

Business Performance Presentation
for the Nine-Month Period Ended December 31, 2017

First Nine Months of Fiscal 2018

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, 2015	Six months ended September 30, 2016	Six months ended September 30, 2017	2016.3 Actual	2017.3 Actual	2018.3 Forecast
Net Sales	millions of yen	202,774	196,783	214,473	408,372	402,174	429,800
YoY Change	%	13.4	(3.0)	9.0	10.0	(1.5)	6.9
Operating Income	millions of yen	16,939	16,944	19,070	32,598	32,842	36,000
(Operating Income Ratio to Net Sales)	%	8.4	8.6	8.9	8.0	8.2	8.4
YoY Change	%	37.8	0.0	12.5	28.5	0.7	9.6
Ordinary Income	millions of yen	15,957	16,435	18,840	31,029	32,037	35,000
(Ordinary Income Ratio to Net Sales)	%	7.9	8.4	8.8	7.6	8.0	8.1
YoY Change	%	35.9	3.0	14.6	27.4	3.2	9.2
Net Income Attributable to Owners of Parent	millions of yen	10,485	16,013	12,042	19,964	23,810	22,300
(Ratio of Net Income Attributable to Owners of Parent to Net Sales)	%	5.2	8.1	5.6	4.9	5.9	5.2
YoY Change	%	34.7	52.7	(24.8)	29.8	19.3	(6.3)
Net Asset per Share	yen	-	-	-	1,160.05	1,242.71	-
Net Income per Share	yen	53.68	82.91	62.35	102.67	123.28	115.68
Diluted Net Income per Share	yen	-	-	-	-	-	-
Cash Dividends per Share	yen	-	-	-	32.00	34.00	39.00
Dividend Payout Ratio (Consolidated)	%	-	-	-	31.2	27.6	33.7
Total Net Assets	millions of yen	237,983	219,112	256,579	225,675	244,437	-
Shareholders' Equity	millions of yen	236,003	217,179	251,639	223,684	240,009	-
Total Assets	millions of yen	377,960	332,946	349,165	365,671	361,248	-
Shareholders' Equity Ratio	%	62.4	65.2	72.1	61.2	66.4	-
D/E Ratio	%	31.0	23.1	10.6	31.6	21.1	-
Dividend on Equity	%	-	-	-	2.7	2.8	-
Return on Equity	%	4.4	7.3	4.9	8.7	10.3	-
Ordinary Income to Total Assets	%	4.2	4.7	5.3	8.3	8.8	-
Share Price as of Term-end	yen	3,280	3,220	3,460	3,700	3,325	-
PER	times	-	-	-	36.0	27.0	-
Cash Flows From Operating Activities	millions of yen	16,134	9,889	17,501	37,661	26,136	-
Cash Flows From Investing Activities	millions of yen	(10,499)	17,947	(9,007)	(15,855)	13,235	-
Cash Flows From Financing Activities	millions of yen	(4,927)	(27,147)	(29,193)	(17,801)	(30,359)	-
Term-end Cash and Cash Equivalents	millions of yen	32,779	33,824	23,591	35,150	44,205	-
Free Cash Flows	millions of yen	8,701	4,399	10,237	24,132	14,536	-
Free Cash Flows per Share	yen	44.55	22.78	53.01	124.10	75.26	-
Interest-bearing Debt	millions of yen	73,155	50,147	26,640	70,610	50,570	-
Capital Expenditures	millions of yen	7,448	4,435	6,325	14,795	12,165	17,200
(For Property, Plant and Equipment)	millions of yen	7,052	4,132	6,056	13,464	11,362	16,400
Depreciation and Amortization	millions of yen	5,871	5,952	6,380	11,936	12,339	13,200
(On Property, Plant and Equipment)	millions of yen	5,410	5,461	5,852	10,967	11,304	12,100
R&D Costs	millions of yen	1,779	1,881	1,784	3,662	3,943	-
Net Financial Income (Loss)	millions of yen	(17)	547	488	(186)	754	-
Average Term Exchange Rate	yen/US\$	121.50	106.43	111.42	120.16	109.03	110.76
No. of Employees	people	5,945	6,158	7,043	5,933	6,771	-
No. of Shares Issued and Outstanding at Term-end	thousand	195,310	193,144	193,132	192,822	193,133	-

(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. 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 the same period of the previous year

	2017.12 Actual	2016.12 Actual	Change	Particulars
Consolidated subsidiaries	56	53	3	+ KUNSHAN PRESIDENT KIKKOMAN BIOTECHNOLOGY CO., LTD. + JFC NEW ZEALAND LIMITED + JFC NORDEN (SWEDEN) AB + JFC HOLLAND B.V. + JFC ITALIA S.r.l. - EDOGAWA FOODS COMPANY - JFC RESTAURANT GmbH
Equity-method unconsolidated subsidiaries and affiliates	2	3	(1)	- KUNSHAN PRESIDENT KIKKOMAN BIOTECHNOLOGY CO., LTD.

Comparison with the fiscal year ended March 31, 2017

	2017.12 Actual	2017.3 Actual	Change	Particulars
Consolidated subsidiaries	56	53	3	+ KUNSHAN PRESIDENT KIKKOMAN BIOTECHNOLOGY CO., LTD. + JFC NEW ZEALAND LIMITED + JFC NORDEN (SWEDEN) AB + JFC HOLLAND B.V. + JFC ITALIA S.r.l. - EDOGAWA FOODS COMPANY - JFC RESTAURANT GmbH
Equity-method unconsolidated subsidiaries and affiliates	2	3	(1)	- KUNSHAN PRESIDENT KIKKOMAN BIOTECHNOLOGY CO., LTD.

[Exchange Rates]

	2017.12 Actual		2016.12 Actual		Change increase (decrease)			
	Period Average (17.4-17.12)	End of Term (17.12)	Period Average (16.4-16.12)	End of Term (16.12)	Period Average	%	End of Term	%
US\$	111.82	113.00	107.88	116.49	3.94	103.7	(3.49)	97.0
EURO	128.59	134.94	119.13	122.70	9.46	107.9	12.24	110.0
S\$	81.79	84.49	78.36	80.63	3.43	104.4	3.86	104.8
A\$	86.20	88.17	80.74	84.36	5.46	106.8	3.81	104.5

2. Consolidated segment information

Net sales

¥ million

		2017.12 Actual	2016.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Soy Sauce	39,092	39,059	33	100.1	33	100.1
	Food Products	45,305	44,515	789	101.8	789	101.8
	Portion accounted for by soy sauce derivative products	28,601	27,771	830	103.0	830	103.0
	Beverages	39,653	35,400	4,252	112.0	4,252	112.0
	Portion accounted for by soy milk beverages	26,862	23,954	2,907	112.1	2,907	112.1
	Liquor and Wine	10,070	10,304	(233)	97.7	(233)	97.7
	Eliminations	(131)	(134)	2	-	2	-
	Foods-Manufacturing and sales	133,989	129,144	4,845	103.8	4,845	103.8
	Others	16,137	16,066	71	100.4	71	100.4
	Eliminations	(9,356)	(9,158)	(197)	-	(197)	-
Total		140,771	136,051	4,719	103.5	4,719	103.5
Overseas	Soy Sauce	53,774	46,479	7,294	115.7	5,118	111.0
	Del Monte	3,433	3,665	(232)	93.6	(387)	89.4
	Other Foods	9,323	9,200	123	101.3	(73)	99.2
	Foods-Manufacturing and sales	66,530	59,345	7,184	112.1	4,657	107.8
	Foods-Wholesale	130,132	116,149	13,982	112.0	8,915	107.7
	Eliminations	(9,014)	(7,757)	(1,257)	-	(867)	-
Total		187,648	167,738	19,910	111.9	12,705	107.6
Kikkoman (Holding Company)		11,545	10,113	1,432	114.2	1,432	114.2
Eliminations		(13,715)	(12,126)	(1,589)	-	(1,589)	-
Consolidated Total		326,250	301,777	24,473	108.1	17,268	105.7

Operating income

		2017.12 Actual	2016.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Foods-Manufacturing and sales	9,562	7,775	1,787	123.0	1,787	123.0
	Others	1,093	1,038	55	105.3	55	105.3
	Total		10,680	8,839	1,840	120.8	1,840
Overseas	Foods-Manufacturing and sales	13,653	12,165	1,488	112.2	915	107.5
	Foods-Wholesale	5,906	5,564	341	106.1	178	103.2
	Total		19,353	17,592	1,760	110.0	1,037
Kikkoman (Holding Company)		3,278	2,153	1,125	152.3	1,125	152.3
Eliminations		(3,522)	(2,326)	(1,196)	-	(1,274)	-
Consolidated Total		29,789	26,259	3,530	113.4	2,728	110.4
Ordinary Income		29,588	25,653	3,934	115.3	3,217	112.5
Income before Income Taxes		29,166	25,015	4,151	116.6	3,434	113.7
Net Income Attributable to Owners of Parent		20,444	22,390	(1,946)	91.3	(2,461)	89.0

3. Consolidated segment information in Japan

Net sales

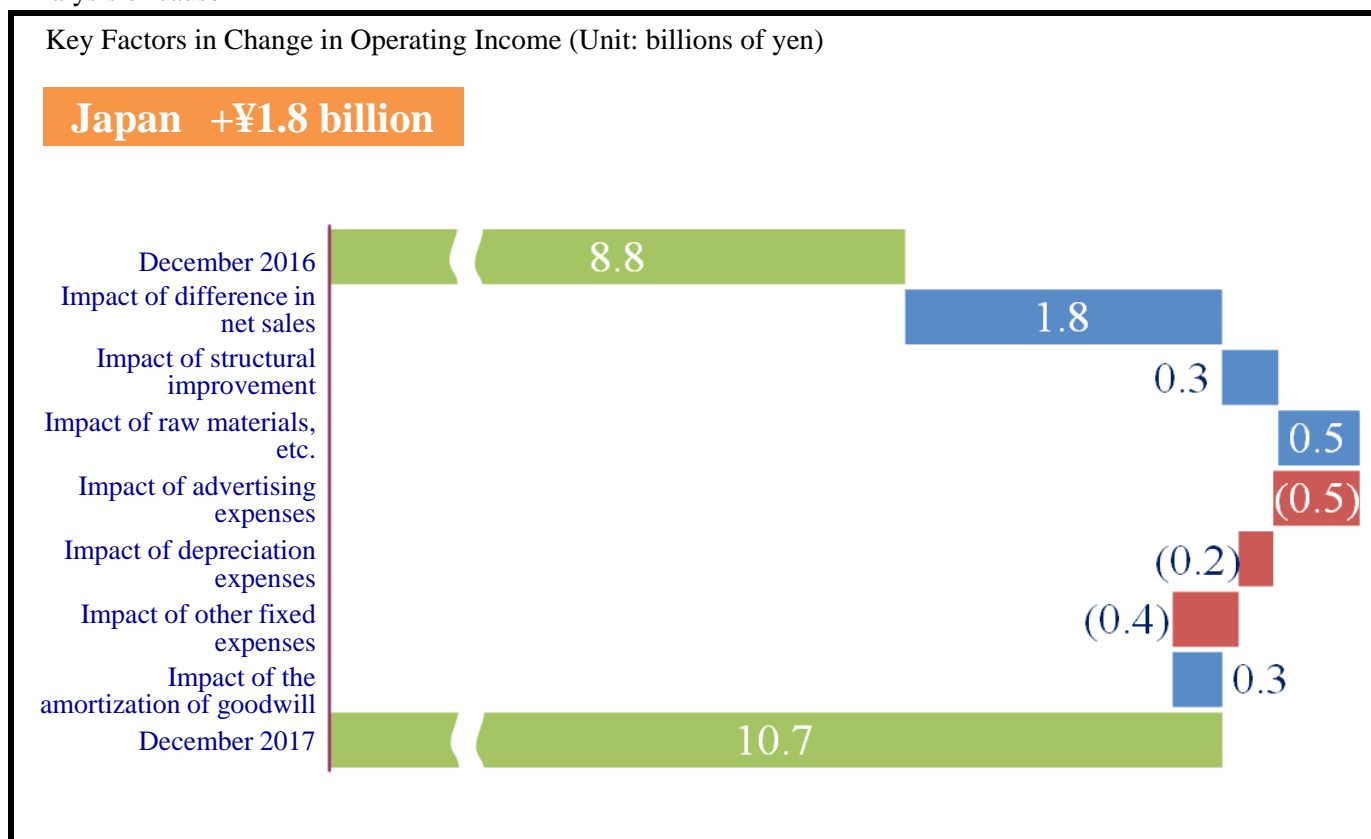
¥ million

		2017.12 Actual	2016.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Soy Sauce	39,092	39,059	33	100.1	33	100.1
	Food Products	45,305	44,515	789	101.8	789	101.8
	Portion accounted for by soy sauce derivative products	28,601	27,771	830	103.0	830	103.0
	Beverages	39,653	35,400	4,252	112.0	4,252	112.0
	Portion accounted for by soy milk beverages	26,862	23,954	2,907	112.1	2,907	112.1
	Liquor and Wine	10,070	10,304	(233)	97.7	(233)	97.7
	Eliminations	(131)	(134)	2	-	2	-
	Foods-Manufacturing and sales	133,989	129,144	4,845	103.8	4,845	103.8
	Others	16,137	16,066	71	100.4	71	100.4
	Eliminations	(9,356)	(9,158)	(197)	-	(197)	-
Total		140,771	136,051	4,719	103.5	4,719	103.5

Operating income

		2017.12 Actual	2016.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Foods-Manufacturing and sales	9,562	7,775	1,787	123.0	1,787	123.0
	Others	1,093	1,038	55	105.3	55	105.3
	Total	10,680	8,839	1,840	120.8	1,840	120.8

Analysis of cause



4. Consolidated segment information overseas

Net sales

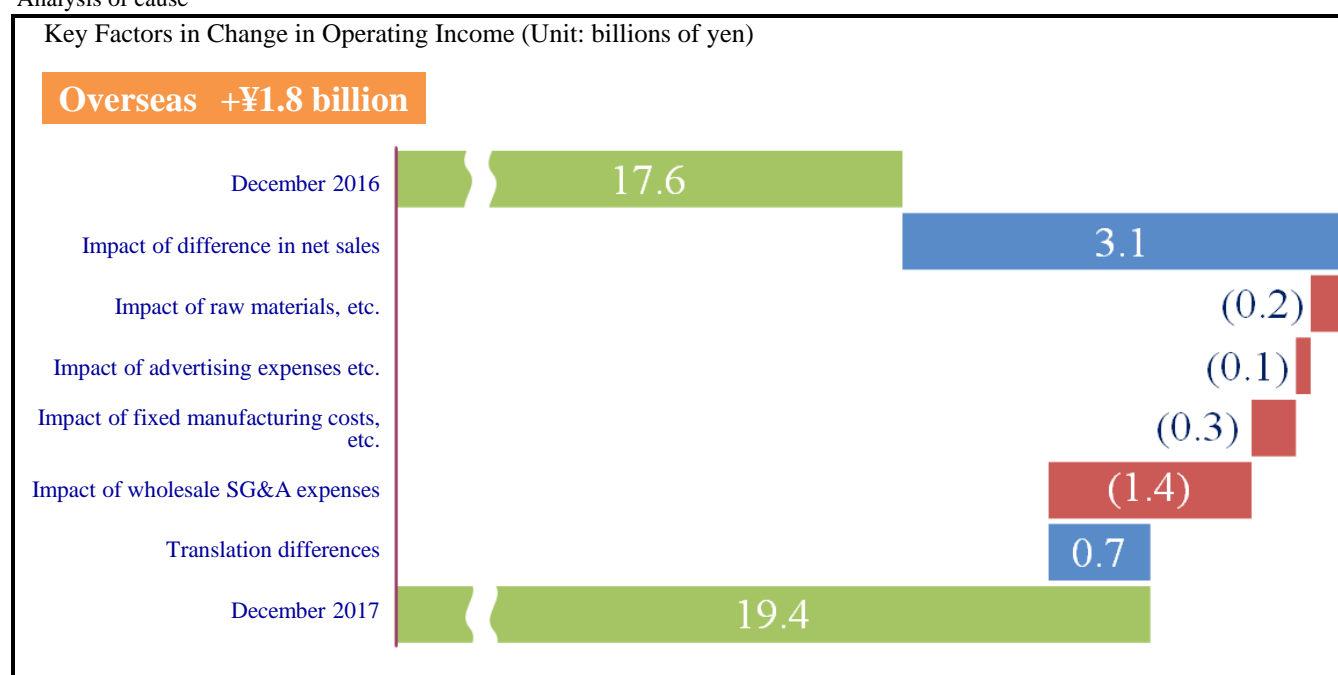
¥ million

				2017.12	2016.12	Change		Change		
				Actual	Actual	increase	%	excluding	%	
						(decrease)		translation		
								difference		
Overseas	North America		Soy Sauce	34,244	31,980	2,263	107.1	1,056	103.3	
			Other Foods	9,323	9,200	123	101.3	(73)	99.2	
			Foods-Manufacturing and sales	43,567	41,181	2,386	105.8	983	102.4	
			Foods-Wholesale	101,122	89,717	11,404	112.7	7,733	108.6	
			Eliminations	(6,213)	(5,637)	(576)	-	(357)	-	
			Total	138,476	125,261	13,214	110.5	8,360	106.7	
		Europe		Foods-Manufacturing and sales	8,857	7,531	1,325	117.6	673	108.9
			Foods-Wholesale	13,257	10,594	2,663	125.1	1,909	118.0	
			Eliminations	(1,710)	(1,246)	(463)	-	(337)	-	
			Total	20,404	16,880	3,524	120.9	2,245	113.3	
		Asia & Oceania		Soy Sauce	10,230	6,569	3,660	155.7	3,300	150.2
				Del Monte	3,433	3,665	(232)	93.6	(387)	89.4
				Foods-Manufacturing and sales	13,663	10,235	3,428	133.5	2,912	128.5
				Foods-Wholesale	12,853	10,845	2,007	118.5	1,329	112.3
				Eliminations	(235)	(185)	(49)	-	(36)	-
			Total	26,281	20,895	5,386	125.8	4,206	120.1	
		Others			28,943	26,872	2,070	107.7	2,070	107.7
		Eliminations			(26,456)	(22,170)	(4,286)	-	(4,176)	-
			Total		187,648	167,738	19,910	111.9	12,705	107.6

Operating income

				2017.12	2016.12	Change		Change		
				Actual	Actual	increase	%	excluding	%	
						(decrease)		translation		
								difference		
Overseas	North America		Foods-Manufacturing and sales	9,170	8,462	707	108.4	374	104.4	
			Foods-Wholesale	4,248	3,935	313	108.0	155	104.0	
			Total	13,260	12,261	999	108.1	509	104.2	
		Europe		Foods-Manufacturing and sales	2,547	2,064	483	123.4	307	114.9
			Foods-Wholesale	481	453	27	106.1	7	101.5	
			Total	2,992	2,512	479	119.1	295	111.8	
		Asia & Oceania		Foods-Manufacturing and sales	1,600	1,297	302	123.3	237	118.3
			Foods-Wholesale	283	303	(20)	93.3	(33)	89.0	
			Total	1,876	1,602	274	117.1	197	112.3	
		Others			1,375	1,184	190	116.1	190	116.1
			Total		19,353	17,592	1,760	110.0	1,037	105.9

Analysis of cause



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

[Consolidated total]

¥ million

	2017.12 Actual	2016.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Operating income	29,789	26,259	3,530	113.4	2,728	110.4
Financial income (expenses) and dividends income	855	772	82	110.7	79	110.3
Equity in earnings (loss) of affiliates	217	143	73	151.7	73	151.6
Other	(1,273)	(1,521)	247	-	335	-
Total non-operating income (expenses)	(201)	(605)	404	-	488	-
Ordinary income	29,588	25,653	3,934	115.3	3,217	112.5
Gain on sales of property, plant and equipment	5	7	(1)		(1)	
Gain on sales of investment securities	2,386	164	2,222		2,222	
Total extraordinary income	2,392	171	2,220	-	2,220	-
Loss on retirement of noncurrent assets	147	-	147		146	
Loss on valuation of investment securities	607	-	607		607	
Loss on sales of shares of subsidiaries and associates	-	377	(377)		(377)	
Loss on bond retirement	1,668	432	1,235		1,235	
100th Anniversary project cost	391	-	391		391	
Total extraordinary loss	2,813	809	2,003	347.4	2,003	347.3
Total extraordinary income (loss)	(421)	(637)	216	-	216	-
Income before income taxes	29,166	25,015	4,151	116.6	3,434	113.7
Income taxes	8,432	2,453	5,978	343.7	5,787	335.9
Net income	20,734	22,561	(1,827)	91.9	(2,353)	89.6
Net income attributable to non-controlling interests	290	171	118	168.9	107	162.9
Net income attributable to owners of parent	20,444	22,390	(1,946)	91.3	(2,461)	89.0

6. Consolidated balance sheets

As of December 31, 2017 (Compared with March 31, 2017)

Total Asset	=	355,846	(5,401)	(¥ million)
		Translation Difference		
			+2,864	US\$ 113.00 +0.81
				EUR 134.94 +15.15
		Actual Difference		
			(8,266)	
Current assets		(18,168)	Liabilities	(23,494)
Cash and deposits		(25,245)	Interest-bearing debt	(23,889)
Notes and accounts receivable-trade		+8,415	Notes and accounts payable-trade	(1,544)
Inventories		+3,236	Accounts payable-other	+1,923
Deferred tax assets		(119)	Income taxes payable	+292
Other		(4,455)	Net defined benefit liability	+141
			Deferred tax liabilities	(417)
			Other	(417)
Noncurrent assets		+9,902	Net assets	+15,228
Property, plant and equipment		+3,406	Retained earnings	+12,292
Intangible assets		(791)	Valuation difference on available-for-sale securities	+3,339
[Goodwill		(465)]	Foreign currency translation adjustment	+2,081
Investments and other assets		+7,287	Non-controlling interests	+683
[Investment securities		+7,101]	Other	(3,167)
[Diferred tax assets		(262)]		