

Business Performance Presentation  
for the Nine-Month Period Ended December 31, 2020

**First Nine Months of Fiscal 2021**

**Kikkoman Corporation**

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Forecasts throughout this document were based on the economic environment as of the time they were prepared. Kikkoman therefore wishes to caution readers that actual results may differ materially from forecasts due to a number of unpredictable factors.

## I. Major consolidated performance indicators

<i>Consolidated Results</i>		Six months ended September 30, 2018	Six months ended September 30, 2019	Six months ended September 30, 2020	2019.3 Actual	2020.3 Actual	2021.3 Forecast
Net Sales	millions of yen	226,099	231,624	227,522	453,565	468,616	463,800
YoY Change	%	5.4	2.4	(1.8)	5.3	3.3	(1.0)
Operating Profit	millions of yen	20,068	20,986	21,250	38,417	39,826	39,500
(Operating Profit Margin)	%	8.9	9.1	9.3	8.5	8.5	8.5
YoY Change	%	5.2	4.6	1.3	5.2	3.7	(0.8)
Ordinary Profit	millions of yen	19,998	21,554	21,127	37,925	39,078	39,100
(Ordinary Profit Margin)	%	8.8	9.3	9.3	8.4	8.3	8.4
YoY Change	%	6.1	7.8	(2.0)	5.4	3.0	0.1
Profit Attributable to Owners of Parent	millions of yen	14,333	15,289	14,620	25,992	26,595	26,600
(Ratio of Profit Attributable to Owners of Parent to Net Sales)	%	6.3	6.6	6.4	5.7	5.7	5.7
YoY Change	%	19.0	6.7	(4.4)	9.0	2.3	0.0
Net Assets per Share	yen	-	-	-	1,382.60	1,419.12	-
Earnings per Share	yen	74.66	79.64	76.16	135.39	138.53	138.56
Diluted Earnings per Share	yen	-	-	-	-	-	-
Cash Dividends per Share	yen	-	-	-	41.00	42.00	42.00
Dividend Payout Ratio (Consolidated)	%	-	-	-	30.3	30.3	30.3
Total Net Assets	millions of yen	272,731	273,804	287,496	270,451	277,757	-
Shareholders' Equity	millions of yen	267,671	268,697	282,305	265,428	272,434	-
Total Assets	millions of yen	361,290	377,171	391,448	362,119	387,329	-
Shareholders' Equity Ratio	%	74.1	71.2	72.1	73.3	70.3	-
D/E Ratio	%	8.1	7.6	7.1	8.2	8.1	-
Dividend on Equity	%	-	-	-	3.1	3.0	-
Return on Equity	%	5.6	5.7	5.3	10.1	9.9	-
Ordinary Profit to Total Assets	%	5.7	5.8	5.4	10.7	10.4	-
Share Price as of Term-end	yen	6,760	5,160	5,820	5,430	4,605	-
PER	times	-	-	-	40.1	33.2	-
Cash Flows From Operating Activities	millions of yen	16,885	19,275	27,049	37,023	39,654	-
Cash Flows From Investing Activities	millions of yen	(13,351)	(17,222)	(9,270)	(25,698)	(29,229)	-
Cash Flows From Financing Activities	millions of yen	(3,341)	(5,582)	(7,599)	(7,041)	(9,146)	-
Term-end Cash and Cash Equivalents	millions of yen	23,991	23,432	38,049	27,509	28,103	-
Free Cash Flows	millions of yen	3,702	4,944	17,830	10,300	13,816	-
Free Cash Flows per Share	yen	19.29	25.76	92.88	53.65	71.97	-
Interest-bearing Debt	millions of yen	21,556	20,525	20,171	21,742	22,154	-
Capital Expenditures	millions of yen	12,793	12,768	7,639	28,346	27,464	16,400
Depreciation and Amortization	millions of yen	6,459	8,080	8,737	13,258	16,787	17,600
R&D Costs	millions of yen	1,818	1,929	2,240	3,816	4,373	-
Net Financial Income (Loss)	millions of yen	743	443	411	1,232	772	-
Average Term Exchange Rate	yen/US\$	110.07	109.00	106.68	110.69	109.10	105.44
No. of Employees	people	7,091	7,381	7,620	7,100	7,376	-
No. of Shares Issued and Outstanding at Term-end	thousand	191,979	191,975	191,973	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 shares.

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.

10. Effective from the beginning of fiscal year ended March 31, 2020, overseas subsidiaries applied IFRS 16 "Leases" and ASU 2016-02 and recorded all leases on the balance sheets, in principle.

11. Consolidated performance indicators of the annual and six-month periods of the most recent years are indicated.

## 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

	2020.12 Actual	2019.12 Actual	Change	Particulars
Consolidated subsidiaries	60	59	1	+ DEL MONTE (GUANGZHOU) TRADING CO., LTD. + JFC TAIPEI CO., LTD. - NUTRITIONAL THERAPEUTICS, INC.
Equity-method unconsolidated subsidiaries and affiliates	2	2	0	

Comparison with the fiscal year ended March 31, 2020

	2020.12 Actual	2020.3 Actual	Change	Particulars
Consolidated subsidiaries	60	59	1	+ DEL MONTE (GUANGZHOU) TRADING CO., LTD. + JFC TAIPEI 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 (20.4-20.12)	End of Term (20.12)	Period Average (19.4-19.12)	End of Term (20.3)	Period Average	%	End of Term	%
US\$	105.87	103.50	109.10	108.83	(3.23)	97.0	(5.33)	95.1
EURO	122.30	126.95	121.46	119.55	0.84	100.7	7.40	106.2
S\$	76.86	78.01	79.82	76.37	(2.96)	96.3	1.64	102.1
A\$	73.88	78.84	75.31	66.09	(1.43)	98.1	12.75	119.3

## 2. Consolidated segment information

Net sales

¥ million

		2020.12 Actual	2019.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Soy Sauce	37,489	38,700	(1,210)	96.9	(1,210)	96.9
	Food Products	47,043	47,625	(582)	98.8	(582)	98.8
	Portion accounted for by soy sauce derivative products	30,162	30,004	157	100.5	157	100.5
	Beverages	44,648	44,862	(214)	99.5	(214)	99.5
	Portion accounted for by soy milk beverages	32,104	31,764	340	101.1	340	101.1
	Liquor and Wine	7,361	8,313	(951)	88.5	(951)	88.5
	Eliminations	(130)	(141)	10	-	10	-
	Foods—Manufacturing and Sales	136,411	139,360	(2,949)	97.9	(2,949)	97.9
	Others	15,980	16,056	(76)	99.5	(76)	99.5
Eliminations	(9,371)	(9,695)	324	-	324	-	
Total		143,020	145,722	(2,701)	98.1	(2,701)	98.1
Overseas	Soy Sauce	61,703	57,983	3,719	106.4	4,974	108.6
	Del Monte	4,169	4,166	2	100.1	146	103.5
	Other Foods	9,083	9,327	(244)	97.4	32	100.3
	Foods—Manufacturing and Sales	74,955	71,477	3,477	104.9	5,153	107.2
	Foods—Wholesale	143,114	150,662	(7,547)	95.0	(3,836)	97.5
	Eliminations	(9,561)	(9,582)	20	-	(177)	-
Total		208,507	212,557	(4,049)	98.1	1,139	100.5
Kikkoman (Holding Company)		12,918	12,394	524	104.2	524	104.2
Eliminations		(16,183)	(15,177)	(1,005)	-	(1,005)	-
Consolidated Total		348,263	355,496	(7,233)	98.0	(2,043)	99.4

Operating profit

		2020.12 Actual	2019.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Foods—Manufacturing and Sales	9,603	10,585	(982)	90.7	(982)	90.7
	Others	1,307	1,373	(65)	95.2	(65)	95.2
	Total		10,933	11,983	(1,050)	91.2	(1,050)
Overseas	Foods—Manufacturing and Sales	16,120	14,669	1,451	109.9	1,770	112.1
	Foods—Wholesale	7,476	6,946	529	107.6	760	111.0
	Total		23,458	21,439	2,019	109.4	2,568
Kikkoman (Holding Company)		4,018	3,389	628	118.6	628	118.6
Eliminations		(4,606)	(4,200)	(406)	-	(368)	-
Consolidated Total		33,804	32,612	1,191	103.7	1,778	105.5
Ordinary Profit		33,751	33,607	144	100.4	696	102.1
Profit before Income Taxes		33,410	33,095	314	100.9	866	102.6
Profit Attributable to Owners of Parent		23,603	23,407	196	100.8	608	102.6

### 3. Consolidated segment information in Japan

Net sales

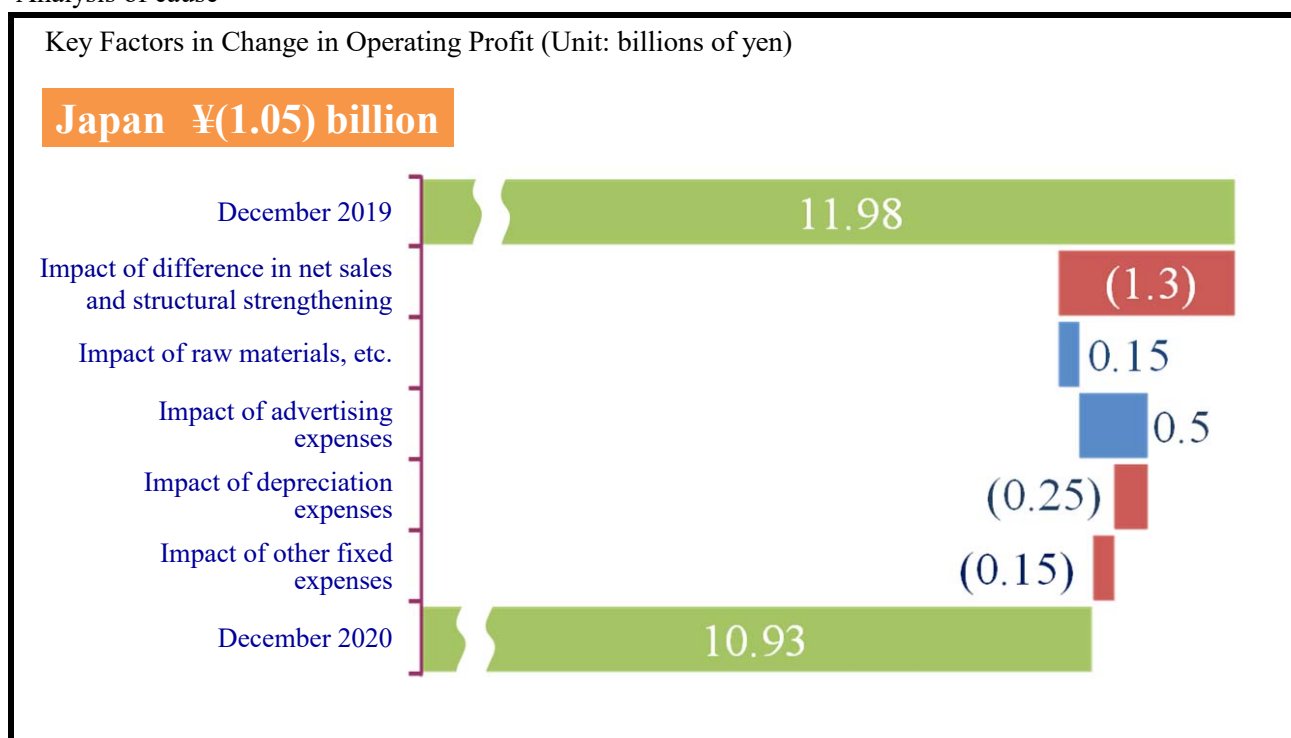
¥ million

		2020.12 Actual	2019.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Soy Sauce	37,489	38,700	(1,210)	96.9	(1,210)	96.9
	Food Products	47,043	47,625	(582)	98.8	(582)	98.8
	Portion accounted for by soy sauce derivative products	30,162	30,004	157	100.5	157	100.5
	Beverages	44,648	44,862	(214)	99.5	(214)	99.5
	Portion accounted for by soy milk beverages	32,104	31,764	340	101.1	340	101.1
	Liquor and Wine	7,361	8,313	(951)	88.5	(951)	88.5
	Eliminations	(130)	(141)	10	-	10	-
	Foods—Manufacturing and Sales	136,411	139,360	(2,949)	97.9	(2,949)	97.9
	Others	15,980	16,056	(76)	99.5	(76)	99.5
	Eliminations	(9,371)	(9,695)	324	-	324	-
Total		143,020	145,722	(2,701)	98.1	(2,701)	98.1

Operating profit

		2020.12 Actual	2019.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Foods—Manufacturing and Sales	9,603	10,585	(982)	90.7	(982)	90.7
	Others	1,307	1,373	(65)	95.2	(65)	95.2
	Total	10,933	11,983	(1,050)	91.2	(1,050)	91.2

Analysis of cause



#### 4. Consolidated segment information overseas

Net sales

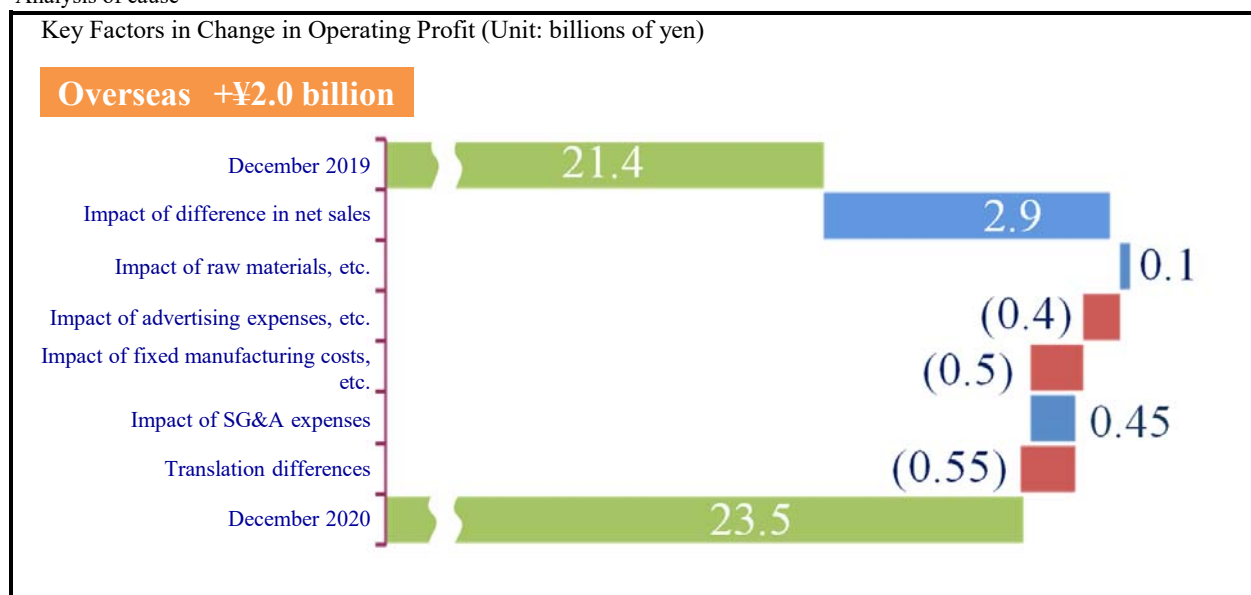
¥ million

		2020.12 Actual	2019.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%	
Overseas	North America	Soy Sauce	38,438	37,092	1,345	103.6	2,517	106.8
		Other Foods	9,083	9,327	(244)	97.4	32	100.3
		Foods—Manufacturing and Sales	47,521	46,420	1,100	102.4	2,550	105.5
		Foods—Wholesale	108,037	114,844	(6,806)	94.1	(3,420)	97.0
		Eliminations	(6,214)	(6,532)	317	-	128	-
		Total	149,344	154,732	(5,388)	96.5	(741)	99.5
	Europe	Foods—Manufacturing and Sales	12,187	9,627	2,559	126.6	2,476	125.7
		Foods—Wholesale	14,278	15,798	(1,519)	90.4	(1,452)	90.8
		Eliminations	(2,144)	(1,856)	(288)	-	(273)	-
		Total	24,321	23,569	751	103.2	749	103.2
	Asia & Oceania	Soy Sauce	10,249	10,769	(519)	95.2	(326)	97.0
		Del Monte	4,169	4,166	2	100.1	146	103.5
		Foods—Manufacturing and Sales	14,418	14,936	(517)	96.5	(180)	98.8
		Foods—Wholesale	16,373	14,622	1,750	112.0	2,031	113.9
		Eliminations	(220)	(266)	45	-	40	-
		Total	30,571	29,292	1,278	104.4	1,891	106.5
	Others		31,800	33,168	(1,367)	95.9	(1,367)	95.9
	Eliminations		(27,530)	(28,205)	675	-	608	-
		Total	208,507	212,557	(4,049)	98.1	1,139	100.5

Operating profit

		2020.12 Actual	2019.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%	
Overseas	North America	Foods—Manufacturing and Sales	9,960	9,688	272	102.8	554	105.7
		Foods—Wholesale	5,388	5,014	373	107.5	545	110.9
		Total	15,215	14,525	690	104.8	1,134	107.8
	Europe	Foods—Manufacturing and Sales	3,977	2,841	1,136	140.0	1,119	139.4
		Foods—Wholesale	487	528	(41)	92.2	(28)	94.6
		Total	4,472	3,379	1,092	132.3	1,095	132.4
	Asia & Oceania	Foods—Manufacturing and Sales	1,680	1,731	(51)	97.0	2	100.1
		Foods—Wholesale	532	273	259	194.8	267	197.7
		Total	2,204	2,004	200	110.0	265	113.3
	Others		1,623	1,587	35	102.3	35	102.3
	Total	23,458	21,439	2,019	109.4	2,568	112.0	

Analysis of cause



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

[Consolidated total]

¥ million

	2020.12 Actual	2019.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Operating profit	33,804	32,612	1,191	103.7	1,778	105.5
Financial income (expenses) and dividends income	677	742	(65)	91.2	(71)	90.4
Equity in earnings (loss) of affiliates	188	225	(37)	83.6	(37)	83.6
Foreign exchange gains (losses) and gain (loss) on valuation of derivatives	982	1,491	(508)	65.9	(510)	65.8
Other	(1,901)	(1,464)	(436)	-	(463)	-
Total non-operating income (expenses)	(53)	994	(1,047)	-	(1,081)	-
Ordinary profit	33,751	33,607	144	100.4	696	102.1
Gain on sales of property, plant and equipment	51	15	36		36	
Gain on sales of investment securities	836	148	687		687	
Total extraordinary income	887	164	723	541.4	723	541.4
Impairment loss on noncurrent assets	1,170	-	1,170		1,170	
Loss on retirement of noncurrent assets	35	638	(602)		(602)	
Loss on valuation of investment securities	22	20	2		2	
Loss on valuation of golf club membership	-	16	(16)		(16)	
Total extraordinary loss	1,228	675	553	182.0	553	182.0
Total extraordinary income (loss)	(341)	(511)	170	-	170	-
Profit before income taxes	33,410	33,095	314	100.9	866	102.6
Income taxes	9,430	9,331	98	101.1	237	102.5
Profit	23,980	23,764	215	100.9	629	102.6
Profit attributable to non-controlling interests	376	357	18	105.2	20	105.8
Profit attributable to owners of parent	23,603	23,407	196	100.8	608	102.6



## 6. Consolidated balance sheets

As of December 31, 2020 (Compared with 2020.3)

Total Asset =	401,648	+14,319	(¥ million)	
		(1,867)	US\$ 103.50	(5.33)
			EUR 126.95	+7.40
	Translation Difference			
		+16,186		
	Actual Difference			
<b>Current assets</b>	<b>+18,832</b>	<b>Liabilities</b>	<b>+2,808</b>	
Cash and deposits	+15,479	Interest-bearing debt	+5,935	
Notes and accounts receivable-trade	+3,660	Notes and accounts payable-trade/ accounts payable-other	(3,247)	
Inventories	(970)	Income taxes payable	+1,199	
Other	+663	Net defined benefit liability	(1,619)	
		Deferred tax liabilities	(219)	
<b>Noncurrent assets</b>	<b>(2,645)</b>	Lease obligations	(747)	
Property, plant and equipment	(2,193)	Other	+1,506	
[Tangible lease assets	(1,087) ]	<b>Net assets</b>	<b>+13,378</b>	
Intangible assets	(573)	Retained earnings	+15,907	
[Goodwill	(406) ]	Valuation difference on available-for-sale securities	(1,067)	
Investments and other assets	+121	Foreign currency translation adjustment	(3,001)	
[Investment securities	(525) ]	Non-controlling interests	+67	
[Net defined benefit asset	+1,129 ]	Other	+1,472	