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## Press Release

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### Notice of Renewal of Policy Regarding a Large-Scale Purchase of Kikkoman Shares (Takeover Defense Measure)

Kikkoman has introduced, in accordance with the resolution at the ordinary general shareholders' meeting held on June 23, 2016, a "policy in responding to a Large-Scale Purchase of Kikkoman's Shares" (hereinafter referred to as the "Original Plan"), the effective term of which will expire at the end of the ordinary general shareholders' meeting scheduled to be held on June 25, 2019 (hereinafter referred to as the "Ordinary General Shareholders' Meeting").

In response, Kikkoman hereby announces that the Board of Directors of Kikkoman has decided, at its meeting held on April 24, 2019, (i) subject to the approval by shareholders at the Ordinary General Shareholders' Meeting, to partially modify and renew the Original Plan (such modified Original Plan is hereinafter referred to as the "Plan") for another three (3) years as its effective term (such renewal is hereinafter referred to as the "Renewal") and (ii) to submit an agenda to the Ordinary General Shareholders' Meeting, to the effect that the Ordinary General Shareholders' Meeting shall delegate to the Board of Directors of Kikkoman, in accordance with Article 13 of the Articles of Incorporation, the authority to decide matters concerning the allotment of new share subscription rights in order to enable the Board of Directors of Kikkoman to trigger the implementation of Countermeasures in accordance with the Plan. The Renewal shall be executed subject to the approval by shareholders at the Ordinary General Shareholders' Meeting. It was decided at the meeting of the Board of Directors of Kikkoman held today that the Plan will be submitted as an agenda to the Ordinary General Shareholders' Meeting. The decision was made by the unanimous vote of all the existing directors, including four (4) outside directors, at the meeting in which all of the Audit & Supervisory Board Members of Kikkoman, including two (2) outside Audit & Supervisory Board Members were present and agreed upon the decision on the condition that the specific administration of the Plan be carried out properly.

As of today, the Board of Directors of Kikkoman has not received any proposal from a specific third party with respect to a Large-Scale Purchase (as defined in "2. Details of the Large-Scale Purchase Rules").

<Major Modifications to the Original Plan>

- a) The requirement of a resolution of the general shareholders' meeting was set in order to seek shareholders' will regarding the triggering of countermeasures; provided, however, in cases where a Large-Scale Purchaser fails to comply with the Large-Scale Purchase Rules, or, even if the Large-Scale Purchaser complies with the Large-Scale Purchase Rules, in any case where the Special Committee determines that it falls under an abusive purchase (i.e. any of the so-called "four types of takeovers that damage shareholders' interest held by the Tokyo High Court judgment" and/or a "coercive two-tiered purchase"), countermeasures may be triggered by resolution of the Board of Directors based on full and serious consideration of the recommendation made by the Special Committee.
- b) The limitation was set that members of the Special Committee shall be solely elected from among outside directors and Audit & Supervisory Board Members of Kikkoman who are registered with the Tokyo Stock Exchange as "Independent Officer", and;
- c) Modifications were made to the expression of the provisions of the Plan so that the Plan will be easier to understand.

## **1. Purpose and Underlying Policy of the Plan**

### **(1) Kikkoman's Actions for Protection and Enhancement of its Corporate Value and its Shareholders' Common Interest**

#### 1) The Origin of Kikkoman's Corporate Value

Kikkoman has been operating for over 100 years since its establishment with a management spirit based both on its tradition since the 17th century and an innovative vision for modern generations. In addition to the top-brand Kikkoman Soy Sauce, from a domestic perspective, Kikkoman has been providing a variety of delicious and healthy commercial products, such as soy sauce-related seasonings, soymilk products, Del Monte products, Manjo products, and Manns Wines. From a worldwide perspective, Kikkoman has put continuous effort into promoting the Japanese seasoning "Soy Sauce" to be the world's seasoning, and the "KIKKOMAN" brand has been shipped to over 100 countries from seven overseas factories, enriching the food culture in each country. In addition, Kikkoman's own biotechnology developed from microorganism control brewing technology has been applied to, among others, medicine, enzyme and health foods.

Through such activities, Kikkoman Group has constructed a distinctive business model formed by combining the origins of the five corporate values described below:

#### a) Soy Sauce Business Model Overseas

Kikkoman has been competitively and qualitatively maintaining high profit as a top global brand of a seasoning, "Soy Sauce", which is rooted in the Japanese food culture, by expanding its market, merging with various food cultures all around the world, and establishing manufacturing and sales bases.

#### b) Worldwide Network

Kikkoman has established a network for oriental food distribution throughout the world, as well as a manufacturing and sales network for soy sauce. Our expanding market is boosted by the permeation of Japanese food throughout the world while we are also accumulating our know-how regarding product development, logistics and so on.

c) Research and Development / Technology Development

Kikkoman Group is enhancing its developing ability through its brewing, microorganism and other technology gained from soy sauce brewing, as well as obtaining technologies from the development departments of both domestic and overseas group companies and also outside technologies obtained through tie-ups of various kinds.

d) Brand Power

As shown in the various brand survey results, Kikkoman is widely known among distributors and consumers as a safe and reliable brand backed up by its tradition.

e) Social Responsibility As a Company

To be a good corporate citizen that people around the world will be happy with its existence, Kikkoman is carrying out its social responsibilities as well as performing a role as a social institution, being involved in international food and young people's cultural exchanges, dietary education and local community services.

2) Enhancement of Corporate Value

a) Formulation of "Global Vision 2030"

Kikkoman Group formulated "Global Vision 2030" in 2018, which shows its future vision towards 2030. Kikkoman Group will take advantage of the aforementioned origins of Kikkoman's corporate value and further enhance corporate value by achieving three ideals: "to make Kikkoman Soy Sauce a seasoning with a global standard", "to create new tastes all over the world and contribute to the realization of a healthier and richer dietary life" and "to enhance the existence of Kikkoman in global society through Kikkoman activities".

b) Steady Implementation of the Middle-term Business Plan

Kikkoman has adopted a middle-term business plan from FY 2018 through FY 2020 for the realization of "Global Vision 2030". Its minimum targets are JPY 500 billion for sales, JPY 45 billion for operating profit, 9% for operating profit on sales, and 10% for ROE in the last fiscal year or FY 2020.

Kikkoman adopts "strengthening of profitability and continuing to grow" as a challenge of the whole Kikkoman Group, and "promotion of more value-added products", "improving productivity", and "developing a new pillar in business" as its key issues.

With respect to overseas markets, in the soy sauce business, Kikkoman will continue to cultivate major markets, develop new markets, and achieve further

business growth. Kikkoman will achieve stable growth in North America by way of expanding products of enhanced value, and by way of cultivating new consumers and light-consumers to try its products. In Europe, Kikkoman will continue to achieve double-digit growth by way of improving brand awareness in major markets and expanding new markets. In Asia, Kikkoman will carry out marketing measures depending upon the tastes of each country and region and put the business on the path of double-digit growth by way of penetration and sales expansion. With respect to the oriental food distribution business, Kikkoman will, while the Japanese food market continues to expand, aim to keep growing by way of managing and expanding its overseas network, which is Kikkoman group's advantage and providing high-quality products and services. In the overseas Del Monte business, Kikkoman will aim for further growth focusing on expanding sales of tomato based condiments.

On the other hand, with respect to the domestic market, Kikkoman will expand more value-added products in the soy sauce business, mainly in *Itsudemo shinsen* (always fresh) series of products. In addition, Kikkoman will try to improve growth and profitability of soy sauce related seasonings including Japanese *tsuyu* soup, *tare* sauce and *Uchi-no-Gohan* (handy Japanese-style seasoning mixes) products. With respect to the Del Monte seasoning and beverage business, Kikkoman will strengthen product development and sales promotion and will improve the existence of the Del Monte brand in the market. In the soymilk business, Kikkoman will establish a stronger position in the market through reinforcing its production system and marketing activities for demand expansion.

#### c) Basic Policy on Corporate Governance

Kikkoman has adopted the following three pillars as its business principles:

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

Kikkoman recognizes that it is fundamental in its management to increase corporate value through implementation of the above business principles. In order to realize them, the improvement and enhancement of corporate governance is the most important management issue for Kikkoman.

Based on this recognition, Kikkoman is making efforts to enhance the management supervisory and monitoring function by way of appointing outside directors and Audit & Supervisory Board Members who satisfy the requirements of independent officer, establishing the Nomination Committee and Compensation Committee, the majority of which are composed of outside directors, and speeding up decision making and operation of business by introducing the executive officer system.

Currently, Kikkoman has appointed four (4) outside directors and two (2) outside Audit & Supervisory Board Members, all of whom are registered with the Tokyo Stock Exchange as "Independent Officer" of Kikkoman.

#### d) Corporate Social Responsibility as Kikkoman Considers Itself to Have

Since its establishment, Kikkoman has been aware of its connection to society and

has conducted its business activities based on an understanding that a corporation is a “public institution” in society. In 2001, Kikkoman signed the Global Compact that the United Nations set up as a framework of responsibilities for companies doing business globally, the first among Japanese companies. Also, as one of its responsibilities as a company engaging in the food businesses, Kikkoman has continuously committed to various dietary education activities since its declaration of dietary education in 2005. Further, through its business developments inside and outside Japan, Kikkoman has been making efforts to harmonize Japanese and overseas food cultures and has fulfilled a role to enrich the world of food for people. Furthermore, Kikkoman has operated, over one hundred (100) years, a hospital in Noda city, Chiba where its head office is located and has supported community medical services. Kikkoman will make a contribution to society as an outgoing healthcare information base more than ever.

In the “Global Vision 2030” announced in 2018 and the middle-term business plan, the Kikkoman Group demonstrated its policy to promote activities aiming to contribute to the solution of issues within global society. Kikkoman will enhance its existence in the global society by contributing to resolving social issues through its businesses and while, at the same time, recognizing such issues as business opportunities.

With the diversification and globalization of Kikkoman Group’s business, we have deepened our relationship with global society. Kikkoman will continue to commit, as its fundamental mission, to produce high-quality commercial products efficiently, safely, hygienically and steadily and will work to become a corporation that people around the world support and trust by being a corporation necessary to them through activities by which Kikkoman may continue to contribute in society, including dietary education and international exchange of food cultures.

## **(2) Our Policy on Large-Scale Purchase and Necessity of the Policy**

Kikkoman is sincerely working on the protection and enhancement of its corporate value and shareholders’ common interests as stated above. However, abrupt and forceful large-scale purchases, which are conducted at a stage where not enough information has been provided to the shareholders and without any appropriate process, such as without sufficient discussion or agreement with the management of the target company, still exist in the Japanese capital market. In addition, judging from the goals of such a purchase and other factors, or due to an insufficient understanding of the origins of Kikkoman’s proper corporate value, such a large-scale purchase may be significantly harmful to corporate value and the shareholders’ common interests, and there may also be such a purchaser who will compel the shareholders to accept its proposal by forceful measures.

With respect to this point, under the current Financial Instruments and Exchange Act, large-scale purchases within the market are not subject to regulations, and therefore, companies cannot defend themselves against abusive purchases within the market. In addition, even in the case where the tender offer regulations are applied, the target company can ask the tender offeror questions in an opinion report only once and, although the tender offeror is obligated to answer such questions by submitting the tender offeror’s answer, the tender offeror does not necessarily answer sufficiently; in addition, the tender offeror can refuse to answer if it can provide certain reasons. For this reason, even in the case where the tender offer regulations are applied, there are certain restrictions that make it undeniable

that shareholders are sometimes forced to make a decision regarding whether or not to accept the tender offer without sufficient information having been disclosed to the shareholders or without sufficient time for shareholders to consider such offer.

Therefore, the Board of Directors of Kikkoman believes that it is essentially important to provide the shareholders with sufficient information in the appropriate manner at the right time for the shareholders to evaluate the Large-Scale Purchase by the Large-Scale Purchaser (as defined in “2. Details of the Large-Scale Purchase Rules”), which includes not only the information from the Large-Scale Purchaser, which is unilaterally provided, but also the information and opinions of the Board of Directors of Kikkoman, which manages the company as a matter of course and fully understands Kikkoman’s business character.

Our members of the Board of Directors fully understand and believe that it is the shareholders, who own the Kikkoman Shares and/or Other Equity Securities, who will make the final decision as to whether or not to accept a proposal made by a Large-Scale Purchaser and to sell the Shares or Other Equity Securities, and therefore, our Board of Directors does not unconditionally deny the act of a large-scale purchase.

However, as mentioned above, the business model that has been developed by Kikkoman and our group companies has its core in the domestic and international expansion of soy sauce, which plays a key role in Japanese food culture. Furthermore, the business model is obtained through the succession and development of various technologies and know-how for high quality and safe products, as well as understanding food culture and geographic characteristics in each region. We believe that it is difficult to enhance the value of Kikkoman and its group companies without a deep appreciation and embodiment of such business model.

### **(3) Purpose of the Plan and its Basic Framework**

Based on the basic policy mentioned above, the Board of Directors of Kikkoman has decided that certain reasonable rules are required to provide its shareholders with necessary and sufficient information and time, as well as opportunities to have alternative proposals made by the Board of Directors of Kikkoman, for the shareholders to decide whether or not to accept the Large-Scale Purchase when any action of a Large-Scale Purchase is conducted. The Board of Directors of Kikkoman believes that a Large-Scale Purchase conducted in compliance with such rules (details of which are defined in “2. Details of the Large-Scale Purchase Rules”, below) will contribute to the protection and enhancement of Kikkoman’s corporate value and its shareholders’ common interests. Although the Large-Scale Purchase Rules are sometimes called “takeover defense measures”, the purpose of the Large-Scale Purchase Rules of Kikkoman is not to defend those who currently manage Kikkoman against general takeover. As explained below, the Large-Scale Purchase Rules are established based on the assumption that the decision as to whether or not to accept any Large-Scale Purchase should be left to the shareholders. The purpose of the Large-Scale Purchase Rules of Kikkoman is to provide sufficient information and time to shareholders, except in the case where Kikkoman has no choice but to trigger countermeasures against an abusive purchase.

In the Plan, in accordance with the resolution of the general shareholders’ meeting, or in the case where a Large-Scale Purchaser fails to comply with the Large-Scale Purchase Rules, or in the case where it is determined that such Large-Scale Purchase is, even if the Large-Scale Purchase Rules are complied with, abusive and likely to significantly damage Kikkoman’s corporate value and its shareholders’ common interests, in accordance with the

resolution of the Board of Directors with full and serious consideration of the recommendation made by the Special Committee (please refer to “7. Establishment of the Special Committee”, below), Kikkoman may adopt a resolution to effect an allotment of new share subscription rights (hereinafter referred to as “Countermeasures”, please refer to “3. Policy When a Large-Scale Purchase is Attempted”, and “Outline of Allotment of New Share Subscription Rights to Shareholders” in Exhibit 1 for details).

## 2. Details of the Large-Scale Purchase Rules

Large-Scale Purchase Rules require any person conducting or attempting to conduct a Large-Scale Purchase (please see notes below) (hereinafter referred to as a “Large-Scale Purchaser”) to provide necessary and sufficient information to the Board of Directors of Kikkoman in advance of the Large-Scale Purchase, whereupon the Large-Scale Purchase shall be commenced after a certain period has elapsed for the Special Committee to examine and appraise the same and for the general shareholders’ meeting (or the Board of Directors of Kikkoman, depending on the triggering requirements) to make a final decision regarding implementation of the Countermeasures at the end of such period.

(Note) “Large-Scale Purchase” provided in the Plan means a purchase as provided in (i) or (ii) below. Both (i) and (ii) exclude a case where there has been an approval of the Board of Directors of Kikkoman:

- (i) Any purchase or any acquisition of Share Certificates or Other Equity Securities<sup>1</sup> where the Shareholding Ratio<sup>2</sup> of the Kikkoman Share Certificates or Other Equity Securities obtained by the Shareholder<sup>3</sup> is no less than 20%.
- (ii) Any Tender Offer<sup>4</sup> of Share Certificates or Other Equity Securities<sup>5</sup> issued by Kikkoman which, as a result, the Shareholding Ratio<sup>6</sup> of the Share Certificates or Other Equity Securities subject to the Tender Offer and that of Special Affiliate<sup>7</sup> in total is no less than 20%.

The outline of Large-Scale Purchase Rules is as provided below:

### (1) Provision of Large-Scale Purchase Information

When a Large-Scale Purchaser intends to commence a Large-Scale Purchase, a Large-Scale Purchaser is required, in advance of the Large-Scale Purchase, to provide necessary and sufficient information for the shareholders to examine the purchase as provided below (hereinafter referred to as the “Large-Scale Purchase Information”) to the Board of Directors

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<sup>1</sup> As defined in Article 27-23, Clause 1 of the Financial Instruments and Exchange Act.

<sup>2</sup> As defined in Article 27-23, Clause 4 of the Financial Instruments and Exchange Act.

<sup>3</sup> Shareholder includes a “shareholder” as defined in Article 27-23, Clause 3 of the Financial Instruments and Exchange Act.

<sup>4</sup> As defined in Article 27-2, Clause 6 of the Financial Instruments and Exchange Act.

<sup>5</sup> As defined in Article 27-2, Clause 1 of the Financial Instruments and Exchange Act.

<sup>6</sup> As defined in Article 27-2, Clause 6 of the Financial Instruments and Exchange Act.

<sup>7</sup> As defined in Article 27-2, Clause 7 of the Financial Instruments and Exchange Act, provided that, with respect to those listed in paragraph (1) of Clause 7 of the same, those listed in Article 3, Clause 2 of the Cabinet Office Order concerning a Tender Offer of Shares by Parties Other Than the Issuer (*Hakkoshajigai no mono ni yoru kabuken-tou no koukai-kaisuke no kaiji ni kansuru naikakufu-rei*) are excluded.

of Kikkoman, as well as to submit a statement that promises to comply with the Large-Scale Purchase Rules in a format designated by Kikkoman (collectively with the information, hereinafter referred to as the “Purchase Statement”):

- a) Details of the Large-Scale Purchaser and its group, including details of Co-Owners<sup>8</sup>, Special Affiliated Person<sup>9</sup> (which includes partners and other members if the Large-Scale Purchaser is an investment fund), such as their specific name, capital structure and financial information;
- b) The purpose, method, and details of the Large-Scale Purchase, including the type and price of purchase consideration, the timing of the purchase, source of funds for the purchase, existing pledge upon currently owned Kikkoman Share Certificates and Other Equity Securities, plans and timing of placing the pledge on Kikkoman's assets or Share Certificates or Other Equity Securities to be acquired and other terms and structures of transactions for funding;
- c) Basis of the calculation of the purchase price, including the calculation method, numeric information used in the calculation and the amount of the synergy created by the Large-Scale Purchase, and other related transactions and their calculation basis;
- d) Whether or not there has been any communication between the Large-Scale Purchaser and any other third party regarding the Large-Scale Purchase and its detail, in the case where such communication exists;
- e) Description of the fund provider to the Large-Scale Purchaser, including its name and capital structure;
- f) Management policies and business plans of Kikkoman and its group companies that the Large-Scale Purchaser intends to adopt after completion of the Large-Scale Purchase;
- g) Policies for steady and stable enhancement of Kikkoman and its group companies' corporate value that the Large-Scale Purchaser intends to adopt after completion of the Large-Scale Purchase, and its basis for the enhancement (including opinions with respect to legality of the Large-Scale Purchase in light of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade and overseas competition law in the case where the Large-Scale Purchaser conducts a similar business to Kikkoman and its group companies);
- h) Policies regarding relationship with the employees, business partners, consumers, regional communities and other interested parties of Kikkoman and its group companies after completion of the Large-Scale Purchase, including whether there is any plan for reform and its detail if there is any such plan; and

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<sup>8</sup> “Co-owners” means those defined in Article 27-23, Clause 5 of the Financial Instruments and Exchange Act and those who are regarded as “Co-owners” according to Article 27-23, Clause 6 of the same.

<sup>9</sup> “Special Affiliated Person” means those defined in Article 27-2, Clause 7 of the Financial Instruments and Exchange Act, provided that, with respect to those listed in paragraph (1) of Clause 7 of the same, those listed in Article 3, Clause 2 of the Cabinet Office Order Concerning a Tender Offer of Shares by Parties Other Than the Issuer (*Hakkosha-igai no mono ni yoru kabuken-tou no koukai-kaitsuke no kaiji ni kansuru naikakufu-rei*) are excluded.

- i) Any other information deemed necessary by the Special Committee.

The Board of Directors of Kikkoman will promptly give notice to the Special Committee of the fact that a Large-Scale Purchase has been offered and provide the Purchase Statement submitted to the Board to the Special Committee, requesting the judgement of whether the Large-Scale Purchaser complies with the Large-Scale Purchase Rules, and, in the case where the Large-Scale Rules are complied with, whether to hold the general shareholders' meeting to decide whether to trigger the Countermeasures or whether the Board of Directors should trigger the Countermeasures, in accordance with "3. Policy When a Large-Scale Purchase Is Attempted" below. The Special Committee will then promptly examine the Purchase Statement to decide if the information stated in the Large-Scale Purchase Statement is sufficient as Large-Scale Purchase Information, and may require the Large-Scale Purchaser to provide additional information, directly or through the Board of Directors of Kikkoman, within a reasonable answer period (in principle, within maximum of sixty (60) days from the date the Purchase Statement is received by the Board of Directors of Kikkoman), if the Special Committee determines, on a reasonable basis, that the information initially provided by the Large-Scale Purchaser is insufficient. However, the Special Committee shall not exercise its authority against the purpose of establishing the Large-Scale Purchase Rules, such as requiring a Large-Scale Purchaser to provide Large-Scale Purchase Information beyond a reasonable extent or indefinitely for the purpose of making the Large-Scale Purchaser relinquish the acquisition.

In addition, the Board of Directors of Kikkoman shall publicly disclose, in whole or in part, the receipt of the Large Scale-Purchase proposal and the Large-Scale Purchase Information submitted to the Board at such point in time as the Board deems appropriate for the shareholders' decision making, upon consideration of opinions from the Special Committee and in compliance with the applicable laws and rules and regulations of the financial instruments exchanges on which Kikkoman stock is listed.

## **(2) Examination and Evaluation of the Large-Scale Purchase Information by the Special Committee**

The Special Committee will promptly make a public announcement, directly or through the Board of Directors of Kikkoman, when the Special Committee acknowledges that they have received sufficient Large-Scale Purchase Information from the Large-Scale Purchaser. The Special Committee shall examine, evaluate and form its opinion within the "Special Committee's Evaluation Period", which is 60 days from the date of announcement made by the Special Committee as provided above, in the case where the Large-Scale Purchase is a purchase of all of the Kikkoman Share Certificates or Other Equity Securities by way of tender offer that limits purchase consideration to be paid in cash (Japanese Yen), and 90 days from the same in cases other than the foregoing, and make recommendation towards the consultation from the Board of Directors.

The Special Committee may, when deemed necessary by the Special Committee for examination and comparison of the Large-Scale Purchase Information, either before or after the commencement date of the Special Committee's Evaluation Period, request the Board of Directors of Kikkoman to give to the Special Committee its opinion on the Large-Scale Purchase, supporting materials, alternative proposal for enhancement of corporate value, and other information and materials deemed necessary by the Special Committee, within an answer period (within a maximum of thirty (30) days, and the last day of the answer period shall not be set later than the end of the Special Committee's Evaluation Period).

In addition, when deemed necessary for examination, evaluation and formation of the opinion and improvement of the terms and conditions of the Large-Scale Purchase, the Special Committee or the Board of Directors of Kikkoman may discuss and negotiate with the Large-Scale Purchaser, or the Board of Directors of Kikkoman may offer the shareholders an alternative suggestion.

The Special Committee will, upon achieving a consensus of the Special Committee's opinion, give notice of the opinion to the Large-Scale Purchaser directly or through the Board of Directors of Kikkoman and will make a proper and appropriate public announcement.

The Special Committee's Evaluation Period may be extended for a reasonably necessary period (up to thirty (30) days) if the Special Committee does not make an announcement of its opinion or a recommendation within the Special Committee's Evaluation Period. In such case, the Special Committee shall, promptly after the decision of such extension, disclose the reasons for such extension, the period by which to be extended and any other information deemed necessary by the Special Committee directly or through the Board of Directors of Kikkoman. However, the Special Committee shall not exercise its authority against the purpose of establishing the Large-Scale Purchase Rules, such as making an extension of the Special Committee's Evaluation Period for the purpose of making the Large-Scale Purchaser relinquish the acquisition.

The Large-Scale Purchase shall be implemented after the Special Committee's Evaluation Period and decision by the general shareholders' meeting (or the Board of Directors of Kikkoman if "3. (1) In Case Large-Scale Purchaser Fails to Comply with the Large-Scale Purchase Rules" and "5. Triggering of Countermeasures against Abusive Purchase" are applied to the case) regarding the Countermeasures.

### **3. Policy When a Large-Scale Purchase Is Attempted**

#### **(1) In Case Large-Scale Purchaser Fails to Comply with the Large-Scale Purchase Rules**

In cases where a Large-Scale Purchaser fails to comply with the Large-Scale Purchase Rules, including cases where the Special Committee determines, on a reasonable basis, that information submitted by the Large-Scale Purchaser for decision making purposes of Kikkoman's shareholders and for examination, evaluation and formation of its opinion by the Special Committee is insufficient to qualify as Large-Scale Purchase Information, and when additional information is not submitted by the Large-Scale Purchaser within an answer period set by the Special Committee, the Special Committee may, regardless of the specific method of purchase thereof, recommend to the Board of Directors of Kikkoman to trigger the implementation of the Countermeasures to protect Kikkoman's corporate value and its shareholders' common interests. The Board of Directors of Kikkoman shall fully and seriously consider such recommendation and promptly make a final resolution whether or not to trigger the Countermeasures and publicly announce the decision as well as its reasons.

The Board of Directors of Kikkoman plans to allot new share subscription rights without consideration as the Countermeasure based on the Plan pursuant to the Article 13 of the Articles of Incorporation of Kikkoman. In such case, new share subscription rights, with an exercise condition that a Large-Scale Purchaser and its group (hereinafter referred to as the "Large-Scale Purchaser Group") may not exercise the rights, and with a repurchase condition that Kikkoman acquire the new share subscription rights from anyone other than

the Large-Scale Purchaser Group in exchange for Kikkoman shares, shall be allotted to all of Kikkoman's shareholders at the time of allotment. The method for allotment of new share subscription rights is to be as provided in Article 277, et seq., of the Companies Act of Japan. Details of the new share subscription rights are provided in Exhibit 1, "Outline of Allotment of New Share Subscription Rights to Shareholders" below.

## **(2) In case Large-Scale Purchaser complies with the Large-Scale Purchase Rules**

In case where the Special Committee determines that a Large-Scale Purchaser complies with the Large-Scale Purchase Rules, the Board of Directors of Kikkoman may express its opposition, present an alternate proposal, or persuade the shareholders of its opinion. However, the Board of Directors of Kikkoman shall not, in principle, undertake any Countermeasures against the Large-Scale Purchase, even if it opposes such Large-Scale Purchase. The shareholders of Kikkoman will determine whether or not to accept the proposal from the Large-Scale Purchaser upon consideration of the details of such proposal and opinions and alternate proposals from the Board of Directors of Kikkoman.

Notwithstanding the foregoing, even in the case where the Large-Scale Purchaser complies with the Large-Scale Purchase Rules, if the Board of Directors of Kikkoman reasonably determines that such Large-Scale Purchase is likely to materially damage the corporate value of Kikkoman and shareholders' common interests, upon explaining its determination and basis thereof during the Special Committee Evaluation Period, the Board of Directors of Kikkoman may consult with the Special Committee about whether it recommends (i) Board of Directors of Kikkoman to convene the general shareholders' meeting to decide whether to trigger the implementation of Countermeasures (hereinafter referred to as "Recommendation for Convening General Shareholders' Meeting"), or (ii) Board of Directors of Kikkoman to trigger the implementation of Countermeasures against such Large-Scale Purchase without convening the general shareholders' meeting (hereinafter referred to as "Recommendation for Board of Directors' Triggering Countermeasures"). Based on the above-mentioned consultation, if the Special Committee provides the Recommendation for Convening General Shareholders' Meeting, the Board of Directors of Kikkoman shall undertake the procedures in accordance with "4. Triggering of Countermeasures Pursuant to Resolution at General Shareholders' Meeting above". If the Special Committee provides "Recommendation for Board of Directors' Triggering Countermeasures", the Board of Directors of Kikkoman shall undertake the procedures in accordance with "5. Triggering of Countermeasures against Abusive Purchase". The Special Committee shall provide to the Board of Directors of Kikkoman a Recommendation for Convening General Shareholders' Meeting in response to the consultation, if it decides that the relevant Large-Scale Purchase is not the Abusive Purchase (as defined in "5. Triggering of Countermeasures against Abusive Purchase" below).

## **4. Triggering of Countermeasures Pursuant to Resolution at General Shareholders' Meeting**

### **(1) Seeking of Shareholders' Will**

The Special Committee shall, if it decides that the Large-Scale Purchase is not an abusive purchase, recommend to the Board of Directors of Kikkoman to convene the general shareholders' meeting in order to decide whether or not to trigger the Countermeasures against such Large-Scale Purchase. If the Board of Directors of Kikkoman receives such recommendation, it shall promptly convene a general shareholders' meeting as soon as

practicably possible after the expiration of the Special Committee's Evaluation Period in accordance with laws and regulations and provisions of the Articles of Incorporation of Kikkoman and present to the general shareholders' meeting a proposal regarding the triggering of the Countermeasures against the Large-Scale Purchase. Specifically, such general shareholders' meeting shall be held within sixty (60) days after the expiration of the Special Committee's Evaluation Period; however, if the general shareholders' meeting cannot be held within sixty (60) days due to procedural reasons, it shall be held on the earliest day procedurally possible. If the Board of Directors of Kikkoman convenes a general shareholders' meeting, the Board of Directors shall make its decision regarding the convening of such general shareholders' meeting promptly after the expiration of the Special Committee's Evaluation Period and promptly disclose details of such decision.

If a material change occurs with respect to any information necessary for the shareholders to make their decision at the general shareholders' meeting, the Board of Directors of Kikkoman can, even after establishing a record date for the general shareholders' meeting, change such record date and postpone or cancel the convening of the general shareholders' meeting. If the general shareholders' meeting is convened, the Large-Scale Purchaser shall not commence the Large-Scale Purchase until the close of such general shareholders' meeting. If the Large-Scale Purchaser commences the Large-Scale Purchase before the close of the general shareholders' meeting, the Board of Directors of Kikkoman can cancel the convening of the general shareholders' meeting, and trigger the Countermeasures by a resolution of the Board of Directors of Kikkoman alone.

## **(2) Procedures for Triggering Countermeasures by General Shareholders' Meeting**

If the Countermeasures are triggered in accordance with the resolution of the general shareholders' meeting of Kikkoman, the following procedures shall be taken:

- (i) Prior to the triggering of the Countermeasures, upon presenting the Purchase Statement to the Special Committee, the Board of Directors of Kikkoman shall consult with and ask the Special Committee to examine and evaluate the details thereof and to provide either a Recommendation for Convening General Shareholders' Meeting or a Recommendation for Board of Directors' Triggering Countermeasures;
- (ii) Based on the above-mentioned consultation, the Special Committee shall provide to the Board of Director of Kikkoman a Recommendation for Convening General Shareholders' Meeting if it decides that the relevant Large-Scale Purchase is not an abusive purchase and a Recommendation for Board of Directors' Triggering Countermeasures if it decides that the relevant Large-Scale Purchase is an abusive purchase;
- (iii) If the Board of Directors of Kikkoman receives a Recommendation for Convening General Shareholders' Meeting, the Board of Directors of Kikkoman shall, upon presenting the Purchase Statement to the general shareholders' meeting, convene a general shareholders' meeting where it shall propose that the allotment of the new share subscription rights as the Countermeasures pursuant to the provisions of Article 13 of the Articles of Incorporation of Kikkoman;
- (iv) The general shareholders' meeting shall make a resolution on the proposal regarding the triggering of the Countermeasures; and
- (v) If the approval of the general shareholders' meeting is obtained regarding the

triggering of the Countermeasures, the Board of Directors of Kikkoman shall trigger the implementation of the Countermeasures in accordance with the resolution of such general shareholders' meeting. If such approval is not obtained, the Board of Directors of Kikkoman shall not trigger the Countermeasures.

## **5. Triggering of Countermeasures against Abusive Purchase**

### **(1) In the Case of Abusive Purchase**

If the Special Committee decides that the Large-Scale Purchase clearly falls under any of the types of abusive purchases defined in (i) through (v) below, and that such Large-Scale Purchase significantly damages Kikkoman's corporate value and its shareholders' common interests (the "Abusive Purchase"), the Special Committee shall recommend to the Board of Directors of Kikkoman to trigger the implementation of the Countermeasures at its own discretion without convening a general shareholders' meeting.

In deciding whether or not the Board of Directors of Kikkoman shall trigger the Countermeasures at its own discretion, the Board of Directors of Kikkoman shall fully and seriously consider such recommendation and promptly make a final resolution as to whether or not to trigger the Countermeasures and publicly announce the decision as well as its reasons.

In addition, in case a Large-Scale Purchaser complies with the Large-Scale Purchase Rules, the Special Committee may recommend that the implementation of Countermeasures be triggered in accordance with the resolution at the Board of Directors of Kikkoman only if it has clearly been demonstrated that such Large-Scale Purchase falls under any of the types of the Abusive Purchases defined in (i) through (v) below and will significantly damage Kikkoman's corporate value and its shareholders' common interests, not only because it is found that such Large-Scale Purchase will superficially fall under any of the following items:

- (i) When it is determined that a Large-Scale Purchase of Kikkoman shares and other equity securities is being carried out without any true intention of participating in the management of Kikkoman, but for the purpose of boosting the share price and thereafter causing Kikkoman's related parties to acquire the shares at an inflated price, namely, cases of so-called "green mail";
- (ii) When it is determined that a Large-Scale Purchase of Kikkoman shares and other equity securities is being carried out for the purpose of raiding Kikkoman, i.e., temporarily controlling the management of Kikkoman for the purpose of transferring intellectual property rights, know-how, trade secrets, key business partners, customers and the like necessary for Kikkoman's business to the Large-Scale Purchaser and its group companies or the like;
- (iii) When it is determined that a Large-Scale Purchase of Kikkoman shares and other equity securities is being carried out under plans to divert the assets of Kikkoman as collateral or repayment resources for obligations of the Large-Scale Purchaser or its group companies and the like, after controlling the management of Kikkoman;
- (iv) When it is determined that a Large-Scale Purchase of Kikkoman shares or other equity securities is being carried out for the purpose of temporarily controlling the management of Kikkoman and thereby causing Kikkoman to sell or otherwise dispose

of highly-valued assets, such as real estate or securities, which are not currently related to Kikkoman's business and to distribute temporarily higher dividends with the gains from such disposal, or sell Kikkoman shares or other equity securities at an inflated price caused by such temporarily higher dividends;

- (v) When it is determined that the method of purchase of Kikkoman shares or other equity securities proposed by the Large-Scale Purchaser would restrict the shareholder's opportunity or liberty to make decisions, such as an oppressive two-stage purchase structure, namely, a structure for share purchase, such as a tender offer, whereby no solicitations for purchasing all of the shares are made at the initial stage, and disadvantageous purchase terms are set or the purchase terms are not made explicitly clear for the second stage, whereby shareholders may effectively be forced to sell their Kikkoman shares or other equity securities; provided, however, that partial tender offers are not to be automatically considered as such structure;

## **(2) Procedures for Triggering of Countermeasures against Abusive Purchase**

If the Board of Directors of Kikkoman triggers the implementation of the Countermeasures against the Abusive Purchase without the resolution of the general shareholders' meeting, in order to secure the fairness of such decision, the following procedures shall be taken:

- (i) Prior to the triggering of the Countermeasures, upon presenting the Purchase Statement to the Special Committee, the Board of Directors of Kikkoman shall consult with and ask the Special Committee to examine and evaluate the details thereof and to provide either a Recommendation for Convening General Shareholders' Meeting or a Recommendation for Board of Directors' Triggering Countermeasures;
- (ii) Based on the above-mentioned consultation, the Special Committee shall provide to the Board of Director of Kikkoman a Recommendation for Convening General Shareholders' Meeting if it decides that the relevant Large-Scale Purchase is not the Abusive Purchase and a Recommendation for Board of Directors' Triggering Countermeasures if it decides that the relevant Large-Scale Purchase is the Abusive Purchase. If the Board of Directors of Kikkoman receives a Recommendation for Convening General Shareholders' Meeting, the Board of Directors of Kikkoman shall undertake the procedures in accordance with 4. "Triggering of Countermeasures Pursuant to Resolution at General Shareholders' Meeting" above;
- (iii) If the Board of Directors of Kikkoman receives a Recommendation for Board of Directors' Triggering Countermeasures, in deciding whether or not to trigger the Countermeasures, the Board of Directors of Kikkoman shall fully and seriously consider such recommendation and promptly make a final resolution as to whether or not to trigger the Countermeasures. The Board of Directors of Kikkoman shall, if it deems the triggering of the Countermeasures is appropriate, implement the allotment of the new share subscription rights as the triggering of the implementation of the Countermeasures pursuant to the provisions of Article 13 of the Articles of Incorporation of Kikkoman.

## **6. Cancelling or Suspension of Triggering Countermeasures**

Even in the case where the general shareholders' meeting or the meeting of the Board of Directors of Kikkoman has resolved to trigger the implementation of the Countermeasures or

triggered the implementation of the Countermeasures in accordance with the proceedings set forth in “4. Triggering of Countermeasures Pursuant to Resolution at General Shareholders’ Meeting” or “5. Triggering of Countermeasures against Abusive Purchase” above,

- (i) if the Large-Scale Purchaser withdraws the Large-Scale Purchase; or
- (ii) if the facts or other circumstances on which the Board of Directors or shareholders base their decision to trigger the Countermeasures have changed, and it is determined to be inappropriate to trigger the Countermeasures from the perspective of the security and improvement of Kikkoman’s corporate value and the common interests of Kikkoman’s shareholders,

the Board of Directors of Kikkoman may resolve to cancel or suspend triggering of the Countermeasures (by way of the repurchasing of the allotted new share subscription rights without consideration).

The Board of Directors of Kikkoman, if making the above resolution, shall promptly disclose the overview of the resolution and the matters which the Board of Directors of Kikkoman determines appropriate.

## **7. Establishment of the Special Committee**

In accordance with the directors’ duty of loyalty and duty of due care, the Board of Directors of Kikkoman shall make the final decision (provided, however, that when 4. “Triggering of Countermeasures Pursuant to Resolution at General Shareholders’ Meeting” above applies, the general shareholders’ meeting shall make the final decision) on whether or not the Large-Scale Purchaser has complied with the Large-Scale Purchase Rules, and whether or not the Countermeasures should be triggered for the reason that it is demonstrated that such Large-Scale Purchase will significantly damage Kikkoman’s corporate value and its shareholders’ common interests in the case where the Large-Scale Purchase Rules are complied with. In order to prevent any arbitrary decision-making by the Board of Directors of Kikkoman, a Special Committee has been established independently from the Board of Directors. The Special Committee shall be managed in accordance with the Plan and the Special Committee Rules (for the Special Committee Rules, please refer to Exhibit 2, “Outline of the Special Committee Rules”).

The Special Committee shall be comprised of three to five members appointed from outside directors or outside Audit & Supervisory Board Members who are independent from those who manage Kikkoman and have no specific interests in Kikkoman or its management, and all of whom Kikkoman filed as “Independent Officer” with the Tokyo Stock Exchange, to make a fair and indifferent decision.

The members of the Special Committee at the time of Renewal are currently expected to be comprised of four (4) persons as provided in Exhibit 3, “Summarized Biography of the Special Committee Members”, and if the proposal for the election of directors of Kikkoman is approved in its original form at the Ordinary General Shareholders’ Meeting, the four (4) outside directors (all of whom Kikkoman filed as “Independent Officer” with the Tokyo Stock Exchange) will assume the office of the members of the Special Committee.

In order to ensure that the decision to be made by the Special Committee contributes to the security and improvement of Kikkoman’s corporate value and the common interests of

Kikkoman's shareholders, the Special Committee shall sufficiently examine and evaluate the proposed Large-Scale Purchase Information and the information and materials provided by the Board of Directors of Kikkoman (including alternatives proposed by the Board of Directors for the enhancement of Kikkoman's corporate value), and carefully prepare the opinion of the Special Committee (including recommendation to the Board of Directors for their consultation) while obtaining advice from independent third parties (including financial advisers, attorneys, tax accountants, certified public accountants, consultants or any other experts) at the cost of Kikkoman.

## **8. Effect upon Shareholders and Investors**

### **(1) Effect upon Shareholders and Investors at the Time of the Renewal**

At the time of the Renewal, new share subscription rights without consideration that are expected to be the Countermeasures will not be allotted. Accordingly, the Renewal will not have any direct effect upon the legal rights or economic interests of the shareholders and investors of Kikkoman.

### **(2) Effect upon Shareholders and Investors When Triggering the Countermeasures**

The general shareholders' meeting or the Board of Directors of Kikkoman may allot new share subscription rights as the Countermeasures provided in Section 3, "Policy When a Large-Scale Purchase is Attempted" above, for the purpose of protection and enhancement of Kikkoman's corporate value and its shareholders' common interests. The decision to trigger Countermeasures will be made public at a proper time in an appropriate manner pursuant to applicable laws and rules and regulations of the financial instruments exchanges on which Kikkoman stock is listed, when the general shareholders' meeting or the Board of Directors of Kikkoman has made a decision to trigger specific Countermeasures.

We do not expect any case where Kikkoman shareholders, specifically excluding the Large-Scale Purchaser Group, will suffer any particular losses with regard to the shareholders' legal rights or economic interests, upon triggering the Countermeasures. When new share subscription rights without consideration are allotted as the Countermeasure, Kikkoman will repurchase the rights thereafter and the shareholders of Kikkoman, specifically excluding the Large-Scale Purchaser Group, will receive shares of Kikkoman as repurchase compensation. The shareholders will not be required to make any payment for exercising the new share subscription rights and, accordingly, will not be expected to suffer any particular losses. However, those who have failed to submit a written statement, a document in the form prescribed by Kikkoman that covenants that the shareholder himself or herself does not belong to the Large-Scale Purchaser Group, by the date of repurchase of the new share subscription rights by Kikkoman (only if submission of such document was requested by Kikkoman), may consequently suffer legal or economic losses when compared to those who receive the allotment of the new share subscription rights, which will be exchanged for the shares of Kikkoman.

In cases where the Board of Directors of Kikkoman cancels the allotment of the new share subscription rights or repurchases the allotted new share subscription rights without consideration, in which case shareholders will lose the allotted new share subscription rights, there will be no dilution per share value, and therefore, those shareholders or investors who acquire or sell the Kikkoman shares, after determination of the shareholders entitled to receive the new share subscription rights allotment, with an expectation of dilution of the

value of Kikkoman shares, may suffer unexpected losses from fluctuations in the share price.

The Large-Scale Purchaser Group may consequently suffer loss of legal rights or economic losses by the Countermeasures, if the Large-Scale Purchase Rules are not complied with, or such Large-Scale Purchase is determined to significantly damage Kikkoman's corporate value and its shareholders' common interests even if the Large-Scale Purchase Rules are complied with. This announcement of the Plan is to provide prior caution to the Large-Scale Purchasers not to violate the Large-Scale Purchase Rules.

### **(3) Procedures That Will Be Required to Be Taken by the Kikkoman Shareholders Upon Triggering the Countermeasures**

When new share subscription rights are allotted as the Countermeasure, new share subscription rights will be allotted without any subscription from Kikkoman shareholders. In addition, when repurchase procedures are taken by Kikkoman, the shareholders will receive Kikkoman shares as repurchase consideration without any cash payment of the exercise price of the new subscription rights, and there will be no need for shareholders to undertake any subscription or payment procedures.

However, in such case, Kikkoman may separately request that the shareholders who receive the new share subscription rights submit a document in the form prescribed by Kikkoman that covenants that the shareholder himself or herself does not belong to the Large-Scale Purchaser Group.

Kikkoman will separately announce the details of these procedures pursuant to the applicable laws and rules and regulations of the financial instruments exchanges on which Kikkoman stock is listed, when the new share subscription rights will actually be allotted.

## **9. Effective Term and Abrogation of the Plan**

Upon approval by the shareholders at the Ordinary General Shareholders' Meeting with respect to the Renewal, the Plan will take effect from the date of such approval, and is planned to be effective until the end of such ordinary general shareholders' meeting that will be held with respect to the last fiscal year ending within three (3) years after the end of the Ordinary General Shareholders' Meeting. However, in cases where abrogation of the Plan is resolved at the shareholders' meeting or abrogation of the Plan is resolved at the Board of Directors meeting by the Directors appointed at the shareholders' meeting, the Plan will be abrogated upon such resolution even before the end of the effective term.

The Board of Directors of Kikkoman will take any proper and necessary measures, including the revision of the Plan, from the view point of the protection and enhancement of Kikkoman's corporate value and its shareholders' common interests, taking into account the future revision of the applicable laws and regulations, judicial decisions and treatments taken by the financial instruments exchanges on which Kikkoman stock is listed and other public institutions. Any such revision of the Plan will be made upon approval by the Kikkoman shareholders of each revision submitted to the shareholders' meeting as an agenda.

Furthermore, the provisions of the laws and regulations referred to in the Plan are subject to the provisions that are effective as of April 24, 2019, and if any laws or regulations are revised (including the change of name of laws or regulations or enactment of new laws or regulations to succeed prior versions) and come into force on and from the same date, each article of the

provisions of the laws and regulations referred to in the Plan, except as separately provided by the Board of Directors of Kikkoman, shall be read respectively as each article of the laws or regulations to substantively succeed each equivalent article of those laws or regulations after such revision.

## 10. Others

### (1) Reasonableness of the Plan

The Plan is highly reasonable as provided below.

#### (i) Perfect Consistence with Guidelines Regarding Takeover Defense

The Plan is perfectly consistent with the three principles provided in the “Guidelines Regarding Takeover Defense for the Purpose of the Protection and Enhancement of Corporate Value and Shareholders’ Common Interests” jointly released by the Ministry of Economy, Trade and Industry and Ministry of Justice on May 27, 2005, such as (i) Principle of protecting and enhancing corporate value and shareholders’ common interests, (ii) Principle of prior disclosure and shareholders’ will and (iii) Principle of ensuring the necessity and reasonableness of defensive measures. In addition, the Plan is consistent with the directions of “How Takeover Defense Should Be in Light of Recent Changes in Various Circumstances”, which the Research Group on Corporate Value released on June 30, 2008.

#### (ii) The Plan is introduced with the purpose of protection and enhancement of Kikkoman’s corporate value and its shareholders’ common interests

The Plan is introduced with the purpose of protection and enhancement of Kikkoman’s corporate value and its shareholders’ common interests by ensuring the provision of necessary and adequate information and time for the shareholders’ decision making as to whether the shareholders will accept the Large-Scale Purchase, and also by ensuring the opportunity for the shareholders to be presented with an alternative proposal by the Board of Directors of Kikkoman, in case a Large-Scale Purchase is attempted.

#### (iii) The Plan has its legal basis under the Companies Act of Japan and is introduced upon reasonable intent of the Shareholders

The Countermeasure in the Plan is based upon Article 13 of the Articles of Incorporation of Kikkoman where the matters concerning the allotment of new share subscription rights may be decided by a resolution of the general shareholders’ meeting or a resolution of the Board of Directors of Kikkoman, as delegated by the general shareholders’ meeting, and has its legal basis under the Companies Act of Japan.

In addition, as provided in Section 9, “Effective Term and Abrogation of the Plan”, above, the Plan will be submitted to the agenda of the Ordinary General Shareholders’ Meeting, to obtain confirmation by the shareholders, and will become effective only after the shareholders’ approval is obtained. Accordingly, the existence and particulars of the Plan are dependent upon the reasonable intent of the shareholders.

#### (iv) Full and serious consideration of opinion made by independent outside parties

Kikkoman has established the Special Committee as an advisory body to exclude any possible arbitrary decision by the Board of Directors of Kikkoman and to make objective and essential decisions for the shareholders regarding the Plan, such as triggering the Countermeasures. The Special Committee is to be comprised of three to five members appointed from outside directors or outside Audit & Supervisory Board Members who are independent from those who manage Kikkoman and have no specific interests in Kikkoman or its management, and all of whom Kikkoman filed as “Independent Officer” with the Tokyo Stock Exchange, to make a fair and indifferent decision.

(v) Reasonableness and Objectivity of Triggering Conditions of the Plan

As provided in Section 3, “Policy When a Large-Scale Purchase is Attempted” above, the Countermeasure pursuant to the Plan will be triggered only upon the approval of the general shareholders’ meeting or recommendation from the Special Committee on the premise that reasonable and objective conditions that have been prescribed in advance are fulfilled, and such Plan structure prevents arbitrary triggering of the Countermeasures by the Board of Directors of Kikkoman.

(vi) Confirmation of the Plan from the Shareholders through Voting upon the Agenda regarding Appointment of the Directors

It is stipulated that the term of directors is one (1) year in the Articles of Incorporation of Kikkoman. Accordingly, Kikkoman will effectively obtain confirmation from the shareholders on the Plan every year, through voting on the agenda submitted to the general shareholders’ meeting regarding appointment of the Directors.

(vii) The Plan is not a Takeover Defense Difficult to Abrogate

As provided in Section 9, “Effective Term and Abrogation of the Plan”, the Plan may be abrogated by the Board of Directors meeting composed of the directors appointed at the general shareholders’ meeting of Kikkoman, and, accordingly, the Large-Scale Purchaser may abrogate the Plan by a resolution of the Board of Directors composed of the directors nominated by itself and appointed at the general shareholders’ meeting of Kikkoman.

The Plan is not a takeover defense measure that cannot be prevented even though majority of the members of the Board of Directors are replaced (a so-called “Dead Hand” type). In addition, the Plan is not a takeover defense measure the triggering of which takes time to prevent since the members of the Board of Directors cannot be replaced at once (a so-called “Soft Hand” type).

**(2) Reference Documents**

- Exhibit 1 Outline of Allotment of New Share Subscription Rights to Shareholders
- Exhibit 2 Outline of the Special Committee Rules
- Exhibit 3 Summarized Biographies of Special Committee Members
- Exhibit 4 Kikkoman Share Holding Status
- Exhibit 5 Outline of the Policy Regarding a Large-Scale Purchase (flow chart)

-END-

(Exhibit 1)

## Outline of Allotment of New Share Subscription Rights (“Rights”) to Shareholders without Consideration

### **1. Shareholders Eligible for Allotment and Allotment Method**

On the allotment date decided by the Board of Directors of Kikkoman, Rights will be allotted to the shareholders in proportion to the respective numbers of the shares held by them (excluding shares held by Kikkoman itself) as recorded in Kikkoman’s latest shareholder register as of the foregoing date, at the ratio of one (1) share per one (1) Right without payment of consideration.

### **2. Type and Number of Shares Subject to Rights**

The type of Kikkoman shares subject to Rights are Kikkoman common shares, and upon exercise of one (1) Right, one (1) common share will be issued, provided, however, that appropriate adjustments be made upon stock splits or reverse splits by Kikkoman. A fraction less than one (1) share resulting from such adjustments will be omitted, and no adjustment will be made by cash.

### **3. Total Number of Rights Allotted to Shareholders**

The maximum number of Rights will be the same as the total number of outstanding Kikkoman shares at the close of the allotment date, excluding the number of treasury shares held by Kikkoman.

### **4. Asset and Amount to Be Paid In by Exercise of Rights**

Assets to be paid in upon the exercise of Rights will be cash, and the price will be determined by the Board of Directors of Kikkoman within the price range between a minimum of one (1) Japanese Yen per share to a maximum one half (1/2) of the then fair market value of a Kikkoman share.

### **5. Stated Capital and Capital Reserve upon Share Issuance by Exercise of Rights**

The amount of the stated capital and capital reserve to be increased by issuance of Kikkoman’s shares by the exercise of Rights will be determined separately by the Board of Directors of Kikkoman.

### **6. Restriction on Transfer of Rights**

The transfer of Rights may be subject to the approval by the Board of Directors of Kikkoman.

### **7. Exercise Conditions of Rights**

Any party that falls under any of the following is not eligible to exercise the Rights. Details will be decided separately by the Board of Directors of Kikkoman.

- (i) Any Large-Scale Shareholders<sup>10</sup>;
- (ii) Any Co-Owners<sup>11</sup> of Large-Scale shareholders;
- (iii) Any Large-Scale Purchasers<sup>12</sup>;
- (iv) Any Special Affiliated Persons<sup>13</sup> of a Large-Scale Purchaser;
- (v) Any persons who acquired or were transferred Rights from persons to whom any of the above (i) through (iv) applies without approval by the Board of Directors of Kikkoman; or
- (vi) Any Related Person<sup>14</sup> with respect to persons to whom any of (i) to (v) applies.

## 8. Repurchase of Rights by Kikkoman

- (1) Kikkoman shall set a repurchase condition, among others, that upon the date of repurchase, as decided by the Board of Directors, Kikkoman may repurchase any and all Rights, specifically excluding Rights held by the ineligible parties, as provided in Section 7, “Exercise Conditions of Rights”, in exchange for one (1) common share of Kikkoman per one (1) Right, unless any adjustments are made. Details will be decided

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<sup>10</sup> “Large-Scale Shareholders” means holders, including Holders as stated in Article 27-23, Clause 3 of the Financial Instruments and Exchange Act, of the Share Certificates and Other Equity Securities (as defined in Article 27-23, Clause 1 of the same) issued by Kikkoman, whose Holding Ratio of Share Certificates (as defined in Article 27-23, Clause 4 of the same) is, or the Board of Directors of Kikkoman determines to be, no less than 20%.

<sup>11</sup> “Co-Owners” means those defined in Article 27-23, Clause 5 of the Financial Instruments and Exchange Act and those who are regarded as “Co-Owners” according to Article 27-23, Clause 6 of the same, including those who are determined to fall under these provisions by the Board of Directors of Kikkoman.

<sup>12</sup> “Large-Scale Purchasers” means, purchasers who make a public announcement regarding a Purchase or other Acquisition (as defined in Article 27-2, Clause 1 of the Financial Instruments and Exchange Act, hereinafter the same) of the Share Certificates and Other Equity Securities (defined in Article 27-2, Clause 1 of the same) issued by Kikkoman through a Tender Offer (defined in Article 27-2, Clause 6 of the same), and whose Holding Ratio of Share Certificates and Other Equity Securities (defined in Article 27-2, Clause 8 of the same, hereinafter the same) with respect to those in possession (including cases designated in Article 7, Clause 1 of the Ordinance of the Financial Instruments and Exchange Act as equivalent to possession) of such purchasers, as a result of such Purchase or other Acquisition, together with the Special Affiliated Persons’ (as defined in 13 below) Holding Ratio of Share Certificates and Other Equity Securities, becomes no less than 20%, including purchasers the Board of Directors of Kikkoman determines to fall under this provision.

<sup>13</sup> “Special Affiliated Persons” means those defined in Article 27-2, Clause 7 of the Financial Instruments and Exchange Act, including those who are determined to fall under this provision by the Board of Directors of Kikkoman; provided, however, that, with respect to those listed in paragraph (1) of Clause 7 of the same, those listed in Article 3, Clause 2 of the Cabinet Office Order Concerning a Tender Offer of Shares by Parties Other Than the Issuer (*Hakkosha-igai no mono ni yoru kabuken-tou no koukai-kaitsuke no kaiji ni kansuru naikakufu-rei*) are excluded.

<sup>14</sup> “Related Person” means, a person who the Board of Directors of Kikkoman determines, with the consent of the Special Committee, to be controlling, controlled by or under the common control of a certain person, or a person the Board of Directors of Kikkoman determines, with the consent of the Special Committee, to be acting in concert with a certain person.

separately by the Board of Directors of Kikkoman.

- (2) Kikkoman may repurchase any and all of the Rights without consideration at any time if the Board of Directors of Kikkoman deems it appropriate, on the day the Board of Directors of Kikkoman decides separately, but only to the extent the stock repurchase has occurred prior to the beginning date of Rights exercise period.

#### **9. Rights Exercise Period**

Rights exercise period and other necessary conditions will be decided separately by the Board of Directors of Kikkoman.

(Exhibit 2)

## Outline of Special Committee Rules

### **1. Constitution**

- (1) The Special Committee of Kikkoman (“Special Committee”) is established by a resolution by the Board of Directors.
- (2) The Special Committee shall be comprised of three to five members appointed by the Board of Directors from among outside directors or outside Audit & Supervisory Board Members of Kikkoman who are independent from Kikkoman’s management responsible for the operation of Kikkoman, and whom Kikkoman filed as “Independent Officer” with the Tokyo Stock Exchange.

### **2. Term of Office**

- (1) The term of office of members of the Special Committee shall be until the conclusion of the ordinary general shareholders’ meeting for the final fiscal year ending within three years after such members were appointed, unless otherwise determined by resolution of the Board of Directors.
- (2) In the case that a member of the Special Committee retires from its office as an outside director or outside Audit & Supervisory Board Members of Kikkoman, the term of office of such member shall be terminated simultaneously.
- (3) The term of office of a member of the Special Committee appointed as a successor of a member that retires its office before the end of his term shall continue until the end of the term of office of the member of the Special Committee that retires his office.

### **3. Person Authorized to Convene a Special Committee and Chairperson**

- (1) Any member of the Special Committee may convene a meeting of the Special Committee when any Large-Scale Purchase activity is conducted, or at any other time.
- (2) In addition to the provisions of the preceding paragraph, the Board of Directors may, by its resolution, request to convene a meeting of the Special Committee.
- (3) The members of the Special Committee shall elect the chairperson of the meeting from among the members when a meeting of the Special Committee is convened.

### **4. Authorities and Responsibilities**

- (1) The Special Committee shall make decisions on the matters listed below and make recommendations to the Board of Directors together with the details thereof and its reasons therefor:
  - (i) the implementation of the allotment of new share subscription rights under the resolution of the Board of Directors;

- (ii) the convocation of the general shareholders' meeting for approval of the implementation of the allotment of new share subscription rights
  - (iii) the cancellation of the allotment of new share subscription rights or the repurchase of the allotted new share subscription rights without consideration; and
  - (iv) any other matters to be determined by the Board of Directors in respect to which it has consulted the Special Committee.
- (2) In addition to the matters prescribed in the preceding paragraph, the Special Committee shall conduct the matters listed below:
- (i) requiring the Large-Scale Purchaser to provide additional information, directly or through the Board of Directors, if it is determined that the Large-Scale Purchase Information described in Purchase Statement was insufficient;
  - (ii) presenting opinions regarding a public announcement in whole or in part with respect to the receipt of a Large-Scale Purchase proposal and the Large-Scale Purchase Information;
  - (iii) making a public announcement, directly or through the Board of Directors, when acknowledging to have received sufficient Large-Scale Purchase Information;
  - (iv) requesting an alternative proposal from, and examining and evaluating the alternative proposal by, the Board of Directors;
  - (v) examining and evaluating the Large-Scale Purchase Information and information and materials provided by the Board of Directors;
  - (vi) negotiating or presenting opinions for negotiations with the Large-Scale Purchaser on improvement of the terms and conditions of the Large-Scale Purchase;
  - (vii) determination of extensions of the Special Committee's Evaluation Period; and
  - (viii) any other matters that the general shareholders' meeting or the Board of Directors separately determines that the Special Committee may conduct.
- (3) Each member of the Special Committee must make decisions of the preceding two paragraphs from the perspective of whether or not the corporate value of Kikkoman and the common interests of its shareholders will be enhanced, and he or she must not make such decisions on the sole basis of their own personal interest or directors' personal interest.
- (4) In order to collect necessary information, the Special Committee may request the attendance of directors, Audit & Supervisory Board Members and employees of Kikkoman, and any other party that the Special Committee considers necessary, and may request explanation of any matter it requests.
- (5) The Special Committee may, at Kikkoman's expense, obtain advice from an independent third party (including financial advisers, attorneys, certified public accountants, consultants and other experts) and other appropriate assistance.

## **5. Conditions for Resolutions**

- (1) A resolution of the Special Committee may be made by a majority of voting rights when all of the members of the Special Committee are in attendance. However, when a certain member(s) of the Special Committee is absent for an unavoidable reason, a resolution of the Special Committee may be made by a majority of voting rights when two-thirds or more of the members are in attendance.
- (2) A member of the Special Committee who has a special interest in a matter for a resolution of the Special Committee shall not be allowed to participate in a vote on the matter.

(Exhibit 3)

### Summarized Biographies of Special Committee Members

It is planned that the members of the Special Committee upon the Renewal will be the following four (4) members, all of whom Kikkoman filed as “Independent Officer” with the Tokyo Stock Exchange and who have no special interest relationship with Kikkoman or the management of Kikkoman:

<b>Name</b>	<b>Mr. Toshihiko Fukui</b>	
	1935	Born
Biography	April 1958	Joined Bank of Japan
	September 1986	Director-General, Banking Department, Bank of Japan
	September 1989	Executive Director, the Bank of Japan
	December 1994	Deputy Governor, the Bank of Japan
	November 1998	Chairman, Fujitsu Research Institute
	June 2002	Director of Kikkoman
	March 2003	Governor, Bank of Japan
	December 2008	President, The Canon Institute for Global Studies (incumbent)
	June 2009	Director of Kikkoman (incumbent)

<b>Name</b>	<b>Mr. Mamoru Ozaki</b>	
	1935	Born
Biography	April 1958	Joined Ministry of Finance
	June 1991	Chief of National Tax Agency
	June 1992	Administrative Vice Minister of Ministry of Finance
	May 1994	Governor of People’s Finance Corporation
	October 1999	Governor of National Life Finance Corporation
	February 2003	Advisor of Yazaki Corporation
	June 2005	Director of Kikkoman (incumbent)

<b>Name</b>	<b>Mr. Takeo Inokuchi</b>	
	1942	Born
Biography	April 1965	Joined Taisho Marine and Fire Insurance Company, Limited
	April 1996	President and Representative Director of Mitsui Marine & Fire Insurance Co., Ltd.
	June 2000	President, Chief Executive Officer, Chairman of the board and Representative Director of Mitsui Marine & Fire Insurance Co., Ltd.
	October 2001	Joint Chief Executive Officer, Chairman of the board and Representative Director of Mitsui Sumitomo Insurance Co., Ltd.
	July 2007	Senior Advisor of Mitsui Sumitomo Insurance

	June 2008	Co., Ltd. Audit & Supervisory Board Member of Kikkoman
	June 2014	Director of Kikkoman (incumbent)
	April 2018	Honorary Advisor of Mitsui Sumitomo Insurance Co., Ltd. (incumbent)
<b>Name</b>	<b>Ms. Masako Iino</b>	
	1944	Born
Biography	April 1991	Professor, Department of English, College of Liberal Arts, Tsuda College (currently Tsuda University)
	November 2004	President, Tsuda College
	June 2012	President, Japan-U.S. Educational Exchange Promotion Foundation (Fulbright Foundation)
	November 2012	Chair, Board of Trustees, Tsuda College
	April 2013	Professor Emeritus, Tsuda College (incumbent)
	April 2013	Advisor, Tsuda College(incumbent)
	June 2018	Director of Kikkoman (incumbent)

(Exhibit 4)

Kikkoman Share Holding Status (as of March 31, 2019)

1. Total Number of Authorized Shares: 600,000,000 Shares
2. Total Number of Issued Shares: 193,883,202 Shares (including 1,847,886 shares of treasury stock)
3. Number of Shareholders: 20,005 Persons
4. Top 10 Shareholders

Name of Shareholder	Number of shares (in 100)	Holding Ratio (%)
Trust Account in The Master Trust Bank of Japan, Ltd.,	262,539	13.67
Trust Account in Japan Trustee Services Bank, Ltd.	118,681	6.18
Kabushiki Kaisha Senshusha	67,207	3.50
Kabushiki Kaisha Mogisa	61,404	3.20
Meiji Yasuda Life Insurance Company	49,598	2.58
Kabushiki Kaisha Hikitaka	47,961	2.50
Yugen Kaisha Kushigata	41,716	2.17
Kabushiki Kaisha Marujin Holdings	38,841	2.02
Public Interest Incorporated Foundation Noda Institute for Scientific Research	37,276	1.94
Securities Investment Trust Account in Trust & Custody Services Bank, Ltd.	32,836	1.71
Total	758,063	39.48

(Note)

1. The above Holding Ratios are calculated based on the number of shares obtained by deducting the number of the shares of treasury stock (1,847,886 shares) from the total number of issued and outstanding shares.
2. Mitsubishi UFJ Financial Group, Inc. submitted a Change Report (Major Shareholding Report) dated July 21, 2015 to the Director General of the Kanto Local Finance Bureau, Ministry of Finance, stating that, as of July 13, 2015, the four companies, namely, the Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Mitsubishi UFJ Kokusai Asset Management Co., Ltd. and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. hold, in aggregate, 11,942,709 shares of Kikkoman (5.68% of the total number of issued shares). However, since the number of shares beneficially owned by them is not confirmed as of March 31, 2019, none of them is listed as Top 10 Shareholders above.  
BlackRock Japan Co., Ltd. submitted a Major Shareholding Report dated May 21, 2018 to the Director General of the Kanto Local Finance Bureau, Ministry of Finance, stating that, as of May 15, 2018, the eight companies, namely, BlackRock Japan Co., Ltd., BlackRock Investment Management LLC, BlackRock Fund Managers Limited, BlackRock Life Limited, BlackRock Asset Management Ireland Limited, BlackRock Fund Advisors, BlackRock Institutional Trust Company, N.A. and BlackRock Investment Management (UK) Limited hold, in aggregate, 10,359,711 shares of Kikkoman (5.34% of the total number of issued shares). However, since the number of shares beneficially owned by them is not confirmed as of March 31, 2019, none of them is listed as Top 10 Shareholders above.

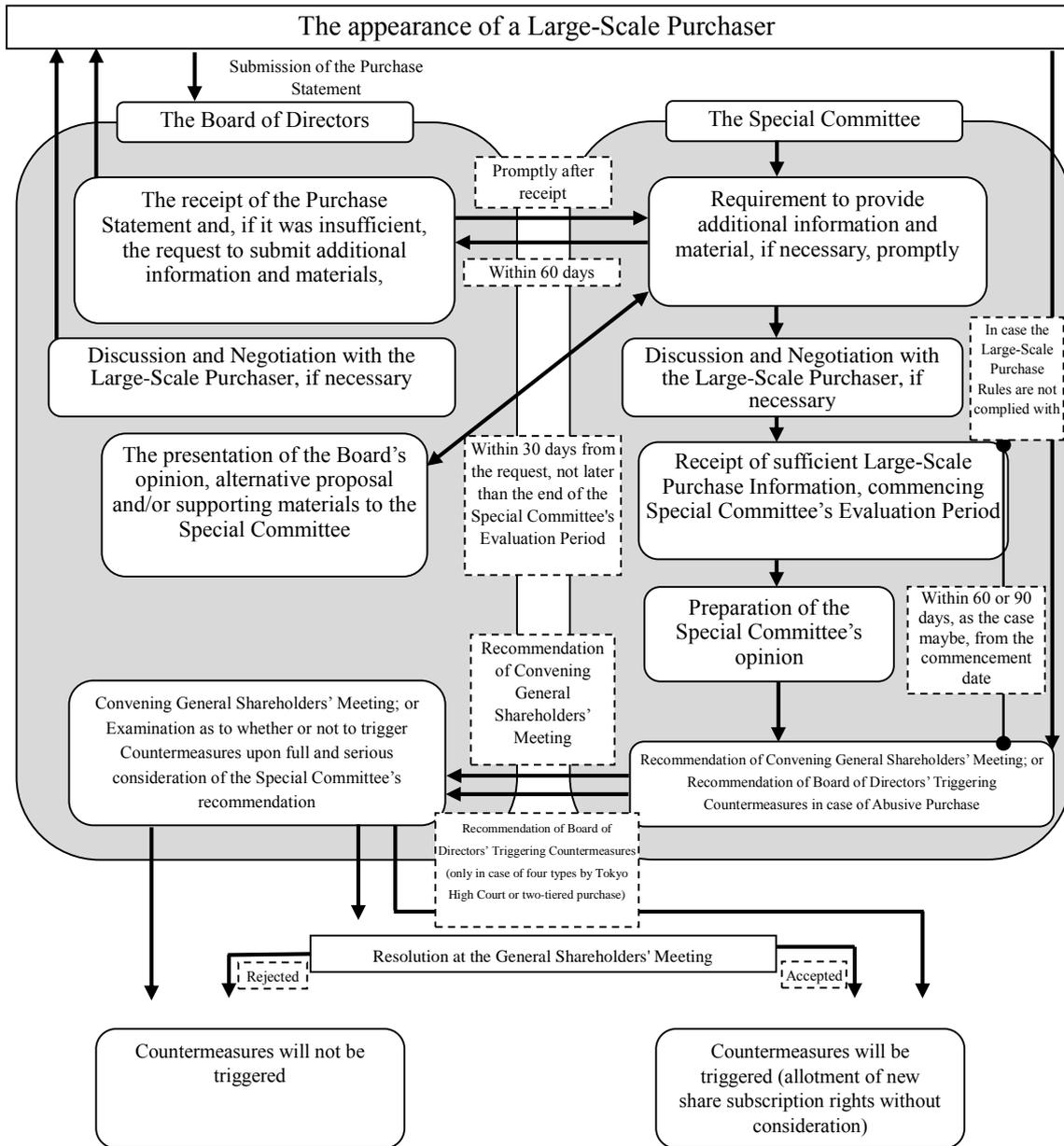
Nomura Securities Co., Ltd. submitted a Change Report (Major Shareholding Report) dated September 21, 2018 to the Director General of the Kanto Local Finance Bureau, Ministry of Finance, stating that, as of September 14, 2018, the two companies, namely, Nomura Securities Co., Ltd. and Nomura Asset Management Co., Ltd., hold, in aggregate, 13,319,649 shares of Kikkoman (6.87% of the total number of issued shares). However, since the number of shares beneficially owned by them is not confirmed as of March 31, 2019, none of them is listed as Top 10 Shareholders above.

Sumitomo Mitsui Trust Bank, Limited submitted a Change Report (Major Shareholding Report) dated December 21, 2018 to the Director General of the Kanto Local Finance Bureau, Ministry of Finance, stating that, as of December 14, 2018, the three companies, namely, Sumitomo Mitsui Trust Bank, Limited, Sumitomo Mitsui Trust Asset Management Co., Ltd. and Nikko Asset Management Co., Ltd. hold, in aggregate, 11,483,000 shares of Kikkoman (5.92% of the total number of issued shares). However, since the number of shares beneficially owned by them is not confirmed as of March 31, 2019, none of them is listed as Top 10 Shareholders above.

(Exhibit 5)

### Outline of the Policy Regarding a Large-Scale Purchase

The flow chart below is made for the purpose of helping to understand the Policy Regarding a Large-Scale Purchase. The details of the Policy are provided in the full text.



- End -