  | 88.6   |
| Domestic Others                            | Net Sales        | 10,635               | 100.0  | 10,474               | 100.0  | (160)              | 98.5  | —     | —                      | (160)  | 98.5   |
|  | Operating Profit | 916                  | 8.6    | 831                  | 7.9    | (84)               | 90.8  | (0.7) | —                      | (84)   | 90.8   |
| Overseas Foods—<br>Manufacturing and Sales | Net Sales        | 47,525               | 100.0  | 50,052               | 100.0  | 2,527              | 105.3 | —     | (966)                  | 3,493  | 107.4  |
|  | Operating Profit | 9,759                | 20.5   | 10,722               | 21.4   | 963                | 109.9 | 0.9   | (211)                  | 1,175  | 112.0  |
| Overseas Foods—<br>Wholesale               | Net Sales        | 96,463               | 100.0  | 92,149               | 100.0  | (4,314)            | 95.5  | —     | (1,970)                | (2,343)  | 97.6   |
|  | Operating Profit | 4,495                | 4.7    | 4,591                | 5.0    | 96                 | 102.1 | 0.3   | (152)                  | 248  | 105.5  |
| Adjustments                                | Net Sales        | (14,601)             | 100.0  | (14,607)             | 100.0  | (5)                | —     | —     | 105                    | (111)  | —      |
|  | Operating Profit | (762)                | —      | (724)                | —      | 37                 | —     | —     | (30)                   | 68   | —      |
| Consolidated Total                         | Net Sales        | 231,624              | 100.0  | 227,522              | 100.0  | (4,101)            | 98.2  | —     | (2,832)                | (1,269)  | 99.5   |
|  | Operating Profit | 20,986               | 9.1    | 21,250               | 9.3    | 263                | 101.3 | 0.2   | (394)                  | 658  | 103.1  |
| Exchange Rate (¥/US\$)                     |                  | 109.00               |        | 106.68               |        | (2.32)             |       |       |                        |  |        |
|  |                  | (¥/EUR)              | 121.43 |                      | 121.36 |                    |       |       |                        |  | (0.07) |

Performance in each reporting segment is outlined as follows.

## 【Domestic】

Sales in Japan were as follows.

## Foods—Manufacturing and Sales

This business segment comprises manufacturing and sales in Japan of products from the Soy Sauce Division and the Food Products Division, which includes *tsuyu* (soy sauce soup base), *tare* (dipping and marinade sauces), and Del Monte seasonings, as well as the Beverages Division, which includes soy milk beverages and Del Monte beverages, and the Liquor and Wine Division, which includes *mirin* and wines. Sales for each division were as follows.

During the three-month period under review, home-use demand increased due to the impact of COVID-19. However, demand declined in the industrial- and foodservice-use sectors, reflecting the sharp deterioration of the restaurant industry.

## ■ Soy Sauce Division

Sales of the *Itsudemo Shinsen* (always fresh) series continued to increase and products in conventional plastic bottles, such as *Tokusen Marudaizu Shoyu*, also rose year on year in the home-use sector. Sales were down year on year in the industrial- and foodservice-use sectors. As a result, overall sales decreased year on year for the Soy Sauce Division.

## ■ Food Products Division

Overall sales of *tsuyu* products increased year on year due to the strong performance of *Koidashi Hontsuyu* in particular. Sales of *tare* products declined year on year, reflecting slow sales in the industrial- and foodservice-use sectors, although the mainstay *Wagaya wa Yakinikuyasan* series remained strong. Sales of the *Uchi no Gohan* series (handy Japanese-style seasoning mixes) were lower than the year-ago level because the division suspended sales of certain products to ensure the supply of mainstay products, for which demand expanded rapidly due to the impact of COVID-19, and refrained from promoting sales. Sales declined year on year for Del Monte seasonings due to lower sales in the industrial- and foodservice-use sectors despite growth in the home-use sector. As a result, sales decreased year on year for the Food Products Division due to a decline in sales in the industrial- and foodservice-use sectors.

## ■ Beverages Division

Sales of soy milk beverages increased, reflecting the growth of unprocessed soy milk with rising health awareness, the resulting increase in the number of consumers who use soy milk not only as a beverage but also as a cooking ingredient. Also, sales of products in one-liter containers increased due to a rise in home-use demand.

Sales decreased year on year for Del Monte beverages due to lackluster sales of tomato juice and fruit juice, although sales of vegetable juice, such as salt-free vegetable juice, remained strong.

As a result, overall sales increased year on year for the Beverages Division.

## ■ Liquor and Wine Division

Sales decreased year on year for *Hon Mirin*. In the home-use sector, sales grew for high value-added products such as *Komekoji Kodawari-jikomi Hon Mirin* and *Nokojukusei Hon Mirin* with a rise in home-use demand, which was offset by a decline in sales for products in large containers in the industrial- and foodservice-use sectors.

Sales fell year on year for wine, reflecting a decline in sales in the industrial- and foodservice-use sectors due to lower demand from hotels and restaurants. As a result, overall sales decreased year on year for the Liquor and Wine Division.

As a result of the above, the Foods—Manufacturing and Sales segment recorded lower sales and lower profit, with net sales decreasing 2.3% year on year, to ¥89,453 million, and operating profit decreasing 11.4% year on year, to ¥5,828 million.

## Others

This segment includes production and sales of clinical diagnostic reagents, hygiene inspection agents, processing enzymes and chemical products such as hyaluronic acid, as well as real estate rental, logistics, back-office functions for the Kikkoman Group, and other businesses.

Sales of biochemical business rose year on year due to the growth of hygiene inspection agents although sales of clinical diagnostic reagents and hyaluronic acid were lower than the year-ago levels. Sales for logistics business decreased year on year. As a result, overall sales decreased year on year for the Others Division.

As a result of the above, the Others segment recorded lower sales and lower profit, with net sales decreasing 1.5% year on year, to ¥10,474 million, and operating profit decreasing 9.2% year on year, to ¥831 million.



## 【Overseas】

Sales overseas were as follows.

In the home-use sector, home-use demand increased overseas as well due to the impact of COVID-19. On the other hand, foodservice-use demand declined in the foodservice-use sector due to the sharp deterioration of the restaurant industry.

## Foods—Manufacturing and Sales

This business comprises overseas manufacturing and sales of products from the Soy Sauce Division, Del Monte Division, and the Other Foods Division, including health foods. Sales for each division were as follows.

### ■ Soy Sauce Division

In the North American market, the division continued to enhance the lineup of soy sauce-based seasonings and other products, as well as mainstay soy sauce products, with a focus on home-use demand, while at the same time expanding business by leveraging the Kikkoman brand. As a result, sales increased year on year in this market as a whole.

In the European market, sales increased year on year, reflecting growth in sales in main markets such as the U.K. and Germany.

In the Asia and Oceania market, sales decreased year on year. Sales increased in Southeast Asia and Australia although declined year on year in China due to the spread of COVID-19.

As a result, overall sales for the Soy Sauce Division rose year on year.

### ■ Del Monte Division

This division manufactures and sells canned fruits, canned corn, tomato ketchup and other products in the Asia and Oceania region.

Sales rose year on year for the Del Monte Division.

### ■ Other Foods Division

This division manufactures and sells health foods, mainly in the North American region.

Sales increased year on year for the Other Foods Division.

As a result of the above, the Foods—Manufacturing and Sales segment recorded higher sales and higher profit, with net sales increasing 5.3% year on year, to ¥50,052 million, and operating profit increasing 9.9% year on year, to ¥10,722 million.

## Foods—Wholesale

This segment procures and sells oriental foods in Japan and overseas.

Sales decreased year on year in North America because the restaurant industry suffered a sharp decline in sales mainly due to voluntary restraint on outings.

Sales were lower than the year-ago levels in Europe for the same reason.

Sales increased year on year in Asia and Oceania because a group company in Taiwan was included in the scope of consolidation for the first time during the first six months under review.

As a result, overall sales decreased year on year for the Foods—Wholesale segment.

As a result of the above, the Foods—Wholesale segment recorded lower sales and higher profit, with net sales decreasing 4.5% year on year, to ¥92,149 million, and operating profit increasing 2.1% year on year, to ¥4,591 million.

As a result of the aforementioned segment results, the Company reported consolidated net sales for the first six months of fiscal 2021 of ¥227,522 million decreasing 1.8% year on year, operating profit of ¥21,250 million increasing 1.3%, ordinary profit of ¥21,127 million decreasing 2.0%, and profit attributable to owners of parent of ¥14,620 million decreasing 4.4%.

## 2) Explanation of financial position

### 1. Total Assets, Total Liabilities and Net Assets

#### (Assets)

Current assets as of September 30, 2020, were ¥165,448 million, up ¥5,908 million from March 31, 2020. This was mainly due to an increase in cash and deposits, which offset a decrease in notes and accounts receivable-trade and merchandise and finished goods. Non-current assets were ¥226,000 million, down ¥1,788 million from March 31, 2020. This was largely attributable to decreases in machinery, equipment and vehicles, net, and buildings and structures, net.

As a result, total assets increased ¥4,119 million from March 31, 2020, to ¥391,448 million.

#### (Liabilities)

Current liabilities as of September 30, 2020, were ¥57,653 million, down ¥4,137 million from March 31, 2020. This was mainly due to a decrease in accounts payable-other. Non-current liabilities were ¥46,298 million, down ¥1,481 million from March 31, 2020. This was largely due to a decrease in net defined benefit liability.

As a result, total liabilities decreased ¥5,619 million from March 31, 2020, to ¥103,952 million.

#### (Net Assets)

Net assets as of September 30, 2020, were ¥287,496 million, up ¥9,739 million from March 31, 2020. This was attributable primarily to an increase in retained earnings.

As a result, the equity ratio was 72.1% (up from 70.3% on March 31, 2020).

### 2. Cash Flows

Cash and cash equivalents as of September 30, 2020, were ¥38,049 million, up ¥9,945 million from March 31, 2020.

Cash flows for each activity and the reasons are as follows.

#### (Cash Flows from Operating Activities)

During the six-month period ended September 30, 2020, operating activities provided net cash of ¥27,049 million, an increase of ¥7,774 million from the previous year. This was chiefly attributable to an increase in cash from decreases of inventories and notes and accounts receivable-trade from the six-month period ended September 30, 2019.

#### (Cash Flows from Investing Activities)

Investing activities used net cash of ¥9,270 million, primarily due to expenditures for the purchase of property, plant and equipment.

#### (Cash Flows from Financing Activities)

Financing activities used net cash of ¥7,599 million. This was primarily due to the payment of cash dividends.

### 3) Explanation of forward-looking statements, including forecasts of consolidated business performance

The Group postponed the announcement of its forecasts as of June 30, 2020, given the uncertain conditions in many countries caused by the COVID-19 pandemic, including the restriction on going out, self-quarantine to prevent infection and the timing of the resumption of economic activities. While it remains uncertain when the COVID-19 pandemic can be contained or when it will subside, the Group now announces the following forecasts for the fiscal year ending March 31, 2021 (from April 1, 2020, to March 31, 2021), as financial estimates have become more feasible to some degree recently. The forecasts assume, however, that the severe restrictions on economic activities seen earlier in the fiscal year will not be imposed again.

(Full year)

|   | (Millions of yen) |                  |                 |   |                          |
|---|-------------------|------------------|-----------------|---|--------------------------|
|   | Net sales         | Operating Profit | Ordinary Profit | Profit attributable to owners of parent | Earnings per share (yen) |
| Current Forecast  | 463,800           | 39,500           | 39,100          | 26,600                                  | 138.56                   |
| (Reference)<br>Same period in the previous fiscal year<br>(ended Mar. 31, 2020) | 468,616           | 39,826           | 39,078          | 26,595                                  | 138.53                   |
| (Reference)<br>Year-on-year difference (amount)                                 | (4,816)           | (326)            | 21              | 4                                       | —                        |
| (Reference)<br>Year-on-year difference (%)                                      | (1.0)             | (0.8)            | 0.1             | 0.0                                     | —                        |

Note: Assumed foreign currency exchange rates:

Forecast as of this announcement: US\$ = ¥105.4 EUR = ¥122.6

The impact of COVID-19 is expected to persist and the world economy is likely to remain sluggish. The Group has determined the consolidated financial forecasts by assuming that demand in foodservice-use sector such as the restaurant industry will slowly recover, albeit not reaching the previous year's level, as COVID-19 preventive measures and economic activities are carried out simultaneously, while elevated demand for home-use products will gradually ease.

The Group will announce revisions of the consolidated financial forecasts as appropriate if the situation surrounding COVID-19 changes and is expected to cause any significant change in its impact on the Group's financial performance.

In addition, the Group has set its full year ended dividend forecast which remained undetermined to 21 yen per share. Its annual dividend forecast which added up cash dividend at six-month period ended is 42 yen per share. The Group will continue to focus on stable dividend payment, targeting the consolidated payout ratio of 30% above.

## 2. Consolidated Quarterly Financial Statements and Main Notes

## 1) Consolidated Quarterly Balance Sheets

|  | (Millions of yen)    |                             |
|--|----------------------|-----------------------------|
|  | As of March 31, 2020 | As of September 30,<br>2020 |
| <b>Assets</b>                          |                      |                             |
| Current assets                         |                      |                             |
| Cash and deposits                      | 30,088               | 40,411                      |
| Notes and accounts receivable-trade    | 61,145               | 58,573                      |
| Short-term investment securities       | —                    | 220                         |
| Merchandise and finished goods         | 43,255               | 41,637                      |
| Work in process                        | 11,798               | 11,690                      |
| Raw materials and supplies             | 5,901                | 6,213                       |
| Other                                  | 8,543                | 7,801                       |
| Allowance for doubtful accounts        | (1,192)              | (899)                       |
| Total current assets                   | 159,540              | 165,448                     |
| Non-current assets                     |                      |                             |
| Property, plant and equipment          |                      |                             |
| Buildings and structures, net          | 55,200               | 54,450                      |
| Machinery, equipment and vehicles, net | 44,751               | 43,763                      |
| Land                                   | 20,900               | 20,748                      |
| Lease assets, net                      | 15,841               | 15,075                      |
| Construction in progress               | 7,705                | 7,597                       |
| Other, net                             | 4,669                | 4,403                       |
| Total property, plant and equipment    | 149,067              | 146,039                     |
| Intangible assets                      |                      |                             |
| Goodwill                               | 4,164                | 3,860                       |
| Other                                  | 5,004                | 4,840                       |
| Total intangible assets                | 9,168                | 8,701                       |
| Investments and other assets           |                      |                             |
| Investment securities                  | 57,672               | 58,665                      |
| Long-term loans receivable             | 1,881                | 2,087                       |
| Net defined benefit asset              | 4,934                | 5,886                       |
| Deferred tax assets                    | 3,416                | 3,521                       |
| Other                                  | 3,799                | 3,242                       |
| Allowance for doubtful accounts        | (2,153)              | (2,143)                     |
| Total investments and other assets     | 69,552               | 71,260                      |
| Total non-current assets               | 227,788              | 226,000                     |
| Total assets                           | 387,329              | 391,448                     |

|   | (Millions of yen)    |                             |
|---|----------------------|-----------------------------|
|   | As of March 31, 2020 | As of September 30,<br>2020 |
| <b>Liabilities</b>                                    |                      |                             |
| Current liabilities                                   |                      |                             |
| Notes and accounts payable-trade                      | 23,414               | 22,938                      |
| Short-term loans payable                              | 5,311                | 3,506                       |
| Lease obligations                                     | 2,437                | 2,471                       |
| Accounts payable-other                                | 19,249               | 15,371                      |
| Income taxes payable                                  | 3,297                | 3,718                       |
| Provision for bonuses                                 | 2,662                | 2,990                       |
| Provision for directors' bonuses                      | 129                  | 63                          |
| Other   | 5,288                | 6,592                       |
| Total current liabilities                             | <u>61,791</u>        | <u>57,653</u>               |
| Non-current liabilities                               |                      |                             |
| Long-term loans payable                               | 13,602               | 13,400                      |
| Lease obligations                                     | 13,997               | 13,570                      |
| Deferred tax liabilities                              | 6,847                | 7,242                       |
| Provision for directors' retirement benefits          | 732                  | 697                         |
| Provision for environmental measures                  | 31                   | 3                           |
| Net defined benefit liability                         | 7,243                | 6,021                       |
| Other   | 5,326                | 5,363                       |
| Total non-current liabilities                         | <u>47,780</u>        | <u>46,298</u>               |
| Total liabilities                                     | <u>109,571</u>       | <u>103,952</u>              |
| <b>Net assets</b>                                     |                      |                             |
| Shareholders' equity                                  |                      |                             |
| Capital stock   | 11,599               | 11,599                      |
| Capital surplus                                       | 13,695               | 13,695                      |
| Retained earnings                                     | 244,044              | 254,632                     |
| Treasury stock  | (3,641)              | (3,647)                     |
| Total shareholders' equity                            | <u>265,697</u>       | <u>276,279</u>              |
| Accumulated other comprehensive income                |                      |                             |
| Valuation difference on available-for-sale securities | 14,012               | 14,505                      |
| Deferred gains or losses on hedges                    | (0)                  | (0)                         |
| Foreign currency translation adjustment               | (4,376)              | (6,982)                     |
| Remeasurements of defined benefit plans               | (2,898)              | (1,496)                     |
| Total Accumulated other comprehensive income          | <u>6,736</u>         | <u>6,025</u>                |
| Non-controlling interests                             | <u>5,322</u>         | <u>5,191</u>                |
| Total net assets                                      | <u>277,757</u>       | <u>287,496</u>              |
| <b>Total liabilities and net assets</b>               | <u>387,329</u>       | <u>391,448</u>              |

## 2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income

### (Consolidated Quarterly Statements of Income) (During the first six months of fiscal 2021)

|  | (Millions of yen)                      |  |
|--|--|--|
|  | Six months ended<br>September 30, 2019 | Six months ended<br>September 30, 2020 |
| Net sales  | 231,624                                | 227,522                                |
| Cost of sales                                    | 140,083                                | 137,378                                |
| Gross profit                                     | 91,541                                 | 90,143                                 |
| Selling, general and administrative expenses     | 70,554                                 | 68,893                                 |
| Operating profit                                 | 20,986                                 | 21,250                                 |
| Non-operating income                             |  |  |
| Interest income                                  | 141                                    | 77                                     |
| Dividends income                                 | 548                                    | 579                                    |
| Equity in earnings of affiliates                 | 111                                    | 80                                     |
| Rent income                                      | 354                                    | 362                                    |
| Foreign exchange gains                           | 1,986                                  | 1,502                                  |
| Gain on valuation of derivatives                 | 6                                      | 14                                     |
| Other  | 966                                    | 1,027                                  |
| Total non-operating income                       | 4,115                                  | 3,644                                  |
| Non-operating expenses                           |  |  |
| Interest expenses                                | 246                                    | 244                                    |
| Foreign exchange losses                          | 124                                    | 107                                    |
| Loss on valuation of derivatives                 | 910                                    | 630                                    |
| Other  | 2,265                                  | 2,786                                  |
| Total non-operating expenses                     | 3,547                                  | 3,768                                  |
| Ordinary profit                                  | 21,554                                 | 21,127                                 |
| Extraordinary income                             |  |  |
| Gain on sales of property, plant and equipment   | —                                      | 51                                     |
| Gain on sales of investment securities           | 148                                    | 805                                    |
| Total extraordinary income                       | 148                                    | 856                                    |
| Extraordinary loss                               |  |  |
| Impairment loss on non-current assets            | —                                      | 1,170                                  |
| Loss on retirement of non-current assets         | 162                                    | 33                                     |
| Loss on valuation of investment securities       | —                                      | 21                                     |
| Total extraordinary loss                         | 162                                    | 1,225                                  |
| Profit before income taxes                       | 21,540                                 | 20,757                                 |
| Income taxes                                     | 6,012                                  | 5,899                                  |
| Profit   | 15,528                                 | 14,857                                 |
| Profit attributable to non-controlling interests | 239                                    | 236                                    |
| Profit attributable to owners of parent          | 15,289                                 | 14,620                                 |

(Consolidated Quarterly Statements of Comprehensive Income)  
(During the first six months of fiscal 2021)

|   | (Millions of yen)                      |  |
|---|--|--|
|   | Six months ended<br>September 30, 2019 | Six months ended<br>September 30, 2020 |
| Profit  | 15,528                                 | 14,857                                 |
| Other comprehensive income  |  |  |
| Valuation difference on available-for-sale securities                               | (1,731)                                | 464                                    |
| Deferred gains or losses on hedges  | 7                                      | (0)                                    |
| Foreign currency translation adjustment   | (5,878)                                | (2,779)                                |
| Remeasurements of defined benefit plans, net of tax                                 | (54)                                   | 1,412                                  |
| Share of other comprehensive income of associates accounted for using equity method | (11)                                   | 16                                     |
| Total other comprehensive income  | (7,668)                                | (885)                                  |
| Comprehensive income  | 7,859                                  | 13,972                                 |
| Total comprehensive income attributable to:   |  |  |
| Owners of parent  | 7,629                                  | 13,915                                 |
| Non-controlling interests   | 230                                    | 56                                     |

## 3) Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

|  | Six months ended<br>September 30, 2019 | Six months ended<br>September 30, 2020 |
|--|--|--|
| <b>Cash flows from operating activities</b>                              |  |  |
| Income before income taxes   | 21,540                                 | 20,757                                 |
| Depreciation and amortization  | 8,079                                  | 8,736                                  |
| Impairment loss on non-current assets                                    | —                                      | 1,170                                  |
| Increase (decrease) in provision for directors' retirement benefits      | 12                                     | (34)                                   |
| Increase (decrease) in net defined benefit liability                     | (599)                                  | (320)                                  |
| Interest and dividends income  | (690)                                  | (656)                                  |
| Interest expenses  | 246                                    | 244                                    |
| Equity in (earnings) losses of affiliates                                | (111)                                  | (80)                                   |
| Loss (gain) on sales of property, plant and equipment                    | (15)                                   | (69)                                   |
| Loss (gain) on sales of investment securities                            | (148)                                  | (805)                                  |
| Loss on retirement of property, plant and equipment                      | 278                                    | 210                                    |
| Loss (gain) on valuation of investment securities                        | —                                      | 21                                     |
| Decrease (increase) in notes and accounts receivable-trade               | 921                                    | 2,813                                  |
| Decrease (increase) in inventories                                       | (1,460)                                | 1,712                                  |
| Increase (decrease) in notes and accounts payable-trade                  | 133                                    | (1,129)                                |
| Other, net   | (3,196)                                | 210                                    |
| Subtotal   | 24,989                                 | 32,782                                 |
| Interest and dividends received  | 717                                    | 667                                    |
| Interest expenses paid   | (248)                                  | (243)                                  |
| Income taxes paid  | (6,183)                                | (6,157)                                |
| Net cash provided by (used in) operating activities                      | 19,275                                 | 27,049                                 |
| <b>Cash flows from investing activities</b>                              |  |  |
| Purchase of property, plant and equipment                                | (13,819)                               | (8,762)                                |
| Proceeds from sales of property, plant and equipment                     | 21                                     | 89                                     |
| Purchase of intangible assets  | (532)                                  | (559)                                  |
| Purchase of investment securities  | (3,293)                                | (773)                                  |
| Proceeds from sales of investment securities                             | 150                                    | 920                                    |
| Payments of loans receivable   | (547)                                  | (399)                                  |
| Collection of loans receivable   | 321                                    | 188                                    |
| Other, net   | 477                                    | 27                                     |
| Net cash provided by (used in) investing activities                      | (17,222)                               | (9,270)                                |
| <b>Cash flows from financing activities</b>                              |  |  |
| Net increase (decrease) in short-term loans payable                      | (54)                                   | (1,990)                                |
| Repayments of lease obligations  | (1,261)                                | (1,433)                                |
| Purchase of treasury stock   | (6)                                    | (17)                                   |
| Cash dividends paid  | (4,032)                                | (4,032)                                |
| Dividends paid to non-controlling interests                              | (224)                                  | (125)                                  |
| Other, net   | (1)                                    | 0                                      |
| Net cash provided by (used in) financing activities                      | (5,582)                                | (7,599)                                |
| Effect of exchange rate change on cash and cash equivalents              | (683)                                  | (234)                                  |
| Net increase (decrease) in cash and cash equivalents                     | (4,212)                                | 9,945                                  |
| Cash and cash equivalents at beginning of the period                     | 27,509                                 | 28,103                                 |
| Increase in cash and cash equivalents from newly consolidated subsidiary | 135                                    | —                                      |
| Cash and cash equivalents at end of period                               | 23,432                                 | 38,049                                 |



#### 4) Notes on quarterly consolidated financial statements (Notes Regarding Going Concern)

No applicable items.

#### (Notes Regarding Significant Changes in Shareholders' Equity)

No applicable items.

#### (Application of Special Accounting Methods in Preparation for the Consolidated Quarterly Financial Statements)

##### Calculation of tax expenses

The effective tax rate after application of deferred tax accounting to profit before income taxes and non-controlling interests for the consolidated fiscal year, including the first six months under review, is reasonably estimated, and the tax expenses are calculated by multiplying this estimated effective tax rate by profit before income taxes and non-controlling interests.

#### (Additional Information)

##### Application of "Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System"

The Company and some of its domestic consolidated subsidiaries have not applied the provisions of paragraph 44 of "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28 issued February 16, 2018) in accordance with the treatment set forth in paragraph 3 of "Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System" (PITF No. 39 issued March 31, 2020) to the items for which the non-consolidated taxation system was revised in line with the shift from the consolidated taxation system to the group tax sharing system, which was created under "Act on Partial Revision of the Income Tax Act, etc." (Act No. 8 of 2020), and posted the amounts of deferred tax assets and deferred tax liabilities based on the provisions of tax laws before the revision.

## (Segment Information)

 I. First six months of fiscal 2020 (April 1, 2019 to September 30, 2019)  
 Sales, Profit, and Losses by Reporting Segment

(Millions of yen)

|                               | Reporting Segment                                |                    |  |                                 |         | Adjustments<br>(Note 1) | Consoli-<br>dated<br>Total<br>(Note 2) |
|-------------------------------|--|--------------------|--|---------------------------------|---------|-------------------------|--|
|                               | Domestic<br>Foods—<br>Manufacturing<br>and Sales | Domestic<br>Others | Overseas<br>Foods—<br>Manufacturing<br>and Sales | Overseas<br>Foods—<br>Wholesale | Total   |                         |  |
| Sales                         |  |                    |  |                                 |         |                         |  |
| Sales to third parties        | 90,560   | 3,521              | 41,297   | 96,244                          | 231,624 | —                       | 231,624                                |
| Intragroup sales or transfers | 1,039  | 7,113              | 6,228  | 219                             | 14,601  | (14,601)                | —                                      |
| Total sales                   | 91,600   | 10,635             | 47,525   | 96,463                          | 246,225 | (14,601)                | 231,624                                |
| Operating profit              | 6,577  | 916                | 9,759  | 4,495                           | 21,749  | (762)                   | 20,986                                 |

(Notes)

1. Adjustments of ¥ (762) million in segment operating profit consist mainly of difference in the allocation of corporate expenses.
2. Segment operating profits are adjusted to the operating profits recorded in the consolidated statements of income.

 II. First six months of fiscal 2021 (April 1, 2020 to September 30, 2020)  
 Sales, Profit, and Losses by Reporting Segment

(Millions of yen)

|                               | Reporting Segment                                |                    |  |                                 |         | Adjustments<br>(Note 1) | Consoli-<br>dated<br>Total<br>(Note 2) |
|-------------------------------|--|--------------------|--|---------------------------------|---------|-------------------------|--|
|                               | Domestic<br>Foods—<br>Manufacturing<br>and Sales | Domestic<br>Others | Overseas<br>Foods—<br>Manufacturing<br>and Sales | Overseas<br>Foods—<br>Wholesale | Total   |                         |  |
| Sales                         |  |                    |  |                                 |         |                         |  |
| Sales to third parties        | 87,970   | 3,619              | 44,025   | 91,907                          | 227,522 | —                       | 227,522                                |
| Intragroup sales or transfers | 1,482  | 6,855              | 6,027  | 242                             | 14,607  | (14,607)                | —                                      |
| Total sales                   | 89,453   | 10,474             | 50,052   | 92,149                          | 242,129 | (14,607)                | 227,522                                |
| Operating profit              | 5,828  | 831                | 10,722   | 4,591                           | 21,975  | (724)                   | 21,250                                 |

(Notes)

1. Adjustments of ¥ (724) million in segment operating profit consist mainly of difference in the allocation of corporate expenses.
2. Segment operating profits are adjusted to the operating profits recorded in the consolidated statements of income.

## 3. Supplementary Schedules

## 1) Consolidated Forecasts for FY2021 and Effect of Exchange Rate Differences on Translation of Overseas Subsidiaries' Financial Statements

Net sales (Millions of yen)

|                            |                               | Fiscal 2021 Forecast | Fiscal 2020 Actual | Change increase (decrease) | %     | Change excluding translation difference | %     |
|----------------------------|-------------------------------|----------------------|--------------------|----------------------------|-------|---|-------|
| Japan                      | Foods—Manufacturing and Sales | 177,164              | 179,444            | (2,280)                    | 98.7  | (2,280)                                 | 98.7  |
|                            | Others                        | 21,391               | 21,341             | 49                         | 100.2 | 49                                      | 100.2 |
|                            | Eliminations                  | (12,341)             | (12,624)           | 283                        | —     | 283                                     | —     |
|                            | Total                         | 186,214              | 188,161            | (1,947)                    | 99.0  | (1,947)                                 | 99.0  |
| Overseas                   | Foods—Manufacturing and Sales | 99,243               | 96,591             | 2,651                      | 102.7 | 5,017                                   | 105.2 |
|                            | Foods—Wholesale               | 194,828              | 200,249            | (5,421)                    | 97.3  | 222                                     | 100.1 |
|                            | Eliminations                  | (12,335)             | (12,718)           | 383                        | —     | 102                                     | —     |
|                            | Total                         | 281,736              | 284,122            | (2,386)                    | 99.2  | 5,342                                   | 101.9 |
| Kikkoman (Holding Company) |                               | 20,006               | 19,208             | 797                        | 104.2 | 797                                     | 104.2 |
| Eliminations               |                               | (24,156)             | (22,875)           | (1,280)                    | —     | (1,280)                                 | —     |
| Consolidated Total         |                               | 463,800              | 468,616            | (4,816)                    | 99.0  | 2,911                                   | 100.6 |

Operating Profit (Millions of yen)

|                            |                               | Fiscal 2021 Forecast | Fiscal 2020 Actual | Change increase (decrease) | %     | Change excluding translation difference | %     |
|----------------------------|-------------------------------|----------------------|--------------------|----------------------------|-------|---|-------|
| Japan                      | Foods—Manufacturing and Sales | 10,638               | 11,460             | (822)                      | 92.8  | (822)                                   | 92.8  |
|                            | Others                        | 1,647                | 1,832              | (185)                      | 89.9  | (185)                                   | 89.9  |
|                            | Total                         | 12,239               | 13,322             | (1,083)                    | 91.9  | (1,083)                                 | 91.9  |
| Overseas                   | Foods—Manufacturing and Sales | 19,954               | 19,251             | 702                        | 103.7 | 1,140                                   | 105.9 |
|                            | Foods—Wholesale               | 9,269                | 9,147              | 121                        | 101.3 | 454                                     | 105.0 |
|                            | Total                         | 29,058               | 28,221             | 836                        | 103.0 | 1,622                                   | 105.8 |
| Kikkoman (Holding Company) |                               | 7,303                | 6,751              | 551                        | 108.2 | 551                                     | 108.2 |
| Eliminations               |                               | (9,100)              | (8,468)            | (631)                      | —     | (581)                                   | —     |
| Consolidated Total         |                               | 39,500               | 39,826             | (326)                      | 99.2  | 509                                     | 101.3 |

|                        |        |        |        |
|------------------------|--------|--------|--------|
| Exchange Rate (¥/US\$) | 105.44 | 109.10 | (3.66) |
| (¥/EUR)                | 122.58 | 121.14 | 1.44   |