

May 12, 2020

## Consolidated Financial Results

# Kikkoman Corporation Flash Report 2020 (Japanese GAAP) (Consolidated)

Year ended March 31, 2020

Listed company name: **Kikkoman Corporation**  
Shares listed: Tokyo (1st Section)  
Code No.: 2801  
URL: <https://www.kikkoman.com>  
Representative: Noriaki Horikiri, President and Chief Executive Officer  
Contact: Kazuki Usui, Corporate Officer General Manager  
Corporate Communication Department  
E-mail: [ir@mail.kikkoman.co.jp](mailto:ir@mail.kikkoman.co.jp)

Scheduled Date of Ordinary General Meeting of Shareholders: June 23, 2020  
Scheduled Date of Dividend Payment Commencement: June 24, 2020  
Scheduled Date for Release of Annual Securities Report: June 23, 2020  
Business Performance Presentation to Be Held: None

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 Year Ended March 31, 2020 (April 1, 2019 to March 31, 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, 2019 –Mar. 31, 2020	468,616	3.3	39,826	3.7	39,078	3.0	26,595	2.3
Apr. 1, 2018 –Mar. 31, 2019	453,565	5.3	38,417	5.2	37,925	5.4	25,992	9.0

(Note) Comprehensive Income

April 1, 2019 to March 31, 2020: ¥ 15,850 million ((37.2) %)

April 1, 2018 to March 31, 2019: ¥ 25,238 million (18.6%)

	Earnings per share (yen)	Earnings per share (Assuming full dilution) (yen)	ROE	Ordinary profit to total assets	Operating Profit Margin
Apr. 1, 2019 –Mar. 31, 2020	138.53	—	9.9	10.4	8.5
Apr. 1, 2018 –Mar. 31, 2019	135.39	—	10.1	10.7	8.5

(Reference) Equity-method investment gain

April 1, 2019 to March 31, 2020: ¥ 209 million

April 1, 2018 to March 31, 2019: ¥ 126 million

### 2) Financial Position

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share (yen)
Mar. 31, 2020	387,329	277,757	70.3%	1,419.12
Mar. 31, 2019	362,119	270,451	73.3%	1,382.60

(Reference) Total shareholders' equity

March 31, 2020: ¥ 272,434 million

March 31, 2019: ¥ 265,428 million

### 3) Cash Flows

(Millions of yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Apr. 1, 2019 –Mar. 31, 2020	39,654	(29,229)	(9,146)	28,103
Apr. 1, 2018 –Mar. 31, 2019	37,023	(25,698)	(7,041)	27,509

## 2. Cash Dividends

	Cash dividends per share (yen)					Cash dividends total (full year) (millions of yen)	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	Three-month period ended	Six-month period ended	Nine-month period ended	Full year ended	Total			
Apr. 1, 2018 -Mar. 31, 2019	—	20.00	—	21.00	41.00	7,873	30.3%	3.1%
Apr. 1, 2019 -Mar. 31, 2020	—	21.00	—	21.00	42.00	8,065	30.3%	3.0%
Apr. 1, 2020 -Mar. 31, 2021 (Estimated)	—	—	—	—	—		—	

Note: Cash dividends for the fiscal year ending March 31, 2021 (Estimated) remain undetermined. The expected amount of cash dividends will be announced as soon as it becomes available for disclosure.

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

As the COVID-19 coronavirus has spread globally, the Group has seen an adverse impact in a range of geographical areas where it does business. It is expected that the shipments of products for foodservice-use will remain adversely affected, particularly in the areas of Domestic Foods–Manufacturing and Sales, Overseas Foods–Manufacturing and Sales, and Overseas Foods–Wholesale. Meanwhile, with the range of uncertainties, it is difficult for the Group to quantify its business results forecasts. The business results forecasts will be announced as soon as they become reasonably foreseeable.

### [Notes]

- 1) Changes in important subsidiaries during the period (Changes in certain specific subsidiaries resulting in a revised scope of consolidation): None
- 2) Changes in accounting policy, changes in accounting estimates and restatement of revisions
  - ① Changes in accounting policy associated with accounting standard revisions: Yes
  - ② Changes in accounting policy other than those in ① above: None
  - ③ Changes in accounting estimates: None
  - ④ Restatement of revisions: None

### 3) Issued and outstanding shares (common stock)

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

March 31, 2020 — 193,883,202 shares	March 31, 2019 — 193,883,202 shares
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- ② Treasury stock at end of period
 

March 31, 2020 — 1,908,731 shares	March 31, 2019 — 1,905,508 shares
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- ③ Shares outstanding during the period (cumulative for period, consolidated)
 

March 31, 2020 — 191,975,974 shares	March 31, 2019 — 191,979,066 shares
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## (Reference) Overview of Non-consolidated Results

1. Business Performance (unconsolidated) for the Year Ended March 31, 2020  
(April 1, 2019 to March 31, 2020)

## 1) Business Performance (unconsolidated)

(Millions of yen)

	Net sales		Operating profit		Ordinary profit		Profit	
	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)
Apr. 1, 2019 –Mar. 31, 2020	23,485	(2.3)	7,538	(7.6)	8,535	(8.0)	8,184	(14.9)
Apr. 1, 2018 –Mar. 31, 2019	24,031	7.0	8,159	14.9	9,281	15.1	9,612	16.6

	Earnings per share (yen)	Earnings per share (Assuming full dilution) (yen)
Apr. 1, 2019 –Mar. 31, 2020	42.62	—
Apr. 1, 2018 –Mar. 31, 2019	50.05	—

## 2) Financial Position (unconsolidated)

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share (yen)
Mar. 31, 2020	217,761	85,725	39.4 %	446.41
Mar. 31, 2019	213,556	88,943	41.6 %	463.16

(Reference) Total shareholders' equity

March 31, 2020: ¥ 85,725 million

March 31, 2019: ¥ 88,943 million

\* 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)

As the COVID-19 coronavirus has spread globally, the Group has seen an adverse impact in a range of geographical areas where it does business. It is expected that the shipments of products for foodservice-use will remain adversely affected, particularly in the areas of Domestic Foods–Manufacturing and Sales, Overseas Foods–Manufacturing and Sales, and Overseas Foods–Wholesale. Meanwhile, with the range of uncertainties, it is difficult for the Group to quantify its business results forecasts. The business results forecasts will be announced as soon as they become reasonably foreseeable. Please refer to “2. Consolidated Business Forecasts” on page 6 of this document for information deemed useful for the estimation of business results at this point in time.

(How to obtain business performance presentation materials)

Kikkoman will publish supplementary schedules on TD-net for viewing in Japan, and on its website.

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## 1. Consolidated Operating Results

## &lt;Consolidated Financial Statements&gt;

(Millions of yen, %)

	Fiscal 2019 Actual		Fiscal 2020 Actual		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
	4.1.2018 – 3.31.2019		4.1.2019 – 3.31.2020		Amount	YoY	%		Amount	YoY
	Amount	%	Amount	%						
Net Sales	453,565	100.0	468,616	100.0	15,051	103.3	–	(7,205)	22,257	104.9
Operating Profit	38,417	8.5	39,826	8.5	1,408	103.7	0.0	(603)	2,012	105.2
Ordinary Profit	37,925	8.4	39,078	8.3	1,153	103.0	(0.1)	(474)	1,627	104.3
Profit attributable to owners of parent	25,992	5.7	26,595	5.7	603	102.3	(0.0)	(318)	922	103.5
Exchange Rate (¥/US\$)	110.69		109.10		(1.59)					
(¥/EUR)	128.43		121.14		(7.29)					

## &lt;Reporting Segments&gt;

(Millions of yen, %)

		Fiscal 2019 Actual		Fiscal 2020 Actual		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.2018 – 3.31.2019		4.1.2019 – 3.31.2020		Amount	YoY	%		Amount	YoY
		Amount	%	Amount	%						
Domestic Foods— Manufacturing and Sales	Net Sales	174,654	100.0	179,444	100.0	4,790	102.7	–	–	4,790	102.7
	Operating Profit	10,597	6.1	11,460	6.4	862	108.1	0.3	–	862	108.1
Domestic Others	Net Sales	21,427	100.0	21,341	100.0	(85)	99.6	–	–	(85)	99.6
	Operating Profit	1,773	8.3	1,832	8.6	58	103.3	0.3	–	58	103.3
Overseas Foods— Manufacturing and Sales	Net Sales	93,510	100.0	96,591	100.0	3,081	103.3	–	(2,445)	5,527	105.9
	Operating Profit	18,745	20.0	19,251	19.9	506	102.7	(0.1)	(438)	944	105.0
Overseas Foods— Wholesale	Net Sales	192,109	100.0	200,249	100.0	8,140	104.2	–	(5,049)	13,190	106.9
	Operating Profit	8,597	4.5	9,147	4.6	549	106.4	0.1	(113)	662	107.7
Adjustments	Net Sales	(28,136)	100.0	(29,010)	100.0	(873)	–	–	290	(1,163)	–
	Operating Profit	(1,296)	–	(1,864)	–	(568)	–	–	(51)	(516)	–
Amount recorded in consolidated financial statements	Net Sales	453,565	100.0	468,616	100.0	15,051	103.3	–	(7,205)	22,257	104.9
	Operating Profit	38,417	8.5	39,826	8.5	1,408	103.7	0.0	(603)	2,012	105.2
Exchange Rate (¥/US\$)		110.69		109.10		(1.59)					
(¥/EUR)		128.43		121.14		(7.29)					

## 2. Consolidated Business Forecasts

Due to the global spread of the COVID-19 coronavirus, the Group has seen an adverse impact in a range of geographical areas where it does business.

It is expected that Overseas Foods–Manufacturing and Sales will see a plunge in sales amid the stay-at-home orders and temporary closures of restaurant businesses ordered by governments around the world. Meanwhile, Overseas Foods–Wholesale is expected to suffer a drop in sales, primarily regarding Japanese restaurants operating abroad.

With the temporary closures of restaurant businesses requested by the government, Domestic Foods–Manufacturing and Sales is expected to see a plunge in sales for foodservice-use customers, much the same as Overseas business, partially offset by the rising demand for home-use products amid the stay-at-home requests for some time to come.

Forecasts of consolidated business performance for the fiscal year ending March 31, 2021 will be announced as soon as they become reasonably foreseeable, as it is difficult for the Group to quantify forecasts in view of the range of uncertainties at this point in time, as detailed in “3. Forecasts of Business Performance for the Fiscal Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)” on page 2 of this document.

## 3. Basic policy for selecting accounting standards

Given the global nature of its business operations, the Group has decided voluntarily to apply the International Financial Reporting Standards (IFRS) in place of the conventional Japanese Standards, beginning with the consolidated financial statements required by the Annual Securities Report for the fiscal year ending March 31, 2021, aiming to enhance stakeholder convenience in the international comparison of financial statements while standardizing accounting rules in use within the Group for the improved accuracy of business management.

## 4. Consolidated Financial Statements

### 1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2019	As of March 31, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	30,162	30,088
Notes and accounts receivable-trade	60,719	61,145
Merchandise and finished goods	42,513	43,255
Work in process	10,997	11,798
Raw materials and supplies	5,330	5,901
Other	7,512	8,543
Allowance for doubtful accounts	(717)	(1,192)
Total current assets	156,518	159,540
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	42,862	55,200
Machinery, equipment and vehicles, net	40,879	44,751
Land	20,936	20,900
Lease assets, net	254	15,841
Construction in progress	14,080	7,705
Other, net	4,376	4,669
Total property, plant and equipment	123,390	149,067
Intangible assets		
Goodwill	4,969	4,164
Other	5,339	5,004
Total intangible assets	10,308	9,168
Investments and other assets		
Investment securities	59,207	57,672
Long-term loans receivable	1,491	1,881
Net defined benefit asset	5,936	4,934
Deferred tax assets	3,053	3,416
Other	3,940	3,799
Allowance for doubtful accounts	(1,726)	(2,153)
Total investments and other assets	71,902	69,552
Total noncurrent assets	205,601	227,788
<b>Total assets</b>	<b>362,119</b>	<b>387,329</b>



	(Millions of yen)	
	As of March 31, 2019	As of March 31, 2020
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	22,383	23,414
Short-term loans payable	3,487	5,311
Lease obligations	50	2,437
Accounts payable-other	18,872	19,249
Income taxes payable	3,230	3,297
Provision for bonuses	2,592	2,662
Provision for directors' bonuses	125	129
Other	5,497	5,288
<b>Total current liabilities</b>	<b>56,240</b>	<b>61,791</b>
Noncurrent liabilities		
Long-term loans payable	13,602	13,602
Lease obligations	90	13,997
Deferred tax liabilities	7,934	6,847
Provision for directors' retirement benefits	711	732
Provision for environmental measures	31	31
Net defined benefit liability	5,511	7,243
Other	7,546	5,326
<b>Total noncurrent liabilities</b>	<b>35,427</b>	<b>47,780</b>
<b>Total liabilities</b>	<b>91,667</b>	<b>109,571</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	11,599	11,599
Capital surplus	13,695	13,695
Retained earnings	225,835	244,044
Treasury stock	(3,631)	(3,641)
<b>Total shareholders' equity</b>	<b>247,498</b>	<b>265,697</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17,521	14,012
Deferred gains or losses on hedges	(4)	(0)
Foreign currency translation adjustment	1,081	(4,376)
Remeasurements of defined benefit plans	(667)	(2,898)
<b>Total Accumulated other comprehensive income</b>	<b>17,930</b>	<b>6,736</b>
Non-controlling interests	5,022	5,322
<b>Total net assets</b>	<b>270,451</b>	<b>277,757</b>
<b>Total liabilities and net assets</b>	<b>362,119</b>	<b>387,329</b>

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

(Millions of yen)

	Year ended March 31, 2019	Year ended March 31, 2020
Net sales	453,565	468,616
Cost of sales	277,805	286,978
Gross profit	175,759	181,638
Selling, general and administrative expenses		
Selling expenses	105,498	108,725
General and administrative expenses	31,843	33,086
Total selling, general and administrative expenses	137,341	141,812
Operating profit	38,417	39,826
Non-operating income		
Interest income	256	257
Dividends income	1,108	979
Equity in earnings of affiliates	126	209
Rent income	691	709
Foreign exchange gains	120	1,720
Gain on valuation of derivatives	3,650	450
Gain on investments in investment partnerships	886	783
Other	1,236	1,153
Total non-operating income	8,077	6,264
Non-operating expenses		
Interest expenses	131	464
Sales discounts	763	824
Foreign exchange losses	2,315	328
Loss on valuation of derivatives	34	0
Provision of allowance for doubtful accounts	863	999
Other	4,460	4,395
Total non-operating expenses	8,569	7,012
Ordinary profit	37,925	39,078
Extraordinary income		
Gain on sales of property, plant and equipment	688	15
Gain on sales of investment securities	1,484	202
Compensation for forced relocation	540	—
Total extraordinary income	2,714	217
Extraordinary loss		
Impairment loss	2,378	301
Loss on retirement of noncurrent assets	235	793
Loss on valuation of subsidiary securities	210	253
Loss on valuation of golf club membership	7	16
Environmental expenses	213	—
Total extraordinary loss	3,044	1,365
Profit before income taxes	37,595	37,930
Income taxes-current	9,008	10,053
Income taxes-deferred	2,182	871
Total income taxes	11,191	10,925
Profit	26,403	27,005
Profit attributable to non-controlling interests	411	409
Profit attributable to owners of parent	25,992	26,595

## (Consolidated Statements of Comprehensive Income)

	(Millions of yen)	
	Year ended March 31, 2019	Year ended March 31, 2020
Profit	26,403	27,005
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,266)	(3,320)
Deferred gains or losses on hedges	33	4
Foreign currency translation adjustment	3,578	(5,447)
Remeasurements of defined benefit plans, net of tax	(1,294)	(2,149)
Share of other comprehensive income of associates accounted for using equity method	(216)	(241)
Total other comprehensive income	(1,165)	(11,154)
Comprehensive income	25,238	15,850
Total comprehensive income attributable to:		
Owners of parent	25,081	15,401
Non-controlling interests	156	448

## 3) Consolidated Statements of Changes in Net Assets

	(Millions of yen)	
	Year ended March 31, 2019	Year ended March 31, 2020
<b>Shareholders' equity</b>		
Capital stock		
Balance at beginning of the period	11,599	11,599
Changes of items during the period		
Total changes of items during the period	—	—
Balance at end of the period	11,599	11,599
Capital surplus		
Balance at beginning of the period	13,915	13,695
Changes of items during the period		
Cancellation of treasury stock	(220)	—
Disposal of treasury stock	0	0
Total changes of items during the period	(219)	0
Balance at end of the period	13,695	13,695
Retained earnings		
Balance at beginning of the period	238,660	225,835
Cumulative effects of the change in accounting policy	—	(384)
Balance at the beginning of the period after the retroactive application	238,660	225,450
Changes of items during the period		
Dividends from surplus	(7,105)	(8,065)
Profit attributable to owners of parent	25,992	26,595
Adjustments due to change in the fiscal period of consolidated subsidiaries	140	—
Change of scope of consolidation	(72)	64
Cancellation of treasury stock	(31,779)	—
Total changes of items during the period	(12,825)	18,593
Balance at end of the period	225,835	244,044
Treasury stock		
Balance at beginning of the period	(35,616)	(3,631)
Changes of items during the period		
Purchase of treasury stock	(15)	(8)
Cancellation of treasury stock	31,999	—
Disposal of treasury stock	0	0
Change in treasury shares arising from change in equity in entities accounted for using equity method	—	(1)
Total changes of items during the period	31,985	(9)
Balance at end of the period	(3,631)	(3,641)

	(Millions of yen)	
	Year ended March 31, 2019	Year ended March 31, 2020
<b>Total shareholders' equity</b>		
Balance at beginning of the period	228,558	247,498
Cumulative effects of the change in accounting policy	—	(384)
Balance at the beginning of the period after the retroactive application	228,558	247,113
<b>Changes of items during the period</b>		
Dividends from surplus	(7,105)	(8,065)
Profit attributable to owners of parent	25,992	26,595
Adjustments due to change in the fiscal period of consolidated subsidiaries	140	—
Change of scope of consolidation	(72)	64
Purchase of treasury stock	(15)	(8)
Disposal of treasury stock	1	0
Change in treasury shares arising from change in equity in entities accounted for using equity method	—	(1)
<b>Total changes of items during the period</b>	<b>18,939</b>	<b>18,584</b>
Balance at end of the period	247,498	265,697

	(Millions of yen)	
	Year ended March 31, 2019	Year ended March 31, 2020
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities		
Balance at beginning of the period	20,956	17,521
Changes of items during the period		
Net changes of items other than shareholders' equity	(3,434)	(3,509)
Total changes of items during the period	(3,434)	(3,509)
Balance at end of the period	17,521	14,012
Deferred gains or losses on hedges		
Balance at beginning of the period	(38)	(4)
Changes of items during the period		
Net changes of items other than shareholders' equity	33	4
Total changes of items during the period	33	4
Balance at end of the period	(4)	(0)
Foreign currency translation adjustment		
Balance at beginning of the period	(2,050)	1,081
Changes of items during the period		
Net changes of items other than shareholders' equity	3,131	(5,457)
Total changes of items during the period	3,131	(5,457)
Balance at end of the period	1,081	(4,376)
Remeasurements of defined benefit plans		
Balance at beginning of the period	647	(667)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,315)	(2,230)
Total changes of items during the period	(1,315)	(2,230)
Balance at end of the period	(667)	(2,898)
<b>Total accumulated other comprehensive income</b>		
Balance at beginning of the period	19,514	17,930
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,584)	(11,193)
Total changes of items during the period	(1,584)	(11,193)
Balance at end of the period	17,930	6,736

	(Millions of yen)	
	Year ended March 31, 2019	Year ended March 31, 2020
<b>Non-controlling interests</b>		
Balance at beginning of the period	5,216	5,022
<b>Changes of items during the period</b>		
Net changes of items other than shareholders' equity	(194)	300
Total changes of items during the period	(194)	300
Balance at end of the period	5,022	5,322
<b>Total net assets</b>		
Balance at beginning of the period	253,289	270,451
Cumulative effects of the change in accounting policy	—	(384)
Balance at the beginning of the period after the retroactive application	253,289	270,066
<b>Changes of items during the period</b>		
Dividends from surplus	(7,105)	(8,065)
Profit attributable to owners of parent	25,992	26,595
Adjustments due to change in the fiscal period of consolidated subsidiaries	140	—
Change of scope of consolidation	(72)	64
Purchase of treasury stock	(15)	(8)
Disposal of treasury stock	1	0
Change in treasury shares arising from change in equity in entities accounted for using equity method	—	(1)
Net changes of items other than shareholders' equity	(1,778)	(10,893)
Total changes of items during the period	17,161	7,691
Balance at end of the period	270,451	277,757

## 4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2019	Year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	37,595	37,930
Depreciation and amortization	13,258	16,787
Impairment loss	2,378	301
Increase (decrease) in provision for directors' retirement benefits	(0)	20
Increase (decrease) in net defined benefit liabilities	410	597
Interest and dividends income	(1,364)	(1,236)
Interest expenses	131	464
Equity in (earnings) losses of affiliates	(126)	(209)
Loss (gain) on sales of property, plant and equipment	(700)	(43)
Loss (gain) on sales of investment securities	(1,490)	(202)
Loss on retirement of property, plant and equipment	1,028	1,253
Decrease (increase) in notes and accounts receivable-trade	(1,462)	(1,592)
Decrease (increase) in inventories	(4,649)	(3,586)
Increase (decrease) in notes and accounts payable-trade	643	2,026
Other, net	(727)	(3,384)
Subtotal	44,923	49,126
Interest and dividends received	1,414	1,250
Interest expenses paid	(139)	(453)
Income taxes paid	(9,175)	(10,269)
Net cash provided by (used in) operating activities	37,023	39,654
Cash flows from investing activities		
Purchase of property, plant and equipment	(26,585)	(24,801)
Proceeds from sales of property, plant and equipment	830	124
Purchase of intangible assets	(967)	(1,159)
Purchase of investment securities	(2,612)	(4,492)
Proceeds from sales of investment securities	3,164	374
Payments of loans receivable	(1,501)	(1,526)
Collection of loans receivable	554	1,028
Other, net	1,420	1,224
Net cash provided by (used in) investing activities	(25,698)	(29,229)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	79	1,949
Proceeds from long-term loans payable	602	—
Repayment of long-term loans payable	(300)	—
Redemption of bonds	(51)	(2,792)
Purchase of treasury stock	(19)	(16)
Cash dividends paid	(7,105)	(8,065)
Dividends paid to non-controlling interests	(248)	(219)
Other, net	1	(1)
Net cash provided by (used in) financing activities	(7,041)	(9,146)
Effect of exchange rate change on cash and cash equivalents	246	(820)
Net increase (decrease) in cash and cash equivalents	4,529	458
Cash and cash equivalents at beginning of the period	22,785	27,509
Increase (decrease) in cash and cash equivalents resulting from changes in the fiscal year-end of consolidated subsidiaries	(6)	—
Increase in cash and cash equivalents from newly consolidated subsidiary	200	135
Cash and cash equivalents at end of the period	27,509	28,103



## (Reference) Changes in cash flow-related indices

	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2020
Shareholders' equity ratio (%)	61.2	66.4	72.1	73.3	70.3
Shareholders' equity ratio (%) using fair value	195.1	177.8	238.9	287.9	228.2
Ratio of cash flow to interest-bearing debt (years)	1.9	1.9	0.6	0.6	0.6
Interest coverage ratio (times)	36.8	27.1	87.3	265.6	87.4

## Notes:

Shareholders' equity ratio

Shareholders' equity / Total assets

Shareholders' equity ratio using fair value

Market capitalization / Total assets

Ratio of cash flow to interest-bearing debt

Interest-bearing debt / Cash flows

Interest coverage ratio

Cash flows / Interest payments

\* From the beginning of the consolidated fiscal year ended March 31, 2019, "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of Japan ("ASBJ") Guidance No. 28, February 16, 2018), have been applied, and therefore the figures for Year ended March 31, 2018 in the table above are those after the said standards, are applied retroactively.

\* Each index is calculated using consolidated figures.

\* Market capitalization is calculated by multiplying the closing share price at the fiscal year-end by the number of shares issued and outstanding at the fiscal year-end (excluding treasury stock).

\* Cash flows refer to operating cash flow.

\* Interest-bearing debt refers to all liabilities on the consolidated balance sheets on which interest is paid.

\* Interest payments represent interest paid as shown on the consolidated statements of cash flows.

## 5) Notes on consolidated financial statements (Notes Regarding Going Concern)

No applicable items.

### (Changes in accounting policies)

#### (Adoption of ASU2014-09 “Revenue from Contracts with Customers”)

Certain overseas subsidiaries which apply U.S. GAAP have adopted ASU 2014-09 “Revenue from Contracts with Customers.” from fiscal 2020. With the adoption, the entity recognizes revenue upon the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in the exchange for those goods or services.

In adopting the accounting standard, retained earnings has been adjusted for the cumulative effects of the application at the beginning of fiscal 2020 in line with the transitional treatment of the standard.

The effect of this change on retained earnings at the beginning of fiscal 2020 and operating profit, ordinary profit, profit before income taxes, and profit for the full year of fiscal 2020 was immaterial.

#### (Application of IFRS 16 “Leases” and ASU 2016-02 “Leases”)

IFRS 16 “Leases” and ASU 2016-02 “Leases” have been applied at overseas subsidiaries from fiscal 2020. With this application, lessees, in principle, record all leases as assets and liabilities on the balance sheets.

In applying the accounting standards, retained earnings has been adjusted for the cumulative effects of the application at the beginning of fiscal 2020 in line with the transitional treatment of the standards. The effect of this change on retained earnings at the beginning of fiscal 2020 was immaterial.

As a result, “lease assets, net” in noncurrent assets, “lease obligations” in current liabilities and “lease obligations” in noncurrent liabilities were ¥15,540 million, ¥2,433 million, and ¥13,788 million greater in the end of fiscal 2020, respectively, than if the former accounting standards were applied.

The effect of this adjustment on operating profit, ordinary profit, profit before income taxes, and profit for the full year of fiscal 2020 was immaterial.

## (Segment Information)

Year ended March 31, 2020 (April 1, 2019 —March 31, 2020)

### 1. Overview of Reporting Segments

For reporting segments, financial data is available broken down into separate business segments and decisions for allocating business resources and performance assessments are subject to regular review by the Board of Directors.

Led by the holding company, Kikkoman formulates Group strategies and manages operating companies. Under this structure, companies in Japan are categorized into those that primarily engage in the manufacture and sale of foods and those that operate other businesses. Overseas, the holding company's overseas divisions are categorized as operating companies that engage in foods manufacturing and sales and those that engage in oriental food wholesaling under the holding company's overseas business divisions.

Consequently, Group operations are divided into segments broken down into domestic and overseas operations and into overlapping businesses. The four segments are: Domestic Foods— Manufacturing and Sales, Domestic Others, Overseas Foods—Manufacturing and Sales, and Overseas Foods—Wholesale.

Domestic Foods— Manufacturing and Sales engages in the manufacturing and sale of soy sauce, food products, beverages, liquor and wine. The Domestic Others engages in the manufacturing and sale of pharmaceuticals, chemical products, etc. and in real estate rentals, logistics, back-office functions, and other businesses. Overseas Foods— Manufacturing and Sales engages in the manufacturing and sale of soy sauce, Del Monte products, health foods, etc. overseas and in the export and sales of products for overseas sales. Overseas Foods—Wholesale purchases and sells oriental foods, etc.

### 2. Calculation Method for the Amount of Sales, Operating Profits (Losses), Assets (Liabilities) and Other Items by Reporting Segment

Profits for the reporting segments are operating profit amounts and adjustments for intra group profit and transfers are based on prevailing market prices.

### 3. Information on the Amount of Sales, Operating Profits (Losses), Assets (Liabilities) and Other Items by Reporting Segment

Fiscal 2019 Actual (Apr. 1, 2018 –Mar. 31, 2019)

(Millions of yen)

	Reporting Segment					Adjustments (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	Domestic Foods — Manufacturing and Sales	Domestic Others	Overseas Foods — Manufacturing and Sales	Overseas Foods — Wholesale	Total		
Sales							
Sales to third parties	172,899	7,661	81,325	191,679	453,565	—	453,565
Intra group sales or transfers	1,755	13,766	12,184	430	28,136	(28,136)	—
Total sales	174,654	21,427	93,510	192,109	481,701	(28,136)	453,565
Operating profit	10,597	1,773	18,745	8,597	39,714	(1,296)	38,417
Total assets	119,643	22,786	153,594	75,633	371,657	(9,538)	362,119
Other items							
Depreciation and amortization	6,734	1,284	3,464	1,059	12,542	605	13,148
Amortization of goodwill	543	—	105	32	680	—	680
Changes in the amount of tangible fixed assets and intangible fixed assets	10,601	1,289	7,719	4,515	24,125	4,220	28,346

(Notes) 1. Adjustment amounts are as follows.

- 1) Adjustments of ¥(1,296) million in segment operating profit include ¥(1,142) million difference in the allocation of corporate expenses.
- 2) Adjustments of ¥(9,538) million in segment assets include ¥121,335 million in corporate assets, which consist primarily of Kikkoman's cash and deposits and investment securities, in addition to the elimination of transactions between segments.
- 3) Adjustments of ¥605 million in depreciation and amortization expenses have primarily to do with corporate assets.
- 4) Adjustments of ¥4,220 million for the increase in tangible fixed assets and intangible fixed assets are corporate asset adjustments.

2. Segment operating profits are adjusted to the operating profits recorded in the consolidated statements of income.

Fiscal 2020 Actual (Apr. 1, 2019 –Mar. 31, 2020)

(Millions of yen)

	Reporting Segment					Adjustments (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	Domestic Foods — Manufacturing and Sales	Domestic Others	Overseas Foods — Manufacturing and Sales	Overseas Foods — Wholesale	Total		
Sales							
Sales to third parties	177,281	7,221	84,307	199,805	468,616	—	468,616
Intra group sales or transfers	2,163	14,119	12,283	444	29,010	(29,010)	—
Total sales	179,444	21,341	96,591	200,249	497,627	(29,010)	468,616
Operating profit	11,460	1,832	19,251	9,147	41,691	(1,864)	39,826
Total assets	124,494	22,946	162,329	93,017	402,787	(15,458)	387,329
Other items							
Depreciation and amortization	6,802	1,419	4,170	3,440	15,832	831	16,664
Amortization of goodwill	543	—	104	29	676	—	676
Changes in the amount of tangible fixed assets and intangible fixed assets	10,045	1,418	7,226	4,927	23,618	3,845	27,464

(Notes) 1. Adjustment amounts are as follows.

- 1) Adjustments of ¥(1,864) million in segment operating profit include ¥(1,763) million difference in the allocation of corporate expenses.
- 2) Adjustments of ¥(15,458) million in segment assets include ¥125,579 million in corporate assets, which consist primarily of Kikkoman's cash and deposits and investment securities, in addition to the elimination of transactions between segments.
- 3) Adjustments of ¥831 million in depreciation and amortization expenses have primarily to do with corporate assets.
- 4) Adjustments of ¥3,845 million for the increase in tangible fixed assets and intangible fixed assets are corporate asset adjustments, which consist mainly of capital investment in a new research and development building.

2. Segment operating profits are adjusted to the operating profits recorded in the consolidated statements of income.

**(Per Share Information)**

	Year ended March 31, 2019	Year ended March 31, 2020
Net assets per share	¥1,382.60	¥1,419.12
Earnings per share	¥135.39	¥138.53

Note : 1. Diluted earnings per share is not stated because there are no dilutive securities.

2. The basis for the calculation of earnings per share is as follows.

	Year ended March 31, 2019	Year ended March 31, 2020
Profit attributable to owners of parent (¥ million)	25,992	26,595
Amount not attributable to common shareholders (¥ million)	—	—
Profit attributable to owners of parent related to common stock (¥ million)	25,992	26,595
Average number of shares of common stock outstanding during the fiscal year (thousands of shares)	191,979	191,975

**(Material Subsequent Events)**

No applicable items.