

Business Performance Presentation
for the Nine-Month Period Ended

First Nine Months of Fiscal 2016

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, 2013	Six months ended September 30, 2014	Six months ended September 30, 2015	2014.3 Actual	2015.3 Actual	2016.3 Forecast
Net Sales	millions of yen	168,403	178,799	202,774	343,168	371,339	405,000
YoY Change	%	14.5	6.2	13.4	14.3	8.2	9.1
Operating Income	millions of yen	12,662	12,296	16,939	23,847	25,370	31,200
(Operating Income Ratio to Net Sales)	%	7.5	6.9	8.4	6.9	6.8	7.7
YoY Change	%	22.7	(2.9)	37.8	20.4	6.4	23.0
Ordinary Income	millions of yen	11,286	11,743	15,957	22,682	24,364	29,200
(Ordinary Income Ratio to Net Sales)	%	6.7	6.6	7.9	6.6	6.6	7.2
YoY Change	%	23.1	4.1	35.9	21.3	7.4	19.8
Net Income Attributable to Owners of Parent	millions of yen	7,156	7,785	10,485	12,559	15,382	19,100
(Ratio of Net Income Attributable to Owners of Parent to Net Sales)	%	4.2	4.4	5.2	3.7	4.1	4.7
YoY Change	%	49.7	8.8	34.7	14.1	22.5	24.2
Net Asset per Share	yen	-	-	-	1,045.62	1,210.77	-
Net Income per Share	yen	35.80	39.36	53.68	62.82	78.20	98.18
Diluted Net Income per Share	yen	35.78	39.36	-	62.79	78.19	-
Cash Dividends per Share	yen	-	-	-	20.00	24.00	24.00
Dividend Payout Ratio (Consolidated)	%	-	-	-	31.8	30.7	24.4
Total Net Assets	millions of yen	201,515	213,673	237,983	210,407	238,431	-
Shareholders' Equity	millions of yen	200,206	211,858	236,003	209,166	236,508	-
Total Assets	millions of yen	355,570	360,478	377,960	349,103	378,766	-
Shareholders' Equity Ratio	%	56.3	58.8	62.4	59.9	62.4	-
D/E Ratio	%	49.2	41.6	31.0	38.5	31.0	-
Dividend on Equity	%	-	-	-	2.0	2.1	-
Return on Equity	%	3.7	3.7	4.4	6.4	6.9	-
ROA	%	3.3	3.3	4.2	6.6	6.7	-
Share Price as of Term-end	yen	1,795	2,331	3,280	1,947	3,815	-
PER	times	-	-	-	31.0	48.8	-
Cash Flows From Operating Activities	millions of yen	12,407	12,787	16,134	25,667	31,658	-
Cash Flows From Investing Activities	millions of yen	(10,530)	(6,286)	(10,499)	(8,529)	(5,041)	-
Cash Flows From Financing Activities	millions of yen	(2,906)	(6,519)	(4,927)	(21,631)	(21,566)	-
Term-end Cash and Cash Equivalents	millions of yen	27,763	26,149	32,779	25,420	32,398	-
Free Cash Flows	millions of yen	2,524	5,960	8,701	9,744	19,151	-
Free Cash Flows per Share	yen	12.63	30.14	44.55	48.74	97.36	-
Interest-bearing Debt	millions of yen	98,573	88,099	73,155	80,603	73,299	-
Capital Expenditures	millions of yen	10,771	6,336	7,448	17,265	13,087	14,300
(For Property, Plant and Equipment)	millions of yen	9,961	5,707	7,052	15,208	11,761	13,600
Depreciation and Amortization	millions of yen	6,223	6,043	5,871	12,983	12,901	12,100
(On Property, Plant and Equipment)	millions of yen	5,815	5,609	5,410	12,162	12,026	11,100
R&D Costs	millions of yen	1,742	1,720	1,779	3,564	3,598	-
Net Financial Income (Loss)	millions of yen	(190)	(57)	(17)	(486)	(238)	-
Average Term Exchange Rate	yen/US\$	97.99	103.51	121.50	100.00	110.03	119.89
No. of Employees	people	5,569	5,798	5,945	5,622	5,912	-
No. of Shares Issued and Outstanding at Term-end	thousand	199,930	195,520	195,310	200,031	195,336	-

(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 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. The Net Income Attributable to Owners of Parent and the Ratio of Net Income Attributable to Owners of Parent to Net Sales for Six months ended September 30, 2013 to 2015.3 Actual were previously presented as Net Income and Net Income Ratio to Net Sales, respectively.

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

	2015.12 Actual	2014.12 Actual	Change	Particulars
Consolidated subsidiaries	49	49	0	+ Nutrigold SW Limited - JFC Brasil Importadora E Comercio De Produtos Alimenticios LTDA.
Equity-method unconsolidated subsidiaries and affiliates	19	20	(1)	- Dalian Riken Seaweed CO., LTD.

Comparison with March 31, 2015

	2015.12 Actual	2015.3 Actual	Change	Particulars
Consolidated subsidiaries	49	49	0	+ Nutrigold SW Limited - JFC Brasil Importadora E Comercio De Produtos Alimenticios LTDA.
Equity-method unconsolidated subsidiaries and affiliates	19	19	0	

[Exchange Rates]

	2015.12 Actual		2014.12 Actual		Change Increase (decrease)			
	Period Average (15.4-15.12)	End of Term (15.12)	Period Average (14.4-14.12)	End of Term (14.12)	Period Average	%	End of Term	%
US\$	121.49	120.61	107.27	120.55	14.22	113.3	0.06	100.0
EURO	133.67	131.77	140.50	146.54	(6.83)	95.1	(14.77)	89.9
S\$	87.93	85.39	84.52	91.15	3.41	104.0	(5.76)	93.7
A\$	89.95	87.92	96.41	98.07	(6.46)	93.3	(10.15)	89.7

2. Consolidated segment information

Net sales

¥ million

		2015.12 Actual	2014.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Soy Sauce	38,218	36,329	1,889	105.2	1,889	105.2
	Food Products	46,423	44,998	1,424	103.2	1,424	103.2
	Portion accounted for by soy sauce derivative products	30,346	29,746	599	102.0	599	102.0
	Beverages	35,109	33,182	1,927	105.8	1,927	105.8
	Portion accounted for by soy milk beverages	23,389	21,521	1,868	108.7	1,868	108.7
	Liquor and Wine	10,471	10,243	227	102.2	227	102.2
	Eliminations	(130)	(113)	(16)	-	(16)	-
	Foods-Manufacturing and sales	130,093	124,641	5,452	104.4	5,452	104.4
	Others	15,926	15,507	418	102.7	418	102.7
	Eliminations	(9,125)	(8,990)	(134)	-	(134)	-
Total		136,894	131,158	5,736	104.4	5,736	104.4
Overseas	Soy Sauce	49,644	42,078	7,566	118.0	3,716	108.8
	Del Monte	4,479	4,451	27	100.6	(459)	89.7
	Other Foods	9,584	7,668	1,915	125.0	552	107.2
	Foods-Manufacturing and sales	63,708	54,196	9,511	117.6	3,811	107.0
	Foods-Wholesale	119,876	101,320	18,556	118.3	8,950	108.8
	Eliminations	(7,990)	(6,929)	(1,060)	-	(414)	-
Total		175,594	148,587	27,007	118.2	12,347	108.3
Kikkoman (Holding Company)		10,580	10,553	26	100.3	26	100.3
Eliminations		(12,426)	(12,203)	(223)	-	(223)	-
Consolidated Total		310,643	278,095	32,547	111.7	17,887	106.4

Operating Income

		2015.12 Actual	2014.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Foods-Manufacturing and sales	6,392	3,233	3,159	197.7	3,159	197.7
	Others	1,325	875	450	151.4	450	151.4
	Total		7,746	4,137	3,608	187.2	3,608
Overseas	Foods-Manufacturing and sales	12,454	10,527	1,926	118.3	800	107.6
	Foods-Wholesale	6,134	4,716	1,418	130.1	877	118.6
	Total		18,389	15,089	3,300	121.9	1,617
Kikkoman (Holding Company)		3,503	4,080	(577)	85.8	(577)	85.8
Eliminations		(2,539)	(2,905)	366	-	250	-
Consolidated Total		27,099	20,401	6,697	132.8	4,899	124.0
Ordinary Income		25,676	19,851	5,824	129.3	4,201	121.2
Income before Income Taxes		25,472	19,640	5,831	129.7	4,207	121.4
Net Income Attributable to Owners of Parent		17,074	13,396	3,678	127.5	2,617	119.5

3. Consolidated segment information in Japan

Net sales

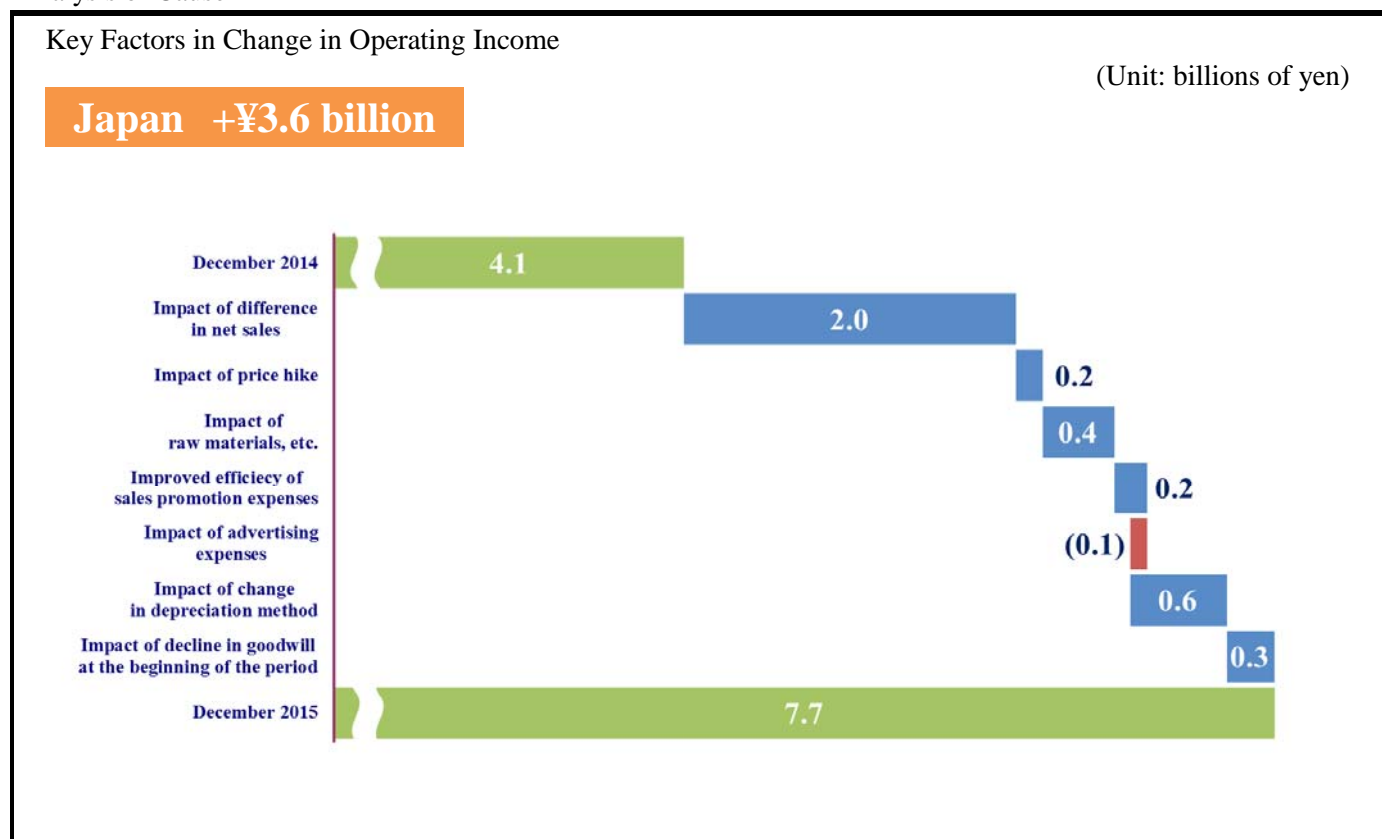
¥ million

		2015.12 Actual	2014.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Soy Sauce	38,218	36,329	1,889	105.2	1,889	105.2
	Food Products	46,423	44,998	1,424	103.2	1,424	103.2
	Portion accounted for by soy sauce derivative products	30,346	29,746	599	102.0	599	102.0
	Beverages	35,109	33,182	1,927	105.8	1,927	105.8
	Portion accounted for by soy milk beverages	23,389	21,521	1,868	108.7	1,868	108.7
	Liquor and Wine	10,471	10,243	227	102.2	227	102.2
	Eliminations	(130)	(113)	(16)	-	(16)	-
	Foods-Manufacturing and sales	130,093	124,641	5,452	104.4	5,452	104.4
	Others	15,926	15,507	418	102.7	418	102.7
	Eliminations	(9,125)	(8,990)	(134)	-	(134)	-
Total		136,894	131,158	5,736	104.4	5,736	104.4

Operating Income

		2015.12 Actual	2014.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Foods-Manufacturing and sales	6,392	3,233	3,159	197.7	3,159	197.7
	Others	1,325	875	450	151.4	450	151.4
	Total	7,746	4,137	3,608	187.2	3,608	187.2

Analysis of Cause



4. Consolidated segment information overseas

Net sales

¥ million

			2015.12 Actual	2014.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%	
Overseas	North	Soy Sauce	33,984	29,076	4,908	116.9	930	103.2	
		Other Foods	9,584	7,668	1,915	125.0	552	107.2	
	America	Foods-Manufacturing and sales	43,569	36,745	6,824	118.6	1,483	104.0	
		Foods-Wholesale	95,719	79,641	16,078	120.2	5,731	107.2	
		Eliminations	(6,006)	(4,966)	(1,040)	-	(337)	-	
		Total	133,282	111,420	21,862	119.6	6,877	106.2	
	Europe	Foods-Manufacturing and sales	7,959	7,406	552	107.5	959	113.0	
		Foods-Wholesale	11,003	9,987	1,015	110.2	1,212	112.1	
		Eliminations	(1,202)	(1,191)	(10)	-	(71)	-	
	Total	17,760	16,202	1,558	109.6	2,099	113.0		
	Asia & Oceania	Soy Sauce	Del Monte	7,522	4,913	2,608	153.1	2,236	145.5
			Other Foods	4,479	4,451	27	100.6	(459)	89.7
		Foods-Manufacturing and sales	12,001	9,365	2,636	128.2	1,776	119.0	
		Foods-Wholesale	10,055	9,002	1,052	111.7	1,477	116.4	
		Eliminations	(137)	(136)	(1)	-	(11)	-	
	Total	21,919	18,231	3,687	120.2	3,242	117.8		
	Others		25,372	22,331	3,040	113.6	3,040	113.6	
	Eliminations		(22,739)	(19,599)	(3,140)	-	(2,913)	-	
	Total		175,594	148,587	27,007	118.2	12,347	108.3	

Operating Income

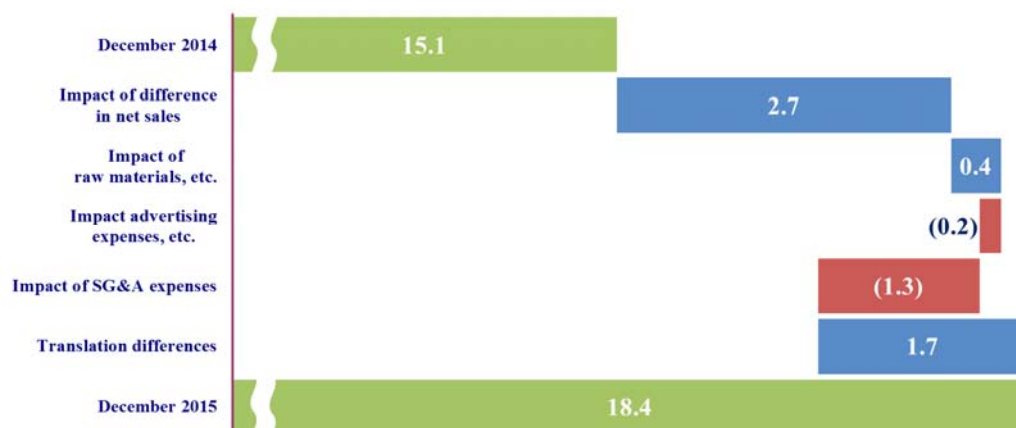
			2015.12 Actual	2014.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Overseas	North America	Foods-Manufacturing and sales	8,605	7,057	1,547	121.9	434	106.2
		Foods-Wholesale	4,432	3,109	1,323	142.6	837	126.9
	Total	12,853	10,026	2,826	128.2	1,217	112.1	
	Europe	Foods-Manufacturing and sales	1,906	1,858	47	102.6	142	107.7
		Foods-Wholesale	546	564	(18)	96.7	(14)	97.5
	Total	2,433	2,405	27	101.2	124	105.2	
	Asia & Oceania	Foods-Manufacturing and sales	1,543	1,250	293	123.4	198	115.8
		Foods-Wholesale	368	340	28	108.2	15	104.7
	Total	1,914	1,596	318	119.9	210	113.2	
	Others		1,154	1,093	60	105.6	60	105.6
Total		18,389	15,089	3,300	121.9	1,617	110.7	

Analysis of Cause

Key Factors in Change in Operating Income

(Unit: billions of yen)

Overseas +¥3.3 billion



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

[Consolidated Total]

¥ million

	2015.12 Actual	2014.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Operating Income	27,099	20,401	6,697	132.8	4,899	124.0
Financial income (expenses) and dividends income	(6)	(41)	34	-	33	-
Equity in earnings (loss) of affiliates	878	789	88	111.2	86	111.0
Other	(2,294)	(1,297)	(996)	-	(819)	-
Total non-operating income (expenses)	(1,423)	(550)	(873)	-	(698)	-
Ordinary Income	25,676	19,851	5,824	129.3	4,201	121.2
Gain on sales of property, plant and equipment	15	38	(23)		(24)	
Gain on sales of investment securities	-	155	(155)		(155)	
Total extraordinary income	15	194	(178)	8.1	(179)	7.6
Loss on retirement of noncurrent assets	176	294	(118)		(118)	
Loss (gain) on valuation of investment securities	28	-	28		28	
Loss on valuation of golf club membership	1	15	(13)		(13)	
Special extra retirement payments	13	95	(81)		(81)	
Total extraordinary loss	219	405	(185)	54.2	(185)	54.2
Total extraordinary income (loss)	(203)	(211)	7	-	6	-
Income before income taxes	25,472	19,640	5,831	129.7	4,207	121.4
Income taxes	8,191	6,126	2,064	133.7	1,511	124.7
Net income	17,280	13,513	3,766	127.9	2,695	119.9
Net income attributable to non-controlling interests	205	117	88	175.7	78	166.9
Net income attributable to owners of parent	17,074	13,396	3,678	127.5	2,617	119.5

6. Consolidated balance sheets

As of December 31, 2015 (Compared with 2015.3)

Total Asset	=	385,355	+6,588	(¥ million)
		Translation Difference	(560)	US\$ 120.61 +0.44 EUR 131.77 +1.45
		Actual Difference	+7,148	
Current assets		+3,341	Liabilities	+5,187
Cash and deposits		(6,767)	Interest-bearing debt	+1,885
Notes and accounts receivable-trade		+11,550	Notes and accounts payable-trade	(507)
Inventories		(23)	Accounts payable-other	+2,316
Deferred tax assets		+3	Income taxes payable	(384)
Other		(1,422)	Net defined benefit liability	+1,642
			Deferred tax liabilities	+235
			Other	+235
Noncurrent assets		+3,807	Net assets	+1,961
Property, plant and equipment		+1,734	Retained earnings	+13,922
Intangible assets		(4,733)	Valuation difference on available-for-sale securities	+3,529
[Goodwill		(5,085)]	Foreign currency translation adjustment	+311
Investments and other assets		+6,806	Non-controlling interests	+64
[Investment securities		+5,752]	Other	(15,865)