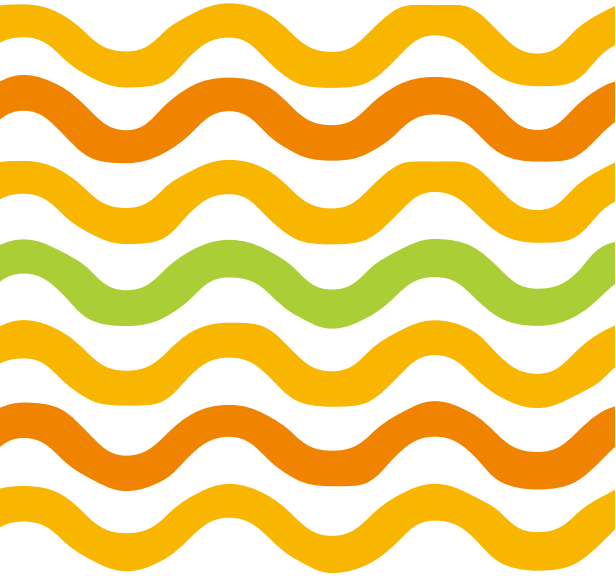


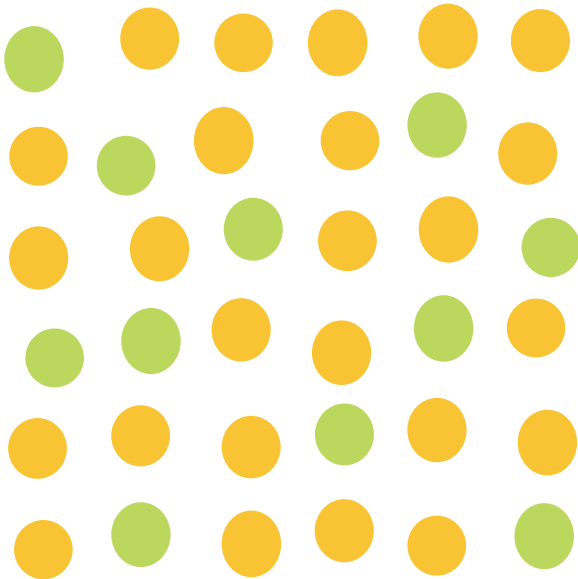
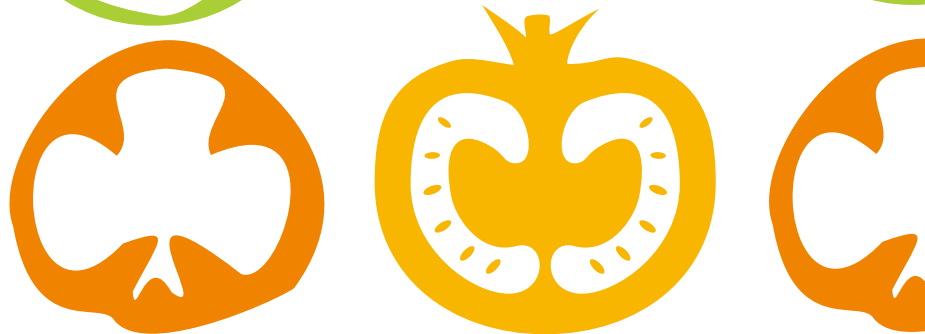


**kikkoman**  
seasoning your life



**Kikkoman Group  
Corporate Report**

**2020**



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### Reporting Policy

The Kikkoman Group Corporate Report describes the Kikkoman Group's management strategies and business activities. Through this report, the Group aims at communicating how the Group creates both economic and social value to a wide range of stakeholders.

### Scope

This report covers the activities of the Kikkoman Group, comprising the Group's holding company, Kikkoman Corp., as well as its consolidated subsidiaries and equity-method subsidiaries and affiliates (102 in total as of March 31, 2020). This report refers to the Kikkoman Group as "Kikkoman Group" or "the Group," to Kikkoman Corporation as "Kikkoman Corp.," and to Kikkoman Corp., Kikkoman Food Products Co., Kikkoman

Beverage Co., and Kikkoman Business Services Co. collectively as "Kikkoman." Otherwise, companies are referred to by names.

### Reporting Period

Fiscal Year (FY) 2020 (April 1, 2019–March 31, 2020)

This report may contain references to activities that were initiated prior to March 2019 or after April 2020.

### Date of Publication

January 2021

### Note on Statements about the Forecast

In addition to information about past and present activities undertaken by the Kikkoman Group, this report includes statements about the forecast in the form of

plans and projections current at the time of its publication. These statements reflect the judgment of management based on information that was available at the time of their inclusion in the report. Changing conditions may cause the results of future business operations and other events to differ from projections.

### Guidelines

Guidelines such as the Global Reporting Initiative (GRI) Sustainability Reporting Standard, the International Integrated Reporting Framework, and the Guidance for Collaborative Value Creation were referred to for this report.

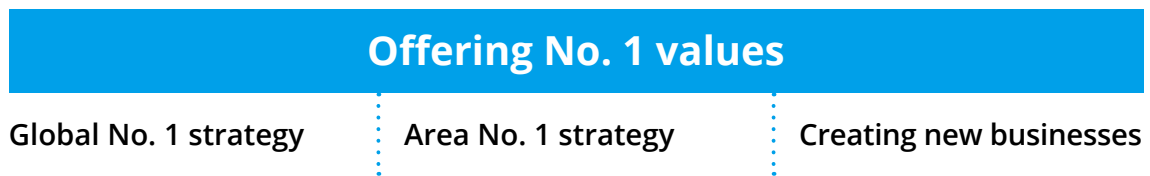
The Kikkoman Group is pursuing challenges to achieve Global Vision 2030.

## Global Vision 2030

### Striving with Passion to Create New Values



### Challenges toward 2030



## To Our Stakeholders

### Management Principles

The management principles of the **Kikkoman Group** are based on the following three pillars:

- ① To pursue the fundamental principle “consumer-oriented”
- ② To promote the international exchange of food culture
- ③ To become a company whose existence is meaningful to the global society



We would like to express our sincere condolences to all those who have lost family members, relatives or friends to COVID-19. We wish a quick recovery to those who have been infected or are undergoing treatment. We would also like to express our deepest respect and appreciation to all of the front-line doctors, nurses and other healthcare workers. We hope this pandemic, which has significantly affected our daily lives, will end soon.

In fiscal 2020, which ended March 31, 2020, the global economy was firm overall, supported by steady recovery in the U.S. and Europe, while the Japanese economy also continued to recover at a moderate pace. However, the COVID-19 outbreak has had a major impact on both domestic and foreign economic activities. Although the Kikkoman Group was also affected, the Kikkoman Group's domestic sales rose year on year, with firm sales of food products and beverages offsetting a drop in sales of soy sauce, liquor and wine. In overseas markets, sales of both soy sauce and the oriental food wholesale businesses increased over the previous fiscal year. As a result, consolidated net sales increased 3.3% to ¥468,616 million; operating profit rose 3.7% to ¥39,826 million; and profit attributable to owners of parent increased 2.3% to ¥26,595 million.

We believe that the existence and prosperity of a company cannot be realized without customer satisfaction. Based on this conviction, the Kikkoman Group provides value-added products and services by listening to the opinions of consumers and closely observing markets. Moreover, as a food company, our fundamental mission is to offer consumers a stable supply of safe and high-quality products at reasonable prices. We are yet to fully understand the extent to which COVID-19 will impact the world economy, but moving forward, the Group will continue to steadily carry out these fundamental activities as we endeavor to increase corporate value.

January 2021

**Yuzaburo Mogi**  
Honorary Chief Executive Officer and  
Chairman of the Board of Directors  
Kikkoman Corporation

**Noriaki Horikiri**  
President and Chief Executive Officer  
Kikkoman Corporation

## History of the Kikkoman Group

Kikkoman has supported the development of food culture in Japan with the country's top brand of soy sauce since the early 17th century. Today, we offer a wide assortment of food and health-related products and services around the world.

# Global



## Establishment



1917

### Established Noda Shoyu Co., Ltd.

Noda Shoyu Co., Ltd.—the forerunner of today's Kikkoman—was formed in 1917 through the merger of several soy sauce brewing family businesses.



1957

### Full-scale entry into U.S. market

To establish a full-scale presence, a sales and marketing company was established in San Francisco in 1957. Today, Kikkoman Soy Sauce is the most widely recognized brand name of soy sauce in the United States.

## Diversification





## Global expansion

Kikkoman expanded into Europe in the 1970s and then Asia in the 1980s. In the Foods-Wholesale segment, the JFC Group is active globally, and distributes meal-supporting products around the world.



1973

## Start of local production in the United States

With soy sauce firmly entrenched in the food culture of the United States, the first bottles were shipped out from the Wisconsin factory in 1973.

The Kikkoman Group's brand portfolio includes Del Monte processed tomato products, Manns Wines Japanese wines, and Kikkoman soy milk. The portfolio also includes tsuyu (soy sauce soup base) and tare (dipping and marinade sauces).



# Global Vision 2030

Striving with Passion to Create New Values

## The Kikkoman Group Today

# Kikkoman's Promise

To fill the world with the joy of food by delivering wholehearted flavor.

To provide high-quality products and services with integrity by continuously improving on our long tradition of techniques and know-how.

To propose a well-balanced and nutritious diet that brings out the flavor of ingredients and brings happiness to the world every day by helping to support a healthy mind and body.

To create exciting new flavor experiences by fusing food cultures from around the world and to propose a rich and varied food lifestyle that matches the times.

## Financial Highlights

Net Sales

**¥468,616** million

Operating Profit

**¥39,826** million

Profit Attributable to Owners of Parent

**¥26,595** million

Overseas net sales ratio

**61%**

Overseas operating profit ratio

**71%**





## Total Number of Employees

**7,376**

(consolidated basis)



## Global Operations

Number of overseas subsidiaries

**41**



Kikkoman products are sold in over

**100** countries around the world.



## Overseas - Changes in Kikkoman's Soy Sauce Sales Volume\*

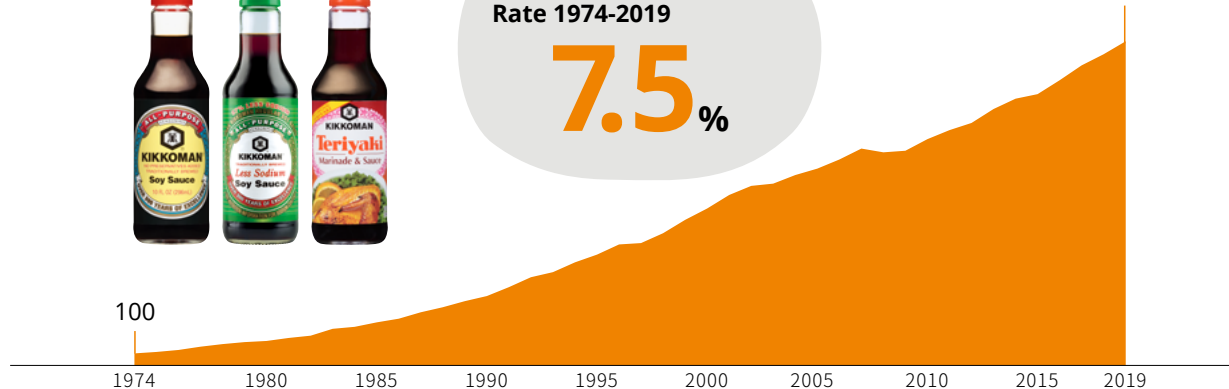
(1974-2019)



Average Annual Growth Rate 1974-2019

**7.5%**

**2,572**



\* 1974 Sales Volume= 100

Source: Kikkoman Data

## Overview

### Domestic Foods—Manufacturing and Sales

Net Sales

¥ **179.4** billion

Operating Profit

¥ **11.5** billion

Proportion of total sales\*

**37.8%**

Proportion of total operating profit\*\*

**28.8%**

#### Soy Sauce Division



#### Beverage Division



#### Food Products Division



#### Liquor and Wine Division



### Domestic Others

Net Sales

¥ **21.3** billion

Operating Profit

¥ **1.8** billion

Proportion of total sales\*

**1.6%**

Proportion of total operating profit\*\*

**4.6%**



\* After elimination of transactions between businesses

\*\* Before elimination

## Overseas Foods—Manufacturing and Sales

Net Sales

¥ **96.6** billion

Operating Profit

¥ **19.3** billion

Proportion of total sales\*

**18.0%**

Proportion of total operating profit\*\*

**48.3%**

Soy Sauce Division



Del Monte Division



Other Foods Division



## Overseas Foods—Wholesale

Net Sales

¥ **200.2** billion

Operating Profit

¥ **9.1** billion

Proportion of total sales\*

**42.6%**

Proportion of total operating profit\*\*

**23.0%**



\* After elimination of transactions between businesses

\*\* Before elimination

## The Value Creation Process

The Kikkoman Group strives to create new values through our businesses — the manufacture and sale of foods and offering products and services related to food and health. We create economic value, that is, sales and profit, as well as social value by contributing to food culture and good health. At the same time, we promote medium- to long-term growth strategies. We also help solve social issues through our business activities and utilize business opportunities to raise our profile in the global community. This will serve to fuel sustainable growth for us and for society.

### Identifying materiality

Social issues such as SDGs

### SUSTAINABLE DEVELOPMENT GOALS



Fermentation and brewing technologies

Human resources, information, and cash flow

Corporate

Kikkoman Group

Products

# Kikkoman Group Management Principles



Services

# Global Vision 2030

—Striving with Passion to Create New Values—

## Value chain

Details on page 33



## Governance

Details on page 39

## Management Principles

## Global Vision 2030

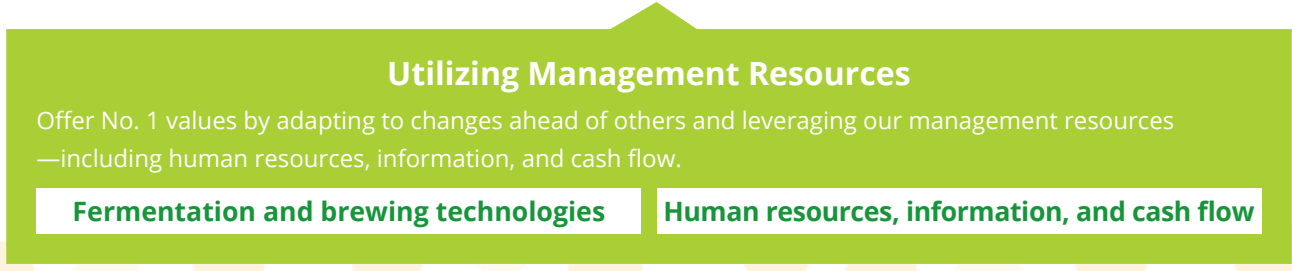
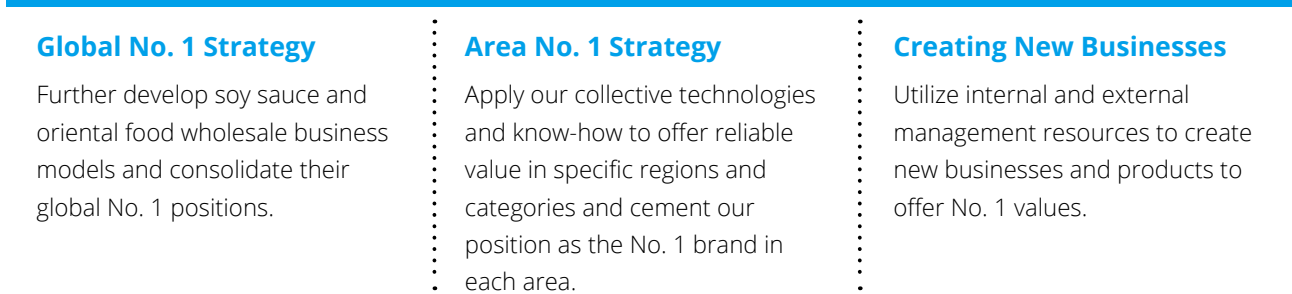
In April 2018, the Kikkoman Group launched Global Vision 2030 targeted for 2030. This long-term vision states the Group's goals and strategies.

Toward 2030, many changes such as social structure, the market economy, consumer behavior, information technology, and sustainability will likely occur. With those points in mind, the Kikkoman Group will work to achieve three goals with the theme "Striving with Passion to Create New Values." The key is "offering No. 1 values." We will work on "utilizing management resources" to support this theme.

### Global Vision 2030 —Striving with Passion to Create New Values—



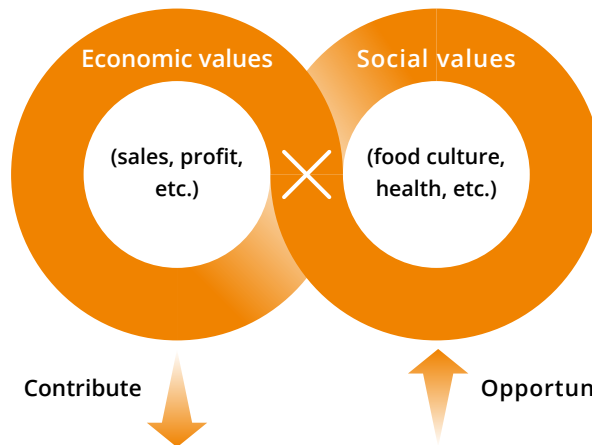
### Offering No. 1 Values



## Increasing our presence of the Kikkoman Group in a global society

The Kikkoman Group is working on activities that contribute to solving global issues. By doing so, we hope to become a company that is valued by people around the world. We not only aim at contributing to solving social issues such as SDGs but also find business opportunities, and, by doing so, we will create both economic and social value to increase our presence in global society.

### Activities unique to Kikkoman



Social issues

SUSTAINABLE DEVELOPMENT GOALS

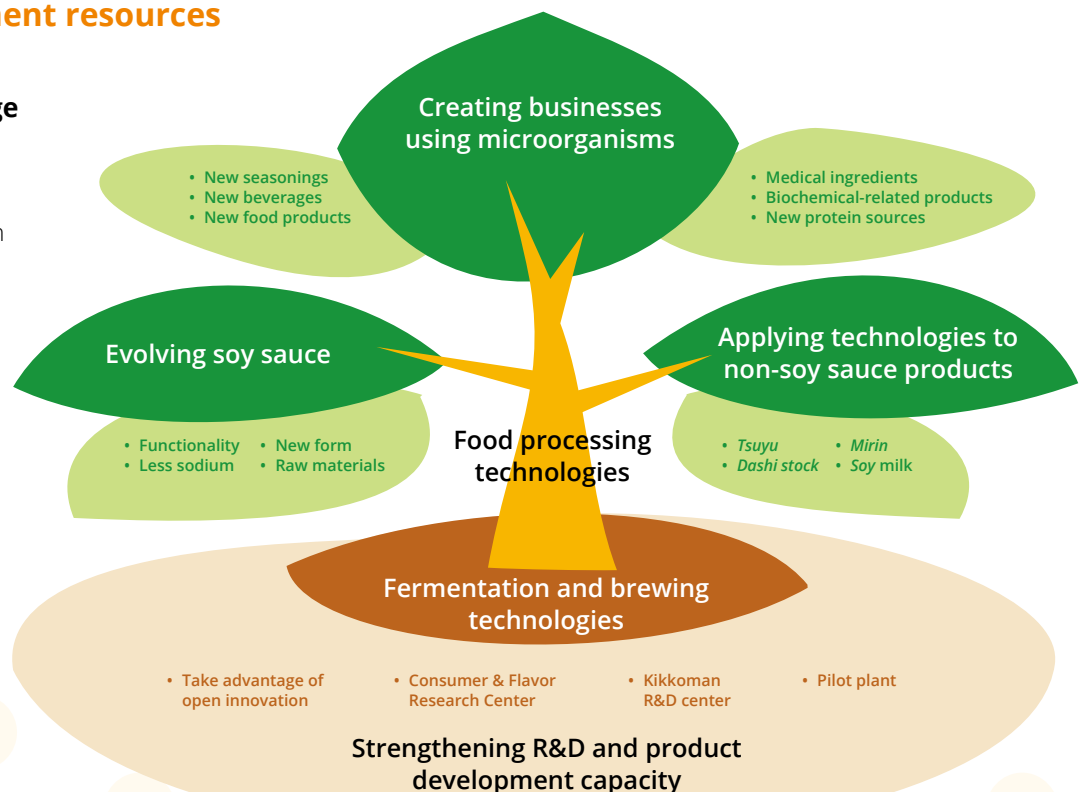


Become a company whose presence in global society is ever more meaningful

## Utilizing management resources

### Further take advantage of fermentation and brewing technologies

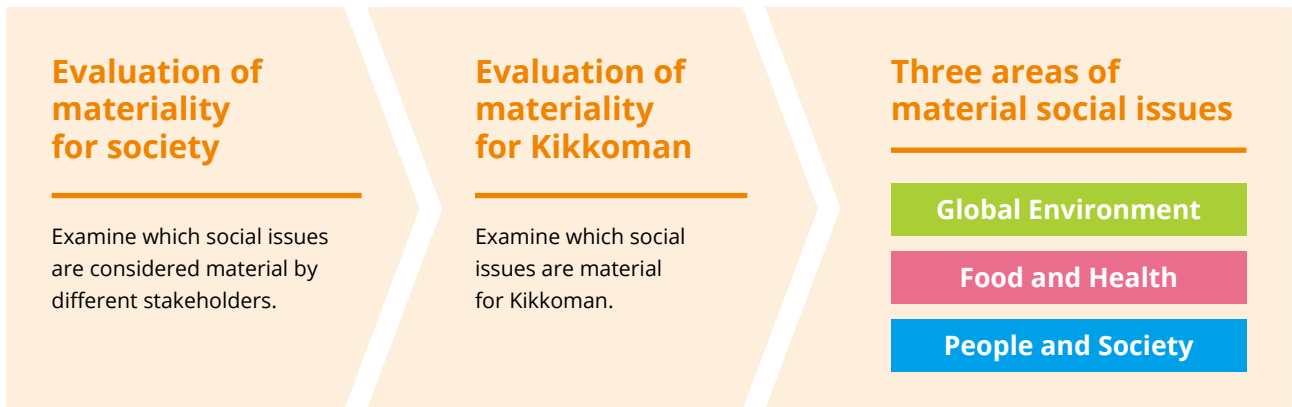
Further evolve fermentation and brewing technologies and improve our food processing technologies. This will enable us to strengthen and expand our existing businesses and create new ones offering new values.



## Three Areas of Social Issues Material to the Kikkoman Group

Among many social issues, the Kikkoman Group set three areas that are especially important.

SDGs clearly show that global society faces many issues. To set priorities, the Kikkoman Group has analyzed the issues from two viewpoints, which are “materiality for society” and “materiality for Kikkoman.” After careful discussions by our CEO and corporate officers at Kikkoman Corp., we have developed three areas of material social issues: “Global Environment,” “Food and Health,” and “People and Society.” These material areas were approved by a board resolution.



The Kikkoman Group put in place medium-term policies for each area of material social issues.

 <p><b>Global Environment</b></p> <ul style="list-style-type: none"> <li>• Implement medium-term environmental preservation goals</li> </ul>	 <p><b>Food and Health</b></p> <ul style="list-style-type: none"> <li>• Develop products and recipes that contribute to a healthy mind and body</li> </ul>	 <p><b>People and Society</b></p> <ul style="list-style-type: none"> <li>• Establish human rights policy</li> <li>• Implement work-style reform</li> <li>• Contribute to promotion of food culture</li> </ul>
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## Medium-term Management Plan (FY2019-FY2021)

The Kikkoman Group has set our Medium-term Management Plan to “strengthen profitability” and “maintain growth.”

Based on Global Vision 2030, the Group has established our Medium-term Management Plan, which started in FY2019 and ends in FY2021. Our key objectives are to “strengthen profitability” and “maintain growth.” To realize these key objectives, we will work on “promoting high added value,” “improving productivity,” and “constructing new pillars.”

### Strengthen profitability and maintain growth

Promoting high added value

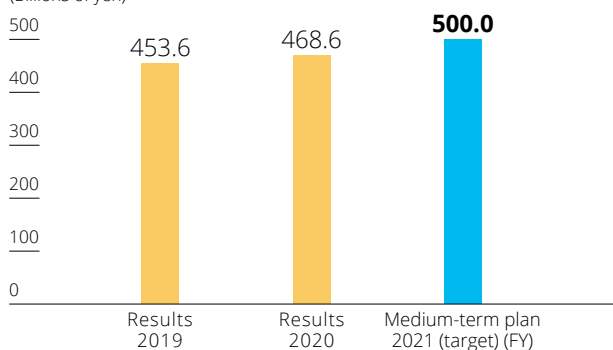
Improving productivity

Constructing new pillars

## Medium-term Management Plan Consolidated Results, Progress and Targets

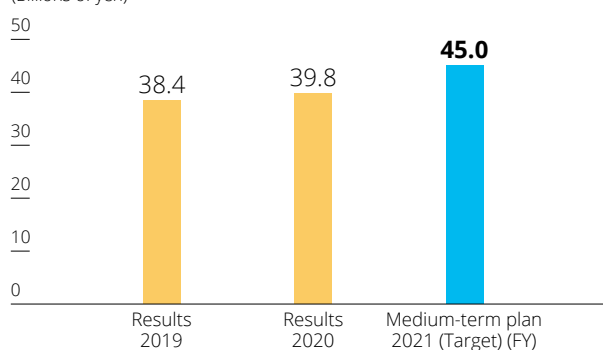
### Net sales

(Billions of yen)



### Operating profit

(Billions of yen)



	Results 2019	Results 2020	FY2021 targets	CAGR (except translation difference)	
Net sales	¥453.6 billion	¥468.6 billion	¥500.0 billion	+5.8%	
Operating profit	¥38.4 billion	¥39.8 billion	¥45.0 billion	+8.1%	
Operating profit margin	8.5%	8.5%	9.0%	—	
ROE	10.1%	9.9%	10% or higher	—	
Exchange rate	USD	¥110.7	¥109.1	¥105.0	—
	EUR	¥128.4	¥121.1	¥130.0	—

## Message from CEO



COVID-19 is spreading across the world with no clear consensus on when the infection rate will slow down. While many countries have restricted the movement of people and economic activity has become stagnant, the performance of the Kikkoman Group has also been affected. As the COVID-19 situation has evolved, in order to prevent the spread of infection and protect our employees and their family members, the Group has adopted various measures such as work from home procedures and online meetings. With preventive measures in place, our employees at production facilities are working to establish systems to continue our business operations. In these difficult times, the Group will strive as one to confront challenges.

The Kikkoman Group's "Global Vision 2030" follows a theme of "striving with passion to create new value," and we are

putting in place a number of initiatives to realize this vision. As we move towards the year 2030, we can expect to see even more rapid progress in the information society, as well as an unprecedented surge in awareness of environmental issues, such as climate change and plastics. Rather than simply moving forward in our current direction, we will respond quickly to changes in the business environment.

We have set three goals for Global Vision 2030. Our first goal is to "make Kikkoman Soy Sauce a truly global seasoning." Kikkoman Soy Sauce is already a part of daily life in North America. The goal is to reach a similar level of acceptance across the world. To achieve this, we will expand to South America in the 2020s, following our growth in North America, Europe and Asia. We will then seek further growth in Africa and India in the 2030s and beyond.



“

**The Kikkoman Group will strive to fulfill our social responsibilities as we pursue a long-term strategy for further growth.**

”



Our second goal is to “create new delicious experiences around the world, and contribute to richer, healthier lifestyles.” This means we create new products and services through innovation and differentiation and provide delicious foods globally to support a healthy lifestyle.

Our third goal is to “become a company whose presence in global society is ever more meaningful, through activities unique to Kikkoman.” This means contributing to solving global issues so that the company is valued by people around the world. The Sustainable Development Goals (SDGs) have been of prominent focus in recent years. We consider SDGs as a practical opportunity to achieving a sustainable society on a global scale. We will continue to actively engage in activities to this end.

This year, the Group launched “Kikkoman Group Long-Term Environmental Vision” as

our environmental vision for 2030.

Long-Term Environmental Vision aims at promoting activities such as reducing CO<sub>2</sub> emissions under categories of climate change, food environments, and natural resources. The targets for the Long-Term Environmental Vision are challenges for the Group. However, we will contribute to solving social issues by tackling challenging targets.

January 2021

**Noriaki Horikiri**

President and Chief Executive Officer  
Kikkoman Corporation

## Reports on Segments and Divisions

Domestic

# Foods— Manufacturing and Sales

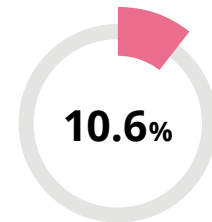
The Domestic Foods—Manufacturing and Sales segment handles the domestic manufacture and sale of products, and is comprised of the Soy Sauce Division; the Food Products Division, where key areas include *tsuyu* (soy sauce soup base) products, *tare* (dipping and marinade sauces), and Del Monte seasonings; the Beverages Division, where major products include soy milk beverages and Del Monte beverages; and the Liquor and Wine Division, which includes *mirin* (sweet sake for cooking) and wine. Sales in this segment rose 2.7% to ¥179,444 million and operating profit increased 8.1% to ¥11,460 million, with sales and profits both rising year on year.

## Soy Sauce Division

### Division Overview

This division manufactures and sells soy sauce products including the Kikkoman brand. Sales grew steadily during FY2020 as a result of marketing activities centered on TV commercials for the *Itsudemo Shinsen* series, reflecting growing recognition in the market of the product's added value, such as the flavor of raw soy sauce and the easy-to-use bottles that keep the contents fresh. However, sales of products in PET bottles such as *Koikuchi* Soy Sauce and sales in the industrial-use and food service use sectors declined compared with the previous fiscal year.

Proportion of total Group sales



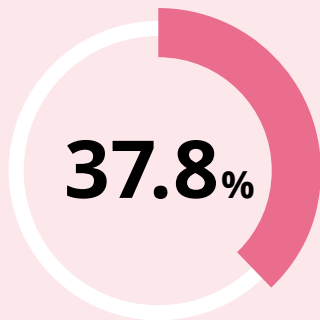
\* Ratio before eliminating transactions between businesses



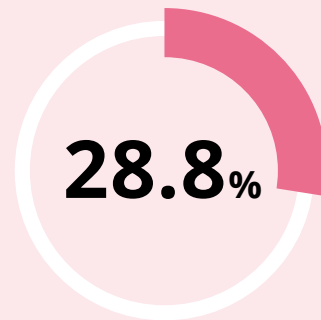
### Approach within the Medium-Term Management Plan

Our aims for the domestic soy sauce business are to foster more solid brands while continuing to develop new products. We will work to utilize the Group's strengths in fermentation and brewing technologies as well as increasing added value by implementing new initiatives in areas such as containers and packaging. In addition, we will strive to lower raw materials costs, improve manufacturing efficiency, and optimize administrative and other expenses.

Proportion of total sales\*



Proportion of total operating profit\*\*



\* After elimination of transactions between businesses

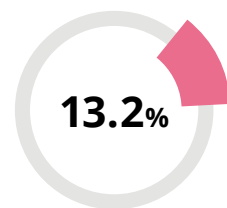
\*\* Before elimination

## Food Products Division

### Division Overview

This division manufactures and sells soy sauce-related seasonings including *tsuyu* products such as the *Hon Tsuyu* and *tare* brands such as the *Wagaya wa Yakinikuyasan* series, as well as Del Monte tomato processed products, canned products, and food service-use ingredients. In the home use sector, the *Gumen* series, a straight type of *tsuyu* product that does not need to be diluted, sold well in FY2020, and sales of condensed *tsuyu* products such as *Koidashi Hon Tsuyu* also rose year on year. In *tare*, sales of the mainstay *Wagaya wa Yakinikuyasan* series were strong. Sales of the *Uchi no Gohan* series (handy Japanese-style seasoning mixes) increased compared to the previous year due to strong performance of new products. In Del Monte seasonings, there were strong sales of high-value-added products such as *Lycopene-Rich* products.

Proportion of total Group sales



\* Ratio before eliminating transactions between businesses

### Approach within the Medium-Term Management Plan

In the Food Products Division, we continue to propose products that reflect changing consumer preferences and lifestyles. In addition to working to make new flavors in tune with current tastes, we are striving to further increase added value by appealing to consumers through nutritional composition and pursuing greater convenience and time saving. Moreover, we attempt to expand demand by developing innovative new products.

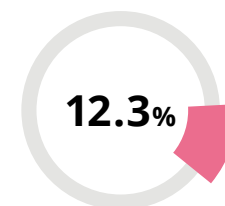


## Beverage Division

### Division Overview

This division manufactures and sells items including soy milk beverages and Del Monte-brand fruit and vegetable beverages. Amid rising interest in healthy lifestyles, FY2020 saw increased sales of foods for specified health uses (FOSHU products) and plain soy milk products. Sales were also boosted by a growing number of consumers using soy milk as a cooking ingredient as well as a beverage. In Del Monte beverages, sales rose year on year due to robust growth in areas such as the *Lycopene-Rich* tomato beverage, unsalted tomato juice, and unsalted vegetable juice.

### Proportion of total Group sales



\* Ratio before eliminating transactions between businesses

### Approach within the Medium-Term Management Plan

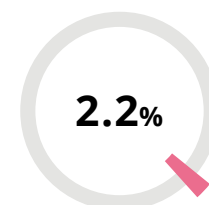
With soy milk market expansion in Japan, we will strengthen the production system of soy milk and expand marketing activities to increase demand for soy milk. We are using active sales promotion to raise the market value of the Del Monte brand. In addition, we are working to further grow the market by developing more healthy-oriented products.

## Liquor and Wine Division

### Division Overview

This division manufactures and sells the *Manjo* brand of *Hon Mirin* and cooking liquor, as well as wines including the Manns Wines brand. During FY2020, sales of *Hon Mirin* declined year on year. In the home-use sector, although high-value-added products such as *Komekoji Kodawari-jikomi Hon Mirin* (premium sweet sake for cooking) were strong, sales of *Mirin* products in PET bottles and *mirin* products in large containers for industrial users were weak. Sales of wine declined compared with the previous fiscal year. Although sales of Japanese wine, which is made from grapes grown in Japan, increased, other wine products were weak. As a result, sales in the Liquor and Wine Division declined compared with the previous fiscal year.

### Proportion of total Group sales



\* Ratio before eliminating transactions between businesses

### Approach within the Medium-Term Management Plan

We will strengthen marketing activities of the high-value-added *Hon Mirin* products. We are also working to produce high-quality Japanese wines, while endeavoring to boost sales of high-value-added imported wine.

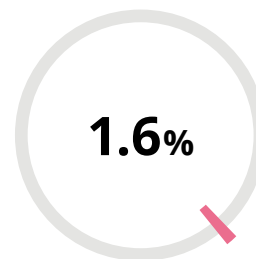




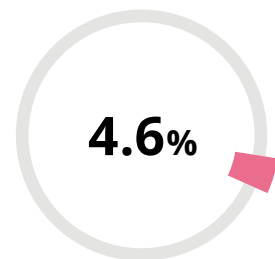
## Domestic Others

This segment handles the production and sale of clinical diagnostic reagents, hygiene inspection agents, processing enzymes, and chemical products such as hyaluronic acid, as well as providing real estate rental, logistics, and back-office support for the Kikkoman Group. In FY2020, sales of chemical products declined compared with the previous fiscal year. Although sales of hyaluronic acid were strong, withdrawal from alginic acid business had a negative impact. As a result, sales of this segment declined compared with the previous fiscal year.

Proportion of total sales\*



Proportion of total operating profit\*\*



\* After elimination of transactions between businesses

\*\* Before elimination

### Approach within the Medium-Term Management Plan

We are working to further expand the market for hygiene inspection agents by strengthening sales to overseas clients. In addition, we are striving to raise profitability by developing chemical products with higher value added.



Overseas

# Foods— Manufacturing and Sales

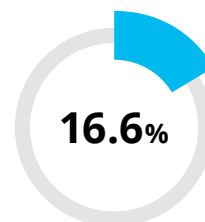
The Overseas Foods—Manufacturing and Sales segment handles the overseas manufacturing and sale of products, and is comprised of the Soy Sauce Division, the Del Monte Division, and the Other Foods Division, which includes health food products. The segment recorded higher sales and profit during the fiscal year, with sales increasing 3.3% to ¥96,591 million and operating profit increasing 2.7% to ¥19,251 million.

## Soy Sauce Division

### Division Overview

This division mostly handles the manufacture and sale of Kikkoman brand soy sauce. During FY2020, in the North American home-use sector, we pursued business development based on the Kikkoman brand and enhanced the lineup of mainstay soy sauce products as well as other products such as soy sauce-based seasonings. In the industrial- and food service-use sectors, we strove to expand operations by accurately addressing customer needs. As a result, sales in North America increased from the previous fiscal year. In the European market, sales increased year on year, reflecting a strong performance in key markets such as Germany, France, and the Netherlands. In Asia/Oceania, sales rose in China. Sales in other countries such as Thailand and Indonesia also increased, which led to year-on-year sales growth overall on a local currency basis. As a result, sales in the overseas Soy Sauce Division increased compared with the previous fiscal year.

Proportion of  
total Group sales



\* Ratio before eliminating transactions between businesses

### Approach within the Medium-Term Management Plan

Our basic strategy for the Overseas Foods—Manufacturing and Sales segment is to create new value through the proposal of food recipes, especially those using *Honjozo* (traditional Japanese brewing process) soy sauce, that fit well with the food culture of each target market. In core markets such as North America, Europe, and Australia, our aim is to solidify our No. 1 position by developing value-added products like the *Free From*\* range. We will also continue to develop existing product lines, while opening up new markets including in the ASEAN region by expanding our offering of halal products.

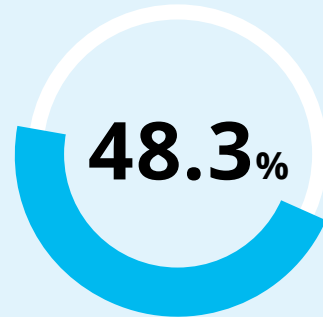
\* *Free From* covers all products which are listed as being free from particular ingredients and chemical additives.



Proportion of total sales\*



Proportion of total operating profit\*\*



\* After elimination of transactions between businesses  
\*\* Before elimination



## Del Monte Division

### Division Overview

This division manufactures and sells items such as canned fruit, corn products, and tomato ketchup in the Asia/Oceania region. In FY2020, overall sales of this division increased year on year.

Proportion of total Group sales

1.3%

\* Ratio before eliminating transactions between businesses



### Approach within the Medium-Term Management Plan

We aim to achieve high growth by expanding mainstay product lines such as tomato seasonings and corn products. We will also strengthen sales in China through the proposal of home-use recipes and active marketing activities.

## Other Foods Division

### Division Overview

This division manufactures and sells health food products, mainly in the North American market. In FY2020, overall sales of this division increased year on year.

Proportion of total Group sales

2.7%

\* Ratio before eliminating transactions between businesses



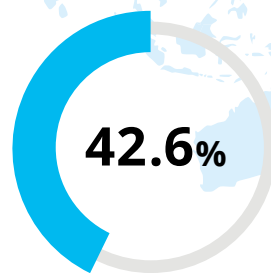
### Approach within the Medium-Term Management Plan

We are working to strengthen sales as well as improving profitability by developing high-value-added products.

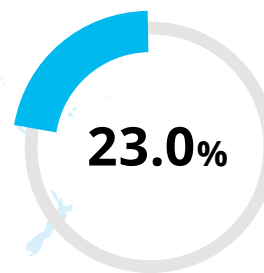
## Overseas Foods—Wholesale

The Overseas Foods—Wholesale segment handles the procurement and sale of oriental food products for the domestic and overseas markets. In FY2020, sales in North America increased, supported by efforts to build a stronger presence in the wider local market, in addition to the Asian American market. Also, the Japanese food market continued to grow in Europe and Asia/Oceania, contributing to steady sales in each region. As a result, sales in this segment increased compared with the previous fiscal year.

Proportion of total sales\*



Proportion of total operating profit\*\*



\* After elimination of transactions between businesses  
 \*\* Before elimination

### Approach within the Medium-Term Management Plan

Amid ongoing expansion in overseas markets for Japanese foods, we intend to fortify and expand our strong network of overseas bases, adding new functions to bolster existing bases such as in North America and opening other bases to enable expansion into new markets. While continuing to provide high-quality products and services, we continue to target further growth by expanding the scope of our businesses and operations.



Action for Environment

# Long-Term Environmental Vision

The Kikkoman Group launched “Kikkoman Group Long-Term Environmental Vision” as our environmental vision for 2030.



Long-Term Environmental Vision

## Sustainable Society



### Climate Change



### Food Environments



### Natural Resources

Themes

- CO<sub>2</sub> reduction

- Water environment
- Sustainable sourcing

- Waste and food loss
- Eco-friendly products

Targets for 2030

Reduce CO<sub>2</sub> emissions by more than **30%\***<sup>1</sup>

- 1 Reduce water consumption (per unit of production) by more than **30%\***<sup>2</sup>
- 2 Set high standards for wastewater treatment
- 3 Build systems to ensure sustainable sourcing

- 1 Reduce waste in production and sales
- 2 100% recycling rate\*<sup>3</sup>
- 3 Develop eco-friendly products throughout the value chain

\*1 (2030/2018)

\*2 (2030/2011)

\*3 Production facilities

The Kikkoman Group recognizes that environmental preservation activities are key elements when realizing the Group's corporate principles. The Group formulated our Environmental Philosophy in 1992 and has since carried out activities under our Medium-Term Environmental Policy and other measures. In 2018, we launched "Global Vision 2030" as our new vision for the future of the Kikkoman Group.

This vision expresses our stance on tackling social issues including environmental problems as our goals.

The Sustainable Development Goals adopted by the UN in 2015 include those relating to water, energy, climate change, life below water and on land. Through our activities based on Long-Term Environmental Vision, we aim to contribute to achieving these SDGs.

## Message

### **We aim to fulfil our social responsibilities and enhance the Kikkoman Group's corporate value through activities rooted in our long-term environmental vision.**



#### **Koichi Yamazaki**

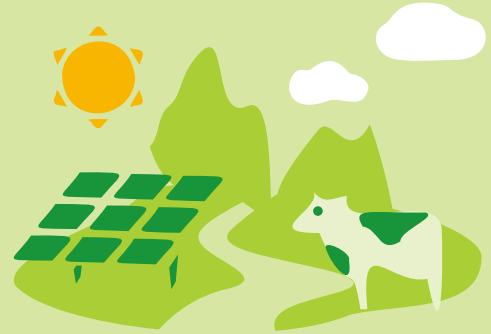
Representative Director and Senior Executive Corporate Officer  
Chief Strategy Officer (CSO)  
General manager,  
Corporate Planning Division  
Kikkoman Corporation

In the midst of heightened global interest concerning the adoption of the SDGs by the United Nations in 2015 and other sustainability issues, the Kikkoman Group in 2018 launched "Global Vision 2030." Guided by this long-term vision, we aim to contribute to solving global issues through our business activities.

Of all the social issues we are currently facing, environmental issues are particularly important. Our Group's business operations hinge on the use of agricultural produce, various raw materials, water, and energy. We believe that taking steps to soundly address environmental issues is essential in terms of not only our social responsibility, but also our business strategy. In the long-term environmental vision that we have recently formulated, we incorporated all of the topics that the Group intends to tackle over the next 10 years. In order to achieve the targets it sets out, it is imperative that we reexamine our product development and manufacturing stages. Going forward, we will aim to enhance the Group's corporate value by constantly improving all of these processes and growing demands of society.

# Initiatives for achieving Long-Term Environmental Vision

We will work on environmental measures under three categories: climate change, food environments, and natural resources.



## Message

**Having established a long-term environmental vision, we will continually rise to the challenge of working towards the realization of a sustainable society together with our stakeholders.**



**Yoichiro Kanishi**

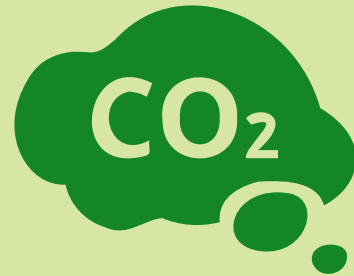
General Manager,  
Environment Department  
Kikkoman Corporation

For many years now the Kikkoman Group has steadily undertaken environmental conservation activities, including pollution control and energy saving. Given that environmental problems have now become issues for society on a global scale, we believe we must take our environmental activities to the next level. In setting our sights on the year 2030, we formulated a long-term environmental vision by examining the environmental activities we ought to address in order to help realize a sustainable society within that timeframe and in the years after.

One of the themes in our environmental vision is the reduction of CO<sub>2</sub>. We are therefore targeting a reduction in CO<sub>2</sub> emissions of at least 30%. As the Group's business operations continue to grow, cutting our CO<sub>2</sub> emissions by 30% or more compared to FY2019 levels will pose a considerable challenge. It goes without saying that we will also make every effort to address our other themes—namely, food environments and the utilization of resources—but achieving our targets in these areas will not be possible without the understanding and cooperation of all our stakeholders. We have set ourselves challenging goals, but we will work hard to address global environmental issues whilst balancing growth in our business operations.

## Climate Change

The Group will tackle climate change, which can lead to serious natural disasters, by decreasing 30% of CO<sub>2</sub> emissions by 2030 compared with 2018. To achieve this target, we will work on programs such as process improvements, installing high energy efficient facilities, utilizing renewable energies, and innovations.



## Food Environments

To protect the rich natural environments, which are essential for our food and life, the Group is working to maintain the food environment by preserving the water environment and sustainable sourcing. We will reduce water consumption and do our best to purify the water when we return it to nature. We also work to source from sustainable materials that are environmentally friendly.



## Natural Resources

In order to make smart use of precious resources, the Group will work to reduce food waste and develop environmentally friendly products. Our programs to reduce food loss and waste include reducing product disposal and improving Kikkoman's recycling rate. In addition, we will reduce petroleum-derived raw materials used for packages and develop environmentally friendly products throughout our value chain from product development, production, to disposal after use.



## History of Food and Health

# Establishment of Kikkoman R&D Center



The Kikkoman Group aims to provide value to society through food and health. To this end, it is absolutely essential that we strengthen our R&D and product development capabilities. As part of our Global Vision 2030, we seek to make use of our fermenting and brewing technologies as a management resource to deliver number one value, which is why we are stepping up our initiatives in this area too.

The research and development departments for the Kikkoman Group are based at the Brewing Laboratory of the Noda Shoyu Brewer's Association, which was established in 1904 before Kikkoman was founded. For more than a century since then, based on our soy sauce brewing technology, we have continued to pursue the joy of food, embrace new challenges, and implement measures to guarantee food safety and quality.

With the aim of further bolstering the Group's R&D capabilities going forward, the Kikkoman R&D Center, the new research and development base for the Kikkoman Group, was completed on August 29, 2019. The new facility provided the Group with the right environment in which to strengthen and concentrate fundamental and basic research so that challenges in new business fields might be undertaken. A new pilot plant was incorporated into the facility to strengthen the product development capabilities of existing businesses and to accumulate differentiating technologies.

By further enhancing our R&D initiatives in the area of food and health—from the basics right through to application—the Kikkoman Group aims to contribute to more plentiful and healthy eating habits.



Laboratories on the first floor and offices and an open café space on the second floor. On the mezzanine level there is a library and an area where employees can naturally interact and communicate with each other.



Except for some fixed seats, the offices feature open-plan workspaces. Employees can choose where to sit on any given day.





### Kikkoman R&D Center

Location: 338 Noda, Noda-shi, Chiba  
 Site area: 16,960m<sup>2</sup>  
 Building area: 6,962m<sup>2</sup>  
 Total floor area: 10,350m<sup>2</sup>  
 Building structure: Two-story steel construction (partial base-isolated structure)

## Message

**We will contribute to the development of new technologies and new products that encourage more plentiful and healthy food lifestyles with a new research center in which the fullness of nature and the diversity of researchers come together.**



### Asahi Matsuyama

Director and Executive Corporate Officer  
 General Manager, Research and Development Division  
 Kikkoman Corporation

The R&D activities of the Kikkoman Group are quite broad-ranging—for example, food safety, fermentation techniques, food processing, and even the subject of why certain foods taste so delicious. Soy sauce is a given, but our R&D is also characterized by a keen focus on tomatoes and many other plants. In order to further invigorate these R&D activities and generate creativity, we designed our new Kikkoman R&D Center with a strong emphasis on communication. Our old research center contained numerous small rooms, but by transforming those into one large floor space, we hope to stimulate communication between researchers, whilst still letting them have their own work areas. The new facility has also been designed to let natural light and air penetrate inside the building. By having researchers feel the power of nature and engage in many forms of communication, we seek to create an environment in which they can undertake original research incorporating new ideas. In this way, we hope to take on the challenge of entering new fields that lead the future of the Group.

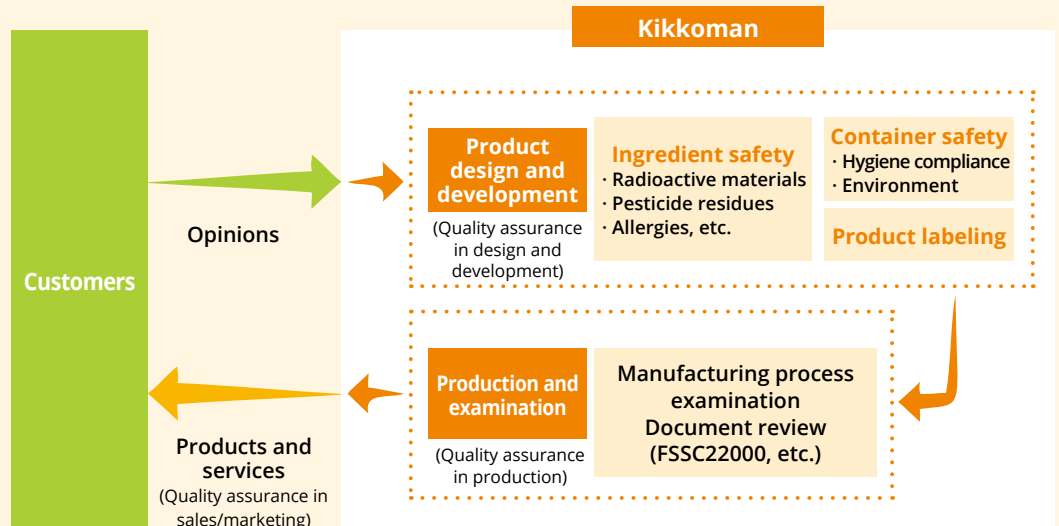
## The Kikkoman Group's Value Chain

A value chain gives a visible indication of what kind of value each part of the business process provides. As the Kikkoman Group's activities traverse a wide variety of business spheres, the value chain differs by business. Here, we would like to highlight the example of the value chain in the food manufacturing operations.



The Kikkoman Group considers the safety of our products and services as our highest priority. To that end, we conduct quality assurance inspections for all processes, and continue to approach each process based on our Management Principles of pursuing a “consumer-oriented” perspective. At the same time, we implement initiatives to reduce the environmental load of our activities, as part of our efforts to contribute to the solution of social issues.

### The Kikkoman Group's Quality Assurance Flow



## The Kikkoman Group's Value Chain



**We conduct research across a broad range of areas, centered on fermentation and brewing technologies, to better understand what makes food “delicious” and to provide this to a larger number of customers.**

At the R&D department of the Kikkoman Group, we are engaged in the challenge of identifying what makes food “delicious” and applying this to developing new products. Our research focuses mainly on the Kikkoman Corp.’s core business spheres of “Food and Health,” and we have research structures for food products and for biotechnology and healthy food in addition to soy sauce brewing. We remain active and engaged with both domestic and overseas research institutes in our pursuit of basic research which will serve as a pipeline for delivering future products. In addition to the R&D department in Japan, we are implementing R&D from a global perspective provided by our four regional organizations in Japan, Asia, Europe, and North America.



## The Kikkoman Group's Value Chain



**We endeavor to conduct activities in a sustainable manner while working to procure a stable supply of safe, high-quality ingredients.**

Using safe ingredients to ensure the safety of food is one of the highest priorities for the Kikkoman Group. Kikkoman Corp.’s Quality Assurance Department inspects the safety and quality of our ingredients against strict standards. It also works to ensure the safety and legal compliance of all ingredients by researching their traceability and by other means. Kikkoman Business Service’s Purchasing Department only procures ingredients that have passed inspection. By striving to strengthen relationships with suppliers through efforts such as visiting the farms where agricultural products are cultivated, it endeavors to secure a stable supply of ingredients.

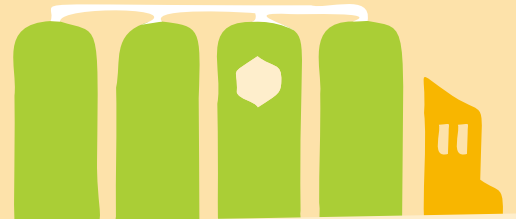


### The Kikkoman Group's Value Chain



**By introducing global quality assurance systems, we are working to strengthen our production structure, which delivers safe, high-quality products to customers.**

To deliver safe, high-quality products to customers, almost all the Kikkoman Group's domestic and overseas plants have implemented global quality assurance systems (including FSSC22000, SQF 2000 Level 2, ISO 22000, ISO 9001, and HACCP). In addition, to ensure that Kikkoman brand products can be used with peace of mind in all countries, both at the manufacturing plants of domestic Group companies and overseas manufacturing plants, the Kikkoman Group uses its own experts who are not affiliated with each plant to monitor food hygiene and equipment maintenance conditions.



### The Kikkoman Group's Value Chain



**We offer new food lifestyle proposals and introduce diverse food cultures to customers worldwide.**



Marketing and sales promotional activities are important elements of the global operations of the Kikkoman Group. We work closely with the development and manufacturing divisions to propose new food lifestyles that enable the creation of high-value-added products. These activities are not limited to the development of new recipes and opening up of new sales areas, but also tie in to the "international exchange of food cultures" through the introduction and proposal of diverse food cultures. What is more, as well as selling in-house manufactured products, we sell a wide variety of items including seafood and rice through our food wholesaling business JFC International Inc. To facilitate more effective marketing, in recent years we have been making active use of social media.

## The Kikkoman Group's Value Chain



**We respond to inquiries from customers via the Kikkoman Consumer Center and use their feedback to improve our products and services.**

The Kikkoman Group promotes operations that take full account of customer feedback to adopt a “consumer-oriented” perspective. As part of these efforts, we have established the Kikkoman Consumer Center to facilitate communication with customers. Operating under a basic policy of “Speed, Precision, and Sincerity,” the Center communicates with customers via telephone, fax, email, and regular mail. The questions and comments we receive from our customers are entered into a database and shared internally. The suggestions from our customers include ones that cannot be dealt with by the Kikkoman Consumer Center alone, and the Customer Satisfaction Improvement Committee takes care of inquiries that fall beyond the scope of the Center’s responsibility to improve our products and services.



## The Kikkoman Group's Value Chain



**We conduct quality assurance to enable the provision of products and services that align with safety, legal compliance, and social fairness.**

The Kikkoman Group considers the “safety” of our products and services as our highest priority. By maintaining stable quality, we aim to communicate simply to customers that the products and services we provide are safe and can be used with peace of mind. From this viewpoint of safety, we conduct quality assurance inspections based on strict standards for all processes from ingredient selection to the final product stage. We also actively provide information through our website and other means to reassure customers about safety.



## Stakeholders

### Basic approach

Stakeholders refer to a group of people that have a relationship with the company and affect or are affected by the activities that the company carries out. The Kikkoman Group is working to fulfill responsibilities to our stakeholders.



### Customers

In addition to providing safe, reliable and high-quality products, we utilize feedback from customers in our initiatives to improve customer satisfaction.

### Employees

The Group respects the diversity of employees and supporting their capacity-building as well as creating safe, comfortable workplaces. We also build labor-management relations based on mutual trust and respect.

### Shareholders and investors

In addition to enhancing transparency in management through timely and appropriate disclosure of information, we strive to secure profit through sustainable growth and distribute profits appropriately.

### Suppliers

We strive to observe fair business practices and develop good working partnerships with suppliers through communication.

### Local communities

We carry out activities that contribute to local communities in the fields of “food and health.” These activities include community-based charity programs and efforts to uphold and develop traditional food cultures.

#### Cooperation with External Organizations

The Kikkoman Group partners with external organizations, such as NGOs (non-governmental organizations) with special expertise.

## Respect for Human Rights

### Basic Approach

Based on the United Nations Guiding Principles on Business and Human Rights (UNGPs), the Kikkoman Group fulfills our responsibility to respect human rights. We also support and respect the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. The Kikkoman Group Code of Conduct states, "We respect personalities and individualities, foster mutual understanding, and stamp out discriminations based on prejudices. We make fair evaluations in the treatment of our employees." In 2001, Kikkoman announced our participation in the United Nations Global Compact (UNGC), and we have conducted our business in accordance with the UNGC principles.

### Human Rights Training

The Kikkoman Group conducts training programs to raise awareness regarding international human rights issues. In FY2020, Kikkoman Corp. conducted a series of seminars about "working with persons with disabilities" as Kikkoman Corp. established a special subsidiary company, which is a Japanese system to facilitate the hiring of persons with disabilities.



### Diversity and Inclusion

The Kikkoman Group's stakeholders have diverse backgrounds such as different nationalities, gender identities, age, and disabilities. We respect diversity and recognize inclusion to treat all individuals fairly and respectfully. In May 2018, Kikkoman developed a policy for diversity and inclusion. We implement programs such as women's empowerment, support for the elderly, employment of people with disabilities, support for employees with non-Japanese nationalities, and the backing of LGBT issues.

## TOPICS

### SEDEX

The Kikkoman Group is a member of SEDEX, which is a collaborative platform for sharing responsible sourcing data on supply chains. In FY2020, the Group started to use the assessment system internally.



## Corporate Governance

### Basic Approach

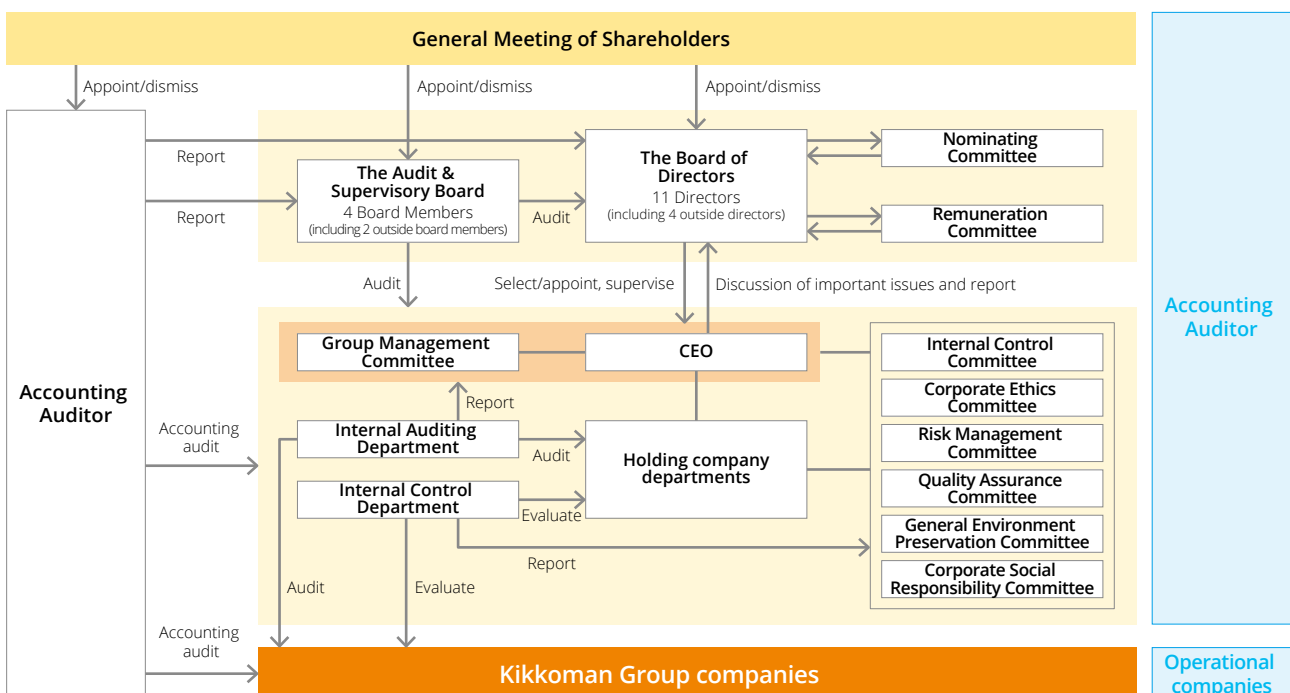
Our basic management approach is to increase corporate value by implementing the Kikkoman Group Management Principles. To realize this objective, Kikkoman emphasizes the highest priority on improving and reinforcing the Group's corporate governance framework. In line with this thinking, the Kikkoman Group is taking concrete steps to enhance corporate governance. Specifically, we are working to reinforce management supervisory functions and improve oversight by appointing outside directors and outside audit & supervisory board members who satisfy the criteria for independent appointments and by establishing a Nominating Committee and Remuneration Committee on which over half the members are outside directors. We have also introduced a corporate officer system to speed up decision making and business execution.

### Corporate Governance Framework

Kikkoman Corp. employs an audit & supervisory board system. We strive to improve and enhance our corporate governance framework. In March 2001, we introduced a corporate officer system and transferred authority for business execution

to corporate officers in an effort to streamline operational responsibilities and speed decision making and business execution. In June 2002, Kikkoman Corp. appointed outside directors and established the Nominating Committee and Remuneration Committee to improve

### The Corporate Governance System





transparency of the management and strengthen management oversight. In addition to these efforts, we also strengthen oversight of the management by effectively using the functions of our Corporate Auditors. We adopt the current system with the aim of achieving greater management transparency, clearly defined management responsibility, speedy decision making, and stronger management oversight.

### **Appointment of Outside Directors and Outside Audit & Supervisory Board Members**

In June 2002, Kikkoman Corp. appointed outside directors and established the Nominating Committee and Remuneration Committee to achieve greater management transparency and strengthen management oversight. In FY2020, four of 11 directors were outside directors, and two of four audit & supervisory board members were outside board members.

The role of the outside directors and outside audit & supervisory board members is to strengthen management oversight from an objective perspective on the basis of their wide-ranging experience and insights. In addition, the outside directors strive to increase management transparency by participating in the Nominating Committee and Remuneration Committee.

### **Nominating Committee**

Kikkoman Corp. established the Nominating Committee in June 2002. This committee consists of 4 outside directors and 2 directors and recommends candidates for directors, audit & supervisory board members and corporate officer posts to the Board of Directors.

### **Remuneration Committee**

The Remuneration Committee consists of 4 outside directors and 2 directors. This committee is chaired by an outside director and develops remuneration proposals for directors, audit & supervisory board members and corporate officers.

### **Internal Control Systems**

The Kikkoman Group believes establishing an internal control system that ensures the proper execution of business practices is high on our corporate agenda. Accordingly, the Group is enhancing the framework for ensuring effective and efficient operations as well as compliance with laws and regulations.

We periodically review and update “the basic policy for establishing an internal control system” that the Board of Directors adopted in May 2006. In accordance with the revision of the Companies Act in Japan, which became effective in May 2015, we made significant revisions on the basic policy. Moreover, in order to comply with the internal controls reporting system mandated by the Financial Instruments and Exchange Act, which went into effect in April 2008, we established an Internal Control Committee and Internal Control Department in November 2008. To this same end, we have adopted a basic policy concerning internal controls as they relate to financial reporting and established a structure for strengthening internal controls related to financial reporting.

### Kikkoman Performance Index

In 2002, Kikkoman Corp. introduced the Kikkoman Performance Index (KPI) as our internal performance evaluation system. Since then, the system has been improved and adopted across our wider Group companies. In the KPI, results are measured numerically, and progress is reviewed twice a year. The results of these evaluations are linked to bonuses for senior managers of Kikkoman Corp.

The KPI consists of seven main indicators, which include financial elements such as sales volume and non-financial elements such as reducing CO<sub>2</sub> emissions as well as health and safety standards.

Kikkoman Corp.'s Group companies operate businesses in different categories. As such, each Group company selects KPI indicators that are important and appropriate

for its business category. This system allows the Group companies to reflect the nature of their unique management challenges for their evaluations. In addition, there are department-level KPI targets that are linked to company-level KPI.

The KPI system aims to motivate Group companies to reach their distinct goals, rather than compete with other Group companies. Additionally, Kikkoman Corp. works to effectively convey the priorities of both financial and non-financial management goals to our Group companies by changing the KPI indicators over time.

### Kikkoman Performance Index (conceptual diagram)

Indicators	Marketing/ Manufacturing	Manufacturing	Marketing	Wholesale
Invested Capital Turnover	○	○	○	○
Ordinary Profit	○	○	○	○
Net Sales	○	○	○	○
Environment	○	○	○	○
Product Quality	○	○		
Health & Safety		○		
Individual Indicators	○	○	○	○
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>



## Directors and Audit & Supervisory Board Members (As of June 23, 2020)

### Yuzaburo Mogi

Honorary CEO and Chairman of the Board of Directors

Apr. 1958 Joined Kikkoman

Mar. 1977 General Manager, Foreign Operations Department

Mar. 1979 Director

Mar. 1982 Managing Director

Oct. 1985 Representative Director and Managing Director

Mar. 1989 Representative Director and Senior Managing Director

Mar. 1994 Representative Director and Deputy President

Feb. 1995 Representative Director and President

Jun. 2004 Representative Director, Chairman of the Board and Chief Executive Officer

Jun. 2011 Honorary CEO and Chairman of the Board of Directors (incumbent)

### Noriaki Horikiri

Representative Director, President and Chief Executive Officer

Apr. 1974 Joined Kikkoman

Jun. 2002 General Manager, Kanto Region

Jun. 2003 Corporate Officer

Jun. 2006 Executive Corporate Officer

Apr. 2008 General Manager, 1st International Operations Division and General Manager, 2nd International Operations Division

Jun. 2008 Director and Executive Corporate Officer

Jun. 2011 Representative Director and Senior Executive Corporate Officer

Jun. 2011 Representative Director and President, Kikkoman Food Products Company

Jun. 2013 Representative Director, President and Chief Executive Officer (incumbent)

### Koichi Yamazaki

Representative Director and Senior Executive Corporate Officer  
Chief Strategy Officer  
General Manager, Corporate Planning Division

Apr. 1974 Joined Kikkoman

Sep. 2001 General Manager, Finance & Accounting Department

Jun. 2004 Corporate Officer

Jun. 2008 Executive Corporate Officer

Oct. 2009 Chief Financial Officer

Jun. 2010 Director and Executive Corporate Officer

Jun. 2012 Chief Strategy Officer General Manager, Corporate Planning Division (incumbent)

Jun. 2014 General Manager, Business Planning Department

Jun. 2016 Director and Senior Executive Corporate Officer

Jun. 2017 Representative Director and Senior Executive Corporate Officer (incumbent)

### Shozaburo Nakano

Representative Director and Senior Executive Corporate Officer

Apr. 1981 Joined Kikkoman

Apr. 2008 General Manager, Corporate Planning Department

Jun. 2008 Corporate Officer

Dec. 2009 General Manager, Corporate Planning Department and General Manager, Business Development Department

Jun. 2011 Executive Corporate Officer

Jun. 2011 General Manager, Corporate Planning Division and General Manager, Business Development Department

Jun. 2012 Chief Financial Officer

Jun. 2015 Director and Executive Corporate Officer

Jun. 2019 Representative Director and Senior Executive Corporate Officer (incumbent)

Jun. 2019 Representative Director and President, Kikkoman Food Products Company (incumbent)

### Masanao Shimada

Director and Senior Executive Corporate Officer

Apr. 1973 Joined Kikkoman

Dec. 2001 Representative employee, Kikkoman Trading Europe GmbH

Jun. 2006 Corporate Officer

Jun. 2009 Executive Corporate Officer

Oct. 2012 Director and President, CEO and Secretary, Kikkoman Sales USA, Inc. (incumbent)

Jun. 2013 Director and Executive Corporate Officer

Jun. 2016 Director and Senior Executive Corporate Officer (incumbent)

### Osamu Mogi

Director and Executive Corporate Officer  
General Manager, International Operations Division

Oct. 1996 Joined Kikkoman

Jul. 2011 Deputy Manager, Foreign Operations Department

Jun. 2012 Corporate Officer

Jun. 2012 General Manager, Foreign Operations Department

Apr. 2013 Assistant Manager, International Operations Division

Jun. 2014 Deputy General Manager, International Operations Division

Jun. 2015 Executive Corporate Officer

Jun. 2017 Director and Executive Corporate Officer (incumbent)

Jun. 2017 General Manager, International Operations Division (incumbent)

### Asahi Matsuyama

Director and Executive Corporate Officer  
General Manager, Research and Development Division

Apr. 1980 Joined Kikkoman

Jun. 2006 General Manager, 3rd Research and Development Department, Research and Development Division

Jun. 2008 Corporate Officer

Jun. 2008 General Manager, Research and Development Division (incumbent)

Jun. 2014 Executive Corporate Officer

Jun. 2017 Representative Director and President, Kikkoman Biochemifa Company (incumbent)

Jun. 2018 Director and Executive Corporate Officer (incumbent)

### Toshihiko Fukui

Outside Director

Apr. 1958 Joined Bank of Japan

Sep. 1989 Executive Director, Bank of Japan

Dec. 1994 Deputy Governor, Bank of Japan

Nov. 1998 Chairman, Fujitsu Research Institute

Jun. 2002 Director of Kikkoman

Mar. 2003 Governor, Bank of Japan

Dec. 2008 President, The Canon Institute for Global Studies (incumbent)

Jun. 2009 Director of Kikkoman (incumbent)

### Mamoru Ozaki

Outside Director

Apr. 1958 Joined Ministry of Finance

Jun. 1991 Commissioner, National Tax Agency

Jun. 1992 Administrative Vice Minister, Ministry of Finance

May 1994 Governor, People's Finance Corporation

Oct. 1999 Governor, National Life Finance Corporation

Feb. 2003 Advisor, Yazaki Corporation

Jun. 2005 Director of Kikkoman (incumbent)

### Takeo Inokuchi

Outside Director

Apr. 1965 Joined Taisho Marine and Fire Insurance Company, Limited

Apr. 1996 President and Representative Director, Mitsui Marine and Fire Insurance Co., Ltd.

Jun. 2000 President, Chief Executive Officer, Chairman of the Board and Representative Director, Mitsui Marine and Fire Insurance Co., Ltd.

Oct. 2001 Joint Chief Executive Officer, Chairman of the Board and Representative Director, Mitsui Sumitomo Insurance Co., Ltd.

Jul. 2007 Senior Advisor, Mitsui Sumitomo Insurance Co., Ltd.

Jun. 2008 Audit & Supervisory Board Member of Kikkoman

Jun. 2014 Director of Kikkoman (incumbent)

Apr. 2018 Honorary Advisor, Mitsui Sumitomo Insurance Co., Ltd. (incumbent)

### Masako Iino

Outside Director

Apr. 1991 Professor, Tsuda College (current Tsuda University)

Nov. 2004 President, Tsuda College

Jun. 2012 President, Japan-U.S. Educational Exchange Promotion Foundation (Fulbright Foundation)

Nov. 2012 Chair, Board of Trustees, Tsuda College

Apr. 2013 Professor Emeritus, Tsuda College (incumbent)

Apr. 2013 Advisor, Tsuda College (incumbent)

Jun. 2018 Director of Kikkoman (incumbent)

### Takashi Ozawa

Audit & Supervisory Board Member

Apr. 1978 Joined Kikkoman

Jun. 2008 General Manager, Foreign Operations Department

Jun. 2010 Corporate Officer

Jun. 2012 Representative Director and President, PACIFIC TRADING CO., LTD. (current JFC JAPAN INC.)

Jun. 2015 Audit & Supervisory Board Member of Kikkoman (incumbent)

### Koichi Mori

Audit & Supervisory Board Member

Apr. 1979 Joined Kikkoman

Nov. 2008 General Manager, Internal Control Department

Jun. 2012 Audit & Supervisory Board Member (incumbent)

### Motohiko Kogo

Outside Audit & Supervisory Board Member

Apr. 1967 Registered as a lawyer with the Tokyo Bar Association

Apr. 1967 Logan, Okamoto & Takashima

Oct. 1994 Partner, Kioizaka Law & Patent Firm (current Kioizaka Themis) (incumbent)

Jun. 2006 Substitute Audit & Supervisory Board Member of Kikkoman

Jun. 2009 Audit & Supervisory Board Member of Kikkoman (incumbent)

### Toru Kajikawa

Outside Audit & Supervisory Board Member

Oct. 1976 Joined Chuo Accounting Office

Sep. 1979 Registered as a certified public accountant

Sep. 1990 Representative Partner, Taiyo Audit Corporation

Jul. 2000 Managing Partner, Taiyo Audit Corporation

Jun. 2014 Audit & Supervisory Board Member of Kikkoman (incumbent)

Jul. 2014 Chairman and Representative Partner, Grant Thornton Taiyo ASG LLC

Oct. 2014 Chairman and Representative Partner, Grant Thornton Taiyo LLC (incumbent)

## Compliance

### The Kikkoman Group Code of Conduct

The Kikkoman Group Code of Conduct, which commits Kikkoman employees to contribute to the development of society by fulfilling their work responsibilities with a sense of ethics and mission, consists of six principles: Securing of safety and symbiosis with the global environment, business activities with fair and free competition, business information disclosure and promotion of communication, respect for human rights and establishment of a happy working environment, observation of laws and regulations in Japan and abroad and maintenance of social order, and a positive social action program. In an effort to ensure that the Code is well understood and thoroughly practiced throughout the Group, Kikkoman Corp. has issued English, Chinese, German, French, Dutch, Spanish, Russian, Italian, Portuguese, Korean, and Thai editions.

### The Kikkoman Group Corporate Ethics Committee and Corporate Ethics Hotline

#### The Kikkoman Group Corporate Ethics Committee

The Kikkoman Group Corporate Ethics Committee was formed to ensure that the Kikkoman Group Code of Conduct is put into practice. With a total of six members including two outside experts such as outside lawyers as well as a director and officers from Kikkoman Corp., the Committee has the overall responsibility for studying and implementing policies related to compliance. During FY2020, the Committee held meetings a total of 12 times. Additionally, Committee members met with standing auditors to exchange information once in each half of the fiscal year.

Every two years, the Kikkoman Group Corporate Ethics Committee conducts an internal survey for employees including temporary staff working at the Group companies in Japan. The purpose of this survey was to measure awareness of the Kikkoman Group Code of Conduct and the Group Corporate Ethics Hotline as well as to determine whether any issues are

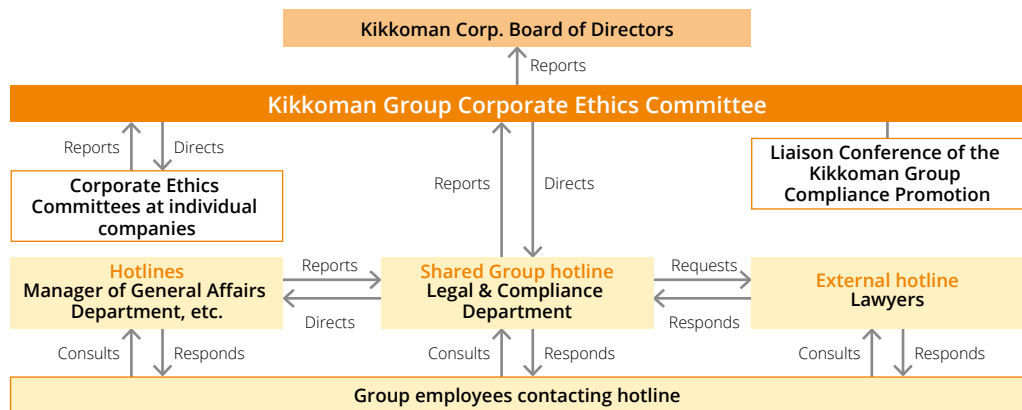
present. Conditions at each company were assessed, and substantive responses were given to individual issues.

#### The Kikkoman Group Corporate Ethics Hotline

The Kikkoman Group has established a Group Corporate Ethics Hotline and made it available for all employees of the Group companies in Japan. To raise awareness, this hotline is repeatedly announced to employees through individual companies' internal notices, Group newsletters, and training sessions. We have worked to expand the system by opening the hotline up to use by part-time and temporary employees starting in FY2008 and by all Group company employees in Japan following our transition to a holding company-based organization in October 2009.

The Group Corporate Ethics Hotline consists of an external hotline that is managed by two outside lawyers, a shared Group hotline that is managed by Kikkoman Corp.'s Legal & Compliance Department, and hotlines at individual companies that are set up as needed. Reports are received via a dedicated phone

## Group Corporate Ethics Hotline



line, email, and a dedicated post office box. When the office receives a report, an internal investigation is conducted, corrective measures taken, and feedback provided to the individual who initiated the report. The Corporate Ethics Committee Regulation stipulates protection for whistleblowers against any backlash or disadvantage that might result from submission of a report. During FY2020, the Group Corporate Ethics Hotline received 23 calls and dealt with them appropriately.

## Tax

The Kikkoman Group recognizes that the proper payment of taxes in the countries and regions where we operate has important implications for the fulfillment of our responsibilities as a corporate citizen, in addition to contributing to the sound development of society. Based on this belief, we strictly observe the relevant tax-related laws and regulations as well as the spirit of the law in these countries.

## Efforts Accompanying the Globalization of Business

With the globalization of the Kikkoman Group's business, intra-group transactions in different countries and regions are also

increasing. The Group holds discussions whenever necessary with the tax authorities and other relevant parties in each country regarding the transfer pricing that arises from these transactions. In addition to accurately reporting the Group's business transactions, we exchange information with a focus on fairness, and promote efforts aimed at the proper payment of taxes. We have established a system for handling important matters related to the payment of taxes under which the CFO reports to the Board of Directors as appropriate, and instructions can be received from the Board of Directors. Furthermore, the Group does not engage in the systematic utilization of tax havens outside the countries in which we operate.

## Disclosure of Information on Corporation Taxes, etc.

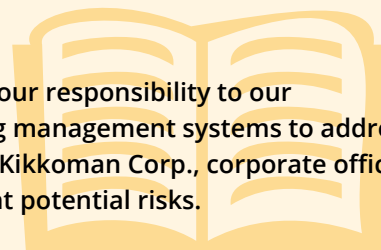
Information on the Kikkoman Group's corporation taxes, etc., is disclosed in the Company website.\* In FY2020, the effective tax rate was 30.5%.

\* Factbook Business Information FY2020:  
<https://www.kikkoman.com/finance/library/factbook/index.html>

## Risk Management

### Basic Approach

In order to achieve stable growth and carry out our responsibility to our stakeholders, the Kikkoman Group is reinforcing management systems to address risks that may affect the Group's operations. At Kikkoman Corp., corporate officers manage the divisions and subsidiaries to prevent potential risks.



### Risk assessment

The Group conducts risk assessment periodically and checks if our measures are adequate. Listed below are the risks recognized by the Group as of June 2020.

- |                          |                            |
|--------------------------|----------------------------|
| ● The Social Environment | ● The Business Environment |
| ● Compliance             | ● Information Technology   |
| ● Food Safety            | ● Human Resources          |
| ● Finances               |                            |

### The Kikkoman Group Risk Management Guideline

In October 2010, aiming to accurately manage and make implementations in response to the various risks surrounding the Kikkoman Group, we established "The Kikkoman Group Risk Management Guideline" (Risk Management Guideline) to set forth basic matters related to risk management. In addition to this, we have been compiling a series of Crisis Management Manuals to promote the standardization of the Group's crisis management response. The Kikkoman Group Risk Management Guideline defines the risks as "all uncertainties in management." The risks include:

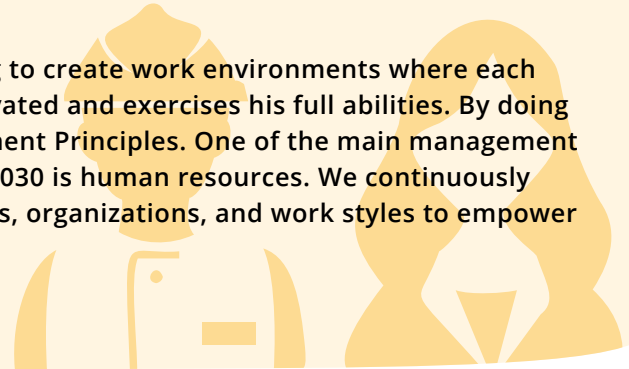
- |   |
|---|
| ① Possibilities to cause direct or indirect economic loss to the Group            |
| ② Possibilities to interrupt or stop business continuity of the Group             |
| ③ Possibilities to cause damage to credit of the Group and undermine brand images |

The Risk Management Guideline specifies the policies for eliminating or reducing the impact of risks for stakeholders of the Kikkoman Group. Rather than limiting the definition of risks to only natural disasters and accidents, the Risk Management Guideline also encompasses other content that would have a large impact on stakeholders such as compliance and environmental problems. In order to handle major risks, basic manuals are shared by subsidiaries in Japan. The Group has a system that the Risk Management Committee responds to risks when the risks become apparent.

## Employees

### Basic Approach

The Kikkoman Group is working to create work environments where each individual employee feels motivated and exercises his full abilities. By doing so, we will realize our Management Principles. One of the main management resources of the Global Vision 2030 is human resources. We continuously review and improve our systems, organizations, and work styles to empower our employees to create value.



### Safe and Healthy Work Environment

Kikkoman believes that providing a safe and pleasant work environment for employees is a fundamental principle of corporate management. Accordingly, Kikkoman's Safety and Health Committee, made up of labor and management representatives, play a central role in implementing our occupational safety and health management system (OSHMS).

### Efforts by the Group Companies Overseas

The Group is working on improving the safety and health systems at our Group companies overseas. Our soy sauce factories in the United States, the Netherlands, and Singapore form their respective Safety and Health Committee and strive to improve the effectiveness of the safety and health systems. All of our Group companies overseas provide lectures and/or training sessions regarding safety and health as well as use proper protectionary measures while performing job functions. Affiliates share accident reports with the Foreign Administration Department at Kikkoman Corp. to avoid repeating similar accidents.

### Nurturing Better Work Environment

To support and encourage employee efforts to achieve a healthy balance between rewarding work and fulfilling private lives, Kikkoman has implemented a set of Company-developed support programs designed to create an environment whereby employees can make the most of their abilities in a healthy and vital manner. We introduced childcare leave 10 years before its enactment by law and family care leave 20 years before its enactment by law.

### Skill Development Programs

Kikkoman offers tier-based training for our new employees and employees in management positions. In order to enhance the Group's synergy, collective training programs with affiliates have taken place. Kikkoman offers a broad range of self-development training programs for employees, including courses at business schools; "My Challenge Training," which allows trainees to select from several courses; correspondence courses; and e-learning courses. Through these educational and training opportunities, we support employees' autonomous skill-building and career development efforts.

## Environment

### Basic Approach

The Kikkoman Group believes that our corporate slogan, “seasoning your life,” can be realized through the bounty of nature. The Kikkoman Group uses many raw materials for our products such as soybeans, wheat, vegetables, fruit, and water. They all contain the condensed power of nature. Only a healthy environment can be the starting point of “seasoning your life” because they cannot carry out their role as raw materials without the assistance of the natural environment.

A rich natural environment is essential for the Kikkoman Group to deliver joy of food all over the world. The Group's basic approach is to preserve the natural environment for rich and joyful food, and the Group is committed to conduct actions to achieve the Kikkoman Group Long-Term Environmental Vision.

### Environmental Principles

#### Environmental Philosophy

**The Kikkoman Group will respect  
the working of nature, and contribute to  
the realization of a society comfortable to live in  
through our corporate activities  
keeping harmony with the environment.**

#### Commentary of Environmental Philosophy

- |   |  |
|---|--|
| <p><b>1</b> “Respect the working of nature” means:</p> <p><b>2</b> “Our corporate activities maintaining harmony with the environment” means:</p> <p><b>3</b> “A society comfortable to live in” means:</p> | <p>The Kikkoman Group looks to create an atmosphere where human life fits harmoniously within the natural world.</p> <p>We will improve and develop our means of production and distribution to minimize our impact on the natural environment.</p> <p>A society in which individuals are respected and emotional richness is valued within a healthy natural environment.</p> |
|---|--|

#### Action Guidelines

**The Kikkoman Group acts on the following guidelines with enthusiasm and creativity to achieve the goals of our Environmental Philosophy.**

- 1** Every one of us will aim to remain in harmony with the natural environment when performing our duties across all sectors (development, procurement, production, sales, and support).
- 2** In addition to observing standard laws, we will formulate and observe our own Company rules and regulations related to environmental protection.
- 3** As responsible members of society, we will actively participate in efforts to preserve the natural environment in our local communities.
- 4** We will study and deepen our understanding of the natural environment.
- 5** We will think and act from a global point of view.



## Medium-Term Environmental Policy

### A healthy and rich natural environment allows the Kikkoman Group to realize our corporate slogan.

To realize the Kikkoman Group's corporate slogan, "seasoning your life," which suggests that, as the Group seasons and enriches your food, we also bring fulfillment to life as a whole, the natural environment, where raw materials for the Kikkoman Group's products grow as a natural blessing, and should be healthy and rich enough to fully exhibit our capacity.

### The Kikkoman Group preserves the "natural environment for food."

Since a healthy and rich nature is the base that enables the Kikkoman Group to realize a happy food culture around the world, "preserving the natural environment for food" is the Group's core position of our environmental preservation activities.

### Two approaches to "preserve the natural environment for food"

The Kikkoman Group will take action with two approaches to "Preserve the natural environment for food."

1. Conduct environmental preservation activities by setting specific targets.
2. Emphasize the importance of environmental preservation activities to encourage active participation by all.

### Practical activities to "preserve the natural environment for food"

The Kikkoman Group has set three concrete goals for its practical activities as follows:

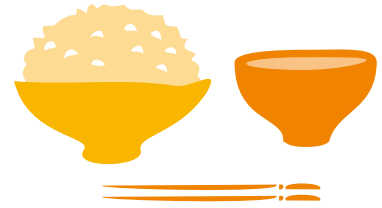
1. To realize a low carbon society to protect the food environment against global warming.
2. To realize a recycling based society to effectively use food resources.
3. To realize a symbiotic society to preserve the resources of the food environment.

## Medium-Term Environmental Goals (2018-2020)

Goal	Objective	Target
Low Carbon Society	Reduce CO <sub>2</sub> emissions per unit of production at the domestic manufacturing divisions.	1. Reduce CO <sub>2</sub> emissions per unit of production by 4% or more 2. Energy-saving assessment/measures at major factories 3. Research on utilizing renewable energies
	Reduce CO <sub>2</sub> emissions at the domestic sales and back-office divisions.	1. Reduce CO <sub>2</sub> emissions by 3% or more
	Reduce CO <sub>2</sub> emissions per unit of production at the major overseas manufacturing divisions.	1. Reduce CO <sub>2</sub> emissions per unit of production by 3% or more
Symbiotic Society	Reduce water consumption.	1. Reduce water consumption per unit of production at domestic manufacturing divisions by 6% or more 2. Consume less water per unit of production than the previous fiscal year at major overseas manufacturing divisions
	Preserve water environment.	1. Aim for reducing wastewater BOD to less than 8 mg/ℓ, or COD to less than 5 mg/ℓ
	Promote sustainable procurement.	1. Development of environment-friendly procurement policy and implementation
Recycling Based Society	Reduce food loss.	1. Promoting reduction of product waste 2. Elimination of waste from production problems at domestic and major overseas manufacturing divisions
	Improve the recycling rate of the waste and byproducts at the domestic and major overseas manufacturing divisions.	1. 100% resource recycling rate
	Reduce environmental load in containers and packaging.	1. Research and development on environmentally conscious containers and packaging as well as reducing weight of containers and packaging materials

## Shokuiku (Food Education) and Food Culture

# Shokuiku (Food Education)



### Basic Approach

The Kikkoman Group considers Shokuiku (food education) the special responsibility of companies involved with food and food products. Since we announced our “Commitment to Shokuiku” in May 2005, we have developed a program integrated throughout our business based on our “Shokuiku Framework.”

### The Philosophy Referred to as “Kikkoman’s Three Wishes”

Eating well nourishes the mind. We wish to nourish the mind with good food.

Good food makes good health. We wish good health to all, through good eating.

A smile shared over a meal endures forever. We wish to share and exchange the joy of food worldwide.

### Shokuiku Promotion Policies Shokuiku (Food Education)

1

#### For families and children, it means:

well-balanced, nutritious homemade food; healthy growth, based on regular family meals where food itself is part of the family conversation; sharing good dietary rules via product labels, advertising, and other means; and encouraging Kikkoman Group employees and families to have food-centered lives making the best use of their family meals for better communication.

2

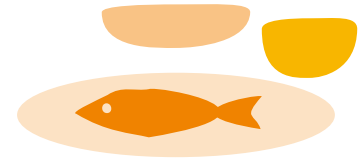
#### In Japanese dietary culture, it means:

studying and developing our traditional food culture based on our experience of international food culture exchange; reasserting the positive aspects of the rice-centered diet in preventing lifestyle-related diseases and adapting to lifestyle changes; and enriching people’s lives through communal meals.

Kikkoman’s Shokuiku Commitment  
Expression of Corporate Attitude

### Shokuiku Activities

# Food Culture



**Kikkoman strives to promote the succession and development of Japanese and world food cultures through lectures, cooking seminars, and the operation of food-related facilities.**

## Kikkoman Institute for International Food Culture

The Kikkoman Institute for International Food Culture works mainly on the historical research of fermented seasonings and soy sauce from cultural and social aspects, as well as the collection and publication of food-related information.

## Food Culture and Cooking Workshops

At Kikkoman's Tokyo Head Office's KCC Hall, Kikkoman holds workshops in the form of lectures, demonstrations, and tastings featuring culinary experts, chefs, and other food professionals as instructors. Contents include multiple genres such as Japanese food culture and cuisine, world food culture and cuisine, and food and health.

## Cooking Workshops around the World

The Kikkoman Group's sales companies overseas hold a number of cooking workshops mainly for local chefs. Through our workshops, we give lectures not only about the cooking methods of Japanese food but also the proper handling of raw fish and hygiene management. These are essential when cooking Japanese food, and we work to spread information on delicious and safe Japanese food.



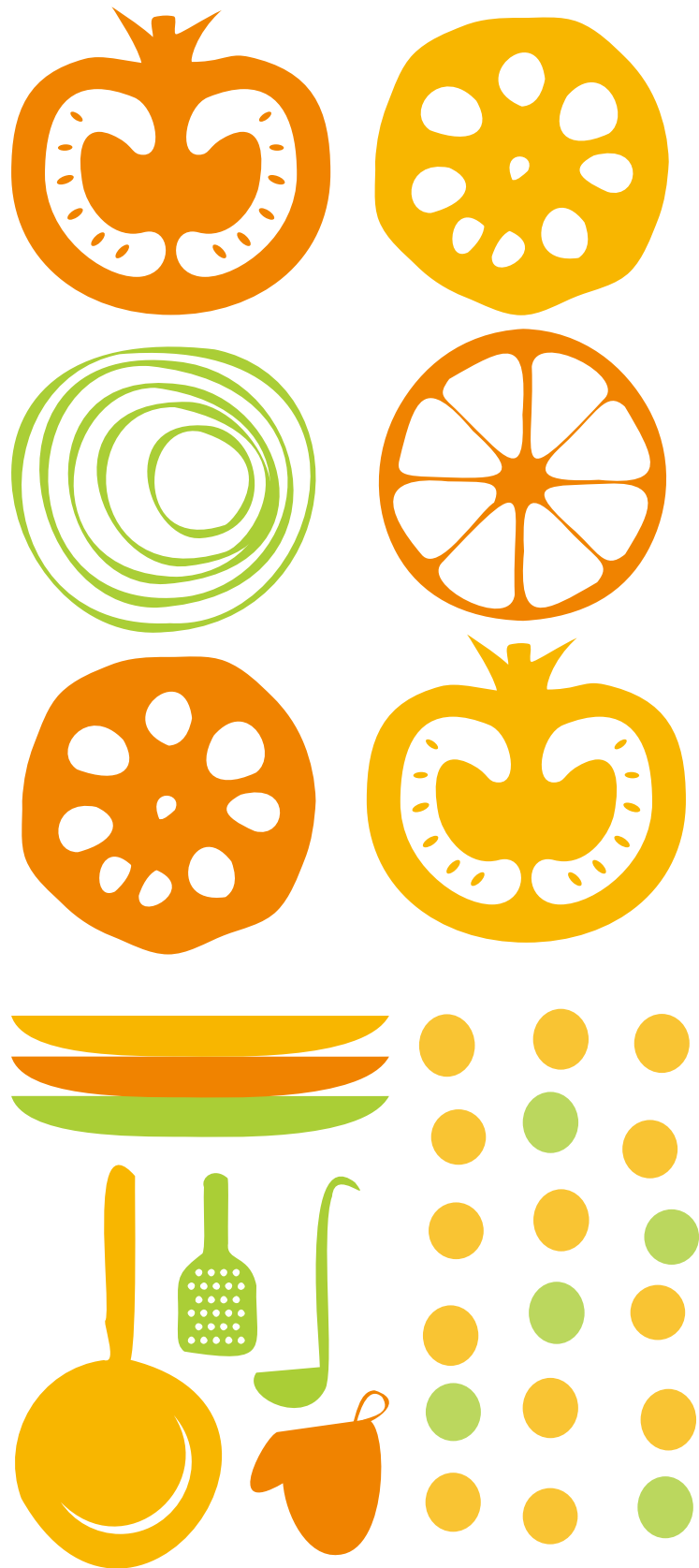
Our cooking workshop in Bulgaria

## T O P I C S

### Collaboration with the Embassy of Hungary in Tokyo

As part of the 150th anniversary of establishment of Japan-Hungary diplomatic relations events, Kikkoman Corp. held a program called "Hungary meets Kikkoman at Live Kitchen Tokyo" attended by Ambassador Norbert Palanovics. During the program, original dishes, which were made from Hungarian ingredients with soy sauce, were served to participants.





  
**kikkoman**<sup>®</sup>  
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