

Business Performance Presentation
for the Nine-Month Period Ended December 31, 2016

First Nine Months of Fiscal 2017

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 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, 2014	Six months ended September 30, 2015	Six months ended September 30, 2016	2015.3 Actual	2016.3 Actual	2017.3 Forecast
Net Sales	millions of yen	178,799	202,774	196,783	371,339	408,372	393,000
YoY Change	%	6.2	13.4	(3.0)	8.2	10.0	(3.8)
Operating Income	millions of yen	12,296	16,939	16,944	25,370	32,598	31,500
(Operating Income Ratio to Net Sales)	%	6.9	8.4	8.6	6.8	8.0	8.0
YoY Change	%	(2.9)	37.8	0.0	6.4	28.5	(3.4)
Ordinary Income	millions of yen	11,743	15,957	16,435	24,364	31,029	30,000
(Ordinary Income Ratio to Net Sales)	%	6.6	7.9	8.4	6.6	7.6	7.6
YoY Change	%	4.1	35.9	3.0	7.4	27.4	(3.3)
Net Income Attributable to Owners of Parent	millions of yen	7,785	10,485	16,013	15,382	19,964	24,000
(Ratio of Net Income Attributable to Owners of Parent to Net Sales)	%	4.4	5.2	8.1	4.1	4.9	6.1
YoY Change	%	8.8	34.7	52.7	22.5	29.8	20.2
Net Asset per Share	yen	-	-	-	1,210.77	1,160.05	-
Net Income per Share	yen	39.36	53.68	82.91	78.20	102.67	124.26
Diluted Net Income per Share	yen	39.36	-	-	78.19	-	-
Cash Dividends per Share	yen	-	-	-	24.00	32.00	32.00
Dividend Payout Ratio (Consolidated)	%	-	-	-	30.7	31.2	25.8
Total Net Assets	millions of yen	213,673	237,983	219,112	238,431	225,675	-
Shareholders' Equity	millions of yen	211,858	236,003	217,179	236,508	223,684	-
Total Assets	millions of yen	360,478	377,960	332,946	378,766	365,671	-
Shareholders' Equity Ratio	%	58.8	62.4	65.2	62.4	61.2	-
D/E Ratio	%	41.6	31.0	23.1	31.0	31.6	-
Dividend on Equity	%	-	-	-	2.1	2.7	-
Return on Equity	%	3.7	4.4	7.3	6.9	8.7	-
Ordinary Income to Total Assets	%	3.3	4.2	4.7	6.7	8.3	-
Share Price as of Term-end	yen	2,331	3,280	3,220	3,815	3,700	-
PER	times	-	-	-	48.8	36.0	-
Cash Flows From Operating Activities	millions of yen	12,787	16,134	9,889	31,658	37,661	-
Cash Flows From Investing Activities	millions of yen	(6,286)	(10,499)	17,947	(5,041)	(15,855)	-
Cash Flows From Financing Activities	millions of yen	(6,519)	(4,927)	(27,147)	(21,566)	(17,801)	-
Term-end Cash and Cash Equivalents	millions of yen	26,149	32,779	33,824	32,398	35,150	-
Free Cash Flows	millions of yen	5,960	8,701	4,399	19,151	24,132	-
Free Cash Flows per Share	yen	30.14	44.55	22.78	97.36	124.10	-
Interest-bearing Debt	millions of yen	88,099	73,155	50,147	73,299	70,610	-
Capital Expenditures	millions of yen	6,336	7,448	4,435	13,087	14,795	11,900
(For Property, Plant and Equipment)	millions of yen	5,707	7,052	4,132	11,761	13,464	11,000
Depreciation and Amortization	millions of yen	6,043	5,871	5,952	12,901	11,936	12,200
(On Property, Plant and Equipment)	millions of yen	5,609	5,410	5,461	12,026	10,967	11,100
R&D Costs	millions of yen	1,720	1,779	1,881	3,598	3,662	-
Net Financial Income (Loss)	millions of yen	(57)	(17)	547	(238)	(186)	-
Average Term Exchange Rate	yen/US\$	103.51	121.50	106.43	110.03	120.16	103.46
No. of Employees	people	5,798	5,945	6,158	5,912	5,933	-
No. of Shares Issued and Outstanding at Term-end	thousand	195,520	195,310	193,144	195,336	192,822	-

(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, 2014 to 2015.3 Actual were previously presented as Net Income and Net Income Ratio to Net Sales, respectively.

10. Consolidated performance indicators for the most recent fiscal year and the first six months are presented.

II. Business performance

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

[Scope of consolidation]

Comparison with previous year

	2016.12 Actual	2015.12 Actual	Change	Particulars
Consolidated subsidiaries	53	49	4	+ JFC (S) PTE. LTD. + Kikkoman Zhenji Foods Co., Ltd. + KTA-GLOBO CO.,LTD. + KTA (THAILAND) CO.,LTD. + PT. KIKKOMAN AKUFOOD INDONESIA - Kikkoman Dairy Company
Equity-method unconsolidated subsidiaries and affiliates	3	19	(16)	- RIKEN VITAMIN Co., Ltd. and 15 other companies

Comparison with the fiscal year ended March 31, 2016

	2016.12 Actual	2016.3 Actual	Change	Particulars
Consolidated subsidiaries	53	51	2	+ JFC (S) PTE. LTD. + Kikkoman Zhenji Foods Co., Ltd. + PT. KIKKOMAN AKUFOOD INDONESIA - Kikkoman Dairy Company
Equity-method unconsolidated subsidiaries and affiliates	3	19	(16)	- RIKEN VITAMIN Co., Ltd. and 15 other companies

[Exchange Rates]

	2016.12 Actual		2015.12 Actual		Change increase (decrease)			
	Period Average (16.4-16.12)	End of Term (16.12)	Period Average (15.4-15.12)	End of Term (15.12)	Period Average	%	End of Term	%
US\$	107.88	116.49	121.49	120.61	(13.61)	88.8	(4.12)	96.6
EURO	119.13	122.70	133.67	131.77	(14.54)	89.1	(9.07)	93.1
S\$	78.36	80.63	87.93	85.39	(9.57)	89.1	(4.76)	94.4
A\$	80.74	84.36	89.95	87.92	(9.21)	89.8	(3.56)	96.0

2. Consolidated segment information

Net sales

¥ million

		2016.12 Actual	2015.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Soy Sauce	39,059	38,218	840	102.2	840	102.2
	Food Products	44,515	46,423	(1,908)	95.9	(1,908)	95.9
	Portion accounted for by soy sauce derivative products	27,771	30,346	(2,574)	91.5	(2,574)	91.5
	Beverages	35,400	35,109	290	100.8	290	100.8
	Portion accounted for by soy milk beverages	24,024	23,389	634	102.7	634	102.7
	Liquor and Wine	10,304	10,471	(167)	98.4	(167)	98.4
	Eliminations	(134)	(130)	(4)	-	(4)	-
	Foods-Manufacturing and sales	129,144	130,093	(949)	99.3	(949)	99.3
	Others	16,066	15,926	139	100.9	139	100.9
	Eliminations	(9,158)	(9,125)	(33)	-	(33)	-
Total		136,051	136,894	(843)	99.4	(843)	99.4
Overseas	Soy Sauce	46,479	49,644	(3,164)	93.6	2,502	105.0
	Del Monte	3,665	4,479	(813)	81.8	(342)	92.4
	Other Foods	9,200	9,584	(384)	96.0	537	105.6
	Foods-Manufacturing and sales	59,345	63,708	(4,362)	93.2	2,697	104.2
	Foods-Wholesale	116,149	119,876	(3,726)	96.9	10,653	108.9
	Eliminations	(7,757)	(7,990)	232	-	(689)	-
Total		167,738	175,594	(7,856)	95.5	12,661	107.2
Kikkoman (Holding Company)		10,113	10,580	(467)	95.6	(467)	95.6
Eliminations		(12,126)	(12,426)	300	-	300	-
Consolidated Total		301,777	310,643	(8,866)	97.1	11,651	103.8

Operating Income

		2016.12 Actual	2015.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Foods-Manufacturing and sales	7,775	6,392	1,382	121.6	1,382	121.6
	Others	1,038	1,325	(287)	78.3	(287)	78.3
	Total		8,839	7,746	1,093	114.1	1,093
Overseas	Foods-Manufacturing and sales	12,165	12,454	(289)	97.7	1,196	109.6
	Foods-Wholesale	5,564	6,134	(569)	90.7	48	100.8
	Total		17,592	18,389	(796)	95.7	1,295
Kikkoman (Holding Company)		2,153	3,503	(1,349)	61.5	(1,349)	61.5
Eliminations		(2,326)	(2,539)	212	-	404	-
Consolidated Total		26,259	27,099	(840)	96.9	1,443	105.3
Ordinary Income		25,653	25,676	(22)	99.9	2,040	107.9
Income before Income Taxes		25,015	25,472	(457)	98.2	1,625	106.4
Net Income Attributable to Owners of Parent		22,390	17,074	5,315	131.1	6,716	139.3

3. Consolidated segment information in Japan

Net sales

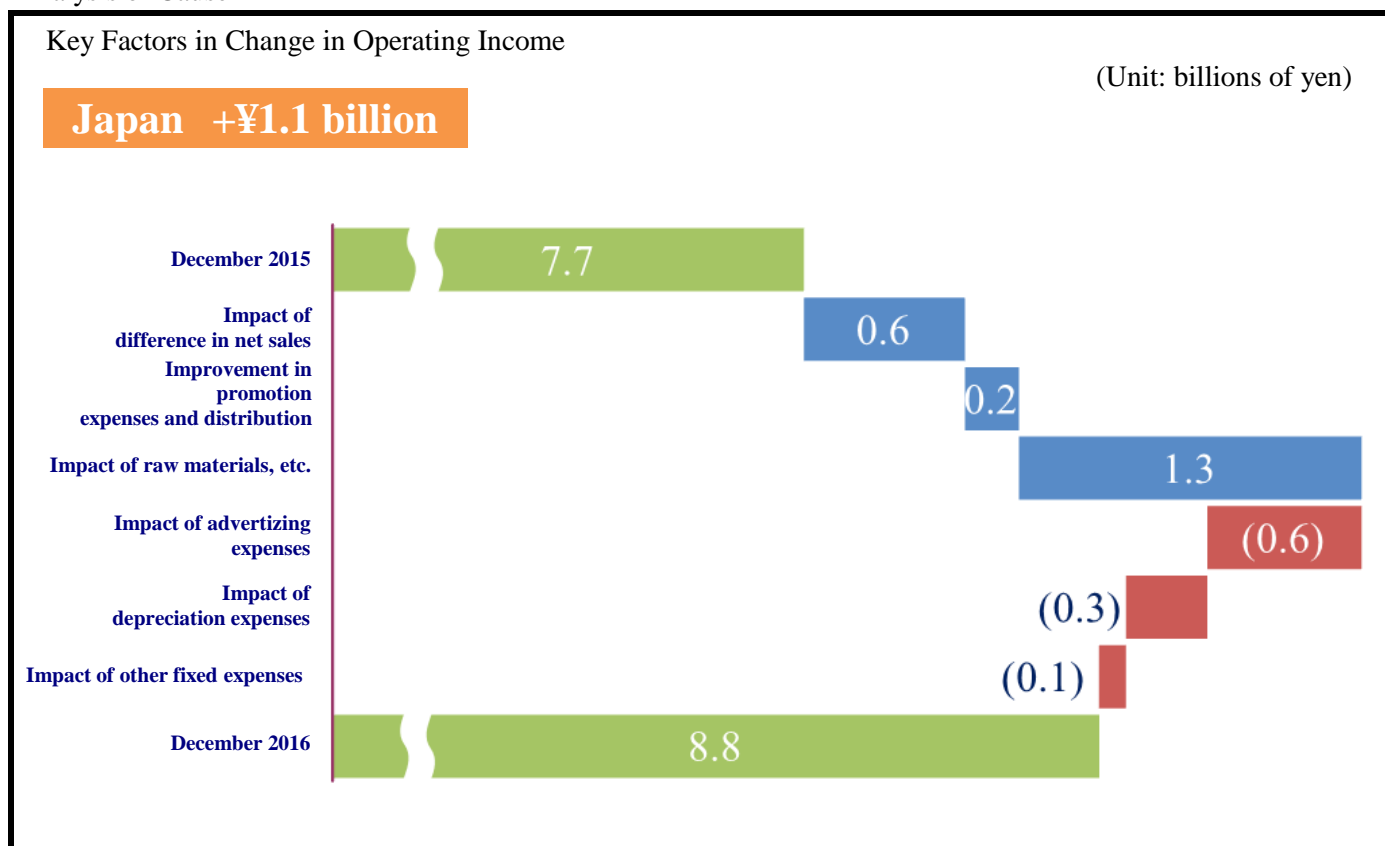
¥ million

		2016.12 Actual	2015.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Soy Sauce	39,059	38,218	840	102.2	840	102.2
	Food Products	44,515	46,423	(1,908)	95.9	(1,908)	95.9
	Portion accounted for by soy sauce derivative products	27,771	30,346	(2,574)	91.5	(2,574)	91.5
	Beverages	35,400	35,109	290	100.8	290	100.8
	Portion accounted for by soy milk beverages	24,024	23,389	634	102.7	634	102.7
	Liquor and Wine	10,304	10,471	(167)	98.4	(167)	98.4
	Eliminations	(134)	(130)	(4)	-	(4)	-
	Foods-Manufacturing and sales	129,144	130,093	(949)	99.3	(949)	99.3
	Others	16,066	15,926	139	100.9	139	100.9
	Eliminations	(9,158)	(9,125)	(33)	-	(33)	-
Total		136,051	136,894	(843)	99.4	(843)	99.4

Operating Income

		2016.12 Actual	2015.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Foods-Manufacturing and sales	7,775	6,392	1,382	121.6	1,382	121.6
	Others	1,038	1,325	(287)	78.3	(287)	78.3
	Total	8,839	7,746	1,093	114.1	1,093	114.1

Analysis of Cause



4. Consolidated segment information overseas

Net sales

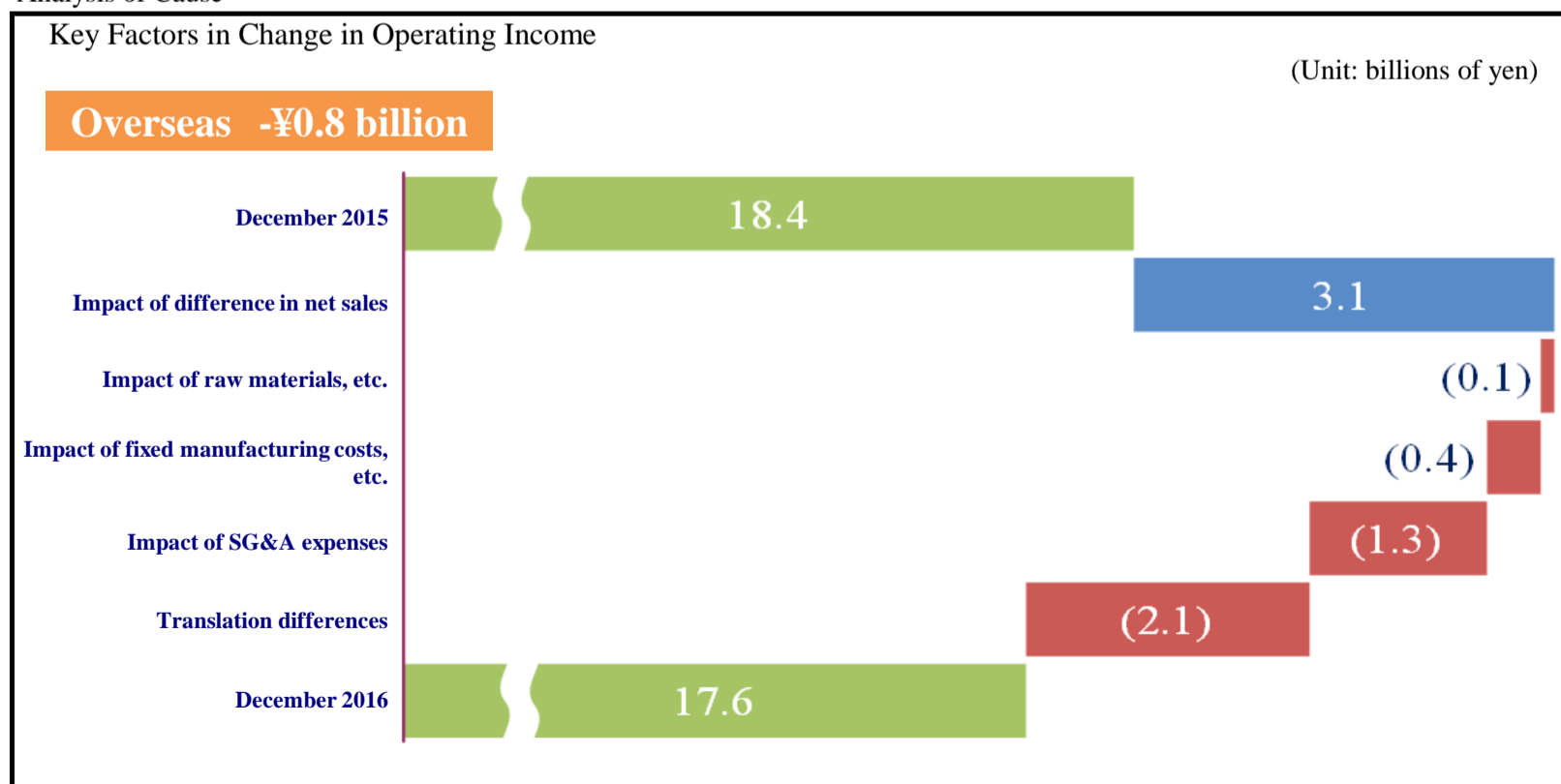
¥ million

				2016.12 Actual	2015.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%	
Overseas	North America		Soy Sauce	31,980	33,984	(2,003)	94.1	2,030	106.0	
			Other Foods	9,200	9,584	(384)	96.0	537	105.6	
		Foods-Manufacturing and sales		41,181	43,569	(2,387)	94.5	2,568	105.9	
		Foods-Wholesale		89,717	95,719	(6,002)	93.7	5,412	105.7	
		Eliminations		(5,637)	(6,006)	368	-	(342)	-	
	Total				125,261	133,282	(8,021)	94.0	7,638	105.7
	Europe	Foods-Manufacturing and sales		7,531	7,959	(427)	94.6	491	106.2	
		Foods-Wholesale		10,594	11,003	(408)	96.3	1,409	112.8	
		Eliminations		(1,246)	(1,202)	(44)	-	(196)	-	
	Total				16,880	17,760	(880)	95.0	1,705	109.6
	Asia & Oceania		Soy Sauce	6,569	7,522	(952)	87.3	(110)	98.5	
			Del Monte	3,665	4,479	(813)	81.8	(342)	92.4	
		Foods-Manufacturing and sales		10,235	12,001	(1,766)	85.3	(453)	96.2	
		Foods-Wholesale		10,845	10,055	789	107.9	2,040	120.3	
		Eliminations		(185)	(137)	(47)	-	(69)	-	
	Total				20,895	21,919	(1,024)	95.3	1,517	106.9
	Others				26,872	25,372	1,500	105.9	1,500	105.9
Eliminations				(22,170)	(22,739)	568	-	299	-	
Total				167,738	175,594	(7,856)	95.5	12,661	107.2	

Operating Income

				2016.12 Actual	2015.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%	
Overseas	North America	Foods-Manufacturing and sales		8,462	8,605	(142)	98.3	933	110.8	
		Foods-Wholesale		3,935	4,432	(496)	88.8	8	100.2	
		Total		12,261	12,853	(591)	95.4	982	107.6	
	Europe	Foods-Manufacturing and sales		2,064	1,906	158	108.3	405	121.2	
		Foods-Wholesale		453	546	(92)	83.1	(16)	97.0	
		Total		2,512	2,433	79	103.2	396	116.3	
	Asia & Oceania	Foods-Manufacturing and sales		1,297	1,543	(245)	84.1	(83)	94.6	
		Foods-Wholesale		303	368	(64)	82.5	(27)	92.4	
		Total		1,602	1,914	(312)	83.7	(113)	94.1	
	Others				1,184	1,154	30	102.6	30	102.6
	Total				17,592	18,389	(796)	95.7	1,295	107.0

Analysis of Cause



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

[Consolidated Total]

¥ million

	2016.12 Actual	2015.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Operating Income	26,259	27,099	(840)	96.9	1,443	105.3
Financial income (expenses) and dividends income	772	(6)	779	-	784	-
Equity in earnings (loss) of affiliates	143	878	(735)	16.3	(738)	15.9
Other	(1,521)	(2,294)	773	-	550	-
Total non-operating income (expenses)	(605)	(1,423)	817	-	597	-
Ordinary Income	25,653	25,676	(22)	99.9	2,040	107.9
Gain on sales of property, plant and equipment	7	15	(8)		(8)	
Gain on sales of investment securities	164	-	164		183	
Total extraordinary income	171	15	156	-	175	-
Loss on retirement of noncurrent assets	-	176	(176)		(176)	
Loss on valuation of investment securities	-	28	(28)		(28)	
Loss on sales of shares of subsidiaries and associates	377	-	377		377	
Loss on valuation of golf club membership	-	1	(1)		(1)	
Loss on bond retirement	432	-	432		432	
Special extra retirement payments	-	13	(13)		(13)	
Total extraordinary loss	809	219	590	369.0	590	369.0
Total extraordinary income (loss)	(637)	(203)	(434)	-	(415)	-
Income before income taxes	25,015	25,472	(457)	98.2	1,625	106.4
Income taxes	2,453	8,191	(5,738)	29.9	(5,073)	38.1
Net income	22,561	17,280	5,281	130.6	6,698	138.8
Net income attributable to non-controlling interests	171	205	(33)	83.5	(18)	91.0
Net income attributable to owners of parent	22,390	17,074	5,315	131.1	6,716	139.3

6. Consolidated balance sheets

As of December 31, 2016 (Compared with March 31, 2016)

Total Asset	=	358,421	(7,249)	(¥ million)
		Translation Difference	(2,047)	US\$ 116.49 +3.81 EUR 122.70 (5.00)
		Actual Difference	(5,202)	
Current assets		+18,244	Liabilities	(25,617)
Cash and deposits		(354)	Interest-bearing debt	(20,539)
Notes and accounts receivable-trade		+9,269	Notes and accounts payable-trade	(1,338)
Inventories		+318	Accounts payable-other	(28)
Deferred tax assets		+2,227	Income taxes payable	(385)
Other		+6,784	Net defined benefit liability	(1,898)
			Deferred tax liabilities	(1,429)
			Other	(1,429)
Noncurrent assets		(23,446)	Net assets	+20,415
Property, plant and equipment		+1,028	Retained earnings	+14,424
Intangible assets		(221)	Valuation difference on available-for-sale securities	+2,020
[Goodwill		(910)]	Foreign currency translation adjustment	+885
Investments and other assets		(24,253)	Non-controlling interests	+2,305
[Investment securities		(22,181)]	Other	+781
[Deferred tax assets		(211)]		