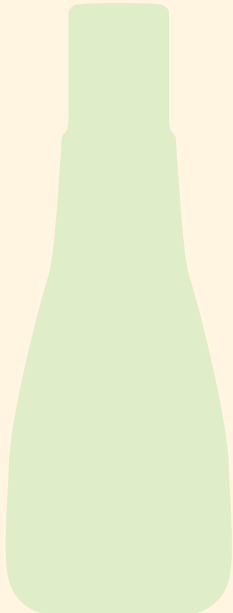
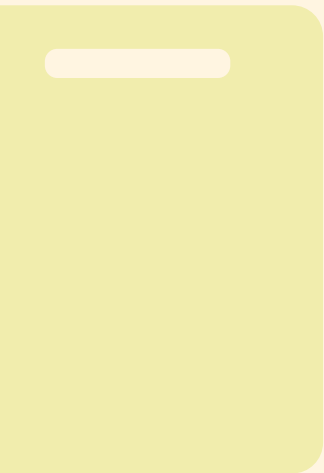
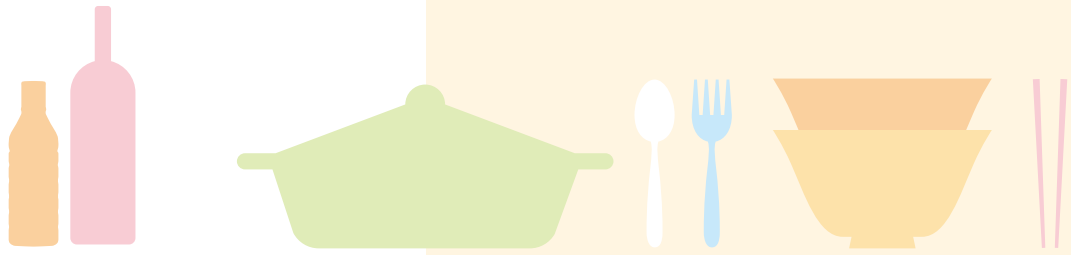




Kikkoman Group Corporate Report 2021





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.

What is Kikkoman's Promise?

It was long ago during the Edo period that we began making soy sauce. Over time, we've come to supply soy sauce along with a variety of other products and services to more than 100 countries. Recognizing that our responsibilities to society have grown along with our business, we sought to craft a clear statement of our commitment what we hope to accomplish through our business and how those ambitions will inform our goals by getting back to the basics as embodied by our philosophy of "the customer comes first." That effort is culminated in Kikkoman's Promise.

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Value Creation Story

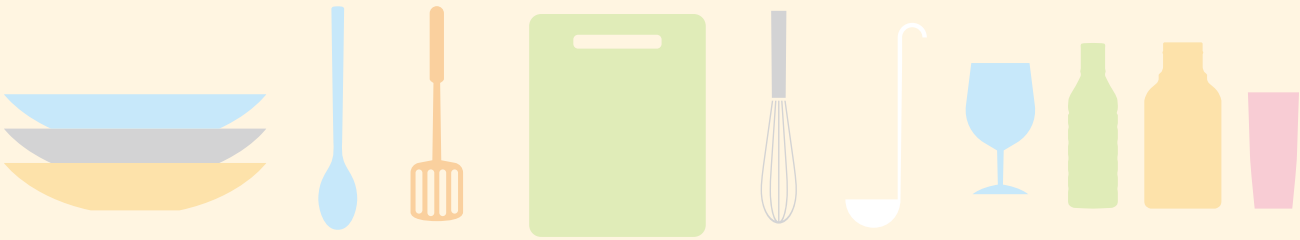
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Reporting Policy

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 (62 in total as of March 31, 2021). 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) 2021 (April 1, 2020 -March 31, 2021)

This report may contain references to activities that were initiated prior to March 2020 or after April 2021.

Date of Publication

January 2022

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, Value Reporting Foundation (formerly the International Integrated Reporting Framework), and the Guidance for Collaborative Value Creation were referred to for this report.

Voluntary adoption of the International Financial Reporting Standards (IFRS)

We adopted the IFRS based on the consolidated financial statements in the annual securities report for the year ending March 31, 2021 and will apply

them going forward. In this report, if values of the Japanese Standards (JGAAP) are described, it is noted.

Information system

Kikkoman Group Corporate Report details the Kikkoman Group's financial and non-financial activities as well as Group's strategies through integrated reporting.

This report contains corporate, non-financial, and financial sections. The corporate section focuses on our strategies and corporate governance. The non-financial section describes our environmental and social activities. The financial section shows our financial performance.

Reports on strategies, corporate governance, etc.

Corporate section

Related materials

Factbook
<https://www.kikkoman.com/en/finance/library/factbook.html>

Corporate governance report (only available in Japanese)
<https://www.kikkoman.co.jp/ir/lib/governance.html>

Non-financial report

Non-financial section

Related materials

Related information is available as "Corporate Citizenship" on our website.
<https://www.kikkoman.com/en/csr/index.html>

Financial report

Financial section

Related materials

Securities report (only available in Japanese)
<https://www.kikkoman.co.jp/ir/lib/yuho.html>

Information meeting
<https://www.kikkoman.com/en/finance/library/information>

The new Medium-Term Management Plan will start from FY2023.

Message from the Chairman

The global spread of the novel coronavirus disease (COVID-19) has had a significant impact on socio-economic activities. I would like to express my condolences to those who have lost someone to COVID-19 and my heartfelt sympathy to those affected by its spread. I would also like to express my gratitude to all those who are working in the medical field.

Kikkoman's soy sauce production dates back to the Edo period. Noda Soy Sauce Co., Ltd., the predecessor of Kikkoman Corp., was established in 1917 as a joint venture of the eight founding families. Over the next 100 years, Kikkoman grew from a local to a national brand and then a global brand.

At Kikkoman Group, we believe that a company's survival and prosperity can only be realized through

customer satisfaction. Over our more than 100-year history, we have listened to consumers' voices, gained market insights, and proposed products and services that consumers value. In addition, since our founding, we have consistently emphasized the importance of connecting with society. These concepts have been handed down in the Kikkoman Group's Corporate Philosophy.

While these values remain unchanged, it is also essential that we respond to more intense changes. We need management to make swifter decisions more transparently, as corporate governance is becoming more critical to this end. The most important aspect of corporate governance is that the CEO provides excellent leadership. In addition, there must be a mechanism for thorough supervision of management, mainly by outside directors. That being said, the supervisory function of the Board of Directors is essential.

In 2020, the Board reviewed the impact of COVID-19 on business and discussed the response to it while taking measures, such as holding remote meetings, to prevent infection. They also made important decisions on matters related to Group management, including initiatives to address environmental and other social issues, and reviewing the organizational structure. In the current year, the Board plans to formulate a new medium-term management plan that will launch in 2022. Going forward, the Board of Directors will continue to hold active discussions to increase corporate value.

January 2022

Yuzaburo Mogi

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



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



At a Glance

Financial Highlights

Revenue

¥ **439,411** million

Business Profit

¥ **42,650** million

Profit for the Year Attributable to Owners of the Parent

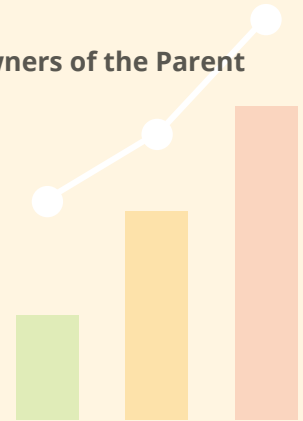
¥ **31,159** million

Business Profit Ratio

9.7 %

ROE Attributable to Owners of the Parent

10.7 %



Starting with consolidated financial statements for the year ended March 31, 2021, Kikkoman Corp. adopted IFRS. Consolidated results for the year ended March 31, 2020
Business profit = Revenue - Cost of sales - Selling, general and administrative expenses

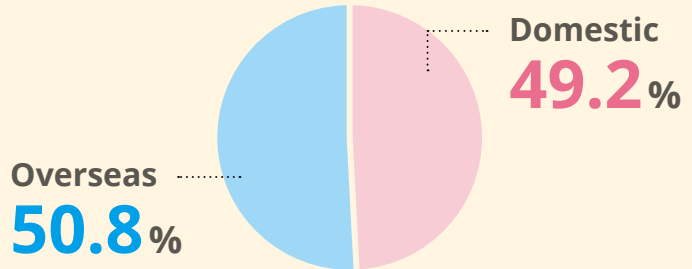
Total Number of Employees

Consolidated basis

7,645



The domestic and overseas employee ratios



Recognitions



FTSE4Good



FTSE Blossom
Japan

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Kikkoman Corporation has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

2021 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

* The inclusion of Kikkoman Corporation in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of Kikkoman Corporation by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.



CDP is an international non-profit organization that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.



2021
健康経営優良法人
Health and productivity

Period of certification: March, 4th, 2021 to March, 31st, 2022

Overview

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Overseas



Domestic



Foods—Manufacturing and Sales

Soy Sauce Division



Del Monte Division



Other Foods Division



Revenue

¥ **100.8** billion

Business Profit

¥ **20.4** billion

Business Profit

FY2021

Revenue

¥ **439.411** billion

Business Profit

¥ **42.65** billion



Foods—Manufacturing and Sales

Soy Sauce Division



Beverage Division



Food Products Division



Liquor and Wine Division



Revenue

¥ **148.1** billion

Business Profit

¥ **11.6** billion

Revenue



Foods—Wholesale



Revenue

¥ **198.3** billion

Business Profit

¥ **10.5** billion



Others



Revenue

¥ **21.1** billion

Business Profit

¥ **1.9** billion

- Domestic Foods—Manufacturing and Sales
- Domestic Others
- Overseas Foods—Wholesale
- Overseas Foods—Manufacturing and Sales

* After elimination of transactions between businesses

** Before elimination

Introduction

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Value Creation Strategy

Foundations of Value Creation

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.

From tradition of techniques and

1917



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.

1939 The Second World War

1940s

1940 Unified Kikkoman™ trademark

The Kikkoman hexagonal trademark was likely first used around 1820. There were several trademarks when the company was founded, but in 1940, the Japanese trademark was unified as the hexagonal trademark.



1950s

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.



1960s

1961 Business diversification

We diversified our business by establishing Kikko Food Industry Co., Ltd. (now Nippon Del Monte Co., Ltd.) in 1961 and Katsunuma Winery Co., Ltd. (now Manns Wine Co., Ltd.) in 1962. In addition to the Del Monte brand of processed tomato products, the Manns Wine brand of Japanese wines, and Kikkoman soy milk, we are proposing food offerings through our Tsuyu and Tare brands.



Global expansion of Kikkoman

Kikkoman's Soy Sauce expanded globally by taking advantage of the features of soy sauce: that it be used in various cuisines and integrated in local food culture. Today, it is used in over 100 countries worldwide, and we have numerous production centers abroad. At each of these sites, we are trying to realize our management philosophy and contribute to society as a corporate citizen.



know-how to new flavor experiences

1973 First shipments from US production sites

As soy sauce became a part of US food culture, the first shipment of soy sauce was from a production base in Wisconsin in 1973.

1973 Oil Crisis

2008 Introduction of the new corporate mark

In 2008, Kikkoman introduced the corporate mark in use today and revamped the corporate slogan "Creating delicious memories."



2000s

2001 Signature of United Nations Global Compact

In 2001, Kikkoman was the first Japanese company to sign the United Nations Global Compact, a global framework to achieve sustainable growth by acting as a model member of society.



2008 The Global Financial Crisis

2010s

2018 Global Vision 2030

In 2018, the Kikkoman Group formulated the Group's long-term vision, Global Vision 2030, under the theme of "Taking on the Challenge of Creating New Values."

2020 Global Spread of COVID-19

Kikkoman's R&D

The Kikkoman Group's Research and Development Laboratory is based on the Noda Soy Sauce Brewing Association Brewing Research Institute, established in 1904, before the present company was founded. At the time of its establishment, the laboratory conducted research on the production of seed koji using pure culture, which was a state-of-the-art technology at the time. For more than 100 years since, based on soy sauce brewing technology, the laboratory has pursued taste, challenged new fields, and engaged in food safety and security. By further enhancing R&D ranging from basic to applied, we are promoting efforts to contribute to a richer and healthier diet.

The Value Creation Process

The Kikkoman Group creates economic value, that is, sales and profit, as well as social value by contributing to food culture and good health in parallel with its medium- to long-term growth strategies. The Group also works to solve social issues through its business activities in order to grow sustainably with society.

Social issues such as SDGs

SUSTAINABLE DEVELOPMENT GOALS



Global Vision

—Striving with Create New Value

Value

R&D



Procurement



Three areas of material social issues

Global Environment

Food and Health

People and Society

Management Resources

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Corporate

Kikkoman Group

Products

2030

Passion to Values—

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chain

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Manufacturing

Marketing

Customers



Quality assurance



Governance

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Management Principles

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Our Vision

To become a company whose existence is meaningful to the global society

Value Created by Kikkoman

Economic Value

Sales, Profit, etc.



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Social Value

Food Culture, Good Health, etc.



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Services



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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—

Goals

1

Make Kikkoman Soy Sauce a truly global seasoning

Globally spread the lifestyle adopted in North America, where Kikkoman Soy Sauce has become part of daily life, and merge soy sauce with the local food cultures of each country.

2

Create new delicious experiences around the world, and contribute to richer, healthier lifestyles

Always innovate and differentiate to offer valuable products and services, which lead to delicious experiences and improve the health of people around the world.

3

Become a company whose presence in global society is ever more meaningful, through activities unique to Kikkoman

Contribute to solve global issues so that Kikkoman will be valued by people worldwide.

Offering No. 1 Values

Global No. 1 Strategy

Further develop soy sauce and oriental food wholesale business models and consolidate their global No. 1 positions.

Area No. 1 Strategy

Apply our collective technologies and know-how to offer reliable value in specific regions and categories and cement our position as the No. 1 brand in each area.

Creating New Businesses

Utilize internal and external management resources to create new businesses and products to offer No. 1 values.

Utilizing Management Resources

Offer No. 1 values by adapting to changes ahead of others and leveraging our management resources—including human resources, information, and cash flow.

Fermentation and brewing technologies

Human resources, information, and cash flow

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.

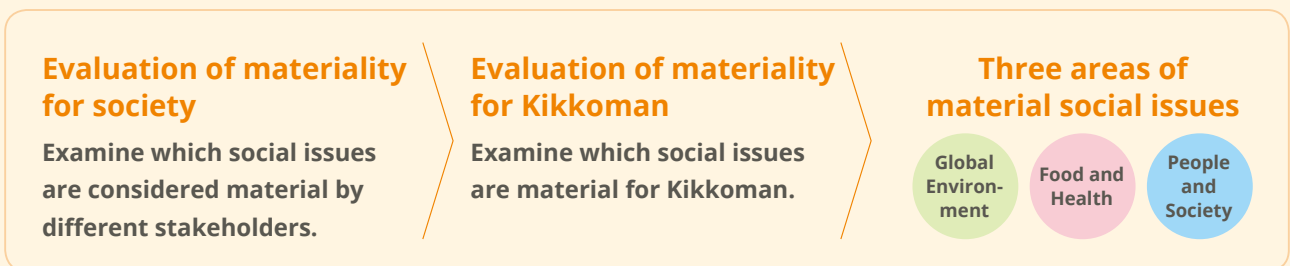


Three Areas of Social Issues Material to the Kikkoman Group

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.



Message from the CEO

CEO

On June 22, 2021, at the meeting of the Board of Directors held after the General Shareholders' Meeting of Kikkoman Corporation, I was elected as the Chief Executive Officer (CEO), and Shozaburo Nakano was selected as the President/Chief Operating Officer (COO) of Kikkoman Corporation. Under the new management structure, the CEO shall determine the management strategy for the Group as a whole, and based on this strategy, the COO shall implement the business operations of the Group. Moreover, the management team shall work together to increase corporate value even further.

The Group is working to realize our Global Vision 2030 under the theme of "Challenge to Create New Value." Moving toward 2030, we need companies to respond resolutely to advances in the information society and global environmental issues. The world is changing at an accelerated pace, and we need to respond more rapidly.

Global Vision 2030 has three goals. First, we will make Kikkoman Soy Sauce the international standard for seasoning. Kikkoman Soy Sauce has become

mainstream in North America in recent years, and we are looking to expand this popularity worldwide.

To this end, we will bring Kikkoman's Soy Sauce to a growth stage in South America in the 2020s and in India and Africa in the 2030s and beyond. We will also set and implement similar ambitious goals in our other projects. Second, we want to "create new tastes around the world and contribute to richer and healthier eating habits." Therefore, by always seeking innovation and differentiation, we will provide valuable products and services that will contribute to people's tastes and health worldwide. Third, we aim to "further increase our significance in global society through activities worthy of Kikkoman." By contributing to solving the global community's challenges through our business activities, we wish to solidify our image among world citizens.

The Group has set a target of Net-Zero CO₂ emissions by 2050. We have also formulated the Kikkoman Group's Long-Term Environmental Vision for 2030 and the Kikkoman Group's Human Rights Policy. We plan to steadily implement these goals and policies and to contribute to realizing a sustainable global society.

We are moving forward to realize Global Vision 2030 as part of our efforts to create a sustainable society.

Q MESSAGE

In compiling this report, the Corporate Report 2021, each division of the Group cooperated in compiling our policies and initiatives relating to the environment, society, and governance in good faith. I declare here that this content is legitimate. I hope that you will understand the activities of the Group through this report.

We believe that the future will require creating value that is different from that of the past. We must understand socioeconomic and lifestyle changes and create new value using data and IT based on consumers. Further, society's awareness of health and the environment has been increasing. The Group is committed to adopting more proactive measures to realize healthy eating habits and a sustainable society.

January 2022



Noriaki Horikiri

Chairman and CEO

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Message from the COO

COO MESSAGE

In June 2021, I had the honor of being appointed COO of Kikkoman Corporation. As COO, I will strive to achieve sustainable growth and strengthen the profitability of the Kikkoman Group by taking on the challenge of creating new value to realize the Global Vision 2030, in line with the CEO's policies. Since the Edo period, the Group has evolved to respond to social demands of the times and has endured as a company. We hope the Group continues to grow by meeting consumer expectations regarding food and health and contributing to solving social issues.

In 2020, the global economy as a whole remained challenging due to restrained economic activities during the COVID-19 pandemic. The Group's position in the domestic and overseas markets was generally strong in the last fiscal year. The demand for domestic meals expanded due to the pandemic, but the commercial market was sluggish.

Domestically, sales in the residential sector were unable to offset the decline in sales in the commercial

Shozaburo Nakano

President and COO



AGE

sector. Overseas, the soy sauce business in North America and Europe contributed to a significant increase in sales for household use. We consider that capturing demand in the overseas home use market during the pandemic was a sign of the penetration of the Kikkoman brand. This is a valuable asset built up by our predecessors, and we will continue to promote and strengthen the Kikkoman brand in every region of the world. The wholesale business of East Asian food also contributed to our performance by expanding our home use products amid the severe conditions in the restaurant industry during the pandemic. Consolidated results based on the above showed a slight decrease in revenue from the previous fiscal year to ¥439,411 million and a 12.1% increase in business profit to ¥4,265 million Profit for the year attributable to owners of the parent increased by 16.1% to ¥31,159 million.

Major environmental initiatives implemented in 2020 included expanding the use of renewable energy and developing environmentally friendly products such as paper straws for soy milk beverages. In products and

services, amid the global stay-at-home initiatives, we provided suggestions through social networking services to encourage people to enjoy cooking at home. In response to the spread of the pandemic, we accepted infected patients at Kikkoman General Hospital, which we manage, as a response to the spread of the COVID-19 infection. We will continue to adopt measures to prevent the spread of infection and provide a stable supply of products in the future.

We wish to create new value each day through the joy of cooking in families or in the foodservice industry and eating with families and friends. The Group will work together to increase future possibilities and fulfill Kikkoman's commitment to "fill the world with the joy of food and flavor."

January 2022

Drawing on traditions passed down over centuries, the Kikkoman Group aims to solve social issues.

Global Environment

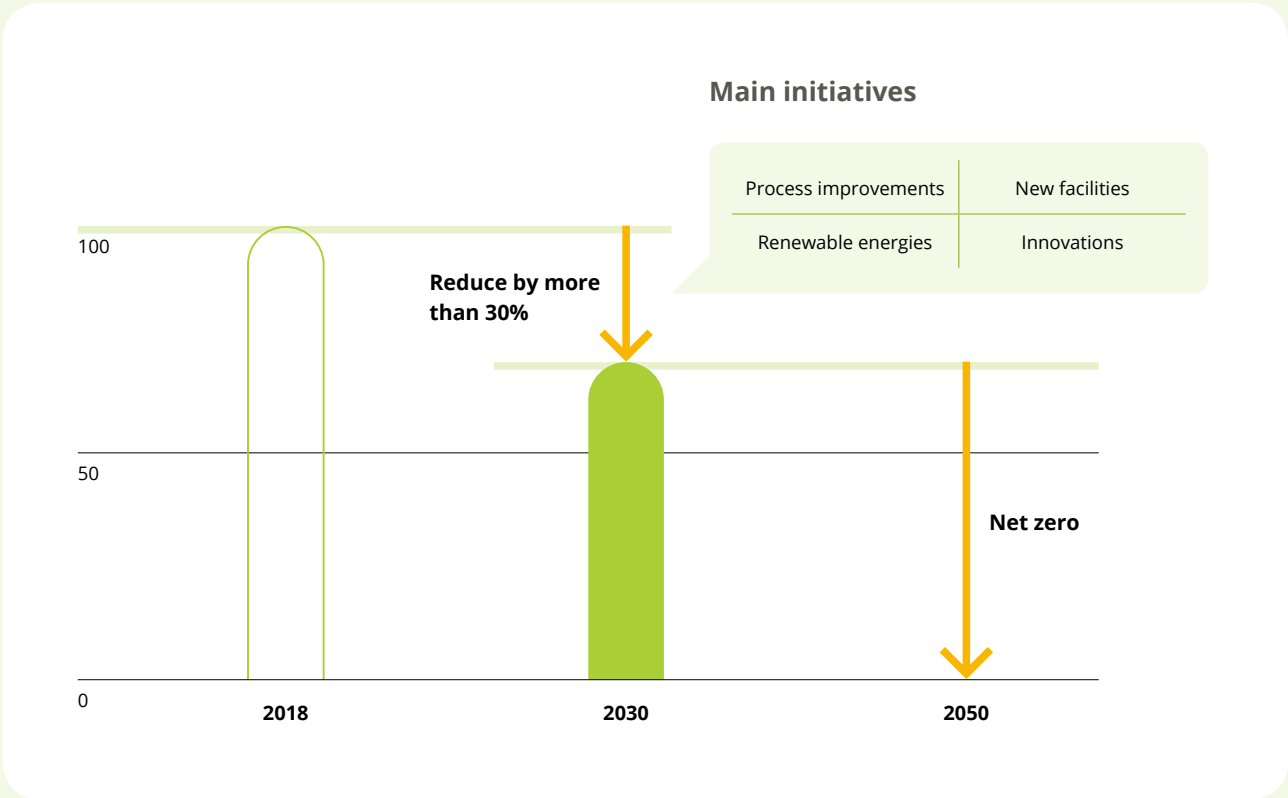


The Kikkoman Group believes that the natural environment is the base to fill the world with the joy of food, and preserving the natural environment for food is the core position of all Kikkoman Group environmental preservation activities.

Efforts to Address Climate Change

In recent years, many places around the world have faced social issues such as health problems, water shortages, and flooding due to high temperatures and heatwaves. The damage from these issues has continued to grow. These types of abnormal weather are strongly related to climate change, and are social issues that threaten life, finance, and economic

activity on a global scale. In light of this, climate change has been incorporated as one of the Sustainable Development Goals, and long-term goals have also been defined within the Paris Agreement. The Kikkoman Group is working to reduce CO₂ emissions and seeking to realize net-zero CO₂ by 2050.



Kikkoman Group Long-Term Environmental Vision

The Kikkoman Group formulated our Environmental Philosophy in 1992 and has since carried out activities under our Medium-Term Environmental Policy and other measures. Environmental problems are widely recognized as serious social issues, and, in 2015, the Sustainable Development Goals adopted by the UN include those relating to water, energy, climate change, life below water and on land. The Kikkoman Group believes that environmental preservation activities are key elements when realizing the Group's corporate principles, and, 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.

Long-Term Environmental Vision

Sustainable Society		
Climate Change	Food Environments	Natural Resources
Themes		
<ul style="list-style-type: none"> • CO₂ reduction 	<ul style="list-style-type: none"> • Water environment • Sustainable sourcing 	<ul style="list-style-type: none"> • Waste and food loss • Eco-friendly products
Targets for 2030		
<ul style="list-style-type: none"> • Reduce CO₂ emissions by more than 30%*¹ 	<ul style="list-style-type: none"> • Reduce water consumption (per unit of production) by more than 30%*² • Set high standards for wastewater treatment • Build systems to ensure sustainable sourcing 	<ul style="list-style-type: none"> • Reduce waste in production and sales • 100% recycling rate*³ • Develop eco-friendly products throughout the value chain

*1 (2030/2018)

*2 (2030/2011)

*3 Production facilities

Examples of Long-term Environmental Vision Initiatives

The Kikkoman Group's Long-term Environmental Vision has defined climate change, the food environment, and the use of resources. Amid climate change, we strive to reduce CO₂ emissions through measures such as process improvements, the introduction of energy-efficient facilities, the use of renewable energy, and technological innovations. In terms of the food environment, we plan to make efficient use of water, clean the water used at the plant, return it to nature, and promote sustainable procurement. In terms of resource utilization, we will encourage the reduction of waste generated during the manufacturing and distribution stages to utilize valuable resources effectively. In addition, we will work to develop environmentally conscious products throughout the value chain, from development and manufacturing to the post-product disposal stage.

Climate change

Renewable energy use

To reduce CO₂ emissions, the Kikkoman Group promotes the introduction of renewable electricity in addition to the installation of solar panels and other measures. In 2020, Kikkoman Foods Europe BV, a soy sauce plant in the Netherlands, and other domestic and international sites began using renewable electricity.



Kikkoman Foods Europe B.V.



Junko Hama
Environment Department
Kikkoman Corporation

Disseminating information that leads to the enhancement of corporate value

Given the responsibility of the Kikkoman Group's disclosure of information on the environment, I have responded to CDP climate change and water security questionnaires. With the increasing societal interest in environmental issues such as climate change, water, food loss reduction, and resource cycling, it is essential for companies to respond seriously to information disclosure to enhance corporate value. I will continue to convey expectations from society to Kikkoman internally as well as effectively communicate our activities to our stakeholders.

Food environments

Sustainable procurement policy

We believe that cooperation with partners is essential to protect the food environment. In 2020, the Kikkoman Group formulated the “Sustainable Procurement Policy,” began informing suppliers of it, and used Sedex.

* SEDEX is a collaborative platform for sharing responsible sourcing data on supply chains.



Natural resources

Participation in Loop

Loop, a product delivery system developed by Terracycle, is a platform that aims to reduce plastic waste by reusing containers and product packages used for food and other consumer products. In support of Loop's policy of environmental conservation, Kikkoman Food Products Co. and Kikkoman Beverage Co. began selling the following two items under the EC-model* in August 2021.



Kikkoman Shoyu Goyogura 250ml Loop Bottle



Del Monte Domestically Produced Tomato Juice with No Added Salt 500g Loop Bottle

* Loop has a “retail model” for in-store sales and an “e-commerce model” for direct delivery to customers, and the above products are sold under the “e-commerce model.”

Food and Health



As a food company, the Kikkoman Group considers that it has an important responsibility to be involved in food and health.

In addition to providing safe and reliable products and services, we promote efforts to support a healthy mind and body by proposing nutritionally balanced dietary habits.

Launching Healthier Products

The Kikkoman Group is developing products that are delicious and also support a healthy mind and body. To provide products that are both highly nutritious and easy for the elderly to eat, companies under the

Kikkoman Group, in addition to the R&D and Product Development departments, are promoting initiatives that leverage their own expertise.

Plant-based protein-enriched beverages

Kikkoman Soy Foods launched Kikkoman SoyBody in March 2021. It is a vegetable protein-enriched beverage made by adding powdered soy protein and powdered soy residue to a base of soy milk. It is a tasty and easy way to consume soy protein.



Kikkoman SoyBody Light Vanilla (left)
Kikkoman SoyBody Cocoa (right)

The first salt-free ketchup

The Del Monte Ketchup with No Added Salt uses 1.2 times more tomatoes than Del Monte Tomato ketchup to bring out the richness and umami of tomatoes. Not adding salt further enhances the flavors of ingredients such as onions, tomatoes, and vinegar.



Del Monte Ketchup with No Added Salt

Marketing activities amid the stay-at-home lifestyle

With the spread of COVID-19 since the beginning of 2020, we saw a widespread call for voluntary stay-at-home initiatives to prevent infection. As a result, there is an increased number of such stay-at-home situations,

and the number of people cooking at home has increased. In response to these social changes, the Kikkoman Group has made a variety of proposals.

Twitter project

Eat-at-home Campaign

With the rise of stay-at-home cooking, Kikkoman Food Products Co. in cooperation with seven other food companies, launched the Eat-at-home Campaign, a recipe posting project on Twitter, in May 2020 in Japan. The project encourages participants to post a recipe to Twitter based on a common ingredient theme each week.

The ingredient for the first week was “chicken meat,” followed by “onion.” The participants’ posts were compiled on the Kikkoman official account so that all posts could be easily viewed. This project was coordinated by several food companies, which allowed us to expand the range of recipes and to deliver recipe information to a broader audience.



Proposing delicious and enjoyable eating habits while reducing salt in food

Kikkoman has launched the “Less Salt Life” campaign, which encourages people to enjoy a delicious and healthy diet while reducing their salt intake by replacing their usual seasoning with low-sodium and low-salt varieties. The Less Salt Life special website introduces a low-sodium and low-salt soy sauce lineup and recipes to make food more delicious.



Shokuiku (Food Education)

The Kikkoman Group considers “food education” a responsibility of companies involved in the food industry. It has been promoting food education activities based on its Declaration on Dietary Education since its announcement in 2005.

Shokuiku Activities in Fiscal 2021

Kikkoman Soy Sauce School, an online program to learn about food through soy sauce

As part of its dietary education activities, Kikkoman conducts the “Kikkoman Soy Sauce School,” which offers home delivery classes for elementary school students (mainly third and fourth grade students). The program gives students an opportunity to think about the importance of food and eating well while learning about soy sauce during their integrated study hours. In the past, Kikkoman employees visited schools, but in light of the pandemic, since 2020, we have conducted the Soy Sauce School online.

Class flow



Shoji Manabe
Manager, Social Activity Group
Corporate Communication
Department
Kikkoman Corporation

Importance of food through the Soy Sauce School

The Soy Sauce School introduces knowledge about soy sauce and encourages students to think about the importance of flavor and eating well. The pandemic has made it difficult to enjoy food in the same way as before. We believe it is precisely at times like this that it is meaningful to think about and discuss flavor with students. In 2020, we started using the online format, and we will continue to incorporate new ideas and enhance our food education 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



Topics

"Kikkoman Soy Sauce Museum," a website introducing soy sauce for overseas visitors

Kikkoman Corp. relaunched the Kikkoman Soy Sauce Museum. This special site explains the history and characteristics of Kikkoman soy sauce for an international audience. The site is designed to be available in English, Chinese (simplified and traditional), Spanish, and Portuguese languages so that a wide range of people may view it.



https://www.kikkoman.com/en/shokuiku/soysaucemuseum/index_en.html



People and Society



The Kikkoman Group’s management has valued relationships with people and society, and we respect opinions from a wide range of stakeholders. Also, as a good corporate citizen, we conduct social activities centered on “food and health.”

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.



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 (UNGP), 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.

The Kikkoman Group Human Rights Policy

The Kikkoman Group established the Kikkoman Group Human Rights Policy, or the Policy. The Policy states that the Group supports and respects international standards for human rights, such as the International Bill of Human Rights, in line with the United Nations Guiding Principles on Business and Human Rights.

The Group is working on implementing specific measures based on this Policy.



Visit our website for more information.

Respecting Human Rights

<https://www.kikkoman.com/en/csr/humanrights/index.html>

Human Rights Training Programs

The Kikkoman Group provides human rights training programs for our employees. In 2020, as part of our efforts to promote diversity and inclusion, we held an online human rights awareness workshop at Kikkoman Corporation's Noda Head Office on "Understanding and

Responding to LGBT+ People in the Workplace." For this training, we invited Mr. Satori Ito, head of the Sukotan Social Service, as an outside instructor to talk about understanding sexual minorities.

Employees

Basic Approach

The Kikkoman Group is working to create work environments where each individual employee feels motivated and exercises his/her full abilities. By doing so, we will realize our Management Principles and deliver wholehearted flavor to consumers.

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.

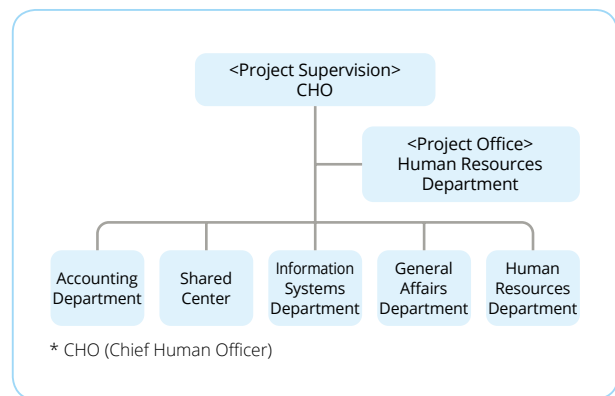
Kikkoman's initiatives on work style reforms

Kikkoman is endeavoring to reform how employees work to improve productivity and improve a work-life balance. In 2020, we examined and implemented measures in a project format.

Studying and implementing various measures for a full-scale implementation of work-from-home

Kikkoman has been developing a system for the full-scale introduction of work-from-home as part of its work process reform. In 2020, promoting work-from-home became important from the perspective of preventive measures against COVID-19. Therefore, we examined and implemented further work-from-home activities, recommended online conferences, explored paperless work and the trial operation of shared offices, and reviewed commutation tickets in a project format to develop an environment that aids performance efficiency even during work-from-home. In addition, we regularly hold the Labor-Management Working Style Review Committee to exchange opinions on the status of the system's operation and working status. We are working to improve productivity through these measures by achieving efficient working styles and effective use of time and realizing a better work-life balance for our employees.

Workstyle Reform Project Framework



Visit our website for more information.

Kikkoman's workstyle reforms:

<https://www.kikkoman.com/en/csr/social/employees.html>



Mitsutaka Masuda

Human Resources Department
Kikkoman Business Service
Company

Improving productivity through the implementation of a comfortable work environment

A project was launched with the Accounting Department & Shared Center, Information Systems Department, General Affairs Department, and Human Resources Department, and I participated as a secretary to coordinate the entire project. By creating a work-from-home environment, we aimed to improve the quality and quantity of our output by eliminating waste and concentrating on operations. By reviewing how individual employees work and by improving efficiency and digitizing existing processes, we expect to improve work-life balance. In the future, we will continue to investigate the ideal way of working and try to improve the productivity of the Kikkoman Group.

Business Strategy

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.

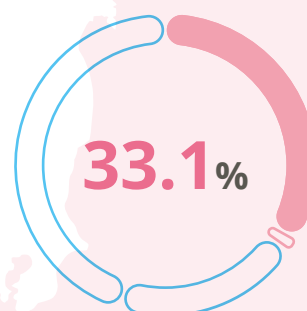
Business Performance for FY2021

Revenue

¥ **14,822** million

↓ -2.3% year on year

Proportion of total revenue*

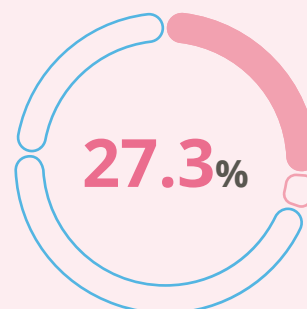


Business Profit

¥ **11,631** million

↑ +3.4% year on year

Proportion of total business profit**



* After elimination of transactions between businesses

** Before elimination

Soy Sauce Division

Outline

This division manufactures and sells soy sauce products including the Kikkoman brand.

FY2021 Overview

Sales of *Itsudemo Shinsen* series grew due to marketing activities centered on TV commercials reflecting growing recognition in the market for these product's added value. Sales of PET bottle products such as *Tokusen Maru Zaizu* also increased compared with the previous fiscal year. However, sales in the industrial-use and food service-use sectors declined compared with the previous fiscal year. As a result, sales of the overall division decreased compared with the previous fiscal year.

Proportion of total Group revenue



* Ratio before eliminating transactions between businesses

Food Products Division

Outline

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.

FY2021 Overview

Tsuyu rose year on year as sales of condensed *tsuyu* products such as *Koidashi Hon Tsuyu* grew. In *tare*, although sales of the mainstay *Wagaya wa Yakinikuyasan* series were strong, sales in the industrial-use and food service-use sectors were weak, so sales declined compared with the previous fiscal year. Sales of the *Uchi no Gohan* series (handy Japanese-style seasoning mixes) decreased compared to the previous year. In Del Monte seasonings, although sales grew in the home-use sector, sales in the industrial-use and food service-use sectors declined compared with the previous fiscal year. As a result, sales of the overall division decreased compared with the previous fiscal year.

Proportion of total Group revenue



* Ratio before eliminating transactions between businesses

Beverage Division

Outline

This division manufactures and sells items including soy milk beverages and Del Monte-brand fruit and vegetable beverages.

FY2021 Overview

Amid rising interest in healthy lifestyles, sales of plain soy milk products have increased. Sales were also boosted by a growing number of consumers using soy milk as a cooking ingredient as well as a beverage. However, sales of prepared soy milk 200ml were weak. As a result sales of soy milk were almost the same as the previous fiscal year.

In Del Monte beverages, sales fell year on year due to weak sales of fruit juice products. As a result, sales of the overall division decreased compared with the previous fiscal year.

Proportion of total Group revenue



* Ratio before eliminating transactions between businesses

Liquor and Wine Division

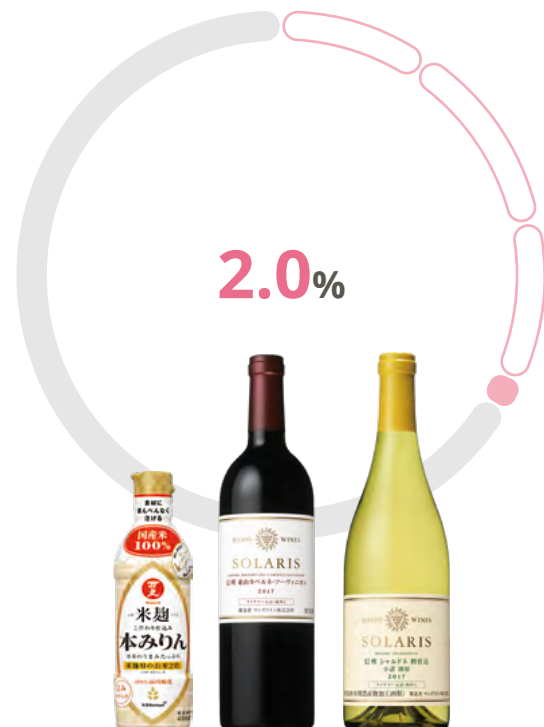
Outline

This division manufactures and sells the *Manjo* brand of *Hon Mirin* and cooking liquor, as well as wines including the Manns Wines brand.

FY2021 Overview

Due to rising demand in the home-use sector, high-value-added products such as *Komekoji Kodawari-jikomi Hon Mirin* (premium sweet sake for cooking) were strong, while products in large containers for food service and industrial users were weak. As a result, sales of *Hon Mirin* declined year on year. Sales of wine declined due to weak demand of hotels and restaurants. As a result, sales of the overall division decreased compared with the previous fiscal year.

Proportion of total Group revenue



* Ratio before eliminating transactions between businesses

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.

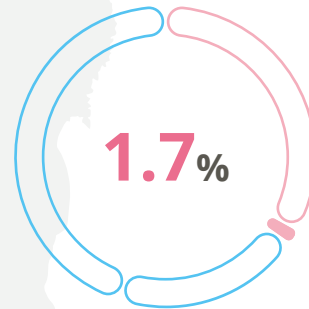
Business Performance for FY2021

Revenue

¥ **21,186** million

↓ -0.7% year on year

Proportion of total revenue*

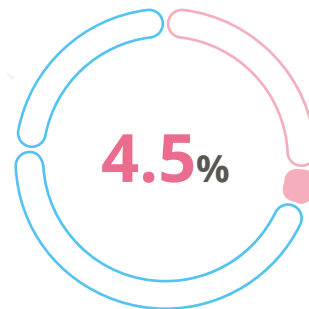


Business Profit

¥ **1,915** million

↑ +14.1% year on year

Proportion of total business profit**



* After elimination of transactions between businesses
 ** Before elimination

FY2021 Overview

In the chemical products category sales increased compared with the previous fiscal year. Although sales of clinical diagnostic enzymes declined, sales of hygiene monitoring were strong. Sales in the logistics category fell. As a result, sales of the overall division decreased compared with the previous fiscal year.



 Overseas

Foods—Manufacturing and Sales

The Overseas Foods—Manufacturing and Sales segment is comprised of the Soy Sauce Division, the Del Monte Division, and the Other Foods Division, which includes health food products.

Business Performance for FY2021

Revenue

¥ **100,832** million

 +5.8% year on year

Proportion of total revenue*

20.2%

Business Profit

¥ **20,416** million

 +9.8% year on year

Proportion of total business profit**

47.9%

* After elimination of transactions between businesses

** Before elimination

Soy Sauce Division

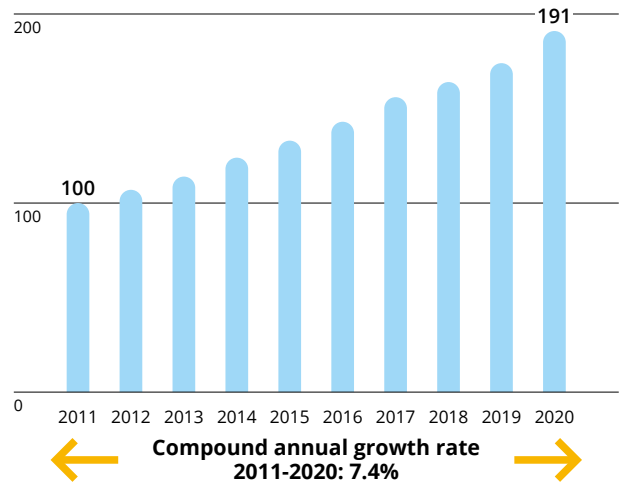
Outline

This division mostly engages in the manufacturing and sale of Kikkoman brand soy sauce.

FY2021 Overview

In North America, we pursued business development based on the Kikkoman brand mainly in the home-use sector, and enhanced the lineup of mainstay soy sauce products as well as other products such as soy sauce-based seasonings. 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 the U.K. and Germany. In Asia/Oceania, although sales fell in China due to the COVID-19 pandemic, sales in Southeast Asia and Australia rose. As a result, sales in the overseas Soy Sauce Division increased compared with the previous fiscal year.

Consolidated Net Sales of Soy Sauce Business Overseas (2011-2020)



* Figures in the table above represent the actual change on a local currency basis, excluding the translation difference, indexed to consolidated sales in 2011 as 100. Based on JGAAP.

Proportion of total Group revenue



* Ratio before eliminating transactions between businesses

Del Monte Division

Outline

This division manufactures and sells items such as canned fruit, corn products, and tomato ketchup in the Asia/Oceania region.

FY2021 Overview

Due to the large-scale impact of international movement restrictions caused by COVID-19, recovery in the food service sector has been delayed. As a result, overall sales of this division decreased year on year.

Proportion of total Group revenue



* Ratio before eliminating transactions between businesses

Other Foods Division

Outline

This division manufactures and sells health food products, mainly in the North American market.

FY2021 Overview

Overall sales of this division decreased year on year.

Proportion of total Group revenue



* Ratio before eliminating transactions between businesses

 Overseas

Foods—Wholesale

The Overseas Foods—Wholesale segment engages in the procurement and sale of oriental food products for the domestic and overseas markets.

Business Performance for FY2021

Revenue

¥ **198,332** million

↓ -0.9% year on year

Proportion of total revenue*

45.0%

Business Profit

10,556 million

↑ +26.9% year on year

Proportion of total business profit**

24.8%

* After elimination of transactions between businesses
 ** Before elimination

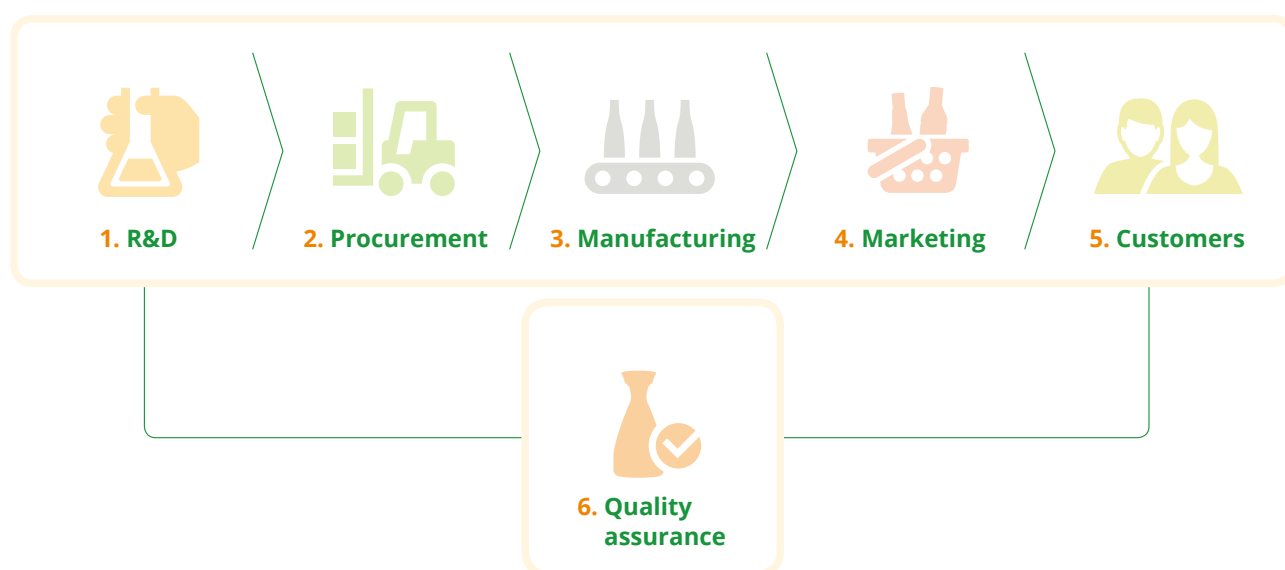
FY2021 Overview

Sales in North America decreased year on year due to the sharp decline in the restaurant industry. Sales in Europe decreased for the same reason. Sales in Asia/Oceania increased for reasons such as a consolidation of a group company in Taiwan in the second quarter. As a result, sales in this segment was almost the same as the previous fiscal year.



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.



1. R&D

With soy sauce brewing technologies as the base, we are engaged in expanding new areas of research.

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. With the aim of bolstering R&D capabilities going forward, the Kikkoman R&D Center, the new research and development base, was completed in 2019.

2. Procurement

We pursue sustainable sourcing while working to maintain 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. 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 Sustainable Sourcing Policy was established and put into practice in 2020. Based on this policy, the Group has established a series of guidelines covering packaging, forest resources, and soybean procurement, from which activities to address specific issues will be developed.

3. Manufacturing

We are working to improve our production structures to deliver 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.

4. Marketing

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

We 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.

5. Customers

We highly value feedback from customers to improve our products and services.

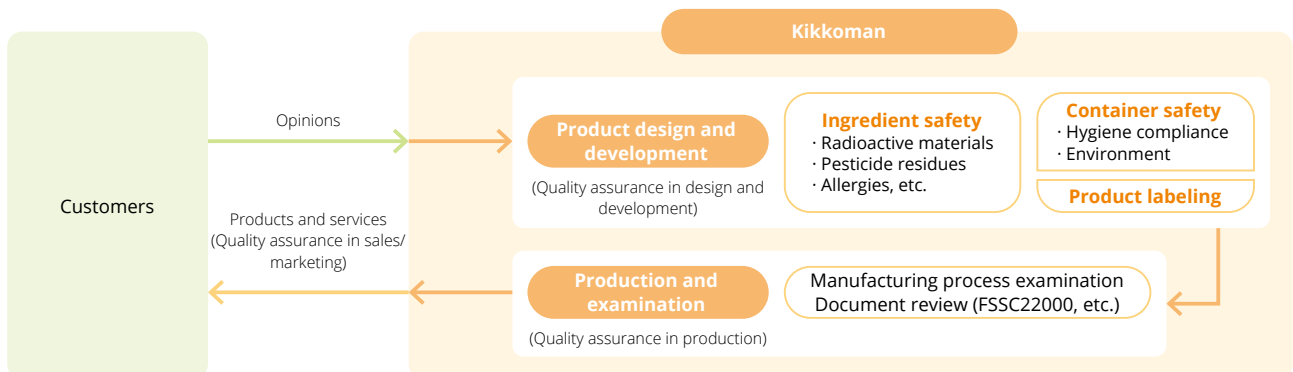
The Kikkoman Group promotes operations that take full account of customer feedback to adopt a "consumer-oriented" perspective. As part of these efforts, we have established the Kikkoman Consumer Center in Japan to facilitate communication with customers. Operating under a basic policy of "Speed, Precision, 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 for improvements.

6. Quality assurance

We conduct quality assurance programs on a global scale for 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.

The Kikkoman Group's Quality Assurance Flow



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 to 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.

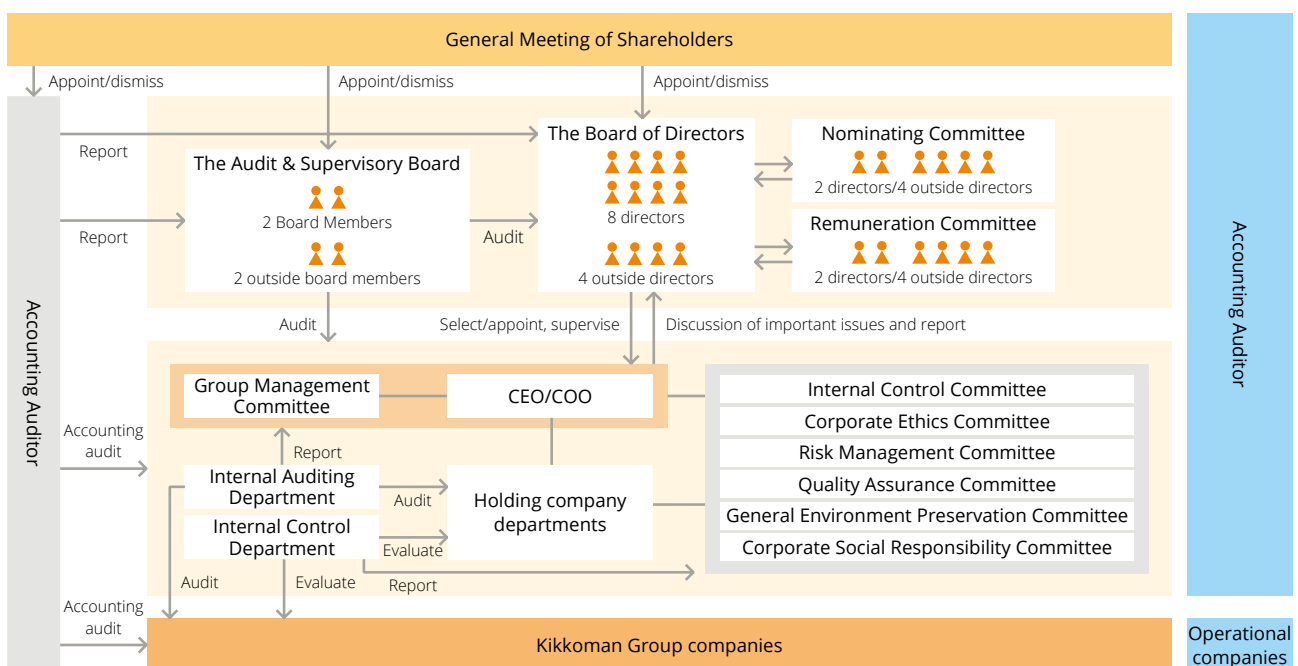
Corporate Governance Framework

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 transparency of 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 adopted the current system with the aim of achieving greater management transparency, clearly defined management responsibility, speedy decision making, and stronger management oversight.

The Corporate Governance System (As of June 2021)



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 FY2021, four of 12 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. In FY2021, the Nominating Committee was held four times and outside directors attended all of them.

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. In FY2021, the Remuneration Committee was held three times and outside directors attended all of them.

Board of Corporate Auditors

Kikkoman Corporation has a Board of Corporate Auditors. These corporate auditors meet with the accounting auditors to formulate audit plans, quarterly reviews, and year-end audits, hear and receive explanations of plans and reports, and exchange opinions. In addition, the corporate auditors attend audits by the accounting

auditors. The corporate auditors have established a system that enables them to understand the implementation status of internal controls by conducting hearings, etc., as necessary, with the internal control divisions including the Internal Control Department, Accounting Department, and Legal & Compliance Department.

Corporate Governance

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 CO₂ 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	○	○	○	○
Total	100	100	100	100

Directors and Audit & Supervisory Board Members (As of June 22, 2021)

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, Chairman and CEO
(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
Jun. 2021	Representative Director, Chairman and CEO (incumbent)

Shozaburo Nakano

Representative Director, President and COO
(Chief Operating 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
Jun. 2019	Representative Director and President, Kikkoman Food Products Company (incumbent)
Jun. 2021	Representative Director, President and COO (Chief Operating 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)

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 Senior 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
Jun. 2017	General Manager, International Operations Division (incumbent)
Jun. 2021	Director and Senior Executive Corporate Officer (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)

Takao Kamiyama

Director and Executive Corporate Officer
CFO (Chief Financial Officer)

Apr. 1979	Joined Kikkoman
Nov. 2008	General Manager, Finance & Accounting Department
Jun. 2011	Corporate Officer
Jun. 2011	Assistant to CFO (Chief Financial Officer)
Jun. 2017	Executive Corporate Officer
Jun. 2017	CFO (Chief Financial Officer) (incumbent)
Jun. 2021	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 of National Tax Agency
Jun. 1992	Administrative Vice Minister of Ministry of Finance
May 1994	Governor of People's Finance Corporation
Oct. 1999	Governor of National Life Finance Corporation
Feb. 2003	Advisor of 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 of 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)

Koichi Mori

Audit & Supervisory Board Member

Apr. 1979	Joined Kikkoman
Nov. 2008	General Manager, Internal Control Department
Jun. 2012	Audit & Supervisory Board Member (incumbent)

Haruhiko Fukasawa

Audit & Supervisory Board Member

Apr. 1985	Joined Kikkoman
Jul. 2015	General Manager, Foreign Administration Department
Jun. 2021	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 Patent and Law Office (currently, 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 FY2021, the Committee held meetings a total of 13 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 for 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 line, email, regular mail, etc. 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.

Group Corporate Ethics Hotline



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.

Global Operations

As the Kikkoman Group's operations expand globally, 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 on the Company website.* In FY2021, the effective tax rate was 30.5%.



Visit our website for more information.

* **Factbook Business Information FY2021:**
<https://www.kikkoman.com/en/finance/library/factbook.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 2021.

- **The Social Environment**
- **Compliance**
- **Food Safety**
- **Finances**

- **The Business Environment**
- **Information Technology**
- **Human Resources**

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 Kikkoman Group**
- 2. Possibilities to interrupt or stop business continuity of the Kikkoman Group**
- 3. Possibilities to cause damage to the credibility of the Kikkoman 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.

Measures taken by the Kikkoman Group during COVID-19 pandemic

Kikkoman Group's crisis management system and responses

The Kikkoman Group has established a system where the Risk Management Committee responds to emergent risks based on our protocols. In response to the COVID-19 pandemic, the Group focused on ensuring the health of our employees and their families while the Risk Management Committee worked to adopt measures to continue our business operations. In addition to sending out notifications, we developed measures to prevent the spread of infection within the Group. We also reported the infection status and impact on the business within the Group to the Board and Group Management Committee and reviewed countermeasures.

Examples of measures taken to prevent the spread of COVID-19:

- Strengthening the work-from-home system and encouraged remote work
- Provide thorough instruction in preventing overcrowding, close contacts, and closed spaces
- Encouraging handwashing, gargling, coughing etiquette, mask wearing, and installation of partition screens
- Use of online conference tools, videoconferencing, and restriction of domestic and international travel
- Prohibition of internal and external events involving eating and drinking

As a result of these measures, the Group was able to continue operations at domestic and overseas bases without the occurrence of clusters.

Response at Kikkoman General Hospital

In response to a request from local governments, Kikkoman General Hospital began accepting patients with COVID-19 in April 2020. From our experiences in the fever outpatient clinic, we developed a dedicated outpatient acceptance system and inpatient admission system that separated the flow lines from general patients. The hospital gradually accumulated knowledge, such as correct information on COVID-19 infection control measures and management methods for nurses, to provide the best possible treatment and care. Based on these experiences, we provided support to other medical institutions and elderly welfare facilities.



Worksite temperature checks





Kikkoman Corporation

Noda Head Office

250 Noda, Noda-shi, Chiba 278-8601, Japan

Tokyo Head Office

2-1-1 Nishi-Shimbashi, Minato-ku, Tokyo 105-0003, Japan

<https://www.kikkoman.com/en/>