

Business Performance Presentation  
for the Nine-Month Period Ended December 31, 2018

**First Nine Months of Fiscal 2019**

**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, 2016	Six months ended September 30, 2017	Six months ended September 30, 2018	2017.3 Actual	2018.3 Actual	2019.3 Forecast
Net Sales	millions of yen	196,783	214,473	226,099	402,174	430,602	450,800
YoY Change	%	(3.0)	9.0	5.4	(1.5)	7.1	4.7
Operating Profit	millions of yen	16,944	19,070	20,068	32,842	36,502	37,600
(Operating Profit Margin)	%	8.6	8.9	8.9	8.2	8.5	8.3
YoY Change	%	0.0	12.5	5.2	0.7	11.1	3.0
Ordinary Profit	millions of yen	16,435	18,840	19,998	32,037	35,985	36,200
(Ordinary Profit Margin)	%	8.4	8.8	8.8	8.0	8.4	8.0
YoY Change	%	3.0	14.6	6.1	3.2	12.3	0.6
Profit Attributable to Owners of Parent	millions of yen	16,013	12,042	14,333	23,810	23,846	25,500
(Ratio of Profit Attributable to Owners of Parent to Net Sales)	%	8.1	5.6	6.3	5.9	5.5	5.7
YoY Change	%	52.7	(24.8)	19.0	19.3	0.1	6.9
Net Assets per Share	yen	-	-	-	1,242.71	1,292.18	-
Earnings per Share	yen	82.91	62.35	74.66	123.28	123.71	132.83
Diluted Earnings per Share	yen	-	-	-	-	-	-
Cash Dividends per Share	yen	-	-	-	34.00	39.00	40.00
Dividend Payout Ratio (Consolidated)	%	-	-	-	27.6	31.5	30.1
Total Net Assets	millions of yen	219,112	256,579	272,731	244,437	253,289	-
Shareholders' Equity	millions of yen	217,179	251,639	267,671	240,009	248,072	-
Total Assets	millions of yen	332,946	346,079	361,290	361,248	343,929	-
Shareholders' Equity Ratio	%	65.2	72.7	74.1	66.4	72.1	-
D/E Ratio	%	23.1	10.6	8.1	21.1	8.6	-
Dividend on Equity	%	-	-	-	2.8	3.1	-
Return on Equity	%	7.3	4.9	5.6	10.3	9.8	-
Ordinary Profit to Total Assets	%	4.7	5.3	5.7	8.8	10.2	-
Share Price as of Term-end	yen	3,220	3,460	6,760	3,325	4,280	-
PER	times	-	-	-	27.0	34.6	-
Cash Flows From Operating Activities	millions of yen	9,889	17,501	16,885	26,136	37,645	-
Cash Flows From Investing Activities	millions of yen	17,947	(9,007)	(13,351)	13,235	(14,640)	-
Cash Flows From Financing Activities	millions of yen	(27,147)	(29,193)	(3,341)	(30,359)	(43,968)	-
Term-end Cash and Cash Equivalents	millions of yen	33,824	23,591	23,991	44,205	22,785	-
Free Cash Flows	millions of yen	4,399	10,237	3,702	14,536	22,063	-
Free Cash Flows per Share	yen	22.78	53.01	19.29	75.26	114.46	-
Interest-bearing Debt	millions of yen	50,147	26,640	21,556	50,570	21,322	-
Capital Expenditures	millions of yen	4,435	6,325	12,793	12,165	18,180	29,300
(For Property, Plant and Equipment)	millions of yen	4,132	6,056	12,352	11,362	17,350	28,100
Depreciation and Amortization	millions of yen	5,952	6,380	6,459	12,339	13,159	13,500
(On Property, Plant and Equipment)	millions of yen	5,461	5,852	5,898	11,304	12,097	12,500
R&D Costs	millions of yen	1,881	1,784	1,818	3,943	3,772	-
Net Financial Income (Loss)	millions of yen	547	488	743	754	940	-
Average Term Exchange Rate	yen/US\$	106.43	111.42	110.07	109.03	110.81	110.00
No. of Employees	people	6,158	7,043	7,091	6,771	7,105	-
No. of Shares Issued and Outstanding at Term-end	thousand	193,144	193,132	191,979	193,133	191,980	-

(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 subtracting 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. Effective from the three-month period ended June 30, 2018, "Partial Amendments to Accounting Standard for Tax

Effect Accounting" are applied. The results for second quarter ended 2017.9 and fiscal year ended 2018.3 are based on figures recalculated after retroactively adopting the said accounting standards.

10. Consolidated performance indicators of the annual and six-month periods of the most recent years are indicated.

## 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

	2018.12 Actual	2017.12 Actual	Change	Particulars
Consolidated subsidiaries	59	56	3	+ DEL MONTE FOODS (XIAMEN) CO., LTD. + JFC MALAYSIA SDN. BHD. + MIKI JFC AS
Equity-method unconsolidated subsidiaries and affiliates	2	2	0	

Comparison with the fiscal year ended March 31, 2018

	2018.12 Actual	2018.3 Actual	Change	Particulars
Consolidated subsidiaries	59	57	2	+ JFC MALAYSIA SDN. BHD. + MIKI JFC AS
Equity-method unconsolidated subsidiaries and affiliates	2	2	0	

#### [Exchange rates]

	2018.12 Actual		2017.12 Actual		Change increase (decrease)			
	Period Average (18.4-18.12)	End of Term (18.12)	Period Average (17.4-17.12)	End of Term (17.12)	Period Average	%	End of Term	%
US\$	110.82	111.00	111.82	113.00	(1.00)	99.1	(2.00)	98.2
EURO	129.38	127.00	128.59	134.94	0.79	100.6	(7.94)	94.1
S\$	81.67	81.00	81.79	84.49	(0.12)	99.9	(3.49)	95.9
A\$	81.39	78.18	86.20	88.17	(4.81)	94.4	(9.99)	88.7

## 2. Consolidated segment information

Net sales

¥ million

		2018.12 Actual	2017.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Soy Sauce	38,837	39,092	(255)	99.3	(255)	99.3
	Food Products	46,463	45,305	1,158	102.6	1,158	102.6
	Portion accounted for by soy sauce derivative products	29,501	28,601	899	103.1	899	103.1
	Beverages	42,225	39,653	2,572	106.5	2,572	106.5
	Portion accounted for by soy milk beverages	28,991	26,862	2,129	107.9	2,129	107.9
	Liquor and Wine	8,804	10,070	(1,265)	87.4	(1,265)	87.4
	Eliminations	(137)	(131)	(5)	-	(5)	-
	Foods—Manufacturing and Sales	136,193	133,989	2,204	101.6	2,204	101.6
	Others	16,236	16,137	98	100.6	98	100.6
Eliminations	(9,381)	(9,356)	(25)	-	(25)	-	
Total		143,049	140,771	2,277	101.6	2,277	101.6
Overseas	Soy Sauce	56,293	53,774	2,518	104.7	2,798	105.2
	Del Monte	4,130	3,433	697	120.3	682	119.9
	Other Foods	9,174	9,323	(148)	98.4	(30)	99.7
	Foods—Manufacturing and Sales	69,598	66,530	3,067	104.6	3,450	105.2
	Foods—Wholesale	142,716	130,132	12,584	109.7	14,280	111.0
	Eliminations	(9,527)	(9,014)	(513)	-	(562)	-
Total		202,786	187,648	15,137	108.1	17,168	109.1
Kikkoman (Holding Company)		12,211	11,545	665	105.8	665	105.8
Eliminations		(14,657)	(13,715)	(941)	-	(941)	-
Consolidated Total		343,390	326,250	17,140	105.3	19,170	105.9

Operating profit

		2018.12 Actual	2017.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Foods—Manufacturing and Sales	9,865	9,562	302	103.2	302	103.2
	Others	1,322	1,093	229	121.0	229	121.0
	Total		11,213	10,680	532	105.0	532
Overseas	Foods—Manufacturing and Sales	14,180	13,653	527	103.9	586	104.3
	Foods-Wholesale	6,061	5,906	154	102.6	169	102.9
	Total		20,063	19,353	709	103.7	773
Kikkoman (Holding Company)		3,654	3,278	375	111.4	375	111.4
Eliminations		(4,070)	(3,522)	(548)	-	(541)	-
Consolidated Total		30,859	29,789	1,069	103.6	1,139	103.8
Ordinary Profit		31,225	29,588	1,637	105.5	1,696	105.7
Profit before Income Taxes		31,286	29,166	2,120	107.3	2,183	107.5
Profit Attributable to Owners of Parent		22,340	20,444	1,895	109.3	1,942	109.5

### 3. Consolidated segment information in Japan

Net sales

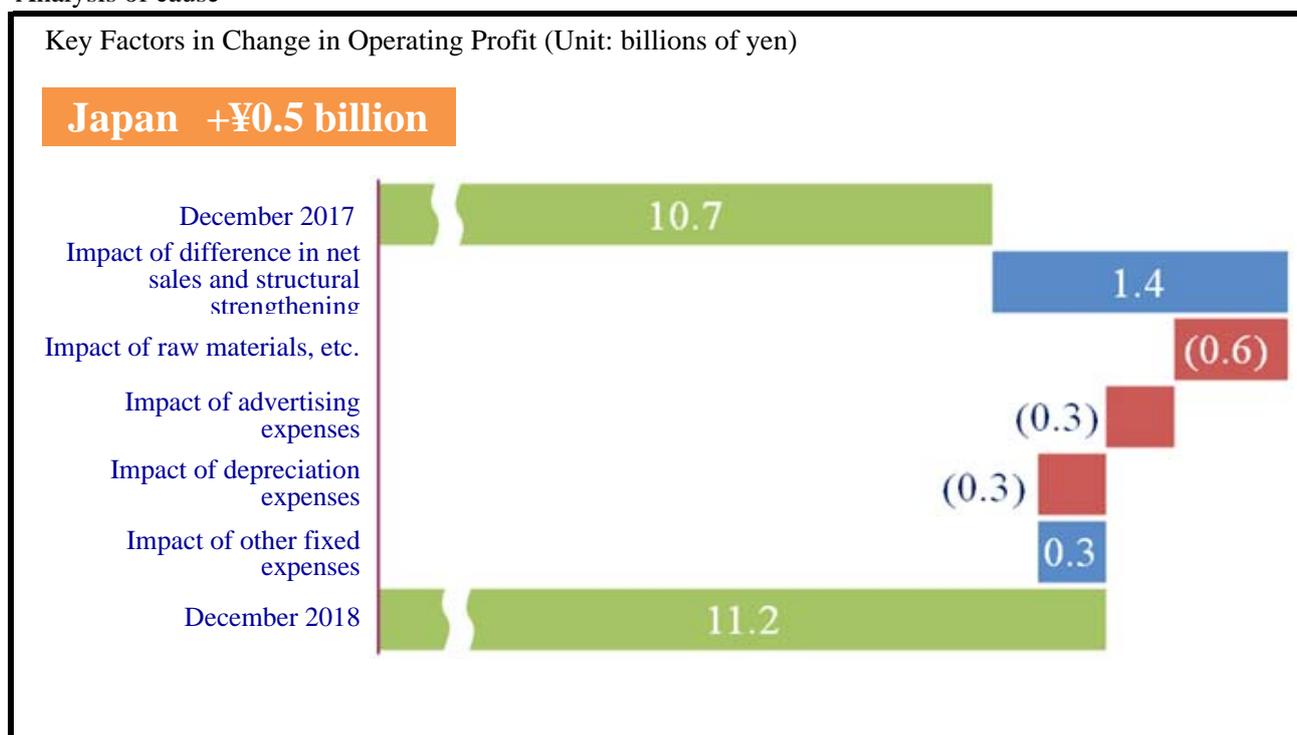
¥ million

		2018.12 Actual	2017.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Soy Sauce	38,837	39,092	(255)	99.3	(255)	99.3
	Food Products	46,463	45,305	1,158	102.6	1,158	102.6
	Portion accounted for by soy sauce derivative products	29,501	28,601	899	103.1	899	103.1
	Beverages	42,225	39,653	2,572	106.5	2,572	106.5
	Portion accounted for by soy milk beverages	28,991	26,862	2,129	107.9	2,129	107.9
	Liquor and Wine	8,804	10,070	(1,265)	87.4	(1,265)	87.4
	Eliminations	(137)	(131)	(5)	-	(5)	-
	Foods—Manufacturing and Sales	136,193	133,989	2,204	101.6	2,204	101.6
	Others	16,236	16,137	98	100.6	98	100.6
	Eliminations	(9,381)	(9,356)	(25)	-	(25)	-
Total		143,049	140,771	2,277	101.6	2,277	101.6

Operating profit

		2018.12 Actual	2017.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Foods—Manufacturing and Sales	9,865	9,562	302	103.2	302	103.2
	Others	1,322	1,093	229	121.0	229	121.0
	Total	11,213	10,680	532	105.0	532	105.0

Analysis of cause



#### 4. Consolidated segment information overseas

Net sales

¥ million

		2018.12 Actual	2017.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%	
Overseas	North America	Soy Sauce	35,537	34,244	1,293	103.8	1,613	104.7
		Other Foods	9,174	9,323	(148)	98.4	(30)	99.7
		Foods—Manufacturing and Sales	44,711	43,567	1,144	102.6	1,583	103.6
		Foods—Wholesale	109,029	101,122	7,906	107.8	8,992	108.9
		Eliminations	(6,476)	(6,213)	(263)	-	(321)	-
		Total	147,264	138,476	8,788	106.3	10,254	107.4
	Europe	Foods—Manufacturing and Sales	9,582	8,857	725	108.2	667	107.5
		Foods—Wholesale	15,256	13,257	1,998	115.1	2,037	115.4
		Eliminations	(1,848)	(1,710)	(138)	-	(127)	-
		Total	22,990	20,404	2,585	112.7	2,577	112.6
	Asia & Oceania	Soy Sauce	10,721	10,230	491	104.8	514	105.0
		Del Monte	4,130	3,433	697	120.3	682	119.9
		Foods—Manufacturing and Sales	14,851	13,663	1,188	108.7	1,196	108.8
		Foods—Wholesale	13,466	12,853	613	104.8	1,193	109.3
		Eliminations	(250)	(235)	(15)	-	(25)	-
		Total	28,067	26,281	1,786	106.8	2,365	109.0
	Others		31,877	28,943	2,934	110.1	2,934	110.1
	Eliminations		(27,414)	(26,456)	(957)	-	(964)	-
	Total		202,786	187,648	15,137	108.1	17,168	109.1

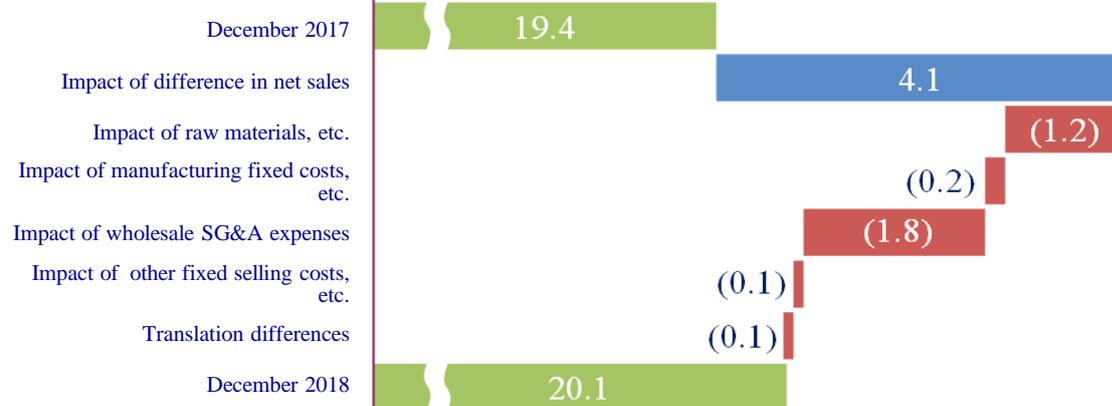
Operating profit

		2018.12 Actual	2017.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%	
Overseas	North America	Foods—Manufacturing and Sales	9,388	9,170	218	102.4	319	103.5
		Foods—Wholesale	4,194	4,248	(54)	98.7	(12)	99.7
		Total	13,411	13,260	150	101.1	295	102.2
	Europe	Foods—Manufacturing and Sales	2,705	2,547	157	106.2	125	104.9
		Foods—Wholesale	610	481	129	127.0	122	125.4
		Total	3,316	2,992	324	110.8	273	109.1
	Asia & Oceania	Foods—Manufacturing and Sales	1,706	1,600	106	106.7	95	105.9
		Foods—Wholesale	158	283	(125)	55.9	(121)	57.1
		Total	1,867	1,876	(8)	99.5	(17)	99.1
	Others		1,520	1,375	145	110.6	145	110.6
	Total		20,063	19,353	709	103.7	773	104.0

Analysis of cause

Key Factors in Change in Operating Profit (Unit: billions of yen)

**Overseas +¥0.7 billion**



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

[Consolidated total]

¥ million

	2018.12 Actual	2017.12 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Operating profit	30,859	29,789	1,069	103.6	1,139	103.8
Financial income (expenses) and dividends income	1,153	855	298	134.9	299	135.0
Equity in earnings (loss) of affiliates	200	217	(16)	92.5	(16)	92.5
Other	(988)	(1,273)	285	-	274	-
Total non-operating income (expenses)	365	(201)	567	-	557	-
Ordinary profit	31,225	29,588	1,637	105.5	1,696	105.7
Gain on sales of property, plant and equipment	393	5	388		392	
Gain on sales of investment securities	-	2,386	(2,386)		(2,386)	
Total extraordinary income	393	2,392	(1,998)	16.5	(1,994)	16.6
Loss on retirement of noncurrent assets	66	147	(80)		(80)	
Loss on valuation of investment securities	-	607	(607)		(607)	
Loss on valuation of golf club membership	7	-	7		7	
Loss on bond retirement	-	1,668	(1,668)		(1,668)	
Provision for environmental measures	259	-	259		259	
100th Anniversary project cost	-	391	(391)		(391)	
Total extraordinary loss	332	2,813	(2,481)	11.8	(2,481)	11.8
Total extraordinary income (loss)	61	(421)	483	-	486	-
Profit before income taxes	31,286	29,166	2,120	107.3	2,183	107.5
Income taxes	8,601	8,432	169	102.0	187	102.2
Profit	22,685	20,734	1,951	109.4	1,995	109.6
Profit attributable to non-controlling interests	345	290	55	119.1	53	118.5
Profit attributable to owners of parent	22,340	20,444	1,895	109.3	1,942	109.5

## 6. Consolidated balance sheets

As of December 31, 2018 (Compared with March 31, 2018)

<b>Total Asset</b>	<b>=</b>	<b>359,266</b>	<b>+15,337</b>	<b>(¥ million)</b>
		<b>Translation Difference</b>	<b>+1,693</b>	US\$ 111.00 +4.76 EUR 127.00 (3.52)
		<b>Actual Difference</b>	<b>13,643</b>	
<b>Current assets</b>		<b>+8,158</b>	<b>Liabilities</b> (80)	
Cash and deposits		+1,193	Interest-bearing debt	+2,693
Notes and accounts receivable-trade		+5,966	Notes and accounts payable-trade	(119)
Inventories		+2,171	Accounts payable-other	+1,340
Other		(1,172)	Income taxes payable	+96
			Net defined benefit liability	(1,358)
			Deferred tax liabilities	(2,732)
			Other	
<b>Noncurrent assets</b>		<b>+5,485</b>	<b>Net assets</b> +13,723	
Property, plant and equipment		+10,715	Retained earnings	(16,446)
Intangible assets		+126	Valuation difference on available-for-sale securities	(3,673)
[Goodwill		+48 ]	Foreign currency translation adjustment	+1,988
Investments and other assets		(5,356)	Non-controlling interests	(60)
[Investment securities		(5,515) ]	Other	+31,914
[Diferred tax assets		(172) ]		