

April 27, 2023

Consolidated Financial Results

Kikkoman Corporation Flash Report 2023 (IFRS) (Consolidated)

Year ended March 31, 2023

Listed company name: **Kikkoman Corporation**
Shares listed: Tokyo (Prime)
Code No.: 2801
URL: <https://www.kikkoman.com>
Representative: Shozaburo Nakano, President and Chief Operating Officer
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Scheduled Date of Ordinary General Meeting of Shareholders: June 27, 2023
Scheduled Date of Dividend Payment Commencement: June 28, 2023
Scheduled Date for Release of Annual Securities Report: June 27, 2023
Supplementary Schedules Preparation: Yes
Business Performance Presentation to Be Held: Yes

(Amounts less than ¥1 million have been omitted in the following tables)

1. Business Performance for the Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

1) Business Performance

(Millions of yen)

	Revenue		Business profit		Operating profit		Profit before income taxes	
	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)
Apr. 1, 2022 – Mar. 31, 2023	618,899	19.8	58,777	12.4	55,370	9.2	60,797	12.1
Apr. 1, 2021 – Mar. 31, 2022	516,440	17.5	52,273	22.6	50,682	21.6	54,231	25.6

	Profit for the year attributable to owners of the parent		Total comprehensive income for the period	
	Amount	Y o Y (%)	Amount	Y o Y (%)
Apr. 1, 2022 – Mar. 31, 2023	43,733	12.4	67,399	7.5
Apr. 1, 2021 – Mar. 31, 2022	38,903	24.9	62,670	41.3

	Basic earnings per share (yen)	Diluted earnings per share (yen)	ROE attributable to owners of the parent	Profit before income taxes to total assets	Business profit to Revenue
Apr. 1, 2022 – Mar. 31, 2023	228.37	—	11.4%	11.4%	9.5%
Apr. 1, 2021 – Mar. 31, 2022	202.94	—	11.7%	11.5%	10.1%

(Reference) Share of profit of associates accounted for using the equity method

April 1, 2022 to March 31, 2023: ¥ 254 million

April 1, 2021 to March 31, 2022: ¥ 249 million

(Note) Business profit is profit after deducting the cost of sales and selling, general and administrative expenses from revenue.

2) Financial Position

(Millions of yen)

	Total assets	Total equity	Total equity attributable to owners of the parent	Equity attributable to owners of the parent to total assets	Equity attributable to owners of the parent per share (yen)
Mar. 31, 2023	566,385	416,969	410,513	72.5%	2,143.92
Mar. 31, 2022	503,061	363,907	357,816	71.1%	1,868.13

3) Cash Flows

(Millions of yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of the year
Apr. 1, 2022 – Mar. 31, 2023	59,197	(26,620)	(20,379)	99,347
Apr. 1, 2021 – Mar. 31, 2022	52,093	(16,105)	(17,900)	79,229

2. Cash Dividends

	Cash dividends per share (yen)					Total cash dividends (full year) (millions of yen)	Dividend payout ratio (consolidated)	Dividend to equity attributable to owners of the parent (consolidated)
	Three-month period ended	Six-month period ended	Nine-month period ended	Full year ended	Total			
Apr. 1, 2021 – Mar. 31, 2022	—	22.00	—	39.00	61.00	11,689	30.1%	3.5%
Apr. 1, 2022 – Mar. 31, 2023	—	30.00	—	48.00	78.00	14,944	34.2%	3.9%
Apr. 1, 2023 – Mar. 31, 2024 (Estimated)	—	34.00	—	35.00	69.00		30.1%	

Dividends per share at the end of the year ended March 31, 2023, are 38.00 yen for ordinary dividends and 10.00 yen for commemorative dividends, respectively.

3. Forecasts of Business Performance for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Revenue		Business profit		Operating profit		Profit before income taxes	
	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)
Apr. 1, 2023 –Mar. 31, 2024	637,500	3.0	62,700	6.7	53,500	(3.4)	59,600	(2.0)

	Profit for the year attributable to owners of the parent		Basic earnings per share (yen)
	Amount	Y o Y (%)	
Apr. 1, 2023 –Mar. 31, 2024	43,900	0.4	229.24

[Notes]

1) Changes in important subsidiaries during the period (Changes in certain specific subsidiaries resulting in a revised scope of consolidation): None

2) Changes in accounting policy and changes in accounting estimates

- ① Changes in accounting policies required by IFRS: None
- ② Changes in accounting policy other than those in ① above: None
- ③ Changes in accounting estimates: None

3) Issued and outstanding shares (common stock)

- ① Shares issued and outstanding at end of period (including treasury stock)
March 31, 2023 — 193,883,202 shares March 31, 2022 — 193,883,202 shares
- ② Treasury stock at end of period
March 31, 2023 — 2,405,842 shares March 31, 2022 — 2,345,706 shares
- ③ Shares outstanding during the period (cumulative for period, consolidated)
March 31, 2023 — 191,500,879 shares March 31, 2022 — 191,703,315 shares

(Note) The number of treasury stock at end of period includes the Company's shares held by the BIP (Board Incentive Plan) Trust established for the remuneration plan for the Company's directors, etc. (58,100 shares as of March 31, 2023, - shares as of March 31, 2022). The Company's shares held by the BIP Trust are included in the number of shares of treasury stock which are deducted from the number of shares when calculating the average number of shares outstanding during the period.

(Reference) Overview of Non-consolidated Results

1. Business Performance (non-consolidated) for the Year Ended March 31, 2023
(April 1, 2022 to March 31, 2023)

1) Business Performance (non-consolidated)

(Millions of yen)

	Net sales		Operating profit		Ordinary profit		Profit	
	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)
Apr. 1, 2022 – Mar. 31, 2023	30,367	11.8	11,659	12.9	14,145	10.0	14,794	(2.6)
Apr. 1, 2021 – Mar. 31, 2022	27,166	6.6	10,330	15.5	12,863	31.1	15,193	57.3

	Earnings per share (yen)	Earnings per share (Assuming full dilution) (yen)
Apr. 1, 2022 – Mar. 31, 2023	77.23	—
Apr. 1, 2021 – Mar. 31, 2022	79.23	—

2) Financial Position (non-consolidated)

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share (yen)
Mar. 31, 2023	287,025	93,549	32.6 %	488.41
Mar. 31, 2022	271,420	92,046	33.9 %	480.42

(Reference) Total shareholders' equity
 March 31, 2023: ¥ 93,549 million
 March 31, 2022: ¥ 92,046 million

* This flash report is not included in the scope of an audit by certified public accountants or the audit corporations.

* Explanation concerning the appropriate use of financial result forecasts and other special notes

(Caution Regarding Forward-looking Statements)

Forecasts of business performance and future developments noted in this report are based on assumptions from information available to management at the time of disclosure and deemed reasonable at the present time. Actual results may differ significantly from forecasts. For details of business performance forecasts and guidelines for assumptions, please refer to the attachments to this report, Page 7, 2.Consolidated Business Forecasts.

(How to obtain supplementary schedules)

- (1) Kikkoman will publish supplementary schedules on TD-net for viewing in Japan, and on its website.
- (2) Kikkoman plans to publish business performance presentation materials on its website.

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1. Consolidated Operating Results

<Consolidated Financial Statements>

(Millions of yen, %)

	FY2022		FY2023		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
	4.1.2021 – 3.31.2022		4.1.2022 – 3.31.2023		Amount	YoY	%		Amount	YoY
	Amount	%	Amount	%				Amount		
Revenue	516,440	100.0	618,899	100.0	102,459	119.8	—	67,435	35,023	106.8
Business Profit	52,273	10.1	58,777	9.5	6,503	112.4	(0.6)	8,074	(1,570)	97.0
Operating Profit	50,682	9.8	55,370	8.9	4,687	109.2	(0.9)	7,451	(2,764)	94.5
Profit before income taxes	54,231	10.5	60,797	9.8	6,566	112.1	(0.7)	7,843	(1,277)	97.6
Profit for the year attributable to owners of the parent	38,903	7.5	43,733	7.1	4,829	112.4	(0.4)	5,727	(897)	97.7
Exchange Rate (¥/US\$)	112.86		134.95		22.09					
(¥/EUR)	131.01		141.24		10.23					

<Reporting Segments>

(Millions of yen, %)

		FY2022		FY2023		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.2021 – 3.31.2022		4.1.2022 – 3.31.2023		Amount	YoY	%		Amount	YoY
		Amount	%	Amount	%				Amount		
Domestic Foods— Manufacturing and Sales	Revenue	148,815	100.0	144,959	100.0	(3,855)	97.4	—	—	(3,855)	97.4
	Business Profit	11,622	7.8	7,470	5.2	(4,151)	64.3	(2.6)	—	(4,151)	64.3
Domestic Others	Revenue	21,643	100.0	21,893	100.0	249	101.2	—	—	249	101.2
	Business Profit	1,870	8.6	1,801	8.2	(68)	96.3	(0.4)	—	(68)	96.3
Overseas Foods— Manufacturing and Sales	Revenue	115,793	100.0	143,736	100.0	27,943	124.1	—	20,600	7,342	106.3
	Business Profit	22,711	19.6	27,240	19.0	4,529	119.9	(0.6)	4,039	489	102.2
Overseas Foods— Wholesale	Revenue	262,068	100.0	343,508	100.0	81,439	131.1	—	49,323	32,115	112.3
	Business Profit	17,686	6.7	24,598	7.2	6,911	139.1	0.5	3,478	3,433	119.4
Adjustments	Revenue	(31,880)	100.0	(35,197)	100.0	(3,316)	—	—	(2,488)	(827)	—
	Business Profit	(1,616)	—	(2,333)	—	(716)	—	—	555	(1,272)	—
Consolidated Total	Revenue	516,440	100.0	618,899	100.0	102,459	119.8	—	67,435	35,023	106.8
	Business Profit	52,273	10.1	58,777	9.5	6,503	112.4	(0.6)	8,074	(1,570)	97.0
Exchange Rate (¥/US\$)		112.86		134.95		22.09					
(¥/EUR)		131.01		141.24		10.23					

2. Consolidated Business Forecasts

Consolidated business forecasts for the year ending March 31, 2024 are as follows:

(Full year)

	(Millions of yen)					
	Revenue	Business profit	Operating profit	Profit before income taxes	Profit for the year attributable to owners of the parent	Basic earnings per share (yen)
Apr. 1, 2023 –Mar. 31, 2024	637,500	62,700	53,500	59,600	43,900	229.24
Apr. 1, 2022 –Mar. 31, 2023	618,899	58,777	55,370	60,797	43,733	228.37
Changes (YoY)	18,600 103.0%	3,922 106.7%	(1,870) 96.6%	(1,197) 98.0%	166 100.4%	0.87 -

* Kikkoman is assuming an average foreign exchange rate of US\$1=¥130.00 for the year ending March 31, 2024. (¥134.95 for the year ended March 31, 2023)

* The above forecasts are prepared assuming economic conditions prevailing at the time of preparation. Actual results may differ from these business forecasts due to various unforeseen factors.

3. Basic policy for selecting accounting standards

Since the Group conducts business globally, it decided to voluntarily adopt International Financial Reporting Standards (IFRS) instead of the Japanese GAAP used previously, starting with its consolidated financial statements in the annual securities report for the fiscal year ended March 31, 2021. It will consequently aim to improve stakeholders' convenience by ensuring the global comparability of financial statements while also seeking to increase the accuracy of business management by unifying accounting standards across the Group.

4. Consolidated Financial Statements

1) Consolidated Statement of Financial Position

	As of March 31, 2022	(Millions of yen) As of March 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	79,229	99,347
Trade and other receivables	69,407	75,070
Inventories	82,700	92,222
Other financial assets	2,541	4,515
Other current assets	6,313	10,054
Total current assets	240,192	281,211
Non-current assets:		
Property, plant and equipment	136,291	150,675
Investment properties	9,292	9,213
Right-of-use assets	23,385	30,497
Goodwill	4,626	4,657
Intangible assets	4,947	4,795
Investments in associates accounted for using the equity method	3,939	4,248
Other financial assets	68,961	69,680
Employee defined benefit assets	7,824	8,178
Deferred tax assets	3,431	3,058
Other non-current assets	167	167
Total non-current assets	262,868	285,174
Total assets	503,061	566,385

	As of March 31, 2022	(Millions of yen) As of March 31, 2023
Liabilities		
Current liabilities:		
Trade and other payables	59,573	61,333
Short-term borrowings and current portion of long-term borrowings	4,503	17,054
Short-term lease liabilities	4,313	5,158
Income tax payable	5,182	2,639
Other financial liabilities	648	526
Other current liabilities	9,004	12,042
Total current liabilities	<u>83,225</u>	<u>98,755</u>
Non-current liabilities:		
Long-term borrowings	13,000	400
Long-term lease liabilities	21,643	28,371
Deferred tax liabilities	8,754	10,051
Employee defined benefit liabilities	5,322	4,658
Other financial liabilities	4,023	3,968
Other non-current liabilities	3,183	3,210
Total non-current liabilities	<u>55,927</u>	<u>50,660</u>
Total liabilities	<u>139,153</u>	<u>149,416</u>
Equity		
Equity:		
Share capital	11,599	11,599
Capital surplus	13,696	13,745
Retained earnings	297,116	329,482
Treasury stock	(6,808)	(7,326)
Other components of equity	42,212	63,012
Total equity attributable to owners of the parent	<u>357,816</u>	<u>410,513</u>
Non-controlling interests	6,091	6,456
Total equity	<u>363,907</u>	<u>416,969</u>
Total liabilities and equity	<u>503,061</u>	<u>566,385</u>

2) Consolidated Statements of Profit or Loss and Consolidated Statements of Comprehensive Income (Consolidated Statements of Profit or Loss)

(Millions of yen)

	Years ended March 31,	
	2022	2023
Revenue	516,440	618,899
Cost of sales	337,611	414,474
Gross profit	178,829	204,425
Selling, general and administrative expenses	126,555	145,648
Business profit	52,273	58,777
Other income	5,572	2,303
Other expenses	7,163	5,710
Operating profit	50,682	55,370
Finance income	10,168	11,911
Finance costs	6,869	6,739
Share of profit of associates accounted for using the equity method	249	254
Profit before income taxes	54,231	60,797
Income taxes	14,885	16,597
Profit for the year	39,345	44,199
Profit for the year attributable to:		
Owners of the parent	38,903	43,733
Non-controlling interests	441	466
Profit for the year	39,345	44,199
Earnings per share (yen)	202.94	228.37

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Years ended March 31,	
	2022	2023
Profit for the year	39,345	44,199
Other comprehensive income (loss):		
Items that will not be reclassified to profit or loss		
Net change in fair value of financial assets measured at FVOCI, net of taxes	90	1,472
Remeasurements of defined benefit plans	133	1,036
Share of other comprehensive income (loss) of associates accounted for using the equity method	173	100
Items that are or may be reclassified subsequently to profit or loss		
Foreign currency translation adjustments	22,819	20,475
Cash flow hedges	107	113
Other comprehensive income for the period, net of tax	23,325	23,199
Total comprehensive income for the period	62,670	67,399
Total comprehensive income for the period attributable to:		
Owners of the parent	61,686	66,665
Non-controlling interests	984	734

3) Consolidated Statements of Changes in Equity

Year ended March 31, 2022

(Millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Retained earnings	Treasury stock	Other components of equity	
					Exchange differences on translation of foreign operations	Cash flow hedges
Balance at beginning of the period	11,599	13,695	267,073	(3,658)	2,308	23
Profit for the year			38,903			
Other comprehensive income (loss)					22,292	107
Total comprehensive income (loss)	—	—	38,903	—	22,292	107
Purchase of treasury stock				(3,149)		
Disposal of treasury stock		0		0		
Share-based payment transactions						
Dividends			(8,825)			
Changes in ownership interests in subsidiaries						
Transfer from other components of equity to retained earnings			(35)			
Transfer to non-financial assets						(26)
Increase (decrease) in treasury stocks due to change in equity interests in associates accounted for using the equity method				(0)		
Other increase (decrease)						
Total transactions with owners of the parent	—	0	(8,860)	(3,149)	—	(26)
Balance at end of the period	11,599	13,696	297,116	(6,808)	24,600	104

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Total		
	Net change in fair value of financial assets measured at FVOCI	Remeasurements of defined benefit plans	Total			
Balance at beginning of the period	17,088	—	19,420	308,130	5,384	313,514
Profit for the year			—	38,903	441	39,345
Other comprehensive income (loss)	269	113	22,782	22,782	542	23,325
Total comprehensive income (loss)	269	113	22,782	61,686	984	62,670
Purchase of treasury stock			—	(3,149)		(3,149)
Disposal of treasury stock			—	0		0
Share-based payment transactions			—	—		—
Dividends			—	(8,825)	(276)	(9,102)
Changes in ownership interests in subsidiaries			—	—		—
Transfer from other components of equity to retained earnings	148	(113)	35	—		—
Transfer to non-financial assets			(26)	(26)		(26)
Increase (decrease) in treasury stocks due to change in equity interests in associates accounted for using the equity method			—	(0)		(0)
Other increase (decrease)			—	—	(0)	(0)
Total transactions with owners of the parent	148	(113)	8	(12,000)	(277)	(12,277)
Balance at end of the period	17,506	—	42,212	357,816	6,091	363,907

Year ended March 31, 2023

(Millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Retained earnings	Treasury stock	Other components of equity	
					Exchange differences on translation of foreign operations	Cash flow hedges
Balance at beginning of the period	11,599	13,696	297,116	(6,808)	24,600	104
Profit for the year			43,733			
Other comprehensive income (loss)					20,240	113
Total comprehensive income (loss)	—	—	43,733	—	20,240	113
Purchase of treasury stock				(518)		
Disposal of treasury stock		0		0		
Share-based payment transactions		77				
Dividends			(13,220)			
Changes in ownership interests in subsidiaries		(28)			3	
Transfer from other components of equity to retained earnings			1,852			
Transfer to non-financial assets						(282)
Increase (decrease) in treasury stocks due to change in equity interests in associates accounted for using the equity method				(0)		
Other increase (decrease)						
Total transactions with owners of the parent	—	49	(11,367)	(518)	3	(282)
Balance at end of the period	11,599	13,745	329,482	(7,326)	44,844	(64)

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Total		
	Net change in fair value of financial assets measured at FVOCI	Remeasurements of defined benefit plans	Total			
Balance at beginning of the period	17,506	—	42,212	357,816	6,091	363,907
Profit for the year			—	43,733	466	44,199
Other comprehensive income (loss)	1,585	991	22,931	22,931	267	23,199
Total comprehensive income (loss)	1,585	991	22,931	66,665	734	67,399
Purchase of treasury stock			—	(518)		(518)
Disposal of treasury stock			—	0		0
Share-based payment transactions			—	77		77
Dividends			—	(13,220)	(322)	(13,542)
Changes in ownership interests in subsidiaries			3	(25)	(43)	(68)
Transfer from other components of equity to retained earnings	(860)	(991)	(1,852)	—		—
Transfer to non-financial assets			(282)	(282)		(282)
Increase (decrease) in treasury stocks due to change in equity interests in associates accounted for using the equity method			—	(0)		(0)
Other increase (decrease)			—	—	(3)	(3)
Total transactions with owners of the parent	(860)	(991)	(2,131)	(13,968)	(369)	(14,337)
Balance at end of the period	18,232	—	63,012	410,513	6,456	416,969

4) Consolidated Statements of Cash Flows

	(Millions of yen)	
	Years ended March 31,	
	2022	2023
Cash flows from operating activities		
Profit before income taxes	54,231	60,797
Depreciation and amortization	20,030	22,240
Impairment losses	981	996
Interest and dividend income	(1,168)	(2,700)
Interest paid	738	995
Share of (profit) loss of associates accounted for using the equity method	(249)	(254)
Increase (decrease) in net defined benefit assets and liabilities	(1,131)	(910)
(Gain) loss on sales and disposal of property, plant and equipment	490	772
Gain on sale of shares of subsidiaries	(2,172)	—
(Increase) decrease in trade and other receivables	(3,948)	(2,384)
(Increase) decrease in inventories	(14,485)	(5,020)
Increase (decrease) in trade and other payables	4,966	(2,068)
Other	8,653	4,821
Subtotal	66,935	77,285
Interest received	108	1,178
Dividends received	1,065	1,336
Interest paid	(745)	(1,007)
Income taxes paid	(15,271)	(19,595)
Net cash provided by operating activities	52,093	59,197
Cash flows from investing activities		
Acquisition of property, plant and equipment	(18,697)	(25,595)
Proceeds from sale of property, plant and equipment	201	102
Acquisition of intangible assets	(867)	(949)
Acquisition of financial instruments	(1,823)	(3,417)
Proceeds from sale of financial instruments	101	2,489
Proceeds from distributions from investment partnerships	1,892	2,679
Addition to loans receivable	(548)	(424)
Collection of loans receivable	401	372
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	3,671	—
Other	(437)	(1,877)
Net cash provided by (used in) investing activities	(16,105)	(26,620)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	236	(145)
Payment of principal portion of lease liabilities	(5,597)	(6,175)
Proceeds from long-term borrowings	—	400
Repayments of long-term borrowings	(202)	(400)
Purchase of treasury stock	(3,154)	(519)
Disposal of treasury stock	0	0
Dividends paid	(8,825)	(13,220)
Dividends paid to non-controlling interests	(357)	(318)
Net cash used in financing activities	(17,900)	(20,379)
Effect of exchange rate changes on cash and cash equivalents	5,464	7,920
Net increase (decrease) in cash and cash equivalents	23,551	20,118
Cash and cash equivalents at beginning of the year	55,678	79,229
Cash and cash equivalents at end of the year	79,229	99,347

5) Notes on consolidated financial statements (Notes Regarding Going Concern)

No applicable items.

(Changes in presentation methods)

“Proceeds from distributions from investment partnerships,” which were included in “Other” under “Cash flows from investing activities” in the previous consolidated fiscal year are presented separately from the consolidated fiscal year under review due to increased financial materiality.

The consolidated statement of cash flows for the previous consolidated fiscal year have been restated to reflect these changes in presentation.

As a result, ¥1,454 million presented in “Other” under “Cash flows from investing activities” in the consolidated statements of cash flows in the previous fiscal year has been restated as “Proceeds from distributions from investment partnerships” of ¥1,892 million and “Other” of (¥437) million.

(Segment Information)

(a) Overview of reportable segments

The Group’s reportable segments are components of the Group for which separate financial information is available. The Group’s Board of Directors uses these operating segments periodically to make decisions on the allocation of management resources and to evaluate business performance. The Group does not aggregate the operation segments in determining the reportable segments.

The Company, as a holding company, mainly formulates Group strategies and manages operating companies. Under this structure, Japanese companies are categorized into companies that primarily engage in the manufacturing and sale of foods and others. Overseas business is operated by the holding company’s overseas business divisions, and the operating companies are categorized into companies that engage in foods manufacturing and sales and companies that engage in wholesale of oriental food products.

Accordingly, the Group consists of four reportable segments that are a matrix of domestic and overseas regions and types of business: “Domestic Foods—Manufacturing and Sales”, “Domestic Others”, “Overseas Foods—Manufacturing and Sales” and “Overseas Foods—Wholesale”.

The Domestic Foods—Manufacturing and Sales segment engages in the manufacturing and sale of soy sauce, food products, beverages, liquor and wine in Japan. The Domestic Others segment engages in the manufacturing and sale of pharmaceuticals and chemical products and in real estate rentals, logistics, back-office functions and other businesses in Japan. The Overseas Foods—Manufacturing and Sales segment engages in the manufacturing, sale and exporting of soy sauce, Del Monte products and health foods and in the export and sales of products for overseas market. The Overseas Foods—Wholesale segment purchases and sells oriental foods in domestic and overseas markets.

(b) Information about reportable segments

Segment profit (loss) represents business profit, the amount obtained by deducting cost of sales, selling, general and administrative expenses from revenue. Inter-segment revenue and transfers are determined based on prevailing market prices.

(c) Information about revenue, profit or loss and other items by reportable segment is set out below:

	For the year ended March 31, 2022						
	Domestic Foods— Manufacturing and Sales	Domestic Others	Overseas Foods— Manufacturing and Sales	Overseas Foods— Wholesale	Total	Adjustments	Consolidated (Millions of yen)
Revenue							
External revenue	145,867	7,915	100,792	261,864	516,440	—	516,440
Inter-segment revenue	2,947	13,727	15,000	204	31,880	(31,880)	—
Total	148,815	21,643	115,793	262,068	548,321	(31,880)	516,440
Segment profit (loss)	11,622	1,870	22,711	17,686	53,890	(1,616)	52,273
Other income	—	—	—	—	—	—	5,572
Other expenses	—	—	—	—	—	—	7,163
Finance income	—	—	—	—	—	—	10,168
Finance costs	—	—	—	—	—	—	6,869
Share of profit (loss) of associates accounted for using the equity method	—	—	—	—	—	—	249
Profit before income taxes	—	—	—	—	—	—	54,231
Other items:							
Depreciation and amortization	7,511	1,898	4,671	4,239	18,320	1,669	19,990
Impairment losses	980	—	1	—	981	—	981
Capital expenditure	8,726	1,692	6,252	7,175	23,847	770	24,617

(Note)

Adjustments are as follows:

- (1) Adjustment of segment income is mainly due to the difference in allocation of corporate expenses.
- (2) Adjustments for depreciation and amortization are depreciation and amortization related to corporate assets.
- (3) Adjustments to capital expenditures are expenditures related to corporate assets.

	For the year ended March 31, 2023						
	Domestic Foods— Manufacturing and Sales	Domestic Others	Overseas Foods— Manufacturing and Sales	Overseas Foods— Wholesale	Total	Adjustments	Consolidated (Millions of yen)
Revenue							
External revenue	141,893	8,129	125,473	343,402	618,899	—	618,899
Inter-segment revenue	3,066	13,763	18,262	105	35,197	(35,197)	—
Total	144,959	21,893	143,736	343,508	654,097	(35,197)	618,899
Segment profit (loss)	7,470	1,801	27,240	24,598	61,110	(2,333)	58,777
Other income	—	—	—	—	—	—	2,303
Other expenses	—	—	—	—	—	—	5,710
Finance income	—	—	—	—	—	—	11,911
Finance costs	—	—	—	—	—	—	6,739
Share of profit (loss) of associates accounted for using the equity method	—	—	—	—	—	—	254
Profit before income taxes	—	—	—	—	—	—	60,797
Other items:							
Depreciation and amortization	7,606	1,957	5,747	5,159	20,471	1,733	22,205
Impairment losses	996	—	0	—	996	—	996
Capital expenditure	9,814	4,387	8,224	13,560	35,987	2,241	38,228

(Note)

Adjustments are as follows:

- (1) Adjustment of segment income is mainly due to the difference in allocation of corporate expenses.
- (2) Adjustments for depreciation and amortization are depreciation and amortization related to corporate assets.
- (3) Adjustments to capital expenditures are expenditures related to corporate assets.

(Per Share Information)

Basic earnings per share and the basis for calculation are as follows.

Diluted earnings per share is not shown because there are no dilutive potential common stocks:

	For the year ended March 31,	
	2022	2023
	(Yen)	
Basic earnings per share	202.94	228.37

	For the year ended March 31,	
	2022	2023
	(Millions of yen)	
Profit for the year attributable to common shareholders of the Company	38,903	43,733
Profit for the year not attributable to common shareholders of the Company	—	—
Profit for the year attributable to common shareholders used for calculation of basic earnings per share	38,903	43,733
Weighted-average number of common shares used for calculation of basic earnings per share	(Thousands of shares)	
	191,703	191,500

(Note) Upon calculation of the basic earnings per share, the Company's shares held by Director's remuneration BIP Trust are included in the treasury stock, which is deducted from the number of shares outstanding at end of the year when the average number of shares during the year are calculated.

(58,100 shares for the year ended March 31, 2023, - shares for the year ended March 31, 2022)

(Material Subsequent Events)

(Acquisition of Own shares)

At a meeting of the Board of Directors held on April 27, 2023, the Company resolved to acquire its own shares under Article 156 of the Companies Act of Japan, applied pursuant to Article 165-3 of the said Act.

1. Reason for the acquisition of own shares

To promote an expeditious financial strategy according to changes in the business environment.

2. Details of the acquisition

- (1) Class of shares to be acquired: Common stock of the Company
- (2) Total number of shares to be acquired: 2,000,000 shares (maximum)
(Equivalent to 1.04% of outstanding shares (excluding treasury shares))
- (3) Total acquisition price: ¥10,000 million (maximum)
- (4) Acquisition period: From May 10, 2023 to December 29, 2023
- (5) Acquisition method: Market transactions on the Tokyo Stock Exchange

(Changes in Subsidiaries due to Transfer of Equity Interest)

Kikkoman Corporation hereby announces that resolution was issued at a Board of Directors meeting held on April 27, 2023 with respect to the transfer of the total equity interest held by KI NutriCare, Inc. (a specified subsidiary of Kikkoman Corporation) in Country Life, LLC (a subsidiary of KI NutriCare, Inc., with the company in question hereinafter referred to as the “Subject Company”). The equity interest in question is to be transferred (hereinafter referred to as the “Transfer of Equity Interest”) to a business entity (hereinafter referred to as the “Transfer Counterparty”) wherein an American investment fund that will be directly or indirectly holding shares or equity interest.

1. Reason for the Transfer of Equity

Kikkoman Corporation established KI NutriCare, Inc. to develop a manufacturing and sales business for nutraceutical and health food products in the United States, with KI NutriCare, Inc. then acquiring the total equity interest in the Subject Company. However, in view of the changes seen recently within the business environment, it was decided that this Transfer of Equity Interest would be undertaken based on a judgement made to the effect that undertaking a selection and concentration of management resources within Kikkoman Corporation’s overseas business would serve to contribute to the further growth of corporate value of Kikkoman Corporation.

2. Description of the Company

(1) Name	Country Life, LLC
(2) Address	180 Vanderbilt Motor Parkway, Hauppauge, NY 11788, U.S.A.
(3) Name and title of representative	Osamu Mogi, CEO
(4) Content of business	Manufacturing and sale of nutraceutical food products, health food products and personal care products.
(5) Capital	US\$ 12.1 million
(6) Date of establishment	February 8 th , 2005
(7) Investors and investment ratio	KI NutriCare, Inc. 100%

3. Overview of the Transfer Counterparty

The Transfer Counterparty will be a business entity wherein an American investment fund that will be directly or indirectly holding shares or equity interest. A disclosure of the details pertaining thereto will not be provided at this point in time owing to confidentiality obligations which exist and due to a firm request provided to that effect by the counterparty. There are no capital relationships, personnel-related relationships or transaction-related relationships existing between Kikkoman Corporation and the Transfer Counterparty.

4. Equity subject to transfer, transfer price, and status of the equity before and after the transfer

(1) Percentage of equity before the transfer	KI NutriCare, Inc. 100%
(2) Percentage of equity to be transferred	100% (Total equity interest held by KI NutriCare, Inc.)
(3) Percentage of equity after the transfer	0%

※ The transfer price has been determined through negotiations involving a fair process. The details will not be disclosed at this point in time in view of confidentiality obligations.

5. Schedule of transfer

(1) Contract date	May 8 th , 2023 (Scheduled)
(2) Date of execution for the transfer of equity	To be decided

※ The execution of the Transfer of Equity Interest is subject to the approval of competition laws in each country. As such, the schedule in terms of the execution of the Transfer of Equity Interest has not yet been determined.

5. Supplementary Schedules

1) Consolidated Forecasts for FY2024 and Effect of Exchange Rate Differences on Translation of Overseas Subsidiaries' Financial Statements

Revenues (Millions of yen)

		Fiscal 2024 Forecast	Fiscal 2023 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Foods—Manufacturing and Sales	156,260	144,959	11,300	107.8	11,300	107.8
	Others	22,960	21,893	1,066	104.9	1,066	104.9
	Eliminations	(11,960)	(12,165)	205	—	205	—
	Total	167,260	154,687	12,572	108.1	12,572	108.1
Overseas	Foods—Manufacturing and Sales	134,730	143,736	(9,006)	93.7	(5,276)	96.3
	Foods—Wholesale	360,100	343,508	16,592	104.8	28,819	108.4
	Eliminations	(18,900)	(18,219)	(680)	—	(1,205)	—
	Total	475,930	469,024	6,905	101.5	22,337	104.8
Kikkoman (Holding Company)		24,850	25,175	(325)	98.7	(325)	98.7
Eliminations		(30,540)	(29,988)	(551)	—	(551)	—
Consolidated Total		637,500	618,899	18,600	103.0	34,032	105.5

Business Profit (Millions of yen)

		Fiscal 2024 Forecast	Fiscal 2023 Actual	Change increase (decrease)	%	Change excluding translation difference	%
Japan	Foods—Manufacturing and Sales	9,700	7,470	2,229	129.8	2,229	129.8
	Others	1,730	1,801	(71)	96.0	(71)	96.0
	Total	11,430	9,302	2,127	122.9	2,127	122.9
Overseas	Foods—Manufacturing and Sales	29,340	27,240	2,099	107.7	2,940	110.8
	Foods—Wholesale	24,800	24,598	201	100.8	1,001	104.1
	Total	54,150	51,769	2,380	104.6	4,021	107.8
Kikkoman (Holding Company)		8,980	10,597	(1,617)	84.7	(1,617)	84.7
Eliminations		(11,860)	(12,891)	1,031	—	1,142	—
Consolidated Total		62,700	58,777	3,922	106.7	5,674	109.7
Exchange Rate (¥/US\$)		130.00	134.95	(4.95)			
(¥/EUR)		140.00	141.24	(1.24)			