

Business Performance Presentation
for the Three-Month Period Ended June 30, 2020

First Three Months of Fiscal 2021

Kikkoman Corporation

Index

	page
I. Major consolidated performance indicators	1
II. Business performance	
1. Scope of consolidation and application of the equity method and exchange rates	2
2. Consolidated segment information	3
3. Consolidated segment information in Japan	4
4. Consolidated segment information overseas	5
5. Non-operating income (expenses) and extraordinary income (loss)	6
6. Consolidated balance sheets	7

Forecasts of consolidated business performance for the fiscal year ending March 31, 2021 will be announced as soon as they become reasonably foreseeable as described in “3. Forecasts of Business Performance for the Fiscal Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)” in the Flash Report for Fiscal 2021 1Q.

I. Major consolidated performance indicators

<i>Consolidated Results</i>		2017.3	2018.3	2019.3	2020.3
		Actual	Actual	Actual	Actual
Net Sales	millions of yen	402,174	430,602	453,565	468,616
	YoY Change	%	(1.5)	7.1	5.3
Operating Profit	millions of yen	32,842	36,502	38,417	39,826
(Operating Profit Margin)	%	8.2	8.5	8.5	8.5
	YoY Change	%	0.7	11.1	5.2
Ordinary Profit	millions of yen	32,037	35,985	37,925	39,078
(Ordinary Profit Margin)	%	8.0	8.4	8.4	8.3
	YoY Change	%	3.2	12.3	5.4
Profit Attributable to Owners of Parent	millions of yen	23,810	23,846	25,992	26,595
(Ratio of Profit Attributable to Owners of Parent to Net Sales)	%	5.9	5.5	5.7	5.7
	YoY Change	%	19.3	0.1	9.0
Net Assets per Share	yen	1,242.71	1,292.18	1,382.60	1,419.12
Earnings per Share	yen	123.28	123.71	135.39	138.53
Diluted Earnings per Share	yen	-	-	-	-
Cash Dividends per Share	yen	34.00	39.00	41.00	42.00
Dividend Payout Ratio (Consolidated)	%	27.6	31.5	30.3	30.3
Total Net Assets	millions of yen	244,437	253,289	270,451	277,757
Shareholders' Equity	millions of yen	240,009	248,072	265,428	272,434
Total Assets	millions of yen	361,248	343,929	362,119	387,329
Shareholders' Equity Ratio	%	66.4	72.1	73.3	70.3
D/E Ratio	%	21.1	8.6	8.2	8.1
Dividend on Equity	%	2.8	3.1	3.1	3.0
Return on Equity	%	10.3	9.8	10.1	9.9
Ordinary Profit to Total Assets	%	8.8	10.2	10.7	10.4
Share Price as of Term-end	yen	3,325	4,280	5,430	4,605
PER	times	27.0	34.6	40.1	33.2
Cash Flows From Operating Activities	millions of yen	26,136	37,645	37,023	39,654
Cash Flows From Investing Activities	millions of yen	13,235	(14,640)	(25,698)	(29,229)
Cash Flows From Financing Activities	millions of yen	(30,359)	(43,968)	(7,041)	(9,146)
Term-end Cash and Cash Equivalents	millions of yen	44,205	22,785	27,509	28,103
Free Cash Flows	millions of yen	14,536	22,063	10,300	13,816
Free Cash Flows per Share	yen	75.26	114.46	53.65	71.97
Interest-bearing Debt	millions of yen	50,570	21,322	21,742	22,154
Capital Expenditures	millions of yen	12,165	18,180	28,346	27,464
Depreciation and Amortization	millions of yen	12,339	13,159	13,258	16,787
R&D Costs	millions of yen	3,943	3,772	3,816	4,373
Net Financial Income (Loss)	millions of yen	754	940	1,232	772
Average Term Exchange Rate	yen/US\$	109.03	110.81	110.69	109.10
No. of Employees	people	6,771	7,105	7,100	7,376
No. of Shares Issued and Outstanding at Term-end	thousand	193,133	191,980	191,977	191,974

(Notes) 1. Net sales do not include consumption and other taxes.

2. Free cash flows = Cash flows from operating activities – Purchase of property, plant, equipment and intangible assets
+ Sales of property, plant, equipment and intangible assets

3. Interest-bearing debt refers to all liabilities on the consolidated balance sheet on which interest is paid.

4. Net financial income = Interest and dividend income – Interest expense

5. Shareholders' equity is computed by subtracting subscription rights to shares and non-controlling interests from net assets.

6. D/E ratio = Interest-bearing debt / Shareholders' equity

7. No. of shares issued and outstanding at term-end is computed, excluding treasury share.

8. Depreciation and Amortization do not include the amortization of goodwill.

9. Effective from the beginning of fiscal year ended March 31, 2019, "Partial Amendments to Accounting Standard for Tax Effect Accounting" are applied. The results for fiscal year ended 2018.3 are based on figures recalculated after retroactively adopting the said accounting standards.

10. Effective from the beginning of the fiscal year ended March 31, 2020, overseas subsidiaries applied IFRS 16 "Leases" and ASU 2016-02 and recorded all leases on balance sheets, in principle. The results for fiscal year ended 2020.3 are based on figures reflecting the application of these accounting standards.

II. Business performance

1. Scope of consolidation and application of the equity method and exchange rates

[Scope of Consolidation]

Comparison with the same period of the previous year

	2020.6 Actual	2019.6 Actual	Change	Particulars
Consolidated subsidiaries	59	60	(1)	+ DEL MONTE (GUANGZHOU) TRADING CO., LTD. - NUTRIGOLD SW LIMITED - NUTRITIONAL THERAPEUTICS, INC.
Equity-method unconsolidated subsidiaries and affiliates	2	2	0	

Comparison with the fiscal year ended March 31, 2020

	2020.6 Actual	2020.3 Actual	Change	Particulars
Consolidated subsidiaries	59	59	0	+ DEL MONTE (GUANGZHOU) TRADING CO., LTD. - NUTRITIONAL THERAPEUTICS, INC.
Equity-method unconsolidated subsidiaries and affiliates	2	2	0	

[Exchange Rates]

	Current year actual		Previous year actual		Change increase (decrease)			
	Period average (20.4-20.6)	End of term (20.6)	Period average (19.4-19.6)	End of term (20.3)	Period average	%	End of term	%
US\$	107.74	107.74	110.00	108.83	(2.26)	97.9	(1.09)	99.0
EURO	118.94	121.08	123.29	119.55	(4.35)	96.5	1.53	101.3
S\$	76.31	77.31	80.72	76.37	(4.41)	94.5	0.94	101.2
A\$	70.29	73.88	77.02	66.09	(6.73)	91.3	7.79	111.8

2. Consolidated segment information

Net sales

¥ million

		2020.6 Actual	2019.6 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Soy Sauce	11,580	12,148	(568)	95.3	(568)	95.3
	Food Products	15,427	15,924	(496)	96.9	(496)	96.9
	Portion accounted for by soy sauce derivative products	9,939	10,054	(114)	98.9	(114)	98.9
	Beverages	15,376	15,046	330	102.2	330	102.2
	Portion accounted for by soy milk beverages	11,088	10,621	466	104.4	466	104.4
	Liquor and Wine	1,975	2,475	(500)	79.8	(500)	79.8
	Eliminations	(43)	(44)	1	-	1	-
	Foods—Manufacturing and Sales	44,316	45,550	(1,233)	97.3	(1,233)	97.3
	Others	5,190	5,373	(183)	96.6	(183)	96.6
	Eliminations	(3,047)	(3,198)	150	-	150	-
Total		46,459	47,725	(1,266)	97.3	(1,266)	97.3
Overseas	Soy Sauce	19,828	19,547	280	101.4	806	104.1
	Del Monte	1,531	1,133	398	135.1	441	139.0
	Other Foods	3,008	3,043	(34)	98.9	28	100.9
	Foods—Manufacturing and Sales	24,368	23,724	644	102.7	1,276	105.4
	Foods—Wholesale	40,969	48,440	(7,471)	84.6	(6,251)	87.1
	Eliminations	(2,692)	(3,352)	660	-	597	-
Total		62,646	68,812	(6,166)	91.0	(4,377)	93.6
Kikkoman (Holding Company)		6,115	5,808	307	105.3	307	105.3
Eliminations		(7,131)	(6,703)	(427)	-	(427)	-
Consolidated Total		108,090	115,642	(7,552)	93.5	(5,764)	95.0

Operating profit

		2020.6 Actual	2019.6 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Foods—Manufacturing and Sales	2,787	3,151	(363)	88.5	(363)	88.5
	Others	413	503	(89)	82.2	(89)	82.2
	Total		3,209	3,664	(454)	87.6	(454)
Overseas	Foods—Manufacturing and Sales	5,188	4,905	283	105.8	452	109.2
	Foods—Wholesale	1,762	2,384	(622)	73.9	(545)	77.1
	Total		6,889	7,205	(315)	95.6	(60)
Kikkoman (Holding Company)		3,107	2,820	286	110.2	286	110.2
Eliminations		(3,441)	(3,137)	(303)	-	(285)	-
Consolidated Total		9,765	10,553	(787)	92.5	(514)	95.1
Ordinary Profit		9,947	11,162	(1,215)	89.1	(959)	91.4
Profit before Income Taxes		9,896	11,273	(1,377)	87.8	(1,121)	90.1
Profit Attributable to Owners of Parent		6,954	7,975	(1,021)	87.2	(834)	89.5

3. Consolidated segment information in Japan

Net sales

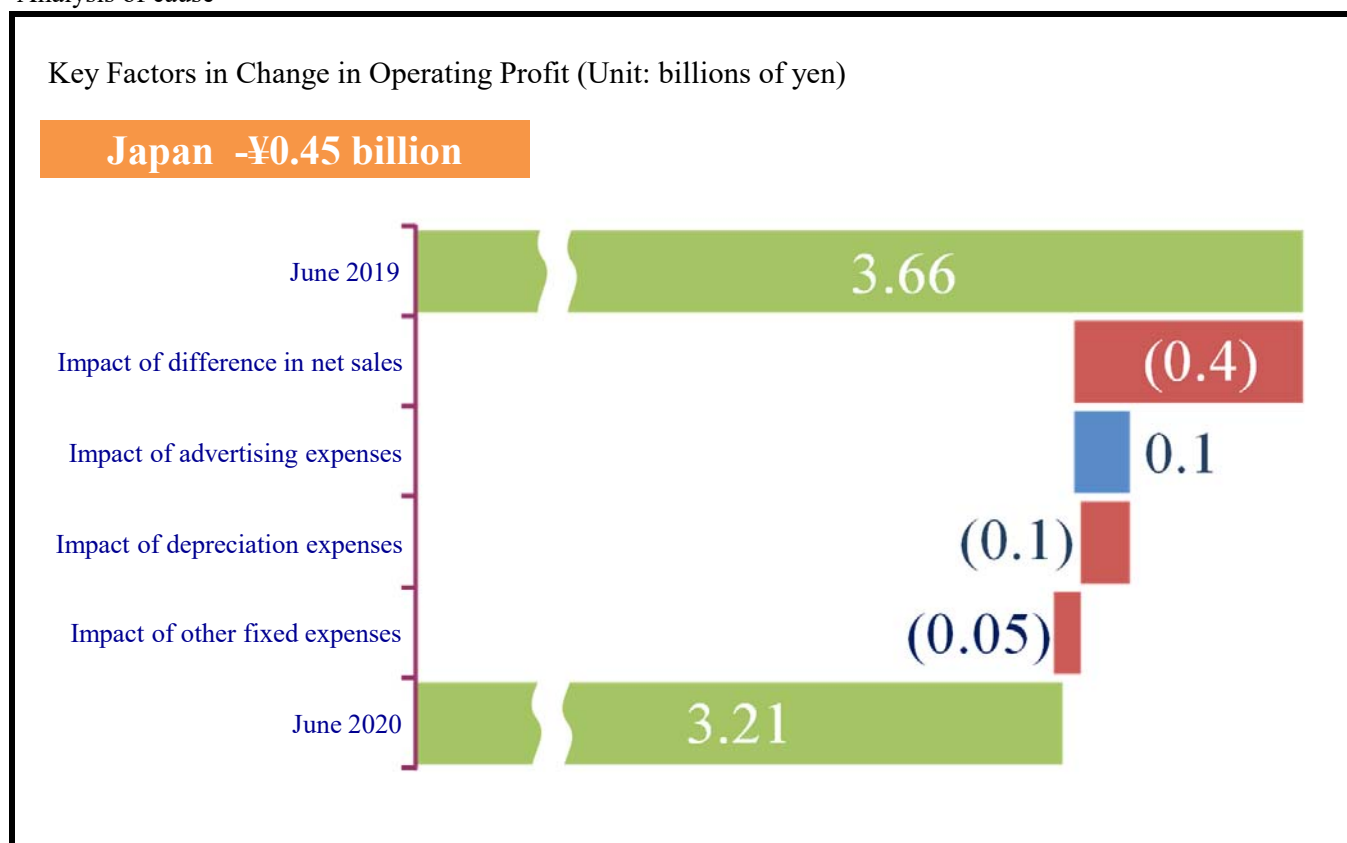
¥ million

		2020.6 Actual	2019.6 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Soy Sauce	11,580	12,148	(568)	95.3	(568)	95.3
	Food Products	15,427	15,924	(496)	96.9	(496)	96.9
	Portion accounted for by soy sauce derivative products	9,939	10,054	(114)	98.9	(114)	98.9
	Beverages	15,376	15,046	330	102.2	330	102.2
	Portion accounted for by soy milk beverages	11,088	10,621	466	104.4	466	104.4
	Liquor and Wine	1,975	2,475	(500)	79.8	(500)	79.8
	Eliminations	(43)	(44)	1	-	1	-
	Foods—Manufacturing and Sales	44,316	45,550	(1,233)	97.3	(1,233)	97.3
Others	5,190	5,373	(183)	96.6	(183)	96.6	
Eliminations	(3,047)	(3,198)	150	-	150	-	
Total		46,459	47,725	(1,266)	97.3	(1,266)	97.3

Operating profit

		2020.6 Actual	2019.6 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Foods—Manufacturing and Sales	2,787	3,151	(363)	88.5	(363)	88.5
	Others	413	503	(89)	82.2	(89)	82.2
	Total	3,209	3,664	(454)	87.6	(454)	87.6

Analysis of cause



4. Consolidated segment information overseas

Net sales

¥ million

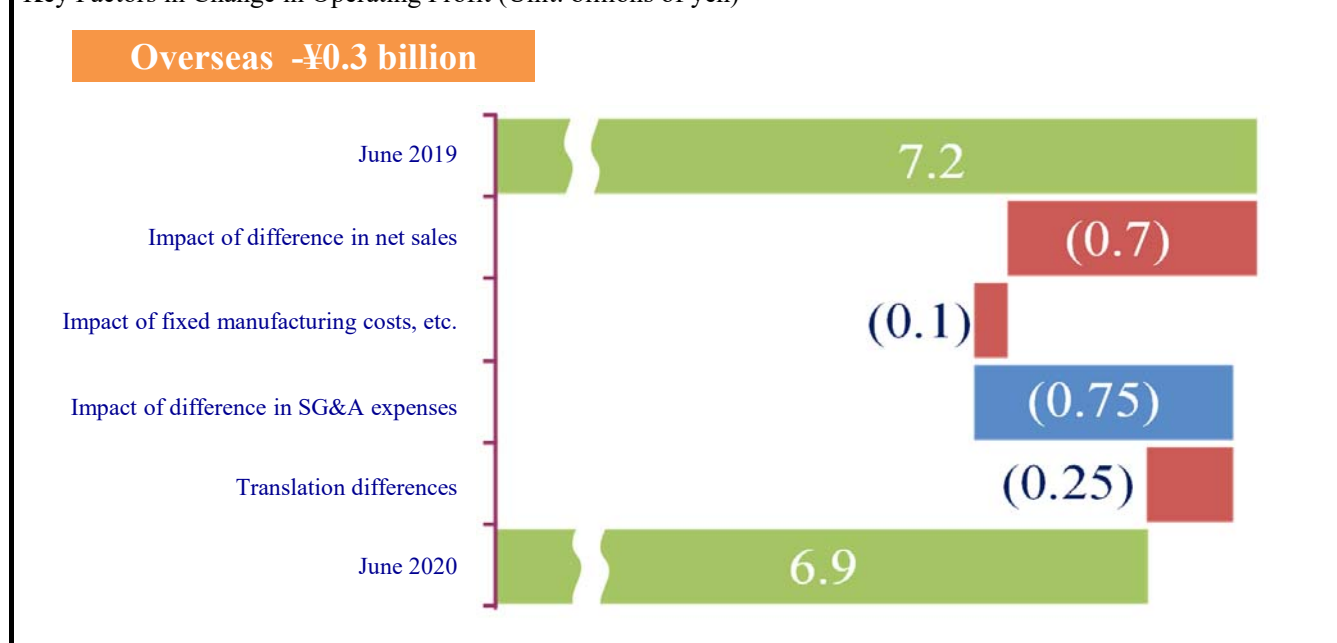
			2020.6 Actual	2019.6 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Overseas	North America	Soy Sauce	12,593	12,550	43	100.3	307	102.4
		Other Foods	3,008	3,043	(34)	98.9	28	100.9
		Foods—Manufacturing and Sales	15,602	15,593	8	100.1	335	102.2
		Foods—Wholesale	32,905	37,625	(4,719)	87.5	(3,956)	89.5
		Eliminations	(1,859)	(2,325)	466	-	427	-
		Total	46,648	50,893	(4,245)	91.7	(3,193)	93.7
	Europe	Foods—Manufacturing and Sales	3,521	3,125	396	112.7	524	116.8
		Foods—Wholesale	3,454	5,352	(1,897)	64.5	(1,706)	68.1
		Eliminations	(432)	(620)	188	-	172	-
		Total	6,544	7,858	(1,313)	83.3	(1,009)	87.2
	Asia & Oceania	Soy Sauce	3,477	3,660	(183)	95.0	(38)	98.9
		Del Monte	1,531	1,133	398	135.1	441	139.0
		Foods—Manufacturing and Sales	5,008	4,793	215	104.5	402	108.4
		Foods—Wholesale	3,619	4,623	(1,004)	78.3	(734)	84.1
		Eliminations	(45)	(76)	31	-	27	-
	Total	8,582	9,339	(757)	91.9	(304)	96.7	
	Others		7,765	9,903	(2,137)	78.4	(2,137)	78.4
Eliminations		(6,894)	(9,182)	2,288	-	2,267	-	
Total		62,646	68,812	(6,166)	91.0	(4,377)	93.6	

Operating profit

			2020.6 Actual	2019.6 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Overseas	North America	Foods—Manufacturing and Sales	3,345	3,391	(45)	98.6	37	101.1
		Foods—Wholesale	1,589	1,765	(175)	90.0	(139)	92.1
		Total	4,883	5,072	(188)	96.3	(64)	98.7
	Europe	Foods—Manufacturing and Sales	1,097	854	242	128.4	287	133.7
		Foods—Wholesale	2	231	(229)	1.0	(225)	2.8
		Total	1,089	1,085	4	100.4	57	105.3
	Asia & Oceania	Foods—Manufacturing and Sales	637	552	85	115.4	119	121.6
		Foods—Wholesale	(11)	80	(91)	-	(94)	-
		Total	625	636	(10)	98.4	23	103.6
	Others		369	519	(149)	71.2	(149)	71.2
Total		6,889	7,205	(315)	95.6	(60)	99.2	

Analysis of cause

Key Factors in Change in Operating Profit (Unit: billions of yen)



5. Non-operating income (expenses) and extraordinary income (loss)

[Consolidated total]

¥ million

	2020.6 Actual	2019.6 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Operating profit	9,765	10,553	(787)	92.5	(514)	95.1
Financial income (expenses) and dividends income	470	401	69	117.2	65	116.4
Equity in earnings (loss) of affiliates	20	22	(1)	91.9	(1)	91.9
Foreign exchange losses (gains) and loss (gain) on valuation of derivatives	510	654	(144)	78.0	(153)	76.6
Other	(820)	(469)	(350)	-	(356)	-
Total non-operating income (expenses)	181	609	(427)	29.8	(445)	27.0
Ordinary profit	9,947	11,162	(1,215)	89.1	(959)	91.4
Gain on sales of property, plant and equipment	51	-	51		51	
Gain on sales of investment securities	-	148	(148)		(148)	
Total extraordinary income	51	148	(97)	34.4	(97)	34.4
Loss on retirement of noncurrent assets	21	-	21		21	
Loss on valuation of investment securities	80	21	58		58	
Loss on valuation of golf club membership	-	15	(15)		(15)	
Total extraordinary loss	102	37	64	271.5	64	272.5
Total extraordinary income (loss)	(50)	111	(162)	-	(162)	-
Profit before income taxes	9,896	11,273	(1,377)	87.8	(1,121)	90.1
Income taxes	2,826	3,165	(338)	89.3	(270)	91.5
Profit	7,069	8,108	(1,038)	87.2	(851)	89.5
Profit attributable to non-controlling interests	115	132	(17)	86.6	(16)	87.6
Profit attributable to owners of parent	6,954	7,975	(1,021)	87.2	(834)	89.5

6. Consolidated balance sheets

As of June 30, 2020 (Compared with 2020.3)

Total Assets =	388,814	+1,485	(¥ million)	
Translation Difference		+130	US\$ 107.74	(1.09)
			EUR 121.08	+1.53
Actual Difference		+1,354		
Current assets	(719)		Liabilities	(3,546)
Cash and deposits	+3,283		Interest-bearing debt	+4,887
Notes and accounts receivable-trade	(4,512)		Notes and accounts payable-trade/ accounts payable-other	(7,548)
Inventories	(1,177)		Income taxes payable	(396)
Other	+1,687		Net defined benefit liability	(968)
			Deferred tax liabilities	+919
Noncurrent assets	+2,074		Lease obligations	(191)
Property, plant and equipment	(454)		Other	(249)
[Tangible lease assets	(222)]		Net assets	+4,901
Intangible assets	(213)		Retained earnings	+3,009
[Goodwill	(132)]		Valuation difference on available-for-sale securities	+1,510
Investments and other assets	+2,742		Foreign currency translation adjustment	(716)
[Investment securities	+2,466]		Non-controlling interests	(238)
[Net defined benefit asset	+920]		Other	+1,336