

**Business Performance Presentation  
for the Nine-Month Period Ended  
December 31, 2013**

**First Nine Months of Fiscal 2014**

**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, 2011	Six months ended September 30, 2012	Six months ended September 30, 2013	2012.3 Actual	2013.3 Actual	2014.3 Forecast
Net Sales	millions of yen	141,834	147,125	168,403	283,239	300,245	337,000
YoY Change	%	(1.2)	-	14.5	(0.1)	-	12.2
Operating Income	millions of yen	9,363	10,316	12,662	17,764	19,808	23,200
(Operating Income Ratio to Net Sales)	%	6.6	7.0	7.5	6.3	6.6	6.9
YoY Change	%	(9.0)	-	22.7	(7.5)	-	17.1
Ordinary Income	millions of yen	8,176	9,167	11,286	15,242	18,700	21,000
(Ordinary Income Ratio to Net Sales)	%	5.8	6.2	6.7	5.4	6.2	6.2
	%	(9.8)	-	23.1	(9.0)	-	12.3
Net Income	millions of yen	4,391	4,780	7,156	8,983	11,006	12,500
(Net Income Ratio to Net Sales)	%	3.1	3.2	4.2	3.2	3.7	3.7
YoY Change	%	(3.3)	-	49.7	15.6	-	13.6
Net Asset per Share	yen	-	-	-	808.40	931.70	-
Net Income per Share	yen	21.41	23.72	35.80	43.80	54.84	62.53
Diluted Net Income per Share	yen	-	-	35.78	-	-	-
Cash Dividends Per Share	yen	-	-	-	15.00	20.00	18.00
Dividend Payout Ratio (Consolidated)	%	-	-	-	34.2	36.5	28.8
Total Net Assets	millions of yen	157,598	159,756	201,515	167,352	187,459	-
Shareholders' Equity	millions of yen	156,029	158,108	200,206	165,762	186,168	-
Total Assets	millions of yen	293,264	305,004	355,570	331,371	337,051	-
Shareholders' Equity Ratio	%	53.2	51.8	56.3	50.0	55.2	-
D/E Ratio	%	57.8	62.9	49.2	71.8	52.4	-
Dividend on Equity	%	-	-	-	1.9	2.3	-
ROE	%	2.8	3.0	3.7	5.5	6.3	-
Ordinary Income to Total Assets	%	2.8	2.9	3.3	4.8	5.6	-
Share Price as of Term-end	yen	890	1,067	1,795	957	1,657	-
PER	times	-	-	-	21.8	30.2	-
Cash Flows from Operating Activities	millions of yen	7,052	11,006	12,407	16,384	24,738	-
Cash Flows from Investing Activities	millions of yen	(11,045)	(7,985)	(10,530)	(24,632)	(15,698)	-
Cash Flows from Financing Activities	millions of yen	(2,747)	(27,245)	(2,906)	25,797	(29,331)	-
Term-end Cash and Cash Equivalents	millions of yen	20,513	20,832	27,763	45,867	27,754	-
Free Cash Flows	millions of yen	(3,525)	4,488	2,524	(615)	12,237	-
Free Cash Flows per Share	yen	(17.19)	22.27	12.63	(3.00)	60.97	-
Interest-bearing Debt	millions of yen	90,176	99,491	98,573	119,039	97,605	-
Capital Expenditures	millions of yen	10,646	6,248	10,771	18,014	14,199	17,100
(For Property, Plant and Equipment)	millions of yen	9,688	5,844	9,961	16,675	13,374	15,200
Depreciation and Amortization	millions of yen	6,021	5,810	6,223	12,607	12,161	12,700
(On Property, Plant and Equipment)	millions of yen	5,642	5,438	5,815	11,997	11,399	11,900
R&D Costs	millions of yen	1,795	1,757	1,742	3,567	3,727	-
Net Financial Income (Loss)	millions of yen	(341)	(355)	(190)	(783)	(640)	-
Average Term Exchange Rate	yen/US\$	79.73	79.43	97.99	79.30	83.23	96.60
No. of Employees	people	5,278	5,457	5,569	5,316	5,473	-
No. of Shares Issued and Outstanding at Term-end	thousand	205,111	199,775	199,930	205,051	199,732	-

(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 subscription rights to shares and minority 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 by treasury stock.

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

9. Certain domestic consolidated subsidiaries have changed their revenue recognition standard, which change is effective from the first quarter of this fiscal year. The change in accounting policy has been retroactively applied to the results for the six months ended September 30, 2012 and the fiscal year ended March 31, 2013. Year-on-year changes are omitted. The cumulative effect of the change in accounting policy on results up to the fiscal year ended March 31, 2012 is reflected in net assets at the beginning of the fiscal year ended March 31, 2013.

10. Consolidated performance indicators for the immediately preceding fiscal year and half year are presented here.

## II. Business performance

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

#### [Scope of consolidation]

##### Comparison with previous year

	As of December 31, 2013	As of December 31, 2012	Change	Particulars
Consolidated subsidiaries	45	43	2	+ Kikkoman Dairy Company + Nippon Del Monte Agri Company
Equity-method unconsolidated subsidiaries and affiliates	21	21	0	

##### Comparison with March 31, 2013

	As of December 31, 2013	As of March 31, 2013	Change	Particulars
Consolidated subsidiaries	45	43	2	+ Kikkoman Dairy Company + Nippon Del Monte Agri Company
Equity-method unconsolidated subsidiaries and affiliates	21	21	0	

#### [Exchange Rates]

	2013.12		2012.12		Change Increase (decrease)			
	Period Average (13.4-13.12)	End of Term (13.12)	Period Average (12.4-12.12)	End of Term (12.12)	Period Average	%	End of Term	%
US\$	99.23	105.39	80.43	86.58	18.80	123.4	18.81	121.7
EURO	132.13	145.05	103.24	114.71	28.89	128.0	30.34	126.4
S\$	78.97	83.06	64.59	70.78	14.38	122.3	12.28	117.3
A\$	93.55	93.24	82.83	89.80	10.72	112.9	3.44	103.8

## 2. Consolidated segment information

Net sales

¥ million

			2013.12	2012.12	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Soy Sauce		36,553	35,895	657	101.8	657	101.8
	Food Products		45,565	44,439	1,126	102.5	1,126	102.5
	Portion accounted for by soy sauce derivative products		29,908	28,777	1,130	103.9	1,130	103.9
	Beverages		31,735	30,691	1,043	103.4	1,043	103.4
	Portion accounted for by soy milk beverages		18,548	16,921	1,627	109.6	1,627	109.6
	<i>Sake</i> and Wine		10,389	10,126	263	102.6	263	102.6
	Eliminations		(108)	(108)	0	-	0	-
	Foods-Manufacturing and sales		124,135	121,044	3,091	102.6	3,091	102.6
	Others		15,264	15,405	(140)	99.1	(140)	99.1
	Eliminations		(8,525)	(8,653)	128	-	128	-
Total			130,875	127,796	3,079	102.4	3,079	102.4
Overseas	Soy Sauce		36,428	27,777	8,650	131.1	2,001	107.2
	Del Monte		4,278	3,382	896	126.5	86	102.6
	Other Foods		6,762	5,435	1,326	124.4	149	102.8
	Foods-Manufacturing and sales		47,468	36,594	10,874	129.7	2,237	106.1
	Foods-Wholesale		87,646	67,243	20,402	130.3	4,985	107.4
	Eliminations		(6,080)	(4,638)	(1,441)	-	(355)	-
Total			129,035	99,199	29,836	130.1	6,867	106.9
Kikkoman (Holding Company)			10,328	9,102	1,226	113.5	1,226	113.5
Eliminations			(11,825)	(10,617)	(1,208)	-	(1,208)	-
Consolidated Total			258,413	225,480	32,933	114.6	9,964	104.4

Operating Income

			2013.12	2012.12	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Foods-Manufacturing and sales		4,443	5,884	(1,441)	75.5	(1,441)	75.5
	Others		781	1,166	(385)	67.0	(385)	67.0
	Total		5,250	7,083	(1,832)	74.1	(1,832)	74.1
Overseas	Foods-Manufacturing and sales		9,234	6,639	2,594	139.1	875	113.2
	Foods-Wholesale		4,208	2,915	1,293	144.4	656	122.5
	Total		13,350	9,477	3,872	140.9	1,543	116.3
Kikkoman (Holding Company)			3,853	2,521	1,331	152.8	1,331	152.8
Eliminations			(2,845)	(2,467)	(377)	-	(626)	-
Consolidated Total			19,609	16,614	2,994	118.0	416	102.5
Ordinary Income			18,756	15,598	3,158	120.2	913	105.9
Income before income taxes			18,391	14,632	3,759	125.7	1,312	109.0
Net Income			11,944	9,027	2,917	132.3	1,280	114.2

(Notes) 1. Effects of changes in royalties

Royalties between Kikkoman (holding company) and certain domestic companies have changed, with the change effective from the fiscal year under review. With the change, operating income in the domestic business declined approx. 0.6 billion yen, and that at Kikkoman (holding company) rose approx. 0.6 billion yen.

2. Certain domestic consolidated subsidiaries have changed their revenue recognition standard, which change is effective from the first quarter of this fiscal year. The change in accounting policy is retroactively applied to the segment information for the period from April to December, 2012

### 3. Consolidated segment information in Japan

Net sales

¥ million

			2013.12	2012.12	Change increase (decrease)	%	Change excluding translation difference	%
Japan		Soy Sauce	36,553	35,895	657	101.8	657	101.8
		Food Products	45,565	44,439	1,126	102.5	1,126	102.5
		Portion accounted for by soy sauce derivative products	29,908	28,777	1,130	103.9	1,130	103.9
		Beverages	31,735	30,691	1,043	103.4	1,043	103.4
		Portion accounted for by soy milk beverages	18,548	16,921	1,627	109.6	1,627	109.6
		<i>Sake</i> and Wine	10,389	10,126	263	102.6	263	102.6
		Eliminations	(108)	(108)	0	-	0	-
		Foods-Manufacturing and sales	124,135	121,044	3,091	102.6	3,091	102.6
		Others	15,264	15,405	(140)	99.1	(140)	99.1
		Eliminations	(8,525)	(8,653)	128	-	128	-
Total			130,875	127,796	3,079	102.4	3,079	102.4

Operating Income

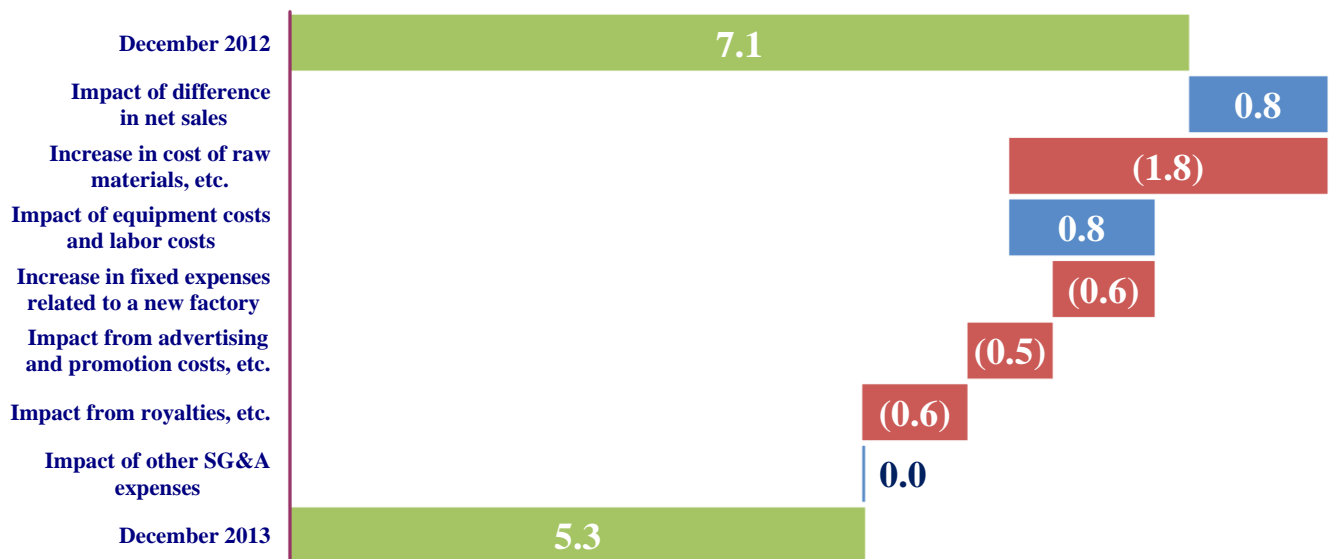
		2013.12	2012.12	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Foods-Manufacturing and sales	4,443	5,884	(1,441)	75.5	(1,441)	75.5
	Others	781	1,166	(385)	67.0	(385)	67.0
	Total	5,250	7,083	(1,832)	74.1	(1,832)	74.1

Analysis of Cause

#### Key Factors in Change in Operating Income

**Japan (¥1.8 billion)**

(Unit: billions of yen)



#### 4. Consolidated segment information overseas

Net sales

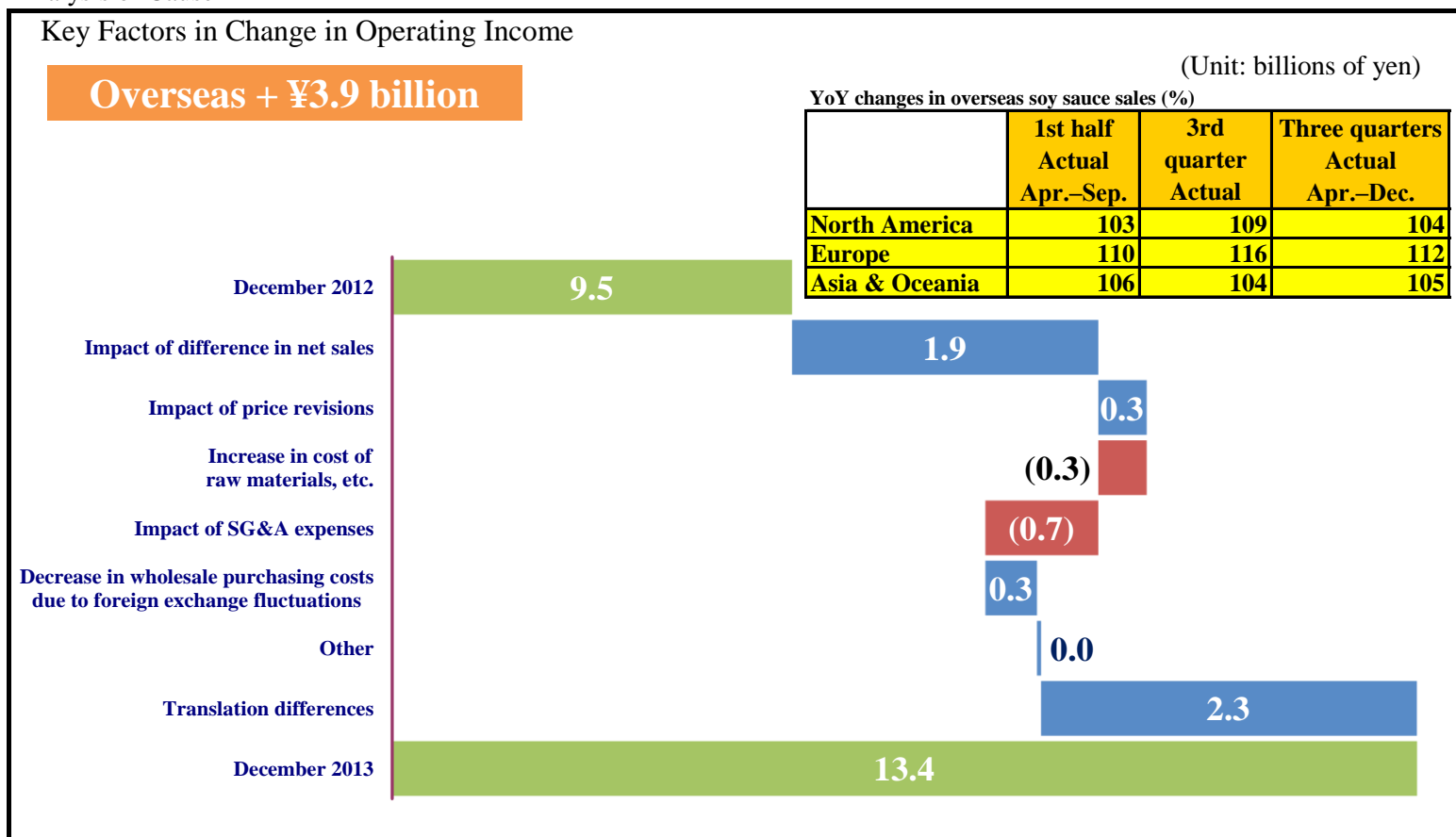
¥ million

			2013.12	2012.12	Change increase (decrease)	%	Change excluding translation difference	%
Overseas	North America	Foods-Manufacturing and sales	32,559	25,257	7,301	128.9	1,237	104.9
		Foods-Wholesale	68,631	53,039	15,591	129.4	2,749	105.2
		Eliminations	(4,405)	(3,283)	(1,122)	-	(287)	-
		Total	96,784	75,013	21,771	129.0	3,699	104.9
	Europe	Foods-Manufacturing and sales	6,612	4,554	2,057	145.2	611	113.4
		Foods-Wholesale	8,508	6,117	2,390	139.1	628	110.3
		Eliminations	(925)	(694)	(230)	-	(28)	-
		Total	14,194	9,977	4,217	142.3	1,211	112.1
	Asia & Oceania	Foods-Manufacturing and sales	7,608	6,050	1,557	125.7	234	103.9
		Foods-Wholesale	7,947	6,343	1,603	125.3	633	110.0
		Eliminations	(120)	(109)	(11)	-	2	-
		Total	15,435	12,285	3,150	125.6	870	107.1
	Others		20,074	15,908	4,166	126.2	4,166	126.2
	Eliminations		(17,454)	(13,985)	(3,469)	-	(3,081)	-
	Total		129,035	99,199	29,836	130.1	6,867	106.9

Operating Income

			2013.12	2012.12	Change increase (decrease)	%	Change excluding translation difference	%
Overseas	North America	Foods-Manufacturing and sales	6,117	4,443	1,674	137.7	511	111.5
		Foods-Wholesale	2,713	2,037	675	133.2	170	108.4
		Total	8,721	6,410	2,310	136.0	668	110.4
	Europe	Foods-Manufacturing and sales	1,672	1,105	567	151.3	207	118.8
		Foods-Wholesale	509	163	345	311.0	241	247.4
		Total	2,191	1,254	936	174.6	475	137.9
	Asia & Oceania	Foods-Manufacturing and sales	1,077	807	270	133.5	67	108.4
		Foods-Wholesale	368	273	95	134.8	47	117.2
		Total	1,452	1,090	362	133.3	109	110.0
	Others		1,000	729	270	137.1	270	137.1
	Total		13,350	9,477	3,872	140.9	1,543	116.3

Analysis of Cause



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

[Consolidated Total]

¥ million

	2013.12	2012.12	Change increase (decrease)	%	Change excluding translation difference	%
Operating Income	19,609	16,614	2,994	118.0	416	102.5

Financial income (expenses) and dividends income	(235)	(437)	201	-	195	-
Equity in earnings (loss) of affiliates	883	632	251	139.8	230	136.5
Other	(1,501)	(1,211)	(289)	-	70	-
Total non-operating income (expenses)	(853)	(1,016)	163	-	496	-

Ordinary income	18,756	15,598	3,158	120.2	913	105.9
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Gain on sales of property, plant and equipment	1,074	266	807		605	
Gain on sales of investment securities	94	1	92		92	
Subsidy income	-	854	(854)		(854)	
Compensation income	-	635	(635)		(635)	
Total extraordinary income	1,168	1,759	(590)	66.4	(792)	55.0
Loss on retirement of noncurrent assets	859	448	411		411	
Loss on reduction of noncurrent assets	-	854	(854)		(854)	
Loss on valuation of investment securities	-	1,323	(1,323)		(1,323)	
Loss on valuation of golf membership	2	29	(26)		(26)	
Compensation associated with end of transactions	671	-	671		671	
Other	-	69	(69)		(69)	
Total extraordinary loss	1,533	2,724	(1,191)	56.3	(1,191)	56.3
Total extraordinary income (loss)	(364)	(965)	601	-	399	-

Income before income taxes and minority interests	18,391	14,632	3,759	125.7	1,312	109.0
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Income taxes	6,400	5,520	880	116.0	74	101.3
Income before minority interests	11,990	9,112	2,878	131.6	1,238	113.6
Minority interests in income	45	85	(39)	53.9	(42)	50.1

Net income	11,944	9,027	2,917	132.3	1,280	114.2
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## 6. Consolidated balance sheets

As of December 31, 2013 (Compared with 2013.3)

Total Asset =		377,113	+40,061	(¥ million)
Translation Difference			+10,740	US\$ 105.39 +11.34
				EURO 145.05 +24.32
Actual Difference			29,321	
Current assets		+10,705	Liabilities	+7,426
Cash and deposits	+1,179		Interest-bearing debt	+3,969
Notes and accounts receivable-trade	+6,861		Trade notes and accounts payable, other accounts payable	+178
Inventories	+865		Income tax payable	(246)
Deferred tax assets	(1,005)		Provision for retirement benefits	(598)
Other	+2,805		Deferred tax liabilities	+3,901
			Other	+222
Noncurrent assets		+18,615	Net assets	+21,894
Property, plant and equipment	+2,314		Retained earnings	+6,583
Intangible assets	(780)		Valuation difference on available-for-sale securities	+9,832
[Goodwill	(1,248) ]		Foreign currency translation adjustment	+5,176
Investments and other assets	+17,081		Minority interests	+65
[Investment securities	+16,615 ]		Other	+238