

**Business Performance Presentation  
for the Year Ended March 31, 2020**

**Fiscal 2020**

**Kikkoman Corporation**

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- Forecasts of consolidated business performance for the fiscal year ending March 31, 2021 will be announced as soon as they become reasonably foreseeable, because the Group has difficulty quantifying forecasts due to a range of uncertain factors as described in “3. Forecasts of Business Performance for the Fiscal Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)” in the Flash Report Fiscal 2020.

## I. Major consolidated performance indicators

<i>Consolidated Results</i>		2017.3	2018.3	2019.3	2020.3
		Actual	Actual	Actual	Actual
Net Sales	millions of yen	402,174	430,602	453,565	468,616
	YoY Change	%	(1.5)	7.1	5.3
Operating Profit	millions of yen	32,842	36,502	38,417	39,826
(Operating Profit Margin)	%	8.2	8.5	8.5	8.5
	YoY Change	%	0.7	11.1	5.2
Ordinary Profit	millions of yen	32,037	35,985	37,925	39,078
(Ordinary Profit Margin)	%	8.0	8.4	8.4	8.3
	YoY Change	%	3.2	12.3	5.4
Profit Attributable to Owners of Parent	millions of yen	23,810	23,846	25,992	26,595
(Ratio of Profit Attributable to Owners of Parent to Net Sales)	%	5.9	5.5	5.7	5.7
	YoY Change	%	19.3	0.1	9.0
Net Assets per Share	yen	1,242.71	1,292.18	1,382.60	1,419.12
Earnings per Share	yen	123.28	123.71	135.39	138.53
Diluted Earnings per Share	yen	-	-	-	-
Cash Dividends per Share	yen	34.00	39.00	41.00	42.00
Dividend Payout Ratio (Consolidated)	%	27.6	31.5	30.3	30.3
Total Net Assets	millions of yen	244,437	253,289	270,451	277,757
Shareholders' Equity	millions of yen	240,009	248,072	265,428	272,434
Total Assets	millions of yen	361,248	343,929	362,119	387,329
Shareholders' Equity Ratio	%	66.4	72.1	73.3	70.3
D/E Ratio	%	21.1	8.6	8.2	8.1
Dividend on Equity	%	2.8	3.1	3.1	3.0
Return on Equity	%	10.3	9.8	10.1	9.9
Ordinary Profit to Total Assets	%	8.8	10.2	10.7	10.4
Share Price as of Term-end	yen	3,325	4,280	5,430	4,605
PER	times	27.0	34.6	40.1	33.2
Cash Flows From Operating Activities	millions of yen	26,136	37,645	37,023	39,654
Cash Flows From Investing Activities	millions of yen	13,235	(14,640)	(25,698)	(29,229)
Cash Flows From Financing Activities	millions of yen	(30,359)	(43,968)	(7,041)	(9,146)
Term-end Cash and Cash Equivalents	millions of yen	44,205	22,785	27,509	28,103
Free Cash Flows	millions of yen	14,536	22,063	10,300	13,816
Free Cash Flows per Share	yen	75.26	114.46	53.65	71.97
Interest-bearing Debt	millions of yen	50,570	21,322	21,742	22,154
Capital Expenditures	millions of yen	12,165	18,180	28,346	27,464
Depreciation and Amortization	millions of yen	12,339	13,159	13,258	16,787
R&D Costs	millions of yen	3,943	3,772	3,816	4,373
Net Financial Income (Loss)	millions of yen	754	940	1,232	772
Average Term Exchange Rate	yen/US\$	109.03	110.81	110.69	109.10
No. of Employees	people	6,771	7,105	7,100	7,376
No. of Shares Issued and Outstanding at Term-end	thousand	193,133	191,980	191,977	191,974

(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 stock.

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

9. Effective from the beginning of fiscal year ended March 31, 2019, "Partial Amendments to Accounting Standard for Tax Effect Accounting" are applied. The results for fiscal year ended 2018.3 are based on figures recalculated after retroactively adopting the said accounting standards.

10. Effective from the beginning of fiscal year ended March 31, 2020, overseas subsidiaries applied IFRS 16 "Leases" and ASU 2016-02 and recorded all leases on balance sheets, in principle. For fiscal year ended 2020.3, these accounting standards are applied to the figures.

## II. Business performance

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

#### [Scope of Consolidation]

	2020.3 Actual	2019.3 Actual	Change	Particulars
Consolidated subsidiaries	59	59	0	+ PMAI INTERNATIONAL (CANADA) INC. - NUTRIGOLD SW LIMITED
Equity-method unconsolidated subsidiaries and affiliates	2	2	0	

#### [Exchange Rates]

	2020.3 Actual		2019.3 Actual		Change increase (decrease)			
	Period average (19.4-20.3)	End of term (20.3)	Period average (18.4-19.3)	End of term (19.3)	Period average	%	End of term	%
US\$	109.10	108.83	110.69	110.99	(1.59)	98.6	(2.16)	98.1
EURO	121.14	119.55	128.43	124.56	(7.29)	94.3	(5.01)	96.0
S\$	79.47	76.37	81.67	81.88	(2.20)	97.3	(5.51)	93.3
A\$	74.18	66.09	80.83	78.64	(6.65)	91.8	(12.55)	84.0

## 2. Consolidated segment information

Net Sales

¥ million

		2020.3 Actual	2019.3 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Soy Sauce	49,662	49,781	(119)	99.8	(119)	99.8
	Food Products	62,046	60,188	1,858	103.1	1,858	103.1
	Portion accounted for by soy sauce derivative products	39,039	38,081	958	102.5	958	102.5
	Beverages	57,467	53,719	3,748	107.0	3,748	107.0
	Portion accounted for by soy milk beverages	41,106	37,374	3,731	110.0	3,731	110.0
	Liquor and Wine	10,448	11,145	(697)	93.7	(697)	93.7
	Eliminations	(180)	(180)	0	-	0	-
	Foods—Manufacturing and Sales	179,444	174,654	4,790	102.7	4,790	102.7
	Others	21,341	21,427	(85)	99.6	(85)	99.6
	Eliminations	(12,624)	(12,287)	(336)	-	(336)	-
Total		188,161	183,794	4,367	102.4	4,367	102.4
Overseas	Soy Sauce	77,973	75,394	2,579	103.4	4,738	106.3
	Del Monte	6,099	5,810	289	105.0	393	106.8
	Other Foods	12,517	12,305	212	101.7	394	103.2
	Foods—Manufacturing and Sales	96,591	93,510	3,081	103.3	5,527	105.9
	Foods—Wholesale	200,249	192,109	8,140	104.2	13,190	106.9
	Eliminations	(12,718)	(12,605)	(112)	-	(402)	-
Total		284,122	273,013	11,108	104.1	18,314	106.7
Kikkoman (Holding Company)		19,208	18,976	231	101.2	231	101.2
Eliminations		(22,875)	(22,219)	(656)	-	(656)	-
Consolidated Total		468,616	453,565	15,051	103.3	22,257	104.9

Operating Profit

		2020.3 Actual	2019.3 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Foods—Manufacturing and Sales	11,460	10,597	862	108.1	862	108.1
	Others	1,832	1,773	58	103.3	58	103.3
	Total		13,322	12,403	919	107.4	919
Overseas	Foods—Manufacturing and Sales	19,251	18,745	506	102.7	944	105.0
	Foods—Wholesale	9,147	8,597	549	106.4	662	107.7
	Total		28,221	27,121	1,099	104.1	1,631
Kikkoman (Holding Company)		6,751	7,278	(527)	92.8	(527)	92.8
Eliminations		(8,468)	(8,385)	(82)	-	(10)	-
Consolidated Total		39,826	38,417	1,408	103.7	2,012	105.2
Ordinary Profit		39,078	37,925	1,153	103.0	1,627	104.3
Profit before Income Taxes		37,930	37,595	335	100.9	794	102.1
Profit Attributable to Owners of Parent		26,595	25,992	603	102.3	922	103.5

### 3. Consolidated segment information in Japan

Net Sales

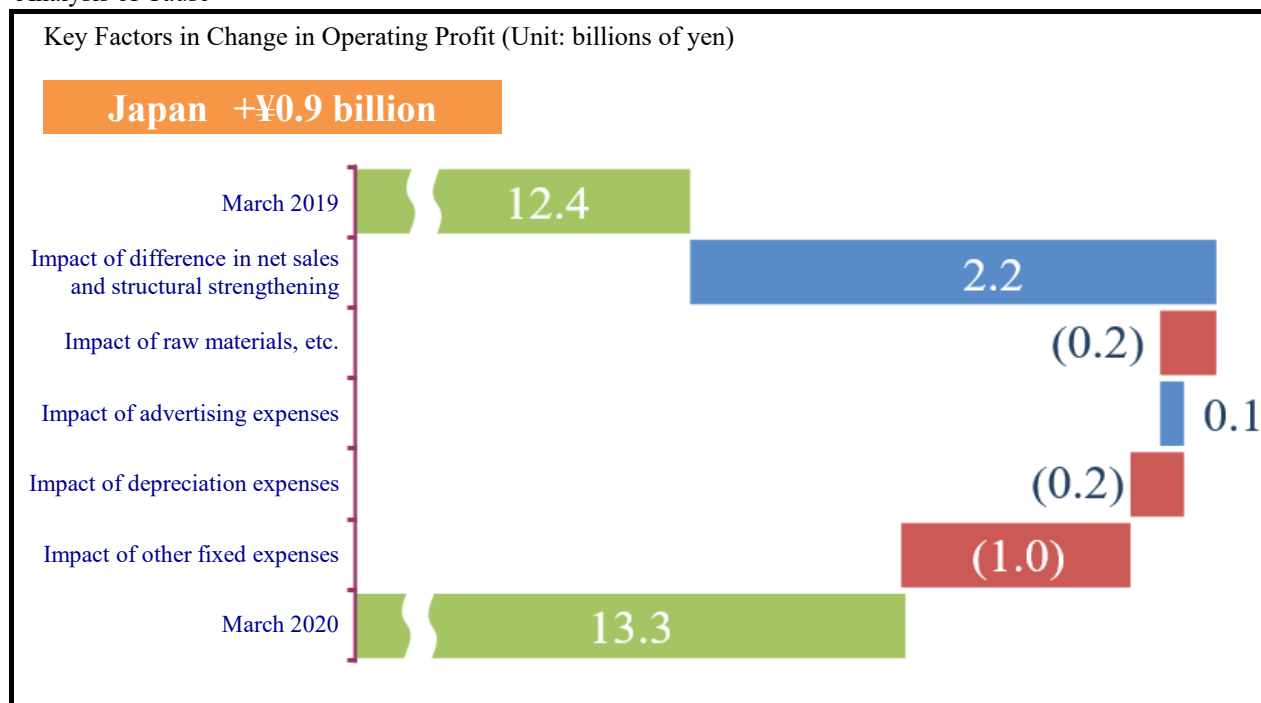
¥ million

		2020.3 Actual	2019.3 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Soy Sauce	49,662	49,781	(119)	99.8	(119)	99.8
	Food Products	62,046	60,188	1,858	103.1	1,858	103.1
	Portion accounted for by soy sauce derivative products	39,039	38,081	958	102.5	958	102.5
	Beverages	57,467	53,719	3,748	107.0	3,748	107.0
	Portion accounted for by soy milk beverages	41,106	37,374	3,731	110.0	3,731	110.0
	Liquor and Wine	10,448	11,145	(697)	93.7	(697)	93.7
	Eliminations	(180)	(180)	0	-	0	-
	Foods—Manufacturing and Sales	179,444	174,654	4,790	102.7	4,790	102.7
	Others	21,341	21,427	(85)	99.6	(85)	99.6
	Eliminations	(12,624)	(12,287)	(336)	-	(336)	-
Total		188,161	183,794	4,367	102.4	4,367	102.4

Operating Profit

		2020.3 Actual	2019.3 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Foods—Manufacturing and Sales	11,460	10,597	862	108.1	862	108.1
	Others	1,832	1,773	58	103.3	58	103.3
	Total	13,322	12,403	919	107.4	919	107.4

Analysis of Cause



#### 4. Consolidated segment information overseas

Net Sales

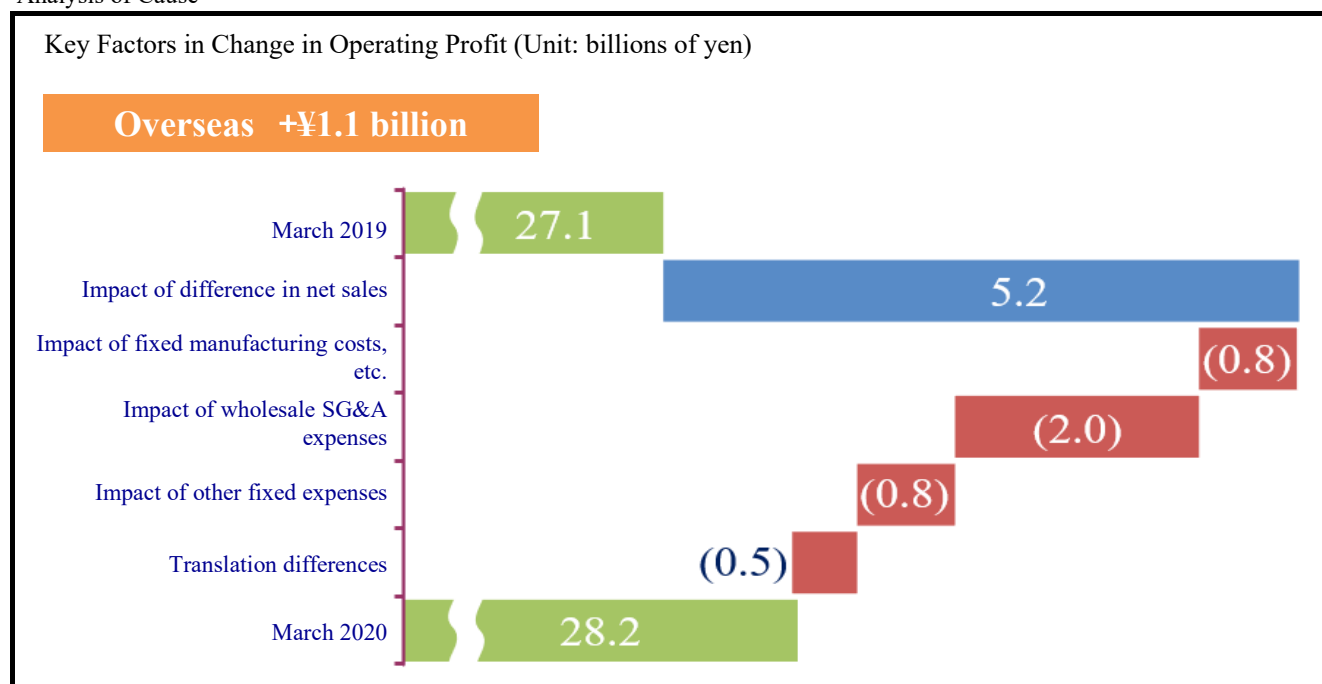
¥ million

				2020.3 Actual	2019.3 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Overseas	North America	Soy Sauce		49,983	47,534	2,448	105.2	3,177	106.7
		Other Foods		12,517	12,305	212	101.7	394	103.2
		Foods—Manufacturing and Sales		62,500	59,839	2,661	104.4	3,572	106.0
		Foods—Wholesale		154,368	146,603	7,764	105.3	10,178	106.9
		Eliminations		(8,615)	(8,496)	(119)	-	(245)	-
		Total		208,253	197,946	10,306	105.2	13,505	106.8
	Europe	Foods—Manufacturing and Sales		13,235	13,168	67	100.5	863	106.6
		Foods—Wholesale		20,697	20,578	118	100.6	1,400	106.8
		Eliminations		(2,518)	(2,504)	(13)	-	(164)	-
		Total		31,414	31,242	172	100.6	2,098	106.7
	Asia & Oceania	Soy Sauce		14,064	14,161	(96)	99.3	569	104.0
		Del Monte		6,099	5,810	289	105.0	393	106.8
		Foods—Manufacturing and Sales		20,163	19,971	192	101.0	963	104.8
		Foods—Wholesale		19,083	18,043	1,039	105.8	2,413	113.4
		Eliminations		(344)	(344)	0	-	(25)	-
		Total		38,902	37,670	1,232	103.3	3,351	108.9
	Others		42,314	42,490	(176)	99.6	(176)	99.6	
	Eliminations		(36,762)	(36,336)	(426)	-	(465)	-	
	Total		284,122	273,013	11,108	104.1	18,314	106.7	

Operating Profit

				2020.3 Actual	2019.3 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Overseas	North America	Foods—Manufacturing and Sales		12,507	12,165	341	102.8	486	104.0
		Foods—Wholesale		6,856	6,165	690	111.2	799	113.0
		Total		19,179	18,130	1,048	105.8	1,286	107.1
	Europe	Foods—Manufacturing and Sales		3,973	3,773	199	105.3	436	111.6
		Foods—Wholesale		604	841	(237)	71.8	(201)	76.0
		Total		4,587	4,606	(19)	99.6	252	105.5
	Asia & Oceania	Foods—Manufacturing and Sales		2,255	2,313	(58)	97.5	10	100.4
		Foods—Wholesale		236	247	(11)	95.3	1	100.6
		Total		2,490	2,559	(68)	97.3	10	100.4
	Others		1,982	1,903	78	104.1	78	104.1	
Total		28,221	27,121	1,099	104.1	1,631	106.0		

Analysis of Cause



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

[Consolidated Total]

¥ million

	2020.3 Actual	2019.3 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Operating profit	39,826	38,417	1,408	103.7	2,012	105.2
Financial income (expenses) and dividends income	772	1,232	(460)	62.6	(469)	61.9
Equity in earnings (loss) of affiliates	209	126	82	165.2	82	165.2
Foreign exchange gains (losses) and gain (loss) on valuation of derivatives	1,842	1,422	420	129.6	363	125.6
Other	(3,572)	(3,274)	(298)	-	(362)	-
Total non-operating income (expenses)	(747)	(492)	(255)	-	(385)	-
Ordinary profit	39,078	37,925	1,153	103.0	1,627	104.3
Gain on sales of property, plant and equipment	15	688	(673)		(673)	
Gain on sales of investment securities	202	1,484	(1,282)		(1,282)	
Compensation for forced relocation	-	540	(540)		(540)	
Total extraordinary income	217	2,714	(2,496)	8.0	(2,496)	8.0
Loss on Impairment of noncurrent assets	301	2,378	(2,076)		(2,076)	
Loss on retirement of noncurrent assets	793	235	557		557	
Loss on valuation of shares of subsidiaries and associates	253	210	43		58	
Loss on valuation of golf club membership	16	7	9		9	
Environmental expenses	-	213	(213)		(213)	
Total extraordinary loss	1,365	3,044	(1,679)	44.9	(1,663)	45.4
Total extraordinary income (loss)	(1,148)	(330)	(817)	-	(832)	-
Profit before income taxes	37,930	37,595	335	100.9	794	102.1
Income taxes	10,925	11,191	(265)	97.6	(139)	98.8
Profit	27,005	26,403	601	102.3	933	103.5
Profit attributable to non-controlling interests	409	411	(2)	99.5	11	102.9
Profit attributable to owners of parent	26,595	25,992	603	102.3	922	103.5



## 6. Consolidated balance sheets

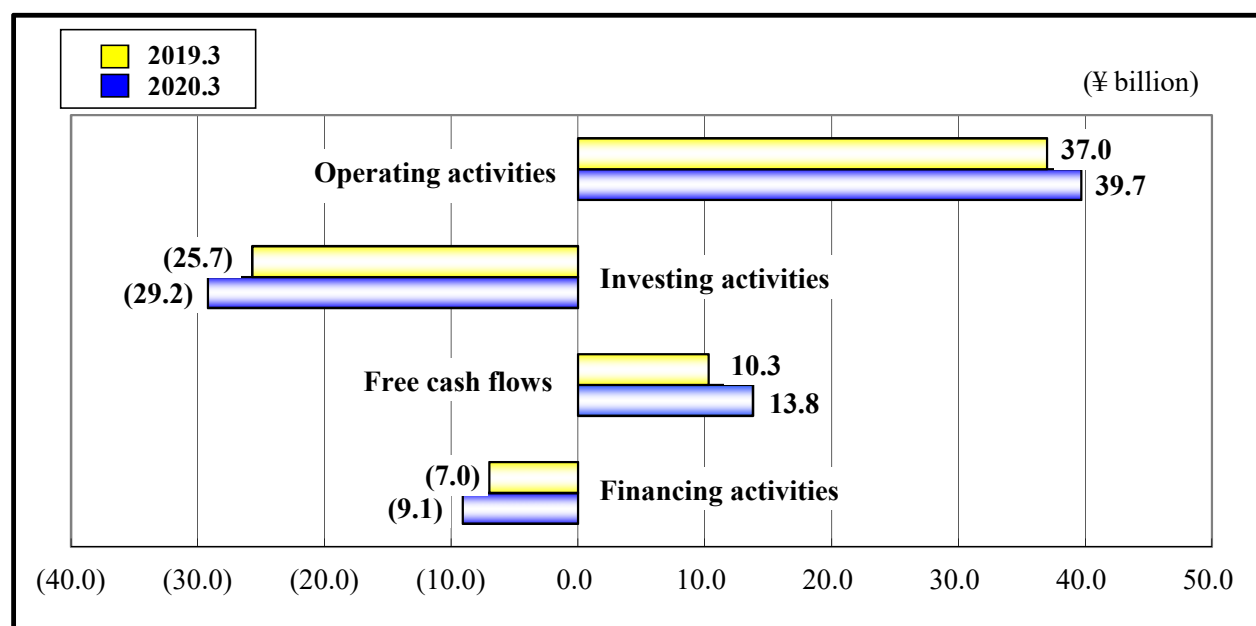
As of March 31, 2020 (Compared with 2019.3)

Total Assets	=	387,329	+25,210	(¥ million)
Translation Difference			(5,763)	US\$ 108.83 (2.16) EUR 119.55 (5.01)
Actual Difference			+30,973	
<b>Current assets</b>		<b>+6,380</b>	<b>Liabilities</b>	<b>+20,401</b>
Cash and deposits		+566	Interest-bearing debt	+1,839
Notes and accounts receivable- trade		+1,533	Notes and accounts payable-trade/ accounts payable-other	+2,210
Inventories		+3,670	Income taxes payable	+125
Other		+611	Net defined benefit liability	+1,787
			Deferred tax liabilities	(1,009)
<b>Noncurrent assets</b>		<b>+24,592</b>	Lease obligations	+17,026 *
Property, plant and equipment		+27,848	Other	(1,577)
[Tangible lease assets		+16,288 ] *	<b>Net assets</b>	<b>+10,572</b>
Intangible assets		(1,054)	Retained earnings	+18,541
[Goodwill		(805) ]	Valuation difference on available-for-sale securities	(3,509)
Investments and other assets		(2,201)	Foreign currency translation adjustment	(2,503)
[Investment securities		(1,511) ]	Non-controlling interests	+315
[Deferred tax assets		+457 ]	Other	(2,272)

\* Starting with the consolidated financial statements for the fiscal year ended March 31, 2020, IFRS 16 (Leases) and ASU 2016-02 (Leases) are adopted by our overseas consolidated subsidiaries. As a result, all leases are recorded as assets or liabilities on balance sheets.

In comparison with the case in which the previous accounting standards are applied, “tangible lease assets” and “lease obligations” have increased ¥15,540 million and ¥16,222 million at the end of the fiscal year ended March 31, 2020, respectively.

## 7. Consolidated statements of cash flows



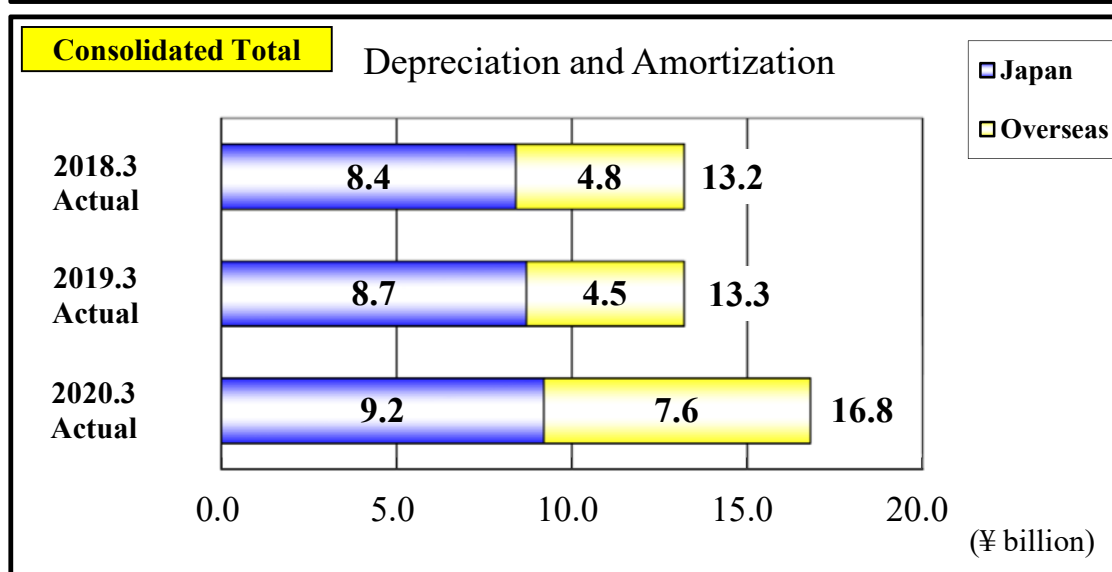
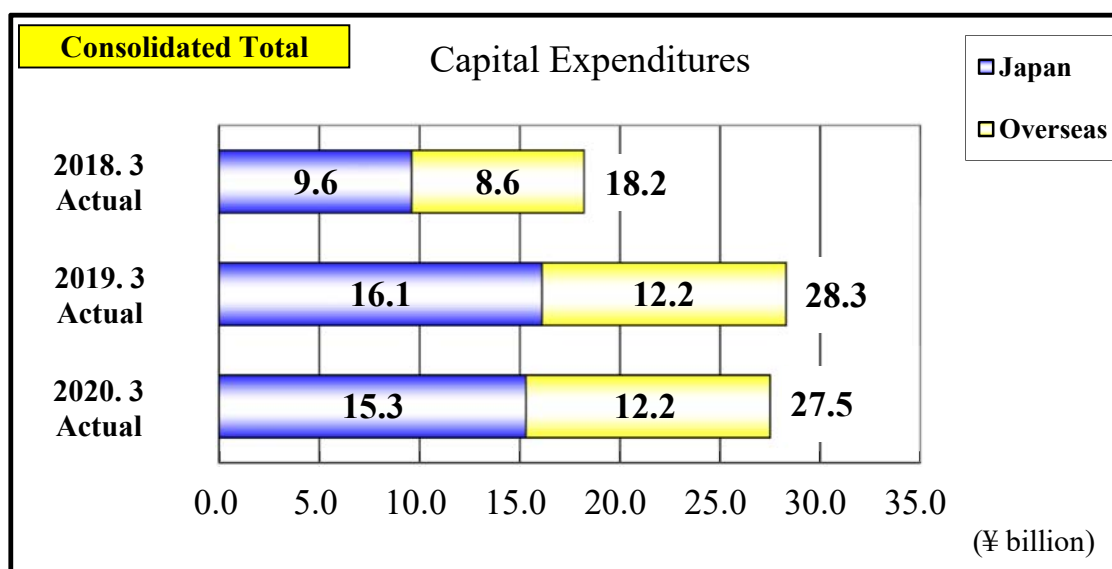
### Consolidated Statements of Cash Flows

¥ million

	2020.3 Actual	2019.3 Actual	Change increase (decrease)
	Amount	Amount	Amount
<b>I Cash flows from operating activities</b>	39,654	37,023	2,631
Profit before income taxes	37,930	37,595	335
Depreciation	16,787	13,258	3,528
Impairment loss	301	2,378	(2,076)
Increase (decrease) in provision for directors' retirement benefits	20	(0)	21
Increase (decrease) in net defined benefit liabilities	597	410	187
Interest and dividends income / Interest expenses	(772)	(1,232)	460
Equity in (earnings) losses of affiliates	(209)	(126)	(82)
Loss (gain) on sales of property, plant and equipment /			
Loss on retirement of property, plant and equipment	1,209	328	881
Loss (gain) on sales of investment securities /			
Loss (gain) on valuation of investment securities	(202)	(1,490)	1,288
Decrease (increase) in notes and accounts receivable-trade /			
Increase (decrease) in notes and accounts payable-trade	433	(819)	1,252
Decrease (increase) in inventories	(3,586)	(4,649)	1,063
Other, net	(3,384)	(727)	(2,656)
(Subtotal)	49,126	44,923	4,203
Interest and dividends received / Interest expenses paid	797	1,275	(478)
Income taxes paid	(10,269)	(9,175)	(1,094)
<b>II Cash flows from investing activities</b>	(29,229)	(25,698)	(3,531)
Purchase of property, plant and equipment	(24,801)	(26,585)	1,783
Proceeds from sales of property, plant and equipment	124	830	(705)
Purchase of intangible assets	(1,159)	(967)	(192)
Purchase of investment securities	(4,492)	(2,612)	(1,879)
Proceeds from sales of investment securities	374	3,164	(2,790)
Payments of loans receivable	(1,526)	(1,501)	(24)
Collection of loans receivable	1,028	554	474
Other, net	1,224	1,420	(196)
<b>III Cash flow from financing activities</b>	(9,146)	(7,041)	(2,104)
Net increase (decrease) in loans payable	1,949	382	1,567
Repayments of lease obligations	(2,792)	(51)	(2,741)
Purchase of treasury stock	(16)	(19)	3
Cash dividends paid (including non-controlling shareholders)	(8,285)	(7,354)	(931)
Other, net	(1)	1	(2)
<b>IV Effect of exchange rate change on cash and cash equivalents</b>	(820)	246	(1,066)
<b>V Net increase (decrease) in cash and cash equivalents</b>	458	4,529	(4,071)
<b>Free cash flows</b>	13,816	10,300	3,516

\* Free cash flows = cash flows from operating activities – purchase of property, plant, equipment and intangible assets  
+ sales of property, plant, equipment and intangible assets

## 8. Capital expenditures, depreciation and amortization



Capital Expenditures (including intangible assets) (¥ million)

	Consolidated	Japan	Overseas
2018.3 Actual	18,180	9,586	8,594
2019.3 Actual	28,346	16,111	12,235
2020.3 Actual	27,464	15,309	12,155

Depreciation and Amortization (including intangible assets)

	Consolidated	Japan	Overseas
2018.3 Actual	13,159	8,360	4,799
2019.3 Actual	13,258	8,733	4,525
2020.3 Actual	16,787	9,175	7,612

Note 1: Depreciation and amortization do not include the amortization of goodwill.

Note 2: Starting with the consolidated financial statements for the fiscal year ended March 31, 2020, IFRS 16 (Leases) and ASU 2016-02 (Leases) have been adopted by our overseas consolidated subsidiaries. As a result, all leases are recorded on balance sheets, in principle, with 1,641 million yen and 2,955 million yen included in actual capital expenditures and depreciation and amortization, respectively, for the fiscal year ended March 31, 2020.