

Kikkoman Corporation

Noda Head Office
250 Noda, Noda-shi, Chiba 278-8601, Japan
Tokyo Head Office
2-1-1 Nishi-Shimbashi, Minato-ku, Tokyo 105-8428, Japan

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

Index

The Kikkoman Group's Basic Approach

- 2 Reporting Policy for Sustainability
- 3 The Approach of the Kikkoman Group

Sustainability Strategy

- 7 Sustainability Strategy
- 11 Sustainability Governance Structure
- 14 Risk Management

Identification of Materiality

- 17 Three Areas of Material Social Issues
- 17 Evaluation of Materiality under the Medium-Term Management Plan (FY2023 to FY2025)
- 19 Evaluation of Materiality Using International Standards

Global Environment

- 22 Environmental Initiatives
 - 22 Kikkoman Group Environmental Principles
 - 23 Long-Term Environmental Vision
 - 24 Environmental Management Promotion System
 - 25 Climate Change
 - 37 Food Environments
 - 41 Responding to Water-related Risk
 - 44 Sustainable Sourcing
 - 47 Natural Resources
 - 53 Environmental Management System

Food and Health

- 56 For Our Customers
 - 56 Quality Assurance Based on the Concepts of "Safety" and "Peace of Mind"
 - 58 Quality Assurance Systems for Delivering Safe and High-quality Products to Customers
 - 59 Tour of Overseas Group Companies
 - 59 System to Maintain a Stable Supply
 - 60 Healthy Food Lifestyles
 - 61 Responsible Marketing Expressions and Advertisements
 - 62 Pursuing Customer Satisfaction
- 63 Intellectual Property
- 67 Shokuiku
 - 67 Shokuiku (Food Education) Activities
 - 68 Major Shokuiku Activities

People and Society

- 72 Respect for Human Rights
- 79 For Our People
- 91 Compliance
- 95 For Our Shareholders and Investors
- 97 Sustainable Sourcing
- 100 As a Member of Communities
- 105 Partnerships

Data Section

- 107 SDG Index and GRI Standards Content Index
- 114 Kikkoman Group Operational Chart

Reporting Policy for Sustainability

In FY2007, the Kikkoman Group began publication of the Corporate Citizenship Report, which described our Group's basic social and environmental policies and activities. In FY2017, we restructured this as the Kikkoman Data Book. In FY2020, we reworked the report into the Kikkoman Group Corporate Report, an integrated report covering the Group's strategies and financial and non-financial initiatives. The secretariat of the Kikkoman Corp. Sustainability Committee takes a leading role in the review, specification, and prioritization of content in the report.

Scope ● The Kikkoman Group Corporate Report Non-financial Section (this report) covers the activities of the Kikkoman Group, consisting of Kikkoman Corp. as the Group's holding company, 55 subsidiaries, and two affiliates (as of March 31, 2024). 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., and Kikkoman Business Service Co. collectively as "Kikkoman." Otherwise, companies are referred to by names. Abbreviated names of Group companies in this report are described in the "Major Group Companies" section.

Reporting Period ● Fiscal Year (FY) 2024 (April 1, 2023 to March 31, 2024)
Note: This report may contain references to activities that were initiated prior to March 2023 or after April 2024.

Date of Publication ● March 2025 Previous publication: March 2024


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.

Contact ● The Kikkoman Consumer Center
Toll-free telephone number: 0120-120-358
Hours: 10:00 to 16:00, Mon to Fri (excluding public holidays)
2-1-1 Nishi-Shimbashi, Minato-ku, Tokyo 105-0003, Japan


Reports on strategies, corporate governance, etc. Corporate section

Related materials >>>  **Factbook:** <https://www.kikkoman.com/jp/ir/lib/factbook.html>
Corporate governance report: <https://www.kikkoman.com/jp/ir/lib/governance.html>

Non-financial report Non-financial section (this handbook)

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

Financial report

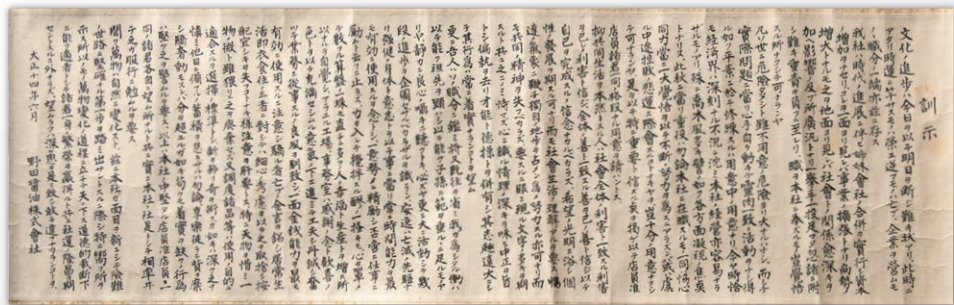
Related materials >>>  **Securities Report:** <https://www.kikkoman.com/jp/ir/lib/yocho/>
Materials from results briefings: <https://www.kikkoman.com/jp/ir/lib/presentation/>

The Approach of the Kikkoman Group

The Kikkoman Group recognizes that fulfilling its corporate social responsibilities and engaging in initiatives that contribute to solving social issues leads to sustainability. Viewing sustainability as a key management issue for our Group, we promote initiatives to realize the Kikkoman Group Management Principles through collaboration with a wide range of stakeholders.

Guiding Principles

The Kikkoman Group has a long history that dates back to the first half of the 17th century. Throughout that history, the Group has engaged in management with an emphasis on our connections with society. This management stance is expressed in the Guiding Principles set forth following the establishment of Noda Shoyu Co., Ltd., the predecessor of Kikkoman Corp.



Guiding principles

Stating that we “believe the interests of society as a whole to be our own interests,” the Guiding Principles stress the importance of companies playing roles as members of society. This corporate stance is similarly reflected in our current Kikkoman Group Management Principles.

Our 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**

The Kikkoman Group believes that a company's survival and prosperity can be achieved only when it has earned the satisfaction of consumers. Acting under this recognition, our Group listens to consumers, deeply considers what the market demands, and provides products and services that have value for consumers. We also believe that the basic mission of a food products manufacturer is to efficiently, safely, and hygienically produce high-quality goods. At every workplace, we pay meticulous attention to product quality as well as to containers and packaging, recognizing the importance of quality control and addressing it through comprehensive systems. Moreover, by communicating Japan's food culture to the world, primarily through soy sauce, we hope to promote exchanges of food cultures and achieve fusions of different countries' food cultures while also contributing to the succession and advancement of food culture in Japan. We are also working toward coexistence with society by making societal contributions through our business activities, actively engaging in environmental conservation and social activities, and otherwise undertaking actions as a good corporate citizen. By making such efforts with sincerity, we hope to make Kikkoman valued by people around the world.

Kikkoman's Social Responsibility Framework

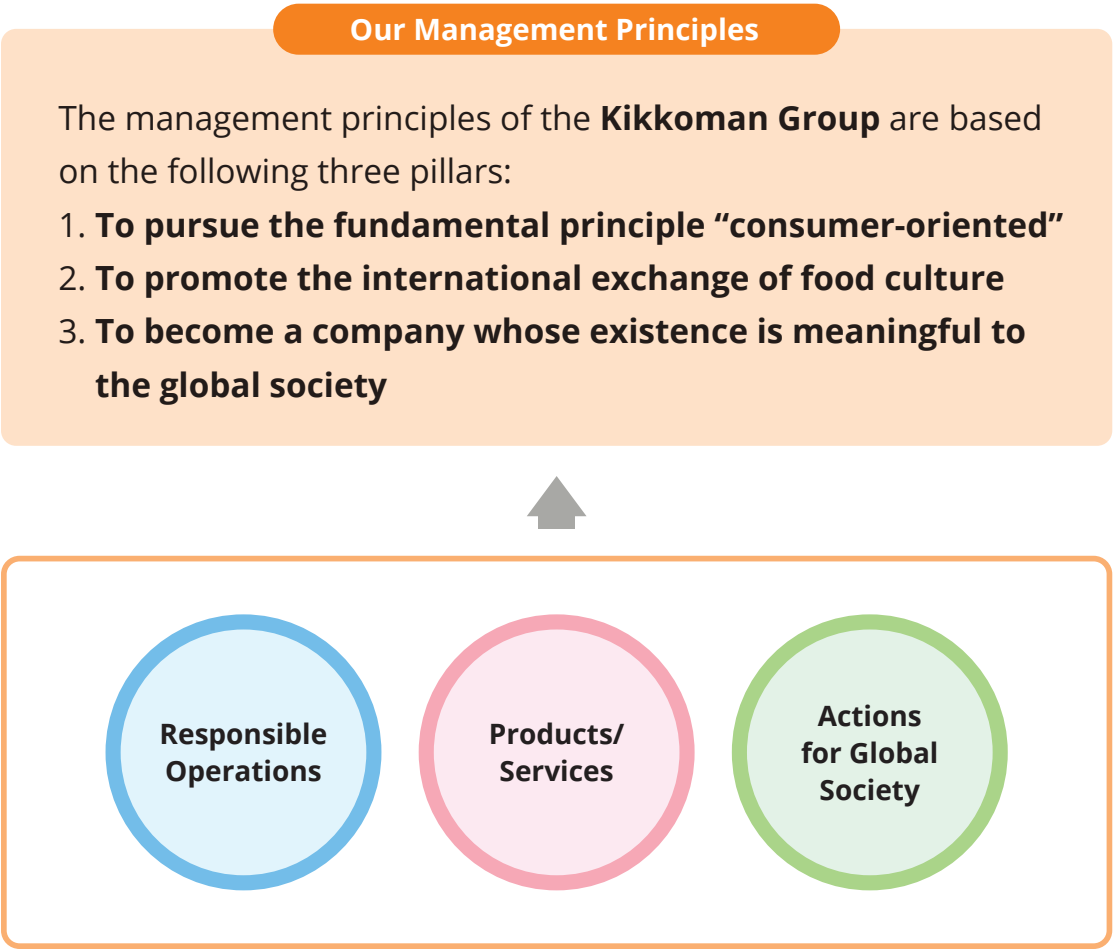
Grounded in a management stance that emphasizes our connection with society, the Kikkoman Group has carried out activities aimed at the fulfillment of our corporate social responsibilities. In 2011, we organized the corporate social responsibility policies that our Group aims for to create the Kikkoman Social Responsibility System Framework (p. 5). Our Group fulfills social responsibilities including compliance with laws, regulations, and environmental conservation, carries out our proper roles as a food company including the provision of food safety and new proposals, and seeks to engage in activities unique to Kikkoman. We engage in business activities under a basic approach of corporate social responsibility.

The Approach of the Kikkoman Group

Kikkoman’s Approach to Corporate Social Responsibility

Since our establishment, Kikkoman has always regarded a connection with society as being of great importance. This attitude continues in the Kikkoman Group’s Management Principles. Now that we have come to supply a variety of products and services to customers in more than 100 countries worldwide, we recognize that our responsibilities to global society have grown together with the growth of our business. We aim to become a company that is valued by people around the world and will continue to implement activities that are aligned with our Management Principles. The basics of our Management Principles are that we carry out our day-to-day business activities in a reliable and trustworthy manner and that we contribute to the realization of rich and healthy food lifestyles through our products and services. In addition, we aim to fulfill our responsibilities as a public entity and contribute to society through activities that are unique to Kikkoman. We believe that the cumulative pursuit of each and every one of these activities is our corporate social responsibility.

Kikkoman Group Corporate Social Responsibility Framework



Sustainability Strategy

Global Vision 2030

The Group formulated the Global Vision 2030 (GV2030) in 2018 as its long-term vision for defining basic strategies and goals based on its management principles. Global Vision 2030 sets forth a vision for our Group heading toward 2030, based on the theme of “Striving with passion to create new values.”

In formulating Global Vision 2030, we discussed contribution to solving social issues as a key element and identified three areas of material social issues: Global Environment, Food and Health, and People and Society. In our Medium-Term Management Plan and other plans, we subsequently set contribution to solving social issues as a key theme for management.

Global Vision 2030 —Striving with Passion to Create New Value—

Our Vision

- 1 Make Kikkoman Soy Sauce a truly global seasoning**
- 2 Create new delicious experiences around the world, and contribute to richer, healthier lifestyles**
- 3 Become a company whose presence in global society is ever more meaningful, through activities unique to Kikkoman**

Globally spread the North American lifestyle - where Kikkoman Soy Sauce has become part of daily life - and fuse soy sauce and the local food cultures of each country.

Innovate and differentiate always to offer meaningful products and services that will lead to healthy lifestyles with delicious food worldwide.

Contribute to solve global issues so that the company will be valued by people around the world.

Offering No. 1 Values

Global No. 1 Strategy

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

Area No. 1 Strategy

Cement our position as the No.1 brand in each area.

Creating New Businesses

Utilize internal and external resources to create new businesses.

Utilizing management resources

- (1) Further take advantage of fermentation and brewing technologies
Carry out “Offering new values” by further evolving fermentation and brewing technologies and our food processing technologies.
- (2) Human resources, information and cash flow
Promote and accelerate “Offering No.1 values” through fully maximizing our management resources

Global Vision 2030/Framework

Our Group recognizes that many social issues are present in global society. Within these social issues, we examined material issues that our Group should tackle as priorities, conducting analysis from the two perspectives of social issues material to society and social issues material to Kikkoman. Through discussions among the CEO and executive officers of Kikkoman Corp., we identified three areas of material social issues: Global Environment, Food and Health, and People and Society.

Our Group believes that contributing to the resolution of social issues through initiatives in these three areas of material social issues will lead to business opportunities. Balancing the sustainable advancement of society with the growth of our Group, we will strive to realize Global Vision 2030 and connect that to the practice of our Management Principles.



Medium-Term Management Plan (FY2023 to FY2025)

The Kikkoman Group has formulated its Medium-Term Management Plan for the fiscal years 2023 to 2025 and has laid out a plan for achieving Global Vision 2030. The Medium-Term Management Plan established two key issues: “Respond to changing environments to sustain growth and improve profitability” and “Contribute to solving social issues through our business activities.” We will work to address social issues and use the results to grow our business. By doing so, we will contribute to the sustainable development of society.

Key Issues in the Medium-Term Management Plan

1 Respond to changing environments to sustain growth and improve profitability

The Kikkoman Group will promote initiatives both in Japan and Overseas.

2 Contribute to solving social issues through our business activities

We established policies and themes based on three areas of material social issues defined in Global Vision 2030. By steadily implementing our initiatives, we will work to realize a sustainable society through our business activities.

In the Medium-Term Management Plan, we set targets to be achieved in each of the three areas of material social issues.

In discussing targets of social issues, we discussed the strengths and values of the Kikkoman Group. We then surveyed stakeholders' expectations of the Kikkoman Group and analyzed future visions from external reports.

Medium-Term Management Plan: Actions, Targets, and Progress

Social Issues	Themes	Actions	Targets	FY2024 performance
Global Environment	Climate change	Reducing CO ₂	Reducing CO ₂ emissions by more than 25% compared to FY19	34.9% reduction
			Increasing facilities fully operated by renewable energy	20 facilities
	Food environments	Preserving water environment	Reducing water consumption (per unit of production) by more than 25% compared to FY12	22.9% reduction
			Achieving 100% compliance with the voluntary wastewater standard	12 facilities (100%)
	Natural resources	Promoting recycling activities	Achieving more than 99% recycling rate	99.4%
		Reducing food loss	Reducing food loss by more than 25% compared to FY19	24.4%
		Reducing plastic usage	Developing eco-friendly products throughout the value chain	Switched to 100% biomass plastic for soy milk caps and straws
Food and Health	Joy of food and health	Proposing tasty, healthy, and balanced diet	Promoting products and services that contribute to solving nutrition issues	Introducing soy milk and low-sodium soy sauce and sharing nutritionally balanced recipes through social media, etc.
		Tackling a variety of nutrition issues	Utilizing nutrition-related data	Offering information and proposals based on R&D findings and scientific evidence.
		Promoting proper salt intake	Percentage of sales of less salt-type soy sauce in Japan 25%	22.5%
	Diverse food needs	Expanding plant-based protein products	Expanding soymilk business in Japan and overseas	Domestic: New product releases, events, etc. Overseas: Promotions aimed at expanding user bases in countries to which we export
			Launching plant-based protein products	Development of Kikkoman Soy Noodles series
		Offering more choices for consumers	Offering various choices through product labeling	Selling halal soy sauce, kosher soy sauce, organic soy sauce, products made without wheat or soybeans, etc.
	Communication	Promoting food education	Offering recipes through various channels	Introducing nutritionally balanced recipes through social media, etc.
		Promoting international exchange of food culture	Introducing diverse food cultures	Cooking classes for chefs overseas, etc.
		Supporting activities to promote mental well-being	Implementing programs to connect people	Promoting food education and holding food memory essay and photo contests
People and Society	Respect for human rights	Implementing human rights due diligence	Proportion of managers who participated in human rights training programs: 100%	100% (Japan)
		Promoting diversity, equity and inclusion	Proportion of women in management positions (Japan): 10% or more	10.5%
			Employment rate of persons with disabilities (Japan): 2.5% or more	2.48%
	Working with stakeholders	Creating a work environment with opportunities to improve capabilities	Conducting engagement survey and improving engagement	Carried out survey again in FY2024 and implemented improvement activities based on results.
			Strengthening human resource development	Implementation of training programs
			Men's childcare leave take-up rate (Japan): 100%	87.8%
			Annual paid leave take-up rate (Japan): 80% or more	Initiatives to encourage employee exercise, ongoing care for mental health, introduction of system for managing health check results, etc.
			Nourishing the mind and body of employees	82%
			Promoting activities to support sustainable development of society	Support for areas affected by the 2024 Noto Peninsula earthquake, etc.
	Strengthening the management system	Promoting stakeholder engagement	Implementing stakeholder engagement programs	Regular implementation
		Strengthening corporate governance	Strengthening the corporate governance system	Strengthening the effectiveness of corporate governance
		Strengthening compliance	Conducting annual compliance training programs	Conducting training at domestic and overseas group companies
		Strengthening risk management	Putting in place a global BCP program	Strengthening BCP programs
			Enforcing data security systems	Enforcing and developing data security systems

Sustainability Strategy

Sustainability Governance Structure

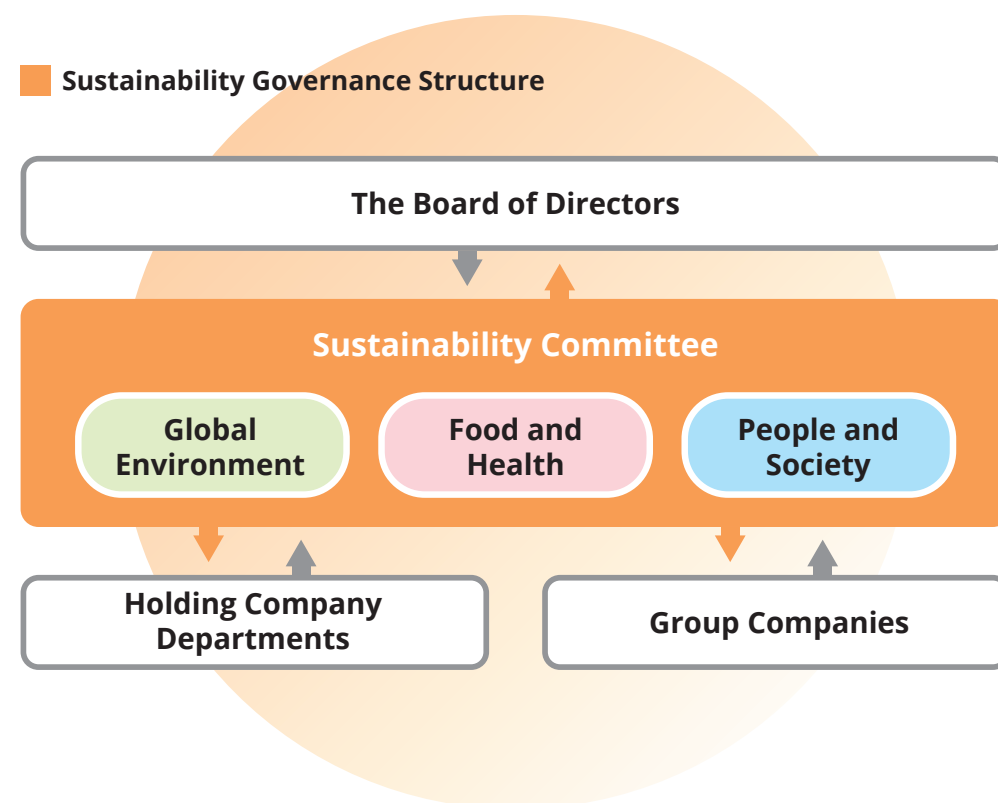
The Kikkoman Group recognizes its sustainability initiatives as a key management issue. By putting the Kikkoman Group's Management Principles into practice through our sustainability initiatives, we are working to develop a Group-wide structure for engaging in initiatives and realize Global Vision 2030.

Sustainability Committee

The Kikkoman Group has established a Sustainability Committee* chaired by the CEO. As described on p. 12, the members of the Sustainability Committee have knowledge in the field of sustainability, which they draw on to set out Company-wide action policies and to assess and respond to impacts, risks, and opportunities. We have also developed a structure for reporting by responsible managers in the three fields set as material social issues by the Group (Global Environment, Food and Health, and People and Society), with specific measures discussed within the Sustainability Committee. The committee also oversees internal and external communication of measures and examines issues concerning information disclosure.

On matters related to sustainability, the CEO reports as needed to the Company's Board of Directors in the capacity of committee Chair. Based on reports from the committee, the Board of Directors determines the Group's key sustainability-related policies, oversees the status of progress, and incorporates the policies into Group management strategy. In FY2024, the committee met eight times under its previous name, the Corporate Social Responsibility Committee. Main agenda items in FY2024 included progress reports on targets set in our three areas of material social issues, evaluation of materiality, and disclosure of securities reports, this report, and other non-financial information.

* Renamed from the Corporate Social Responsibility Committee in April 2024.



Sustainability Committee Members

Representative Director and Chairman

Noriaki Horikiri

Sustainability-related experience, etc.:

- Vice Chair, Committee on HR Strategy and Labor Market Reform, KEIZAI DOYUKAI (Japan Association of Corporate Executives)
- Member, Environment, Natural Resources and Energy Committee, KEIZAI DOYUKAI
- Member, Sustainable Development Goals (SDGs) Study Group, KEIZAI DOYUKAI; others

Representative Director, President and CEO

Shozaburo Nakano

Sustainability-related experience, etc.:

- Vice Chair, Regional Co-Creation Committee, KEIZAI DOYUKAI
- Member, Environment, Natural Resources and Energy Committee, KEIZAI DOYUKAI
- Member, Work Style Reform Committee, KEIZAI DOYUKAI
- Leadership incubator programme "Workshop for Executive Leaders (Future Management)", Global Compact Network Japan; others

Representative Director and Senior Executive Corporate Officer

Osamu Mogi

Sustainability-related experience, etc.:

- Chair, International Affairs Committee, KEIZAI DOYUKAI
- Member, Committee on the Design of New Economy and Society, KEIZAI DOYUKAI
- Member, Demographic Challenges and Labor Issues Committee, KEIZAI DOYUKAI

Executive Corporate Officer, Chief Strategy Officer

Yasuharu Nakajima

Sustainability-related experience, etc.:

- Member, Global Sustainability Committee, KEIZAI DOYUKAI
- Member, Committee on Responsible Business Conduct & SDGs Promotion, Keidanren (Japan Business Federation)
- Leadership incubator programme "Workshop for Executive Leaders (Future Management)", Global Compact Network Japan; others

All members of the Sustainability Committee are male. All members execute operations of the Company; no employees or other labor representatives are on the committee. The Company recognizes that all members possess at least 30 years of experience in the food industry and have expertise related to food sectors, products, and geographical regions.

Sustainability Strategy

Remuneration Policy for Sustainability Committee Members

Performance evaluation indicators, including sustainability indicators, are used in the remuneration of Sustainability Committee members.

Kikkoman Performance Index (KPI)

In 2002, Kikkoman Corp. introduced the Kikkoman Performance Index (KPI) as our internal performance evaluation system. The KPIs consists of seven main items, including CO₂ emissions reduction and other sustainability-related items. We have set targets that add up to 100 for all items. The KPIs are reflected in officer remuneration for Sustainability Committee members, and progress is checked every six months.

Policy on Determination of Individual Remuneration for Directors

At a meeting of the Board of Directors on April 27, 2022, the Company adopted the Policy on Determination of Individual Remuneration for Directors that sets amounts and methods of calculation of remuneration for directors of Kikkoman Corp.

Of the four members of the Sustainability Committee, three serve as Directors of Kikkoman Corp. Evaluations of individual sustainability-related issues are reflected in remuneration for the above Sustainability Committee members in accordance with the Policy on Determination of Individual Remuneration for Directors.

Overview of the Policy on Determination of Individual Remuneration for Directors

Basic remuneration for an individual director is determined by multiplying standard monthly remuneration set according to the position and job responsibilities of the director during the current fiscal year, by a coefficient reflecting a company performance evaluation indicator and an individual performance evaluation indicator. The evaluation indicator for company performance is determined mainly from the business profit of departments under the director's charge and consolidated business profit in the previous fiscal year, both compared to two fiscal years previous. The evaluation indicator for individual performance of a director is determined mainly from performance evaluation indicators for the business under the director's charge (profitability, growth, asset efficiency, sustainability-related individual issues, etc.), degree of achievement of policies in departments under the director's charge, qualitative evaluation, and other factors in the previous fiscal year. Basic remuneration is 100% when criteria have been met, and can vary between 90% and 110% in accordance with evaluations. Basic remuneration is paid as a fixed amount of cash at a set time every month.

The amount of bonus paid is determined by multiplying a standard bonus amount calculated from monthly remuneration as basic remuneration and a coefficient reflecting a company performance evaluation indicator and an individual performance evaluation indicator, taking into account consolidated pre-tax profit in the current fiscal year. The evaluation indicator for company performance is determined mainly from the business profit of departments under the director's charge and consolidated business profit in the current fiscal year, both compared to the previous fiscal year. The evaluation indicator for individual performance is determined mainly from performance evaluation indicators for the business under the director's charge (profitability, growth, asset efficiency, sustainability-related individual issues, etc.), degree of achievement of policies in departments under the director's charge, qualitative evaluation, and other factors in the current fiscal year. The bonus amount is 100% when criteria have been met, and can vary between 25% and 150% in accordance with evaluations. Bonuses are paid in cash, generally on the day of the general shareholders' meeting.

Stock-based remuneration uses a stock grant trust mechanism and is determined in accordance with factors including the positions of individual directors. It consists of a performance-linked portion and a fixed portion not linked to performance. For the fixed portion, points are calculated in accordance with position and other factors for individual directors. For the performance-linked portion, similarly calculated points are multiplied by a coefficient that reflects the Company's performance evaluation indicator every fiscal year. Based on these points, the number of shares to be issued is determined. For the performance-linked portion, the evaluation indicator for company performance is determined using factors including indicators related to consolidated business profit margin, consolidated sales revenue, and sustainability. The performance-linked portion makes up approximately two-thirds of stock-based remuneration, and can vary between 0% and 155% in accordance with evaluations as above. Shares granted on the basis of stock-based remuneration are issued following the retirement of directors, with a portion paid following conversion into cash for the purpose of securing funds for payment of taxes.

Risk Management

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. Given the global reach of the Group's many businesses, there are a variety of different risks and opportunities that must be understood and managed. Executive officers and managers of equivalent status* direct subsidiaries and divisions under their charge and work to prevent the materialization of risks.

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 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. In the Risk Management Guideline, risk is defined as all uncertainties in management and includes the following. The definition of risk goes beyond natural disasters and accidents to include sustainability-related issues, including climate change.

- 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

To evaluate, manage, and appropriately address medium- to long-term sustainability risks, we engage with external organizations and stakeholders to confirm risks and incorporate them as needed into our initiatives. Every year, the Group comprehensively assesses risks related to our business, with sustainability-related risks included among these. The Group identifies risks that affect operations and analyzes the degree of impact of each risk, and submits risk reports to the Board of Directors.

Risk Management

We regularly analyze and examine risks to the Group at the Group Management Committee chaired by the CEO. With regard to risk evaluation and selection, we take a broad view of changes in our internal and external management environments, identify issues with the potential for developing into risks, evaluate degree of importance from the two perspectives of degree of impact and probability of occurrence, and prioritize and address risks.

We have also set up committees to deal with risks related to ensuring the stable supply and the safety of products, a fundamental function of a food company. With regard to the stable supply of products, we have established a Risk Management Committee that takes prompt and appropriate action in the event of accidents, disasters, or other crises that impact the Group. With regard to the safety of products, we have established the Kikkoman Group Quality Policy and a Department in Charge of Quality Assurance at major group manufacturing companies. Our Quality Assurance Committee, consisting of members from throughout the Group, meets to ensure safety, legal and regulatory compliance, and social fairness.

Sustainability Strategy

Major Risks

Among matters related to the state of our business and accounting described in securities reports, the main risks that we recognize as presenting potential major impacts on investor decisions are as follows.

1

Risks related to the “socioeconomic environment”

- (1) Natural disasters, etc.
- Our Group has established production sites in Japan, the Americas, Europe, and Asia, primarily for local production. We perform business continuity planning (BCP) to prepare for unforeseen circumstances and conduct training and reviews as appropriate. However, the occurrence of large-scale accidents or natural disasters such as earthquakes, hurricanes, droughts, and heavy rains that cause production stoppages, supply chain interruptions, or other situations exceeding assumptions could affect the Group's performance or financial position.
- (2) Changes in materials market conditions
- Our Group incorporates the effects of fluctuations in crude oil prices and of international commodity market conditions for the soybeans and wheat used in key products such as soy sauce and soy milk into budget drafting, assessing and responding to impacts on a monthly basis. In formulating our Medium-Term Management Plan, too, we consider the impacts of rising materials and utilities prices. However, production shortages due to abnormal weather, cold summers, warm winters, or other climatic changes, price increases exceeding our assumptions due to factors such as geopolitical risks, and similar occurrences could affect the Group's performance or financial position.
- (3) Social and economic disruption
- Under our long-term Global Vision 2030, our Group engages in business globally, including in Japan, the Americas, Europe, and Asia, and works to decentralize risks in order to combat localized economic fluctuations. However, the occurrence of political upheaval, terrorism, or military conflict in our business regions or global pandemic resulting in sudden changes in market environments or major social or economic turmoil could affect the Group's performance or financial position.

2

Risks related to the “business environment”

- (1) Changes in the competitive environment
- Our Group formulates medium- and long-term management plans on the basis of trends in society, consumers, and competitors. We also strive for technological innovation, through means including the improvement of our research and development structure and the promotion of Company-wide DX initiatives. However, the occurrence of a drop-off in demand for our Group's product and service offerings due to medium-term changes in consumer values and preferences, the emergence of new competitors, drastic increases in competing product quality, or sudden changes in the environment due to factors such as IT innovations could affect the Group's business performance or financial position.
- (2) Corporate Social Responsibility
- Our Group seeks to contribute to the resolution of social issues through our business activities, as well as fulfill our corporate social responsibility by unearthing business opportunities while solving social issues. Toward that end, we have set out Global Environment, Food and Health, and People and Society as three core material issues, for which we engage in initiatives under the oversight of the Sustainability Committee.
- In the area of Global Environment, we address environmental issues under our Long-Term Environmental Vision. We will reduce CO₂ emissions and our water consumption (per unit of production), and will reduce plastics by advancing the use of environmentally friendly containers. Our Group has also expressed its endorsement of the Task Force on Climate-related Financial Disclosures (TCFD). Based on TCFD recommendations, we evaluate the risks and opportunities that climate change presents to our operations, and disclose information on our governance, strategy, risk management, indicators, and targets.
- In the area of Food and Health, we practice the sentiment “To fill the world with the joy of food by delivering wholehearted flavor” embedded within Kikkoman's Promise.
- In the area of People and Society, we will conduct human rights due diligence and enhance our internal training under the Kikkoman Group Human Rights Policy.
- However, failure on our part to sufficiently address social issues amid heightened international concern, with the result of restrictions imposed on our corporate activities or the loss of the community's trust, could affect our Group's business performance or financial position.

3

Risks related to the “business operations”

- (1) Compliance
- a. Compliance
- In Japan, our Group is subject to legal regulations including the Food Sanitation Law, the Product Liability Law, and the Antimonopoly Act. We similarly face regulations in the countries in which we conduct business. Our Group has established a Code of Conduct which we communicate and enforce through training on compliance with laws and regulations. We further develop and operate internal controls covering all work processes. However, changes to or tightening of laws and regulations that create difficulties in the continuation of our current forms of business dealings or product standards, or the occurrence of actions that violate laws, regulations, or social demands, could affect our Group's business performance or financial position.
- b. Intellectual property rights and infringement
- With respect to technologies developed within the Group, we acquire patent rights, utility model rights, trademark rights, and other industrial property rights as necessary. Viewing these rights as key management resources that confer numerous advantages in management, we thoroughly manage them through a specialized department while ensuring that they do not conflict with other companies' patents concerning product manufacturing methods. However, the development by other companies of technologies similar to or superior to those of our Group, or the occurrence of disputes with other companies over matters such as infringement of intellectual property rights, could affect our Group's business performance or financial position.
- (2) Information systems and information security
- Our Group maintains systems that support the work of development, production, logistics, sales, and other functions, as well as key information concerning Group management, corporations, and individuals. We enact measures for the maintenance and preservation of these and strive to enforce an information management structure. However, power outages, disasters, software or equipment defects, computer virus infection, unauthorized access, or other unforeseeable incidents that result in system failure, information leaks, tampering, or other issues could affect our Group's business performance or financial position.
- (3) Food safety
- Viewing the stable supply of safe, high-quality products as our fundamental mission, our Group has established a Quality Policy and works to strengthen our quality assurance structure and quality control structure. However, accidental or other product incidents, and the occurrence of circumstances beyond the control of the Group's efforts, could affect the Group's business performance or financial position.
- (4) Our people
- Our Group works to enhance labor productivity through capital investments and enhanced work efficiency, while striving to secure and develop human capital with high-level expertise in different countries and occupational positions. However, the inability to secure necessary human capital due to a shrinking workforce or rising labor costs, resulting in obstacles to operations and business development, could affect our Group's business performance or financial position.
- (5) Finances
- a. Currency exchange rates
- Our Group prepares medium-term plans, budgets, and performance forecasts with exchange rate fluctuation risks taken into account. However, unforeseeable exchange rate fluctuations resulting in sudden increases in prices for raw materials and commodities procured through foreign currency, or the occurrence of superficial decreases in yen-converted business performance figures for overseas subsidiaries, could affect our Group's business performance or financial position.
- b. Asset-impairment accounting
- Our Group has established decision-making guidelines under which resolutions of the Board of Directors, with consideration of investment effectiveness and other factors, are made concerning new businesses, capital investments, M&A, and other investments exceeding a certain level. However, the application of asset-impairment accounting due to failure to realize the revenue or other outcomes of a project anticipated at the time of approval could affect our Group's business performance or financial position.

Identification of Materiality

Three Areas of Material Social Issues

The Kikkoman Group held discussions on key social issues (materiality) primarily in 2017, naming contribution to solving social issues as a key element in the formulation of Global Vision 2030.

In the consideration conducted at that time, the secretariat of the Corporate Social Responsibility Committee (currently the Sustainability Committee) took the lead in identifying 26 key issues including climate change, human rights, and health, mapping these on the two axes of social issues material to society and social issues material to Kikkoman, followed by analyses of risks and opportunities. This content was reported and discussed in Group Management Committee meetings, and the three core material issues of Global Environment, Food and Health, and People and Society were identified as major directions for the Company. The identified three areas of material social issues were decided by then-President and CEO Horikiri as the responsible party, and were reported to the Board of Directors. We subsequently announced the decision in 2018 in conjunction with Global Vision 2030.

Evaluation of Materiality under the Medium-Term Management Plan (FY2023 to FY2025)

To set medium-term targets for achieving Global Vision 2030, our Group formulated a Medium-Term Management Plan covering FY2023 to FY2025. In considering this plan, we held discussions on sustainability as a key issue, within which we conducted evaluation of materiality from 2021 to 2022. Through this evaluation process, we organized our materiality more concretely and set targets based on the three areas of material social issues. Discussion and consideration proceeded primarily in Group Management Committee meetings, with the secretariat of the Corporate Social Responsibility Committee organizing data and external indicators.



Materiality evaluation process

Reference to external standards

Tasks performed at the early stage of evaluation process included a comprehensive survey of the content of initiatives required of food companies and identification of key items, with reference to the 169 targets of the SDGs, the food industry standards of the Sustainability Accounting Standards Board (SASB), and standards presented by a number of ESG ratings bodies.

The strengths and values of the Kikkoman Group

The Kikkoman Group has a corporate culture and values that have been built up over our long history. In our materiality evaluation, the Group Management Committee and other meeting bodies held discussions on the Kikkoman Group's strengths and values as key elements in our direction moving forward. With the secretariat of the Corporate Social Responsibility Committee taking the lead in organizing the content of discussions, we identified the strengths and values shared across the Group, such as “the workings of nature,” “the joy of food,” and “global.” We recognize that these strengths and values lead to opportunities for our Group.

Stakeholders’ expectations

To investigate the initiatives expected of the Kikkoman Group by society, we approached stakeholders through questionnaire surveys and hearings. The survey led to an understanding of risks and opportunities for our Group from an objective perspective.

On behalf of customers, we made questionnaire requests to major distributors engaged in business in Japan and sought the opinions of suppliers closely connected to the sourcing of soybeans and other materials. To obtain comments from consumers, we conducted questionnaires and hearings with representatives of organizations knowledgeable about the actions of sustainability-conscious consumers in Japan and overseas. We also conducted questionnaires aimed at multiple institutional investors and spoke with experts on sustainability about their expectations toward the Kikkoman Group.

In the above questionnaires and hearings, we prepared questionnaire forms with reference to international ESG indicators and other sources, and asked responders to prioritize the initiatives expected of the Kikkoman Group. We conducted scoring based on those priority rankings and also requested opinions on qualitative content through text description or individual hearings.

Future Vision for Society

We analyzed how society will change heading toward 2050, with input parameters taken from reports issued by United Nations bodies including the Intergovernmental Panel on Climate Change (IPCC), the Food and Agriculture Organization of the United Nations (FAO), and the World Health Organization (WHO), and by international organizations including the World Resources Institute (WRI). Issues common to nearly all of these reports were population growth, accompanying nutritional issues, and crop supply shortages. In connection with these, the loss of biodiversity due to unplanned agricultural land expansion and climate change issues caused by the logging of tropical rainforests were also among issues noted. While such risks were pointed out, we were also able to discern progress in international frameworks and partnerships aimed at achieving sustainable development, and obtained ideas concerning possibilities and opportunities for a prosperous society.

Formulation of themes and targets related to social issues

Based on the risks and opportunities identified through our materiality evaluation, we held discussions primarily within Group Management Committee meetings and set “Contribute to solving social issues through our business activities” as a priority issue in the Medium-Term Management Plan. Based on our three areas of material social issues, we analyzed risks and opportunities in each area and formulated themes and targets. We primarily assumed environmental burdens as activities strengthening risks with negative impacts, and reflected measures to address climate change, the water environment, etc. These are summarized in the Medium-Term Management Plan (FY2023 to FY2025). The content was determined by President and CEO Nakano as the responsible party and was reported to the Board of Directors.

Identification of Materiality

Evaluation of Materiality Using International Standards

Amid growing international interest in sustainability, international frameworks for the disclosure of non-financial information have been organized. Against this background, to meet the demands of the international community as a responsible company and to engage in appropriate disclosure of non-financial information, the Kikkoman Group conducted an evaluation of materiality from FY2024 to FY2025.

Methods of materiality evaluation

The European Financial Reporting Advisory Group (EFRAG) established its Materiality Assessment Implementation Guidance. In the Kikkoman Group, the secretariat of the Sustainability Committee took the lead in conducting a materiality evaluation based on this guidance. In doing so, we sought to reflect double materiality* and conduct a highly objective evaluation consistent with European Sustainability Reporting Standards (ESRS).

* Double materiality: The concept of evaluation along the two axes of the impacts that the natural environment and society have on a company (financial materiality) and the impacts that the company has on the natural environment and society (impact materiality).

The processes of materiality evaluation

We engaged primarily in three processes to evaluate materiality. Through these processes, we conducted a basic analysis of dependencies arising from the points of contact between our Group's business activities and the natural environment/society, and evaluated the relationships between these and risks/opportunities. The Sustainability Committee held discussions on the topic and reported its findings to the Board of Directors.

STEP 1

Internal analysis based on ESRS

- Organize topics unique to our Company based on Global Vision 2030 and the Medium-Term Management Plan.
- Add topics unique to our Company to the ESRS subtopics, and comprehensively analyze relationships with our value chain*1
- Organize the value chains, stakeholders, and businesses related to our Company's business, and identify domains where key impacts, risks, and opportunities are concentrated.

STEP 2

Scoring of items

- Based on the results of analysis in STEP 1, identify impact, risk, and opportunity items. Create question forms from the identified items.
- Conduct questionnaire surveys and interviews with related departments in Kikkoman Corp., Kikkoman Group companies, and external stakeholders*2.
- Score survey results and perform evaluation, incorporating objective opinions from multiple perspectives.

STEP 3

Evaluation based on double materiality

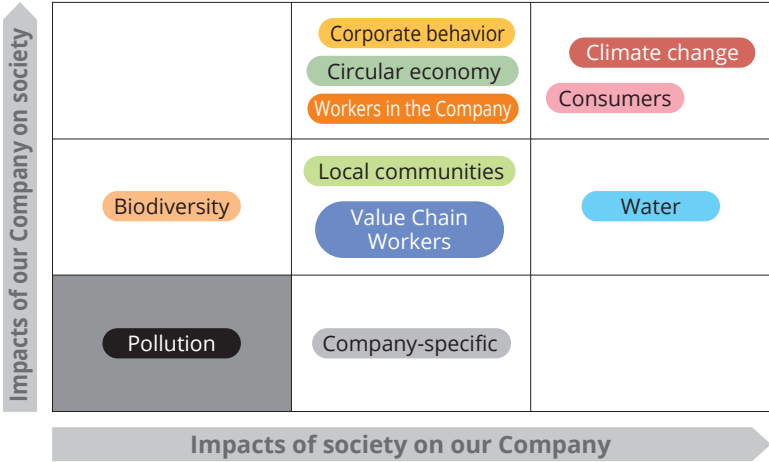
- Evaluate the importance of ESRS subtopics and topics unique to the Company, on the basis of double materiality.
- Based on EFRAG guidance and the Company's existing evaluation methods, determine areas evaluated as important.

*1 Research and development, procurement, manufacturing, logistics, sales, consumption, and disposal
*2 Consumer groups, soybean suppliers, container suppliers, packaging material suppliers, institutional investors

Results of materiality evaluation

Following the materiality evaluation process, we analyzed the importance of both impact materiality and financial materiality (double materiality) for each ESRS subtopic, and summarized the results of the materiality evaluation.

Evaluation mapping



Overview: Three areas of material social issues

Social Issues	Themes	Initiatives/targets
Global Environment	Climate change	Climate change <ul style="list-style-type: none">Reducing CO2 / Reducing CO2 emissions by more than 25% compared to FY19
	Food environments	Biodiversity Water <ul style="list-style-type: none">Preserving water environment / Reducing water consumption (per unit of production) by more than 25% compared to FY12
	Natural resources	Circular economy <ul style="list-style-type: none">Promoting recycling activities / Achieving more than 99% recycling rateReducing food loss / Reducing food loss by more than 25% compared to FY19Reducing plastic usage
Food and Health	Joy of food and health	Consumers <ul style="list-style-type: none">Proposing tasty, healthy, and balanced dietsTackling a variety of nutrition issuesPromoting proper salt intake / Percentage of sales of less salt-type soy sauce in Japan 25%
	Diverse food needs	Consumers <ul style="list-style-type: none">Expanding plant-based protein productsOffering more choices for consumers
	Communication	Consumers <ul style="list-style-type: none">Promoting food educationPromoting international exchange of food cultureSupporting activities to promote mental well-being
People and Society	Respect for human rights	Workers in the Company Workers in the value chain <ul style="list-style-type: none">Implementing human rights due diligence / Proportion of managers who participated in human rights training programs: 100%Promoting diversity, equity and inclusion / Proportion of women in management positions (Japan): 10% or more / Employment rate of persons with disabilities (Japan): 2.5% or more
	Working with stakeholders	Workers in the Company Local communities Workers in the value chain <ul style="list-style-type: none">Creating a work environment with opportunities to improve capabilitiesContributing to development of communitiesPromoting stakeholder engagement
	Strengthening the management system	Corporate behavior Company-specific <ul style="list-style-type: none">Strengthening corporate governanceStrengthening complianceStrengthening risk management

Future Initiatives

By conducting materiality evaluation on the basis of Materiality Assessment Implementation Guidance, we were able to perform a multi-faceted analysis that differed from conventional materiality evaluation. We will make use of the findings in future non-financial information disclosure while we further enrich our Group's initiatives, and will connect these actions to solving social issues.

Global Environment

22

Environmental Initiatives

22

Kikkoman Group Environmental Principles

23

Long-Term Environmental Vision

24

Environmental Management Promotion System

25

Climate Change

37

Food Environments

41

Responding to Water-related Risk

44

Sustainable Sourcing

47

Natural Resources

53

Environmental Management System

Note: Scope of Water Consumption, Annual Water Consumption and Discharge Volume by Source, Implementation Rate of Recycling, Reduction of Food Product Losses (Japan), Energy, Resource, and Discharge Flows

Japan (19 factories): Kikkoman Food Products Co. (Noda Factory (Chiba Prefecture), Takasago Factory (Hyogo Prefecture)), Hokkaido Kikkoman Co., Nagareyama Kikkoman Co. (Chiba Prefecture), Kikkoman Foodtech Co. (Main Plant (Chiba Prefecture), Nakanodai Plant (Chiba Prefecture), Edogawa Plant (Chiba Prefecture), Nishinippon Plant (Hyogo Prefecture)), Saitama Kikkoman Co., Nippon Del Monte Corp. (Gunma Plant, Nagano Plant), Manns Wines Co., Ltd. (Katsunuma Winery (Yamanashi Prefecture), Komoro Winery (Nagano Prefecture)), Kikkoman Biochemifa Co. (Edogawa Plant (Chiba Prefecture), Kamogawa Plant (Chiba Prefecture)), Kikkoman Soyfoods Co. (Saitama Plant, Gifu Plant, Ibaraki Plant), Takara Shoyu Co., Ltd. (Choshi Plant (Chiba Prefecture))

Overseas: KFI (Walworth Plant (United States), Folsom Plant (United States)), KSP (Singapore), KFE (The Netherlands)

Environmental Initiatives

Basic Approach of the Kikkoman Group

The Kikkoman Group believes that our corporate slogan, “seasoning your life,” can be realized through the bounty of nature. The Group uses many raw materials for our products such as soybeans, wheat, vegetables, fruit, and water. They all contain the condensed power of nature. Only a healthy environment can be the starting point of “seasoning your life” because they cannot carry out their role as raw materials without the assistance of the natural environment. Therefore, the natural environment is the base that enables the Kikkoman Group to season people’s lives in food cultures all over the world, and preserving the natural environment for food is the core position of all Kikkoman Group environmental preservation activities.

Kikkoman Group Environmental Principles

Environmental Philosophy

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

Commentary of Environmental Philosophy		
1	“Respect the workings of nature” means:	The Kikkoman Group looks to create an atmosphere where human life fits harmoniously within the natural world.
2	“Our corporate activities keeping harmony with the environment” means:	We will improve and develop our means of production and distribution to minimize our impacts on the environment.
3	“A society comfortable to live in” means:	A society in which individuals are respected and emotional richness is valued within a healthy natural environment.

Action Guidelines

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

- 1

Every one of us will aim to remain in harmony with the environment when performing our duties across all sectors (development, procurement, production, sales, and support).
- 2

In addition to observing standard laws, we will formulate and observe our own company rules and regulations related to environmental protection.
- 3

As responsible members of society, we will actively participate in efforts to preserve the environment in our local communities.
- 4

We will study and deepen our understanding of the environment.
- 5

We will think and act from a global point of view.

Environmental Initiatives

Long-Term Environmental Vision

Kikkoman Corp. has launched “Kikkoman Group Long-Term Environmental Vision” as our environmental vision for 2030. With this vision, we are working to protect the natural environment for sustainability and food and further promote environmental activities by setting categories, themes, and targets for a sustainable future.

Climate change

The Group will tackle climate change, which can lead to serious natural disasters, by decreasing more than 50% of CO₂ emissions by FY2031 compared with FY2019. To achieve this goal, we will promote measures such as process improvement, installation of energy-efficient equipment, utilization of renewable energy and technological innovation.

Food environments

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

Natural resources

In order to make smart use of precious resources, we will work to reduce food waste and develop environmentally friendly products. Our programs to reduce food loss and waste include reducing product disposal and improving Kikkoman’s recycling rate toward a 100% recycling rate in production. We will also promote the development of eco-friendly products throughout the entire value chain including the reduction of petroleum-based raw materials used in containers, etc.

Long-Term Environmental Vision

Area		Themes	Targets for 2030
Sustainable society	Climate change	● CO ₂ reduction	● Reduce CO ₂ emissions by more than 50%* ¹ (Target renewed from 30% to 50% in June 2023)
	Food environments	● Water environment ● Sustainable sourcing	● Reduce water consumption (per unit of production) by more than 30%* ² ● Set high standards for wastewater treatment ● Build systems to ensure sustainable sourcing
	Natural resources	● Waste and food loss ● Eco-friendly products	● Reduce waste in production and sales ● 100% recycling rate* ³ ● Developing eco-friendly products throughout the value chain

*1 Compared to FY2019, Scope1+2 scope: Kikkoman Corporation and consolidated subsidiaries
*2 Compared to FY2012, scope: Manufacturing divisions
*3 Scope: Manufacturing divisions

Environmental Management Promotion System

The CEO of Kikkoman Corp. serves as the chief executive officer for the Kikkoman Group overall, while the Group Management Committee serves as a deliberative body for decision-making. The Group Management Committee discusses social issues, including environmental preservation activities, formulates policies, and explores ways to reinforce the Group’s initiatives. In addition, the CEO reports on environmental preservation activities to the Board of Directors, and incorporates reports into the Group’s management strategy.

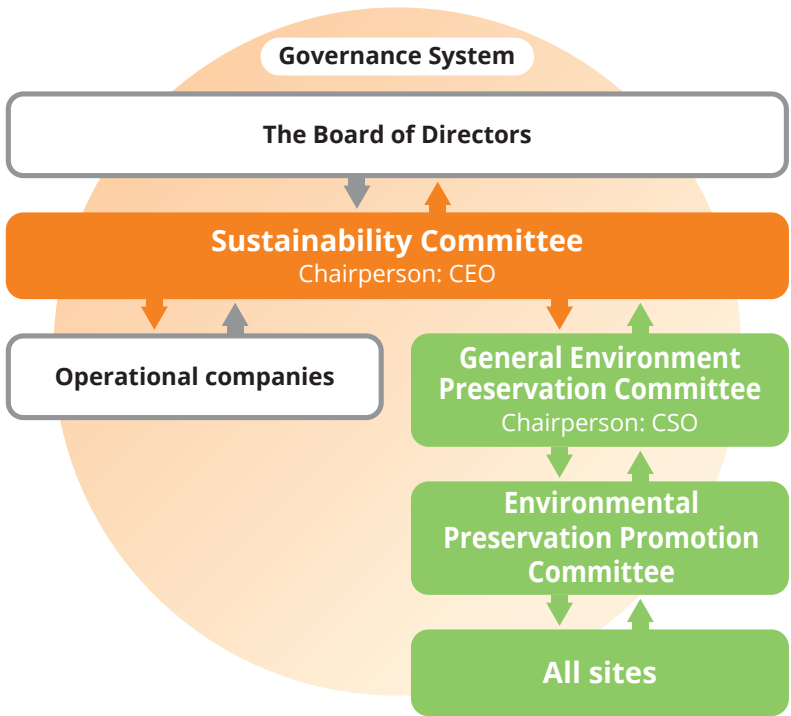
The Group has also established a Sustainability Committee* in which the CEO participates. The committee is tasked with leading Group-wide initiatives to tackle social issues, including environmental preservation activities. Through the General Environmental Preservation Committee, which is chaired by an Executive Corporate Officer (General Environmental Management Representative) of Kikkoman Corp., the Company sets targets and implements concrete policies for Group companies and business sites, aiming to accumulate Group-wide environmental expertise and technologies to improve the Group’s ability to adapt to change.

In addition, the Environmental Conservation Promotion Committee, which consists mainly of members who are responsible for environmental management at each site, promotes the sharing of detailed data and case studies.

In this way, the Kikkoman Group sets the targets and policies related to environmental conservation activities from the perspective of the entire Kikkoman Group. Based on this, we have established a system for exchanging information while regularly reviewing on-site responses, which leads to the improvement of our environmental management system.

* Renamed from the Corporate Social Responsibility Committee in April 2024.

Environmental Management Promotion System



Kikkoman Group Environmental Preservation Activities Case Book

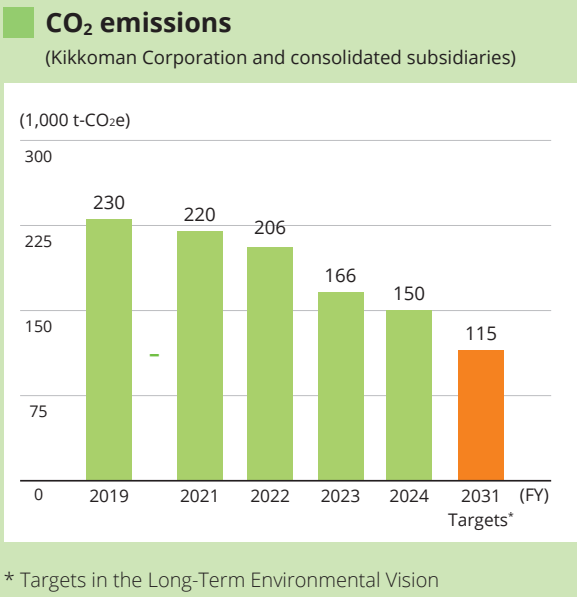
For additional information on specific measures and previous initiatives related to environmental preservation activities, please see the Kikkoman Group Environmental Preservation Activities Case Book on our website.

Visit our website for more information: <https://www.kikkoman.com/jp/csr/environment/case.html> (only available in Japanese)

Environmental Initiatives

Climate Change

Climate change caused by rising emissions of CO₂ and other greenhouse gases is closely associated with social issues such as health impacts arising from high temperatures and heat waves, water shortages due to serious droughts, and flooding caused by heavy rain. Recognizing climate change as a major social issue, the Kikkoman Group is working to achieve net-zero CO₂ emissions by 2050. By FY2031, the Group will reduce CO₂ emissions by at least 50% compared with FY2019. To achieve this target, we will undertake measures including process improvements, installation of energy-efficient equipment, utilization of renewable energy, and technological innovation.



Medium- and long-term reduction targets for CO₂ emissions

In December 2023, the Kikkoman Group's GHG reduction targets for FY2031 have been approved by SBTi (Science Based Targets initiative)*¹. It recognizes the scientific grounding of our Group's FY2031 greenhouse gas reduction targets aimed at constraining temperature rise to within 1.5°C the level prior to the Industrial Revolution. The Kikkoman Group's greenhouse gas reduction targets that received certification are as follows.

- Scope 1+2 ^{*2} To reduce absolute scope 1 and 2 GHG emissions 50.4% by FY2031 form a FY2019 base year.
- Scope 3 ^{*3} To reduce absolute scope 3 GHG emissions 30% within the same timeframe.

We have formulated the Kikkoman Group Long-Term Environmental Vision that lays out our environmental vision through 2030, under which we are working to realize a sustainable society. In combating climate change, we are advancing initiatives to reduce CO₂ emissions by at least 50% by 2030 compared to FY2019. These actions are aimed at achieving net zero CO₂ emissions by 2050 and constraining temperature rise to no more than 1.5°C higher than the level prior to the Industrial Revolution.

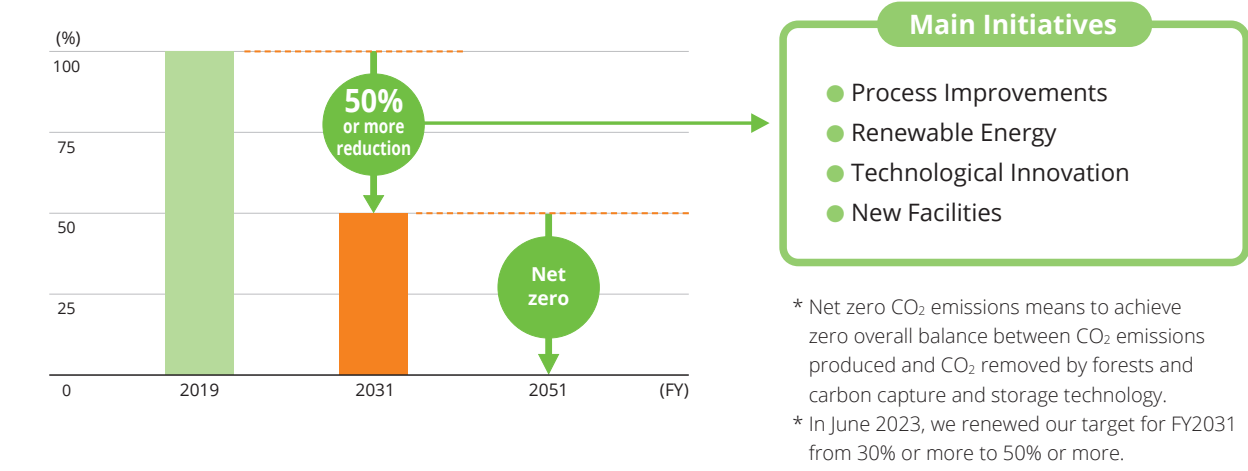
^{*1} SBT initiative: An international initiative to certify that corporations' greenhouse gas emission reduction targets are consistent with standards set by the Paris Agreement

^{*2} Scope 1: Direct emissions of greenhouse gases by an organization (from fuel combustion and industrial processes)

Scope 2: Indirect emissions associated with the use of electricity, heat, and steam supplied by other entities

^{*3} Scope 3: Indirect emissions other than Scope 1 and Scope 2 (emissions by other entities related to an organization's activities) Based on SBT guidelines, targets are set for amounts that cover at least 2/3 of company-wide emissions.

CO₂ Emissions Reduction Target (Total of Scope1 + Scope2)



Amount of CO₂ Emissions

CO ₂ emissions (Scope 1)							(thousands of t-CO ₂ e)
	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	
Japan	73.1	73.9	72.5	69.9	66.2	58.9	
Overseas Manufacturing and Sales	24.9	24.8	24.4	26.9	26.4	26.1	
Overseas Wholesale	14.8	15.1	14.0	15.4	15.1	14.9	
Total	112.8	113.8	110.9	112.3	107.7	99.9	

CO ₂ emissions (Scope 2)							(thousands of t-CO ₂ e)
	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	
Japan	56.8	55.4	52.3	40.5	16.3	12.8	
Overseas Manufacturing and Sales	47.1	43.5	42.4	36.8	31.1	29.5	
Overseas Wholesale	12.9	12.3	14.5	16.6	10.5	7.4	
Total	116.9	111.2	109.2	93.8	57.9	49.7	

CO ₂ emissions (Scope 3)							(thousands of t-CO ₂ e)
	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	
Japan	760.9	771.0	722.7	734.7	794.0	706.6	
Overseas Manufacturing and Sales	374.9	376.2	377.1	414.1	415.4	405.3	
Overseas Wholesale	1,007.1	1,057.0	1,040.1	1,178.7	1,322.6	1,831.9	
Total	2,142.8	2,204.2	2,139.8	2,327.4	2,532.0	2,943.8	

Environmental Initiatives

CO₂ emissions by category

(thousands of t-CO₂e)

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Company-wide	2,142.7	2,204.3	2,139.9	2,327.7	2,532.0	2,943.8
Category 1 Purchased goods and services	1,569.0	1,614.4	1,587.5	1,723.7	1,868.4	2,195.6
Category 2 Capital goods	90.2	87.5	66.6	78.4	122.2	136.5
Category 3 Fuel- and energy-related activities	49.3	51.3	50.3	51.8	49.3	43.3
Category 4 Upstream transportation and distribution	322.4	336.6	325.0	353.1	371.5	436.7
Category 5 Waste generated in operations	5.7	6.0	5.3	5.6	7.8	7.4
Category 6 Business travel	0.9	1.0	1.0	1.0	1.0	1.0
Category 7 Employee commuting	2.6	2.7	2.8	2.8	2.9	2.8
Category 8 Upstream leased assets	0.4	0.4	0.4	0.4	0.3	0.4
Category 9 Downstream transportation and distribution	20.9	21.3	21.1	23.1	22.5	28.3
Category 10 Processing of sold products	46.5	46.4	43.4	47.1	46.4	44.7
Category 11 Use of sold products	0.0	0.0	0.0	0.0	0.0	0.0
Category 12 End-of-life treatment of sold products	34.8	36.7	36.5	40.7	39.7	47.0
Category 13 Downstream leased assets	0.0	0.0	0.0	0.0	0.0	0.0
Category 14 Franchises	0.0	0.0	0.0	0.0	0.0	0.0
Category 15 Investments	0.0	0.0	0.0	0.0	0.0	0.0

For information on Scope 3 categories, please refer to the following website. <https://ghgprotocol.org/scope-3-calculation-guidance-2>

Note: • “CO₂e” stands for CO₂ equivalent, referring to the value of greenhouse gases converted to carbon dioxide.

Method of calculating GHG emissions

Scope		Amount of activity	Intensity
Scope 1		<ul style="list-style-type: none">Amount of fuel used in factories, offices, logistics, etc.; amount of freon leakageAnalysis values at wastewater treatment facilitiesAmount of soy sauce oil (for boiler fuel)	<ul style="list-style-type: none">Greenhouse gas emissions accounting and reporting manual (Ver.5.0)Emission factors for fuels reported by countries
	Scope 2	<ul style="list-style-type: none">Amount of electricity purchased in factories, offices, logistics, etc.Amount of purchased steam used in factories	<ul style="list-style-type: none">Greenhouse gas emissions accounting and reporting manual Ver.5.0IEA Emissions Factors - 2023 editionEmission factors reported by countries and electricity providers
Scope 3	Cat 1 Purchased goods and services	<ul style="list-style-type: none">Amount or value of materials and packaging materials procuredAmount or value of wholesale business products procuredAmount of outsourcing of manufactured products	<ul style="list-style-type: none">Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver. 3.4)IDEA Database v2.Embodied energy and emission intensity data for Japan using input-output tables (3EID)
	Cat 2 Capital goods	<ul style="list-style-type: none">Capital Expenditures	<ul style="list-style-type: none">Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver. 3.4)
	Cat 3 Fuel - and energy-related activities	<ul style="list-style-type: none">Energy consumption	<ul style="list-style-type: none">Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver. 3.4)IDEA Database v2.
	Cat 4 Upstream transportation and distribution	<ul style="list-style-type: none">Amount of procured goods; transport distanceTransport costsAmount of fuel used in outsourced transport	<ul style="list-style-type: none">Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver. 3.4)Greenhouse gas emissions accounting and reporting manual (Ver.5.0)
	Cat 5 Waste generated in operations	<ul style="list-style-type: none">Weight of waste treated or disposed	<ul style="list-style-type: none">Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver. 3.4)IDEA Database v2.
	Cat 6 Business travel	<ul style="list-style-type: none">Number of employees	<ul style="list-style-type: none">Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver. 3.4)
	Cat 7 Employee commuting	<ul style="list-style-type: none">Number of employees	<ul style="list-style-type: none">Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver. 3.4)
	Cat 8 Upstream leased assets	<ul style="list-style-type: none">Occupied area of office space	<ul style="list-style-type: none">Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver. 3.4)
	Cat 9 Downstream transportation and distribution	<ul style="list-style-type: none">Amount of products manufactured in factoriesAmount of products sold wholesale business	<ul style="list-style-type: none">Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver. 3.4)
	Cat 10 Processing of sold products	<ul style="list-style-type: none">Manufacture of products for processing	<ul style="list-style-type: none">Emission factor calculated in-house
	Cat 11 Use of sold products	N/A	N/A
	Cat 12 End-of-life treatment of sold products	<ul style="list-style-type: none">Weight of packaging materials	<ul style="list-style-type: none">Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver. 3.4)IDEA Database v2.
	Cat 13 Downstream leased assets	N/A	N/A
	Cat 14 Franchises	N/A	N/A
	Cat 15 Investments	N/A	N/A

Reduction of CO₂ emissions per unit of sales

The Kikkoman Group is working to reduce CO₂ emissions per unit of sales. CO₂ emissions per unit of sales in FY2024 were 0.226 t-CO₂e/million yen, a 6.3% reduction from FY2023.

Environmental Initiatives

Renewable Energy Use

The Kikkoman Group is pursuing the introduction of renewable electricity to reduce CO₂ emissions. As of the end of FY2024, we had transitioned to 100% renewable energy at 20 sites, with renewable energy accounting for 62.1% of purchased electricity usage by the Kikkoman Corporation and consolidated subsidiaries. We have also installed solar panels on the roofs of plants and at other locations to supply electric power to facilities. We are working to reduce CO₂ emissions by producing clean electric power from sunlight for use in production at locations including Kikkoman Foodtech Co. (Main Plant), Saitama Kikkoman Co., and Kikkoman General Hospital in Japan, and KSP and KFI Folsom Plant overseas.

Utilization of Renewable Energys

The Kikkoman Group has started shifting electricity used in each department to “renewable energy sources.”

Facilities using 100% renewable energy-derived electricity in Japan (in order of transition-completed year)

2020	Kikkoman Noda Head Office, Saitama Kikkoman Co., Kikkoman General Hospital
2021	Kikkoman Soyfoods Co. (Gifu Plant), Kikkoman R&D Center, Kikkoman Foodtech Co. (Nakanodai Plant)
2022	Kikkoman Tokyo Head Office, Kikkoman Foods Products Co. (Noda Factory), Kikkoman Foodtech Co. (Main Plant, Edogawa Plant), Manns Wine Co., Ltd. (Katsunuma Winery, Komoro Winery), Kikkoman Biochemifa Co. (Edogawa Plant, Kamogawa Plant), Hokkaido Kikkoman Co., Nagareyama Kikkoman Co., Kikkoman Soyfoods Co. (Saitama Plant, Ibaraki Plant)

Facilities using 100% renewable energy-derived electricity overseas (in order of transition-completed year)

2021	Kikkoman Foods Europe B.V.
2023	Kikkoman Foods, Inc. (Folsom Plant), JFC International Inc. (North American offices)*

* Achieved 100% renewable energy-derived electricity by combining green power certificates with purchased electricity.

Percentage of Renewable Energy

FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
1.9%	1.6%	3.7%	22.3%	50.7%	62.1%

Total Energy Consumption (Kikkoman Corporation and consolidated subsidiaries)

	Heating value	Amount of energy from renewable sources (unit: MWh)	Amount of energy from non-renewable sources (unit: MWh)	Total (renewable and non-renewable) (unit: MWh)
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	442,566	442,566
Consumption of purchased or acquired electricity		140,258	85,453	225,711
Consumption of purchased or acquired steam		0	42,764	42,764
Consumption of self-generated non-fuel renewable energy		439	0	439
Total energy consumption		140,696	570,784	711,480

Internal Carbon Pricing

The Kikkoman Group uses internal carbon pricing (ICP) for Scope 1 and Scope 2 emissions, with the objective of changing business conduct within the Group and promoting energy efficiency and low-carbon investments.

Based on the nature of the food manufacturing industry, the generation of CO₂ from electric power consumption and fuel-derived CO₂ emissions from the use of thermal energy in heating processes of food manufacturing are among the CO₂ and other greenhouse gas emission factors of the Kikkoman Group. In the calculation of ICP, we calculate theoretical values based on external data for the price of renewable electric power energy required for future reductions and the price of CO₂ certificates in the thermal field, as shadow price estimates used primarily in investment decisions.

Internal carbon prices calculated by our Group are used as future costs for achieving our 2030 targets that were approved by SBTi. ICP is applied mainly to manufacturing departments, which account for over 80% of our Group's CO₂ emissions (Scope 1+2).

In FY2024, we used the average value of the two prices, 6,500 yen, as our calculated internal carbon price.

Kikkoman Performance Index

The Kikkoman Group introduced an index called the Kikkoman Performance Index (KPI) as a means of managing corporate objectives (see p. 61 of the Corporate Report). By adopting CO₂ emission reductions as KPIs alongside sales and invested capital turnover ratio, we are communicating to Group companies that the reduction of CO₂ emissions is of importance on par with financial matters, while also utilizing the KPIs in department-specific progress management to achieve more efficient initiatives.

We have set KPIs for target companies based on the CO₂ reduction targets determined by the Kikkoman Group General Environmental Preservation Committee (see p. 23 of this report). Achievement rates based on the targets are evaluated at the end of the first half (April to September) and the second half (October to March) of every fiscal year. Bonuses for executive officers are also directly linked to KPI scores achieved.

Participation in International Initiatives

In 2009, the Kikkoman Group signed the Caring for Climate initiative led by the UN Global Compact. Caring for Climate is a framework for reducing risks due to climate change and for promoting initiatives aimed at solving issues through cooperation among signatory companies. The Kikkoman Group is working on measures to combat climate change issues via the exchange of information with signatory companies and organizations.

External Evaluation System

CDP, an international nonprofit organization, selected the Kikkoman Group as one of its target corporations to which CDP sent its Climate Change Questionnaire to know and evaluate their efforts on reducing CO₂ emissions. CDP's evaluation based on the questionnaires is provided to institutional investors as information disclosing the companies' actual stances toward reducing CO₂ emissions. The evaluation is considered as one of the significant pieces of information from the ESG investment viewpoint. The Kikkoman Group has replied to the questionnaire since FY2015.

In the CDP 2023 Climate Change, the Kikkoman Group acquired a Leadership-level A– score.

Environmental Initiatives

Disclosures Based on TCFD Recommendations

The Kikkoman Group recognizes that climate change is one of the most serious issues facing international society. Our Group believes that addressing climate change equates to putting into practice our Management Principles aimed at becoming a company whose existence is meaningful to global society, and also has financial implications directly connected to the resilience of our strategies for sustainable growth.

Our Group has declared its support for the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board (FSB). Based on TCFD recommendations, we evaluate risks and opportunities concerning our operations stemming from climate change, and disclose information on our governance, strategy, risk management, indicators, and targets.

Governance

The CEO serves as the chief executive officer for the Group overall, while the Group Management Committee serves as a deliberative body for decision-making. At meetings of the Group Management Committee, discussions are held concerning policy formulation and initiative reinforcement and risks and opportunities are constantly monitored, with social and environmental issues regarded as key management topics. With regard to addressing climate change, the Company also formulates long-term business plans with the Kikkoman Group Long-Term Environmental Vision as a key pillar. To align issues identified in this vision with the Group's strategies, the CEO reports on to the Board of Directors on progress toward climate-related targets. Based on these reports, the Board of Directors determines and supervises the Group's major policies, including those related to climate change, and incorporates these in the Group's business strategy.

The Group has also established a Sustainability Committee in which the CEO participates. This committee is tasked with leading Group-wide initiatives to tackle climate change and other societal issues based on the Group's business strategy. The Sustainability Committee secretariat examines societal issues, including climate change, and engages in reporting and discussions in the Group Management Committee and other committees.

The General Environment Preservation Committee, headed by the Kikkoman Corp. General Manager and CSO (General Environmental Management Representative), disseminates details about targets and policies related to climate change and other environmental protection activities to Group companies and business site organizations. It also promotes the accumulation of expertise and technologies related to the environment and improves the Group's responsiveness to change. The Environmental Preservation Promotion Committee, placed under the General Environment Preservation Committee and composed mainly of sites' environmental management officers, facilitates the sharing of detailed data and case studies.

Strategy

In 2018, the Group formulated Global Vision 2030 (GV2030) as its long-term vision for defining basic strategies and goals based on its Management Principles. In formulating GV2030, management analyzed material issues from societal perspectives and the Group's perspectives, and identified three core material issues: "the global environment," "food and health," and "people and society." The Kikkoman Group Long-Term Environmental Vision, our environmental vision aimed at 2030, was established in 2020 to guide specific measures. While advancing activities under this vision and others, the Group has long understood that flooding risks associated with earthquakes and climate change could result in business disruptions and weaker earnings. Accordingly, the Group has advanced measures including business continuity planning (BCP) and natural disaster simulation. Across the Group, we carefully watch the potential for major impacts on operations due to climate change, such as changes that climate change could cause to the use of natural materials in core products. Amid growing concerns in society over the risks of climate change, the Group follows the TCFD recommendation to analyze risks in multiple scenarios that could affect our business domains, to quantifiably measure risks and medium- to long-term impacts on the Group stemming from climate change.

[Scenario Analysis]

The Group's scenario analysis is based on Representative Concentration Pathways (RCP) scenarios, with reference to reports by the Intergovernmental Panel on Climate Change (IPCC) and net-zero scenarios (NZE) from the International Energy Agency (IEA). Analytical results and estimated impacts on Group operations for each scenario are outlined below.

Climate change scenarios and models	Content
RCP2.6 RCP8.5	<p>Summary of scenario analysis:</p> <ul style="list-style-type: none">● The IPCC has reported that climate change could lead to more frequent and larger natural disasters. In light of this, the Group used the RCP8.5 scenario to analyze the potential impacts of climate change on its production sites, based on location information for major sites. To evaluate impacts on the Group under 2°C and 4°C temperature rise scenarios, we employed RCP2.6 and RCP8.5 scenarios.● The natural hazards of flooding, strong winds, high tides and forest fires were analyzed. To understand the current state of natural hazards, the Group analyzed changes in hazards caused by climate change and measured the potential impacts of these changes on production sites. To assess current natural hazards, we referred to the Flood Hazard Map of the World & European Union, GAR 2015, and other databases, while also consulting hazard maps published by the Ministry of Land, Infrastructure and Transport and local governments in Japan and data gleaned from simulations run by external consulting firms. The Group's analysis of trends under climate change relied on RCP8.5 for flooding and high tides and SRES A1B and SRES A2 for strong winds during typhoons and forest fires, respectively. While verifying the change in disaster frequency with existing literature, research results and hazard maps, the Group measured the potential impacts from increases in global temperatures.● The Group's analysis covered natural hazards at the production sites of the entire Group.● Due to the need for decision-making from a long-term perspective, the Group followed RCP2.6 and RCP8.5 through the year 2100.
	<p>Results of scenario analysis:</p> <ul style="list-style-type: none">● For all production sites of the Group, flooding presents the greatest natural hazard risk. Under climate change, the frequencies of flooding, typhoon-force winds, and forest fires are likely to increase. However, climate change does not present changes to the threat of flooding at production sites due to higher tides.
	<p>Impacts of scenario analysis results on business strategy:</p> <ul style="list-style-type: none">● The results of the scenario analysis are used in the evaluation of climate change's impacts on the Kikkoman Group's business strategies. Before the scenario analysis, the Company had been aware of the risk of business interruptions and decline in earnings caused by flooding. Group-wide, management has advanced measures that include BCP and simulations of natural disasters. The results of the scenario analysis have prompted management to consider additional measures at sites that are at risk of serious impacts from climate change.● In 2020, the Group established and released the Kikkoman Group Long-Term Environmental Vision as our long-term environmental policy aimed at 2030. To achieve net zero CO₂ emissions by 2050 and pursue efforts to constrain temperature rise to within 1.5°C of the level prior to the industrial revolution, in June 2023 we updated our CO₂ reduction target through FY2031 from 30% to 50%. The results of our scenario analysis informed the creation of targets for our long-term environmental vision.

Environmental Initiatives

Climate change scenarios and models	Content
RCP2.6 RCP8.5	Summary of scenario analysis: <ul style="list-style-type: none">To assess changes in our ability to procure key materials, we used the Kikkoman Group's procurement quantities of key materials by procurement source country to recognize trends in changing procurement potential, taking into account fluctuations in countries' harvest volume per unit of area under climate change. We used FAO GAEZ v4 simulation data to assess changes in countries' harvest volumes under climate change. In the simulations, we performed analysis using production forecast value (t) data for target crops (soybeans, wheat, tomatoes, and rice) under climate change in two scenarios (based on RCP2.6 and RCP8.5). To assess changes in harvest volumes from current levels, we analyzed changes in production forecast value (t) for target crops (soybeans, wheat, tomatoes, and rice) by procurement source country, and summarized the results, weighted and averaged by procurement country ratio, as the achievable rate of harvest volume change (%). To evaluate impacts on the Group under 2°C and 4°C temperature rise scenarios, we employed RCP2.6 and RCP8.5 scenarios.The analysis covered soybeans, wheat, tomatoes, and rice, which are key materials and procured goods for the Kikkoman Group.Due to the need for decision-making from a long-term perspective, the Group followed RCP2.6 and RCP8.5 through the year 2100.
	Results of scenario analysis: <ul style="list-style-type: none">Analysis revealed that, despite producing area-specific differences in both the 2°C increase and 4°C increase scenarios, risks are generally low. In the 4°C increase scenario, however, there is a risk of a decline in tomato harvest volume in Spain from 2070 onward.
	Impacts of scenario analysis results on business strategy: <ul style="list-style-type: none">The results of the scenario analysis are used in the evaluation of climate change impacts on the Kikkoman Group's business strategies. Prior to the scenario analysis, the Company had managed key materials risks through procurement of alternate materials or from other regions to avoid impacts on business. Based on the analysis results, we will further strengthen management. However, as serious impacts will not materialize for several decades and time exists for evaluating and implementing countermeasures, the risks do not currently influence the business strategies of the Kikkoman Group.

Climate change scenarios and models	Content
IEA NZE Scenario	Summary of scenario analysis: <ul style="list-style-type: none">Based on the Kikkoman Group's total emissions calculated from current Scope 1 and Scope 2 total emissions (t-CO₂), we estimated the costs of achieving the Group's medium- to long-term reduction targets under the IEA WEO 2023 NZE scenario. We analyzed costs for a number of cases involving measures to achieve our targets, including cases in which reductions are achieved through the use of renewable energy combined with capital expenditures and production efficiency improvements, cases in which renewable energy or non-fossil-fuel credits are deployed to cover the entire usable amount, and cases in which the entire amount of emissions is paid for through carbon taxes, depending on conditions in renewable energy markets.A timeline through 2030 is considered, in line with the Kikkoman Group's medium- to long-term targets for reducing CO₂ emissions.Total emissions (Scope 1+2) for the Kikkoman Group are considered.
	Results of scenario analysis: <ul style="list-style-type: none">As capital expenditures, fuel conversion, improvements in production efficiency, and other measures are already progressing at production sites, choosing additional measures for reducing CO₂ emissions will not be easy from a cost-benefit perspective. As the Group has production sites in the developed world where increases in carbon taxes are expected and public pledges for net zero emissions have been made, failure to advance CO₂ emissions reductions will invite increases in manufacturing costs.
	Impacts of scenario analysis results on business strategy: <ul style="list-style-type: none">The results of the scenario analysis are used in the evaluation of climate change impacts on the Kikkoman Group's business strategies. The Kikkoman Group's GV2030 depicts a vision in which we help to solve issues in global society through our unique activities, and further enhance our reason for existence in global society as we head toward 2030. Reducing CO₂ emissions is a core element in addressing major social issues under GV2030. Accordingly, the results of the scenario analysis are reflected in the Kikkoman Group's measures to reduce CO₂ emissions by FY2031.The Kikkoman Group Long-Term Environmental Vision aimed at FY2031 was drawn up in 2020 based on the directions of GV2030, and is linked to business targets. Our Group aims to reduce CO₂ emissions by at least 50% by 2030 compared with levels in FY2019, and is drafting CO₂ reduction measures within its business strategy to achieve this. We are considering and implementing many measures to reduce CO₂ emissions, including fuel conversion, increased purchase of renewable energy, and facilities upgrades for greater efficiency.

Environmental Initiatives

Climate-related Risks and Opportunities

Processes for identifying, assessing, and addressing climate-related risks and opportunities

The Kikkoman Corp. Corporate Planning Department takes the lead in comprehensively evaluating risks related to the Kikkoman Group's business every year. Climate change-related issues are included among the risks integrated into a multi-specialty Company-wide risk management process. For risk cases that affect our business, we evaluate cases involving direct operations as well as upstream and downstream areas of the value chain. Based on this, several times a year we perform analysis and evaluation of degrees of impact under multiple time frames, and issue reports and proposals to top management, including the CEO.

As a method of identifying and classifying climate-related water risks such as heavy rains and droughts, we make use of in-house knowledge along with evaluation tools including the Water Risk Filter from the World Wide Fund for Nature (WWF) and Aqueduct from WRI. When evaluation tool findings yield relevant indicators that exceed normal levels, we recognize water risk to be high and supplement our in-house knowledge with the information. These evaluation tools allow us to reference objective indicators for a wide range of water risks, including regulatory risks, reputational risks, and other difficult-to-quantify risks.

We define the potential financial impacts of climate change risks and opportunities, along with impacts on our stock market capitalization, as significant impacts. When risks of manufacturing site stoppages in major businesses present strategic impacts, we deem those to be risks with significant impact.

In the identification and evaluation of climate-related risks, every quarter the Group Management Committee conducts evaluations of risks involving the Group as a whole. Based on these evaluations, risks with the potential to affect the Group's performance and financial position are noted as "risks to business, etc." in our securities reports. Applicable risks are described under items such as natural disasters and changes in market conditions for materials, as "social and economic environment"-related risks. Business risks and opportunities stemming from climate change based on TCFD recommendations are noted as "business environment"-related risks.

Key climate-related risks

The core business of the Kikkoman Group is the manufacture and sale of soy sauce, soy milk, ketchup, and tomato juice. Sales of the domestic and international food manufacturing and sales segments, including our core business, in the fiscal year ended March 2024 were 302,228 million yen, accounting for about 46% of overall Group sales. The key materials used in our food manufacturing businesses are agricultural products including soybeans, wheat, and tomatoes, the cultivation of which is greatly affected by climate change. Soy sauce business and soy milk business sales of 214,549 million yen account for a major portion of total Group sales (about 32%). The soybeans and wheat used in soy sauce and the soybeans used in soy milk are affected by market conditions for these agricultural products. The materials used by our Group must pass our strict quality and food safety standards, and are procured from limited sources. For this reason, changes in the amount of rainfall and effects of drought and heavy rains in cultivation areas due to climate change present risks.

Over 90% of the soybeans used in the soy sauce we produce comes from North America. Frequent natural disasters and extreme droughts in the North American region caused by climate change can change supply and demand relationships, resulting in procurement difficulties and soaring prices.

Key climate-related opportunities

The Kikkoman Group holds advantages in product development technologies centered on fermentation and brewing. We are able to leverage these strengths to process varied materials, including alternative materials that address material procurement challenges under climate change, to develop products that take advantage of natural umami. In this way, we are able to deploy competitive product groups made with alternative materials and create opportunities for pioneering new markets.

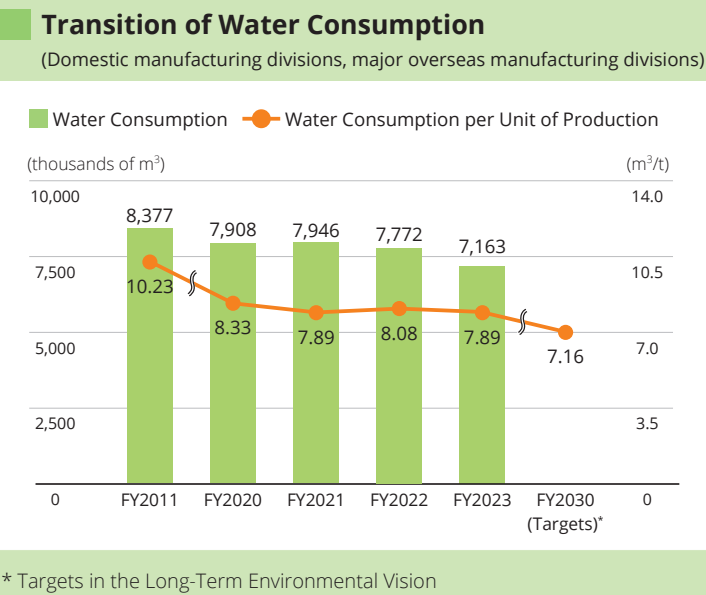
The Kikkoman Group manufactures soy sauce and other food products not only in Japan but also overseas. Through this, we have accumulated food manufacturing know-how and technologies. In soy sauce brewing and fermentation processes, temperature control is important. At our Walworth Plant in the U.S., the average temperature in winter falls below freezing, so we adopted equipment capable of bringing in more cold outside air for use in temperature control, which reduces CO₂ emissions from the operation of refrigeration equipment.

Through innovation in manufacturing processes and equipment, the Kikkoman Group carries out manufacturing more efficiently, enhancing our productivity and allowing us to manufacture products in a manner suited to a low-carbon society. Such measures incorporate innovations in manufacturing processes and equipment, leading to more efficient manufacturing, enhanced productivity, and opportunities for reducing costs.

Environmental Initiatives

Food Environments

The Kikkoman Group believes that a rich natural environment is vital to support tasty, satisfying diets. We are working to preserve natural environments related to food and ensure sustainable procurement practices in partnership with local communities and suppliers, as well as through our own business activities. We use water efficiently and return water used by our plants to nature in as clean a condition as possible. We also work closely with local communities to ensure environmental and sustainable sourcing of raw materials.



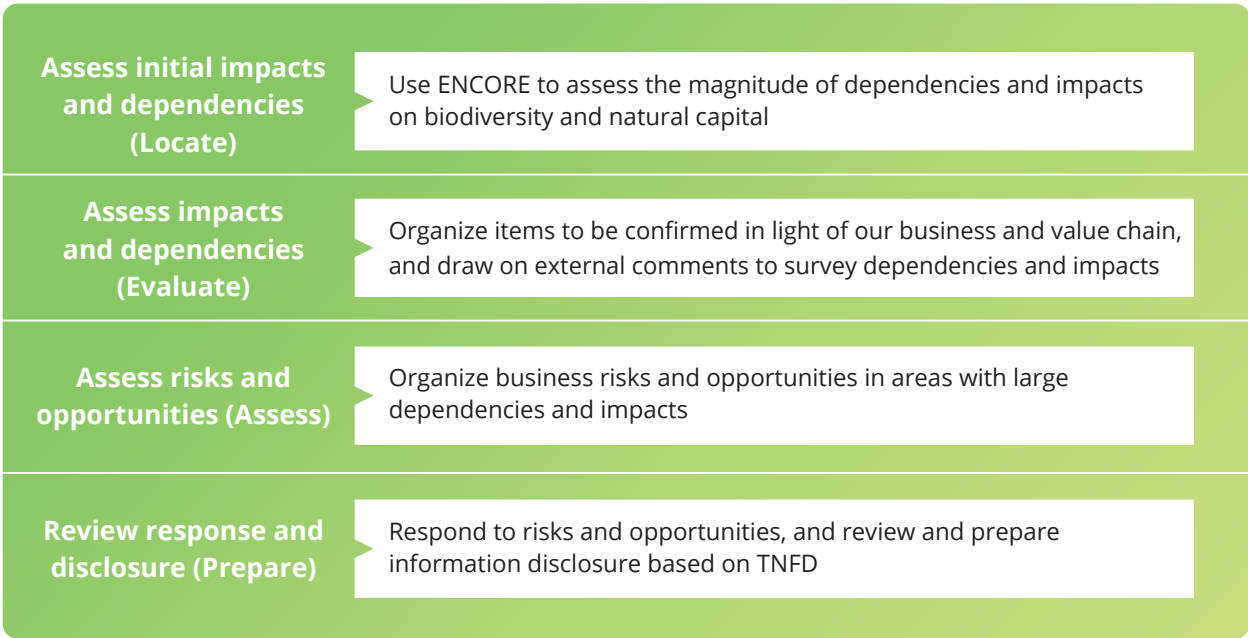
Biodiversity

Biodiversity plays an important role in supporting the natural environment. The various ecosystem services it generates, such as supplying resources, climate mitigation, cultural value, and water cycles, are essential to our lives. Yet at the same time, the rapid loss of biodiversity around the world is a cause for concern.

Going forward, the Kikkoman Group will seek to identify impacts on natural capital and nature-related risks with a focus on biodiversity, in addition to biodiversity conservation. Through these efforts we aim to ensure that the positive impacts of our business activities on biodiversity outweigh the negative, in turn helping to realize “Nature Positive,” in which nature recovers to beyond its 2020 state by 2030.

Gain an Overall Picture with the LEAP Approach

In FY2023, our group implemented a project using the LEAP approach*1 to gain an overall picture of our group’s business and value chain’s dependence and impact on biodiversity. Following an initial assessment of our group’s business profile and key raw materials handled (soybeans, wheat, tomatoes, etc.) by ENCORE*2, we worked with external experts to examine these further. The results confirmed that initiatives in the areas of water resource use, raw material procurement, and local environmental protection were of particular importance. Looking ahead, we will organize opportunities and risks, consider how our response to them, and prepare for more detailed information disclosure.



*1 LEAP approach: Guidance for private-sector companies in assessing their dependencies and impacts on nature. LEAP is provided by the Taskforce on Nature-related Financial Disclosures (TNFD), an international organization that creates frameworks for private-sector companies and financial institutions to assess and disclose risks and opportunities related to natural capital and biodiversity. LEAP is an acronym for the following process:

- Locate: Identify contact points with nature
- Evaluate: Diagnose dependencies and impacts
- Assess: Assess risks and opportunities
- Prepare: Prepare to respond to and disclose risks and opportunities

*2 ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure): A tool jointly developed by the Natural Capital Finance Alliance (NCFA) international network of financial institutions, the United Nations Environment Programme World Conservation Monitoring Center (UNEP-WCMC), and other parties, with the aim of understanding the magnitude of private companies’ impacts and dependencies on nature.

Environmental Initiatives

Major initiatives in Japan


Participation in Chiba Corporate Network for Biodiversity

In April 2013, Chiba Prefecture, where Kikkoman Head Office is located, launched the “Chiba Corporate Network for Biodiversity” in cooperation with the public and private sectors. This initiative is aimed at supporting and strengthening the efforts of municipalities, corporations, NPOs, and educational and research institutes in preserving and sustainably utilizing biodiversity. Kikkoman has participated in this network since its launch. In the Kikkoman Soy Sauce Museum facility for factory tours, we opened Biodiversity Satellite Station as a new area for communicating information to tour participants.

Natural forest survey by Hokkaido Kikkoman Company


Hokkaido Kikkoman Company manufactures soy sauce and seasonings from its base in Chitose, Hokkaido. Since its construction, Hokkaido Kikkoman has left a U-shape forested area centered on the west side of the company site, which has harbored the potential for preserving a forest ecosystem in which rare wild animals and plants can thrive. To determine the biodiversity potential of this forest, in June and July of 2023 Kikkoman Corp. conducted a survey with the support of Regional Environmental Planning, Inc. to visually confirm and collect plants, insects, and wild birds and assess the status of their growth. The outcome indicated that the green space on the Hokkaido Kikkoman grounds has become a habitat for rare wild animals and that a compact forest ecosystem has been preserved. The survey results also suggested that wooded areas thought to be derived from the forests of the Chitose River basin still remain.

Overview of the survey




Plants

Tall trees at the site are composed of deciduous broadleaf trees including Asian white birch, prickly castor oil trees, and Japanese oak and jolcham oak in particular, with heights of 15 to 17 meters. Small trees are composed of the Japanese angelica tree and other shrubs, along with young trees including Japanese rowan. Sakhalin spruce, five-needle pine, and other evergreen conifers planted along the outskirts of the forest are also thriving. The forest at the site may be in use as a habitat by a wide variety of animals.



Birds

Great spotted woodpeckers, cinereous tits, russet sparrows, and other tree nesting birds, along with brown-eared bulbuls, goldcrests, Japanese grosbeaks, and other treetop-nesting birds, have been spotted in the forest, with great spotted woodpeckers observed nesting. Rare Eurasian sparrowhawks, which tend to nest to treetops, may be using the site's forest as a hunting ground. The site's forest has become a breeding ground for a wide variety of forest-dwelling birds.



Insects

The survey confirmed 72 species of insects from 40 families in 8 orders, mainly forest-dwelling species. These include species specialized for specific plants and environments, including short-tailed blue butterflies that feed on legume plants and Japanese darkling beetles that appear in fallen trees and decayed trees. Macro-level connections among lifeforms have formed in the site's forest.

From October 2023, we have been conducting more detailed study and analysis while undertaking efforts to preserve biodiversity.

Major initiatives overseas

Initiatives in Singapore

In 2010, Kikkoman (S) Pte. Ltd. (KSP), a soy sauce manufacturing company in Singapore, supported the construction of Kingfisher Lake, an aquatic wildlife sanctuary inside the Gardens by the Bay national park in Singapore, as a component of the company's 25th anniversary celebrations. In recognition of this support, the Singaporean government commended KSP as a company promoting beautification and greening in Singapore. The government further presented KSP with an 80-year-old “Heritage Tree” rain tree in Fort Canning Park. To commemorate its 35th anniversary in 2021, KSP donated another 500,000 Singapore dollars to the development of Kingfisher Wetlands, a nature sanctuary for mangroves and wild birds adjacent to Kingfisher Lake. In commemoration of its 30th anniversary, KSP donated 500,000 Singapore dollars to environmental education and conservation support activities including mangrove planting along the coastline of the Sungei Buloh Wetland Reserve, a natural heritage site in northern Singapore.



Initiatives in the Netherlands

Located in the province of Groningen in the Netherlands, Kikkoman Foods Europe B.V. (KFE) has served since 2000 as a main sponsor of a water quality improvement project at Lake Zuidlaardermeer in Groningen, which was begun by a local environmental conservation organization with support from the EU and the government of the Netherlands. In the project, donations from KFE were used for actions including the introduction and management of the Kikkoman Windmill that pumps water from Lake Zuidlaardermeer into a purification channel. This has contributed to remarkable improvement in water quality and the recovery of wildlife species in the lake. In FY2014, KFE's continuous environmental conservation activities were recognized by the government of the Netherlands through designation as a recipient of the EDEN Award (2013).

Environmental Initiatives

Responding to Water-related Risk

The Kikkoman Group's business activities are dependent on water resources. Water is the main ingredient in soy sauce, one of the Group's most important products, and water is used heavily in the cultivation and processing of soybeans, wheat, tomatoes and rice – ingredients in the Group's key products. Without sufficient volumes of good quality water across the supply chain, Kikkoman would struggle to cultivate and procure agricultural produce for raw materials and manufacture products.

Meanwhile, the world's water resources face a number of risks. Causes are diverse, but businesses and a wide range of other stakeholders need to work together to address them. The Kikkoman Group is taking steps to mitigate any impact by identifying and analyzing potential water-related risks and implementing preventative measures. In addition to managing water in our own business activities, we are using a water stewardship approach to actively contribute to the protection of water resources in local communities.

Overview of Water-related Risks

- The Kikkoman Group has long recognized flooding as a risk to business continuity and a cause of lower profit margins. We have responded with Group-wide measures that include business continuity planning (BCP) and natural hazard simulations. Recognizing the importance of knowledge gained from historical water-related risk events and countermeasures, we have collected information on such historical events at our manufacturing sites for use in developing Group-wide water risk countermeasures. In addition to this in-house knowledge, we make use of evaluation tools such as Aqueduct from WRI. When the findings of these tools return relevant indicators in excess of normal levels, we recognize the water risk to be high and supplement our internal knowledge. These evaluation tools allow us to reference objective indicators for a wide range of water risks, including regulatory risks, reputational risks, and other risks that are difficult to quantify. We also draw on advice from external consultants as needed when using water risk evaluation tools and carrying out flood simulations. We further refer to IPCC climate change projections and other models to support our climate change scenario analyses, and gather information on water regulations from local government databases in areas where our manufacturing sites are located.
- In Kikkoman's own operations, we use Water Risk Filter and Aqueduct to assess water risks at domestic and overseas manufacturing sites. To evaluate water risk in the supply chain, we use the Water Risk Filter to verify water stress levels in major producing areas for key raw materials. In other stages of the value chain, we supplement our internal knowledge with findings from reputational risk and regulatory risk evaluations using Aqueduct and Water Risk Filter, particularly for risks related to local communities and regulations.

- We conduct evaluations of business-related risks at Group companies primarily through the Group Management Committee and other bodies. In the event of a crisis that impacts the Group, the Risk Management Committee promptly reports the situation to directors in charge and implements appropriate and rapid risk response measures in accordance with the Kikkoman Group Risk Management Guideline. For water risk evaluation findings obtained from Aqueduct and Water Risk Filter, the committee follows a similar process. Another area of concern is water safety, which has the potential to seriously affect many Kikkoman products. To reinforce quality assurance and quality management, the Quality Assurance Committee meets monthly, and inspections of processes are conducted at key manufacturing sites in Japan and overseas. Kikkoman recognizes that protecting water, a precious resource for all of society, is a vital issue. We control and manage outflows from wastewater treatment facilities under voluntary standards that are stricter than those of environmental statutes. In these ways, Kikkoman complies with safety standards, laws, and regulations while working to ensure social equality.

Water Consumption and Discharge Management

Based on our Long-Term Environmental Vision, eligible production sites in the Kikkoman Group operate an ISO 14001- compliant environmental management system for monitoring the volume of water consumption and discharge. The system manages water consumption separately for surface water, groundwater, and municipal water, and manages discharge volume separately for rivers, brackish water areas, groundwater, public sewers, and other destinations. The Group will work to make more effective use of water resources through the proper management of water consumption and discharge.

Annual Water Consumption and Discharge Volume by Source (Domestic manufacturing divisions, major overseas manufacturing divisions)

Water consumption (1,000 m ³)					
	FY2020	FY2021	FY2022	FY2023	FY2024
Total water consumption	8,046	7,908	7,946	7,772	7,163
Surface water (river water)	319	215	191	246	201
Brackish water, seawater	0	0	0	0	0
Groundwater (renewable)	5,757	5,748	5,834	5,625	5,220
Groundwater (non-renewable)	0	0	0	0	0
Municipal water, industrial water	1,970	1,945	1,921	1,901	1,741
Discharge (1,000 m ³)					
	FY2020	FY2021	FY2022	FY2023	FY2024
Total discharge	6,401	6,335	6,433	6,145	5,753
Rivers	4,511	4,464	4,447	4,202	3,903
Brackish water, seawater	716	674	644	633	626
Groundwater	0	0	0	0	0
Public sewers, etc.	1,174	1,197	1,341	1,309	1,224
	FY2020	FY2021	FY2022	FY2023	FY2024
Consumed for production process (1,000 m ³)	1,645	1,573	1,514	1,627	1,410
Water consumption per unit of production (m ³ /t)	8.35	8.33	7.89	8.08	7.89
Water consumption per unit of sales (m ³ /million yen)	0.018	0.018	0.015	0.013	0.011

* Brackish water refers to water with a salt content between that of sea water and fresh water. It is found in estuaries where rivers flow into the sea.

* Due to rounding, totals may not equal the sums of separate figures.

Environmental Initiatives

Water withdrawal from areas with water stress

The Kikkoman Group used WWF’s Water Risk Filter 5.0 to investigate water stress for about 30 sites in Japan, the U.S., China, the Netherlands, Singapore, Taiwan, Thailand, and elsewhere.

Under our definition of water stress, when an indicator for water depletion falls under “5. Very high risk” or “4. High risk” within the five-level indicator of Water Risk Filter, we deem water stress to be higher than average.

Our survey found the volume of water withdrawal from water-stressed areas to be 5.5% in the fiscal year under review (water withdrawal from water-stressed areas: 418ML; total water intake: 7,606ML), compared to 5.6% in the previous fiscal year (water withdrawal from water-stressed areas: 464ML; total water withdrawal: 8,258ML). The relevant production sites were the same as in the previous fiscal year. While production volume increased, the rate of water withdrawal from areas with water stress was the same as in the previous fiscal year due to sites’ efforts to reduce water usage.

Supporting Activities to Protect Water Environments Overseas

The Kikkoman Group supports water environment preservation activities conducted by local governments or NGOs to help solve water issues in areas where our manufacturing sites are located, such as Singapore and the Netherlands. Please refer to page 102–104, “Social Activities in the World,” for further detailed information in relation to this.

Participation in Initiatives in Japan and Overseas

In FY2016, the Kikkoman Group participated in the “Water Project,” which is hosted by the Japanese Ministry of the Environment. We also signed the “CEO Water Mandate,” an initiative that is led by the UN Global Compact. We will continue to put our environmental policy into practice by participating in initiatives that protect precious water resources towards the future and integrate them into our activities.

External Evaluation System

Since FY2018, the Kikkoman Group answers the CDP water security questionnaire sent by CDP, an international nonprofit organization. The evaluation based on the questionnaire is provided to institutional investors as information disclosing the companies’ actual stances toward the reduction of water consumption and preservation activities of water quality and the environment. The evaluation is considered as one of the significant pieces of information from the ESG investment viewpoint.

In the CDP 2023 Water Security, the Kikkoman Group acquired a Leadership-level A score.

Sustainable Sourcing

The Kikkoman Group is working with suppliers to reduce environmental impact and realize a sustainable society. In FY2021, we established the Kikkoman Group Sustainable Sourcing Policy, which defines six key sustainability areas of focus for the Group and our suppliers. 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. For more details, please refer to page 99 of this report.

Examples

● **Use of Biomass Ink**

Kikkoman has started introducing food product labels printed with biomass ink. Biomass ink is recyclable environmentally friendly ink made with plant-based organic material (biomass) rather than oil and other depletable resources. We plan to work with suppliers to use this kind of environmentally friendly material.



Biomass logo on product labeling

Initiatives with Supply Chains

At the Kikkoman Group, we explain our basic ideas, philosophies, and policies in relation to transactions through the “Kikkoman Group Transaction Policies” to business partners. Furthermore, we added an item on environmental preservation in “Priority Items,” in which we require business partners to follow, aiming to conduct environmental preservation activities through supply chains. We also confirmed initiatives that pertain to CO₂ reductions and forest protection from a perspective of global warming prevention, when holding discussions with business partners. Please refer to page 99 of this report for further details.

Development of Supply Chains Not Associated with Deforestation and Conversion of Natural Biodiversity

Forests not only supply timber and other resources, but also play a key role in preventing global warming by absorbing carbon dioxide. They are also an essential resource in terms of biodiversity and cultural significance. Yet at the same time, deforestation is becoming a worldwide problem, and all stakeholders involved in forestry need to take measures to halt the spread of deforestation and restore forests to their former levels. The Kikkoman Group recognizes the importance that forests have for the global environment, and is advancing initiatives toward developing supply chains that are not associated with deforestation and conversion of the natural biodiversity (Deforestation and Conversion-Free: DCF).

Environmental Initiatives

Initiatives for Development and Commercialization

Initiatives for Sourcing Soybeans

The Kikkoman Group sources soybeans for use as raw materials for soy sauce, milk and other products. In line with its Sustainable Sourcing Policy and Soybean Procurement Guidelines, the Group has expressed that it will not tolerate sourcing soybeans that are grown using agricultural methods that are not considered sustainable. Initiatives are being implemented with a priority on aspects that are not associated with conversion of the natural biodiversity, in line with this policy and guidelines.

Japan

When procuring soybeans made in the U.S., the KBS Purchasing Department and Kikkoman Soyfoods source those that are backed with U.S. Soy Sustainability Assurance Protocol (SSAP) certification, which is issued to soybeans exported from the U.S. that have been produced and managed with sustainable methods with a low environmental impact. In FY2023, the KBS Purchasing Department engaged in dialogue with the U.S.SOYBEAN EXPORT COUNCIL that issues SSAP.

Overseas

KFI, which has sites in the U.S., sources U.S.-grown soybeans that have received Pro Terra certification* or that otherwise conform to procurement policies. KFE, with sites in the Netherlands, sources U.S.- and Brazil-grown soybeans with Pro Terra certification and Serbia-grown soybeans with DONAU SOJA certification. PKI, with sites in Taiwan, sources U.S.-grown soybeans with SSAP and Pro Terra certification. KDB, with sites in Brazil, sources Brazil-grown soybeans with Pro Terra certification.

* Pro Terra: A not-for-profit organization headquartered in the Netherlands. The foundation sets sustainability standards and issues certification in the food and feed production sector.

Guidelines for Containers and Packaging

In March 2008, the Kikkoman Group stipulated the “Kikkoman’s Guidelines for Containers and Packaging” to clarify the Group’s attitude toward enhancing convenience and safety for customers, and reducing impact on the environment by reducing container and package weight, and recycling.

Guidelines for Containers and Packaging

- The Kikkoman Group will procure, develop, and productize low-environmental-impact containers and packaging that are safe and easy for consumers to use and that are suited to production, transport, storage, and sales.
- 1 Reduce weight of containers and packaging.
 - 2 Introduce and use returnable containers and packaging.
 - 3 Consider and apply forms, designs, and materials to containers and packaging that facilitate sorted collection and reuse, and promote the repackaging of current products in compliance with countries’ laws and regulations.
 - 4 Use sustainable resources.
 - 5 Increase procurement from environmentally conscious companies.
 - 6 Use materials with material quality and forms that have been verified as safe for humans.
 - 7 Develop new containers and packaging that reflect customers’ wishes and purchase/usage conditions.
 - 8 Develop containers and packaging with consideration of universal design for ease of use by a diverse range of customers.

The majority of forest-derived materials used by the Kikkoman Group are for containers and packaging. In light of this, DCF is incorporated from the development stage of containers and packaging to create products with a low environmental impact. This is linked to specific policies based on items related to DCF included in the “Guidelines for Containers and Packaging.” Our Group also takes action toward water issues and conservation of life below water through our Guidelines for Containers and Packaging. As a component of this, in product design we work to control water resource consumption at the manufacturing stage and to make refinements for easier recycling at the disposal stage.

Containers Made from Paper Certified by the FSC®

The Kikkoman Group focuses on using environmentally friendly paper, and promotes the use of paper certified by the FSC®* as part of these initiatives. The paper cartons of soy milk products manufactured by Kikkoman Soyfoods are made from paper certified by the FSC®. In FY2024, 100% of the paper cartons for Kikkoman Soyfoods’ soy milk products were made from paper certified by the FSC®. Kikkoman Food Products has also switched over cartons (paper boxes for packing products) made from paper certified by the FSC® (excluding plain cartons or those with no spaces). The paper used for labels is also being switched over to environmentally friendly materials.

* FSC® certification: Paper certified by the Forest Stewardship Council, which sets global standards for forest products, giving customers the option to choose materials sourced from forest products in an environmentally-friendly and socially responsible manner, and delivered with appropriate processes and modes of logistics.

Back Office Initiatives

Measures for Paper Used at Offices

Paper is used throughout the Kikkoman Group as printed documents. To reduce its environmental impact and achieve DCF, the Group is working to reduce the amount of paper it uses by shifting to digitalization and more efficient operations. In principle, the Kikkoman Group also purchases printing paper made from environmentally friendly pulp sourced from operations that do not damage ecosystems or cause deforestation as a result of illegal logging, with examples including paper certified by the FSC® or PEFC.

Use of Soy Sauce Cake as a Substitute for Paper Resources

“Soy sauce cake” is a by-product left over after pressing soy sauce broth during the production of raw soy sauce. At Kikkoman Food Products, almost 100% of the soy sauce cake remaining during the production of soy sauce is supplied as feed to livestock farmers through feed producers. In 2000, technology was developed to create paper products together with paper manufacturers by mixing the soy sauce cake with non-wood paper. These paper products are used for business cards and other uses.



Business cards of paper made with soy sauce cake

Environmental Initiatives

Natural Resources

The Kikkoman Group believes that one of the key responsibilities of food companies is to use nature's precious resources efficiently. The Group's manufacturing divisions are targeting a 100% resource recycling rate in order to reduce food product losses in manufacturing, sales and other stages of the value chain. We are also introducing products that are environmentally friendly across the entire value chain.

Implementation Rate of Recycling, etc.
(Domestic manufacturing divisions and major overseas manufacturing)

	2021	2022	2023	2024
Implementation Rate of Recycling, etc.	99.6%	99.6%	99.5%	99.4%

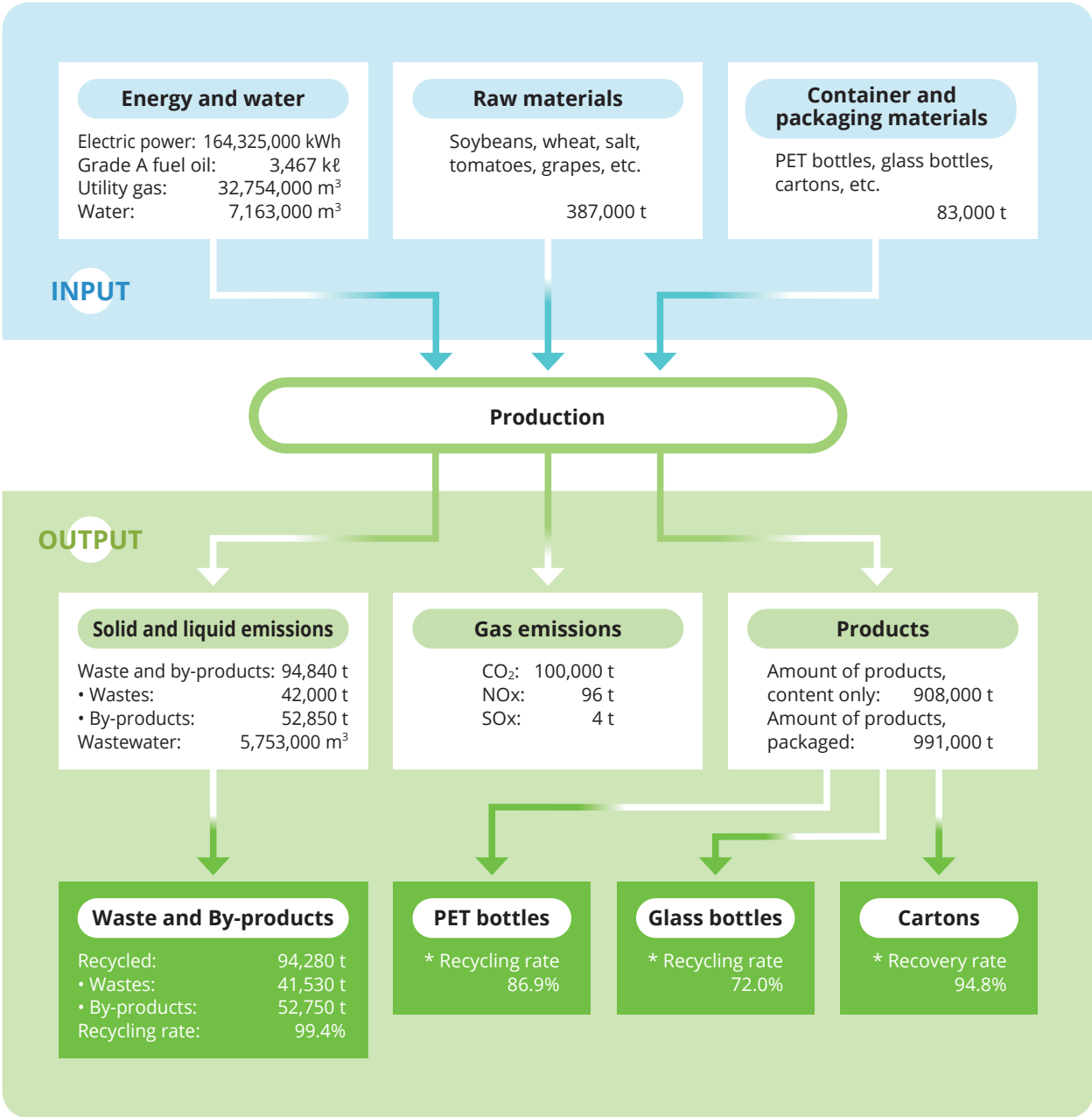
Energy, Resource, and Discharge Flows

The Kikkoman Group manufactures and sells an assortment of products, including soy sauce, soy sauce derivative products, beverages, ketchup, wine and soy milk to customers both within and outside of Japan. In the process of manufacturing these products, we consume not only raw materials but also energy, water, and packaging materials; moreover, we discharge solid, liquid, and gas waste.

The Kikkoman Group strives to minimize our environmental load by seeking to consume less energy, water, and materials; improve efficiency in manufacturing and energy use; and reduce waste.

We also attempt to reduce the environmental load of products after consumption by developing and using more readily recyclable containers and packaging materials, such as glass and plastic bottles and cartons.

Energy, Resource and Discharge Flows for FY2024



* The recycling rates for plastic bottles and glass bottles and the recovery rate for cartons reflect action by customers. These figures have been calculated based on the latest information published by respective trade organizations.

** Including packaging materials.

*** No emissions into the atmosphere of ozone-depleting substances (ODS) at levels that cause an environmental impact were identified.

Note: Due to rounding, some totals may not correspond with the sum of separate figures.

Environmental Initiatives

Reducing Food Loss

Large quantities of food that can still be consumed are discarded around the world, and such food is referred to as “food product loss” or “food loss.” The Kikkoman Group is developing initiatives for reducing food loss with the view to contributing to reducing environmental impact and realizing a sustainable society.

Reduction of Food Loss at the Production Stage

The Kikkoman Group defines food loss at the production stage as follows.

- Products discarded due to production issues such as contamination with foreign material, printing mistakes, leaking liquid, or deviations from standards
- Products returned due to spoilage, past expiry date or other reasons

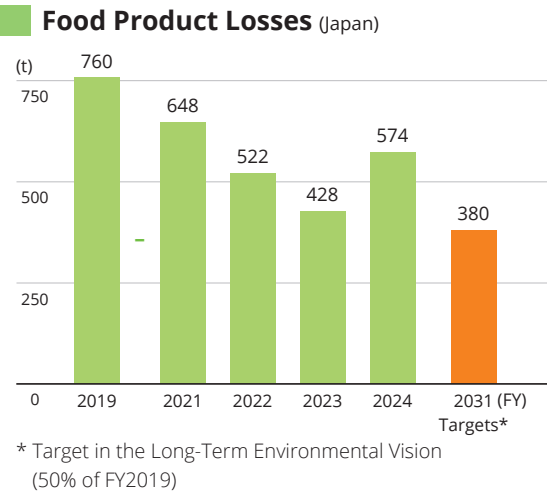
The Kikkoman Group strives to limit issues occurring during the production in order to reduce the amount of food loss during the production stage. For production issues that result in disposal fees of a given amount, the cause of the issue is identified and shared throughout the Group in order to limit such issues from occurring. Efforts are also being made to enhance production efficiency, reduce the amount of returns and improve stock inventory. As a result of these initiatives, food loss during FY2024 amounted to 574 t*.

* In order to quantify and reduce the amount of food loss during the production stage, the Kikkoman Group calculates food loss in accordance with the global Food Loss and Waste Accounting and Reporting Standard in line with the Food Loss & Waste Protocol.

Participation in the 10x20x30 Food Loss and Waste Initiative

Kikkoman Food Products takes part in the “10x20x30 Food Loss and Waste Initiative” developed by the World Resources Institute (WRI)*. The “10x20x30” initiative brings together 10 of the world’s biggest food retailers and providers to each engage with 20 of their suppliers with the aim of halving rates of food loss and waste at main suppliers by 2030.

* World Resource Institute: Non-profit organization based in the U.S. that conducts policy research and technological development related to issues concerning the global environment and development.



Special Website Launched to Help Reduce Food Loss

In March 2023, Kikkoman Food Products Co. has publicly launched a special website titled “Otoku Hakken Reizoko, mitsukete! / Check this fridge for the best uses for leftovers!” which will be useful in reducing household food loss. In an entertaining format, it provides recipes that eliminate waste by using up ingredients and seasonings that tend to become leftovers in the refrigerator, as well as techniques for preserving ingredients deliciously.



Eco-friendly Products

Sustainable Use of Plastic

Plastic is a material that is not only highly durable, but also lightweight and easy to shape, and thus used as containers for many types of food and beverage products. Yet plastic has a major drawback in that it poses a significant impact on the environment as ocean plastic pollution if it is not used and disposed of properly. The Kikkoman Group strives to use plastic in a sustainable manner based on the 4R concept of Reduce, Reuse, Recycle, Renewable.

Initiatives for Development and Commercialization

Guidelines for Containers and Packaging

The Kikkoman Group has formulated the “Guidelines for Containers and Packaging” (see page 45 of this report for details). The Group promotes the sustainable use of plastic in line with the “Guidelines for Containers and Packaging.”

Use of Readily Recyclable Materials

Used PET* containers discarded from general households are, in principle, collected by municipalities and sold to recycling companies, which process the containers into PET resin pellets (or flakes) that are then reused as material for manufacturing new containers (egg packages, etc.), clothes, stationery, and other products. To make it easier to reuse such materials, Kikkoman Food Products is exploring various ideas that make it easier to separate caps, labels and other parts that are non-PET materials. Kikkoman Food Products is also switching over from polyethylene (PE) containers to PET variants.

* PET: A petroleum-based resin called polyethylene terephthalate. The name PET comes from the initials of this material. PET is a material that is suitable for recycling.

Environmental Initiatives

● Lighter Weight Containers and Packaging

The Kikkoman Group is working to achieve lighter weight containers and packaging. During FY2023, the weight of glass bottles used for the “Steak Soy Sauce series” was made around 14.7% lighter. In May 2022, Nippon Del Monte also began selling a online-only version of label-less “Salt Free Tomato Juice.” This not only reduces the amount of plastic used for individual labels, but also assists customers with their recycling efforts.



● Use of Plant-based Plastics

From March 2023, Kikkoman Soyfoods began switching to plant-based (made with sugar cane) biomass plastic for the caps of 1000 mL “Kikkoman Soy Milk” cartons and the straws of 200 mL cartons. Biomass plastic is a carbon neutral plastic made with renewable organic resources such as plants. The use of these straws and caps is anticipated to reduce the use of petroleum-based plastics by around 400 t annually. The switchover to straws is planned during FY2024, and caps during FY2025.



■ Procurement Initiatives

The Kikkoman Group is working with suppliers to reduce environmental impact and realize a sustainable society. In FY2021, we established the Kikkoman Group Sustainable Sourcing Policy, which defines six key sustainability areas of focus for the Group and our suppliers. 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. The “Guidelines for Containers and Packaging” outlines the 4R concept of Reduce, Reuse, Recycle, Renewable, and business partners are requested to understand and cooperate with these initiatives. For more details, please refer to page 99 of this report.

■ Partnership and Cooperation with External Organizations

● Participation in “Declaration of Action on Plastic Recycling”

Kikkoman Corp. takes part in the “Declaration of Action on Plastic Recycling” launched by the Ministry of Agriculture, Forestry and Fisheries from November 2018. Under this declaration, the Ministry of Agriculture, Forestry and Fisheries collects examples (activities related to reduction, reuse and recycling) of policies and initiatives for plastic waste taken by industry organizations and companies using plastic products, containers and packaging in the food production, food logistics, food retailers, restaurant and other sectors. These are then showcased as a way of highlighting the various issues caused by plastic waste and the importance of methods to address those issues, with the aim of promoting initiatives extensively throughout society and amongst citizens.

● Joint Research with Other Food Producers

To promote the use of recycled PET bottles in the seasoning and cooking oil industry, Kikkoman Corp. entered a 4-way partnership with Mizkan Holdings, Kewpie Corporation and the Nisshin OilliO Group, Ltd. under the supervision of the principle researcher Asako Ozaki at the Osaka City Institute of Public Health and Environmental Sciences to conduct research assessing how mechanically recycled PET bottles are safe to use as containers for liquid seasoning and cooking oils. Mechanically* recycled PET bottles were assessed as being safe to use for almost all types of liquid seasoning and cooking oils, with the research results outlined in the “Japanese Journal of Food Chemistry and Safety, Volume 29 (1)” published on April 27, 2022.

* “Safety evaluation of PET bottles regenerated through mechanical recycling for use as liquid-seasoning and edible-oil containers” Jpn. J. Food Chem. Safety, 2022; 29 (1): 19-27

Environmental Initiatives

Environmental Management System

The Kikkoman Group utilizes ISO 14001 as a tool for achieving the environmental policies and objectives of the Group. In June 2011, batch certification was obtained for all major Group facilities in Japan, as well as at each site overseas, to promote a higher level of environmental management.

We follow not only environment-related laws and regulations, but also a management standard that we independently established, and integrate environmental risk reductions into our everyday work. In addition, we actively share information with stakeholders and use all information, technologies, and experiences that we acquire inside and outside of the Kikkoman Group in our environmental preservation activities.

1

To keep improving the environmental management system

Environmental Education, adopt revisions of the ISO 14001 standard.

2

To respond against environmental risks

In addition to observing standard laws, we will formulate and comply with our own company rules and regulations related to environmental protection.

3

Environmental communication

Promoting the dissemination of environmental information and regional contribution activities to enhance communication.

1 To keep improving the environmental management system

The Kikkoman Group aims to achieve higher levels of environmental management, while also continually improving environmental management systems. We use the PDCA cycle in order to steadily implement the management system throughout the Group and promote continuous improvements through specific activities at each division. We improve our environmental management systems by establishing objectives and policies for environmental conservation activities from a perspective of the entire Group, and prepare structures to exchange information, while reviewing results at all sites. In addition, we conduct internal audits at Group companies inside and outside of Japan. We conduct training for new employees in order to allow them to recognize global and ecological perspectives and the importance of environmental conservation, while also conducting more specialized training for environmental conservation representatives.

Major Environmental Education Programs for Employees during FY2024

Programs	Implementation date/frequency	Target	No. of participants
Training of ISO 14001 internal environmental auditors	September 2023	Employees (Qualified auditor candidates)	42
Training of ISO 14001 internal environmental auditors	6	Group companies (Qualified auditor candidates)	22
Training for wastewater treatment facility managers	July 2023	Wastewater treatment facility managers	54
Waste guidelines seminar	December 2023	Industrial waste managers	56
Workshop for managers in charge of waste management	March 2024	Industrial waste managers	92
New employee training program	Twice in April 2023	New employees in FY2024	29
Delivery of environmental information	12	Group companies in Japan	—
Delivery of legal and ordinance information	3	Group companies in Japan	—

2 To respond against environmental risks

- 1 **Water pollution prevention**
As we use and discharge large volumes of water in the manufacturing and washing process of our products, we pay full attention to improving water quality and preventing river pollution through setting our own standards
- 2 **Manual for the proper disposal of industrial waste**
We sort industrial waste before disposal, reduce industrial waste as much as possible, and pursue recycling. In Japan, we consign the collection, transfer, processing, and disposal of industrial waste to licensed service providers. We comply with the Kikkoman Manual for the Proper Disposal of Industrial Waste and strive to ensure that waste is disposed of properly. In FY2024, there were no serious discharges of wastewater or waste or incidents of pollution or environmental damage caused by the transport of hazardous waste by the Kikkoman Group.
- 3 **Noise, vibration, and odor prevention**
To prevent noise, vibration, and odors, we have been installing quieter machines and soundproof/sound-absorbing walls around our plants. Noise and vibration levels are monitored regularly along the boundaries of our plants to ensure they do not exceed the levels prescribed by local community regulations.
- 4 **Air pollution prevention**
In addition to observing regional regulations on the concentration and total amount of sulfur oxides (SOx), nitrogen oxides (NOx), and soot and particulate emissions, we seek to control these emissions by establishing voluntary standards at each of our plants.
- 5 **Black mold pollution prevention**
Trees, roofs, and walls in the vicinity of soy sauce and mirin plants can be darkened by mold classified in the genus Aureobasidium. It propagates through the intake of alcohol, and its presence can generate a black pigment on material surfaces. In consideration of local residents, the Kikkoman Group hermetically seals the source of emissions, installs cleaning devices on air ducts, and recovers alcohol content from the exhausted gases to prevent the microbe from spreading to residential areas.

3 Environmental communication

The Kikkoman Group shares information about its environmental preservation activities through its Corporate Report and website, while also cooperating and conducting activities with industry, governments, academia, and NPOs. We also use all information, technologies, and experiences acquired inside and outside of the Kikkoman Group in our environmental preservation activities.

Major Environmental Communication Programs during FY2024

Programs	Implementation date/frequency	Target
Publication of Corporate Report in Japanese	November 2023	General public
Publication of Corporate Report in English	March 2024	General public
Update of the Kikkoman Group Environmental Preservation Activities Case Book	October 2023	General public
Introduction to activities via our website in Japanese	On occasion	General public
Introduction to activities via our website in English	On occasion	General public
Distribution of potted plants (fertilized by mud from wastewater treatment)	June 2023	City offices and commercial areas around Noda City, Nagareyama City, Kamogawa City, nearby children's facilities and shopping areas, etc.,
Operations for cleaning	On occasion	Employees of Group companies
Activities with outside environmental groups	51	National, prefecture, and city governments and private companies

Food and Health

56 For Our Customers

- 56 Quality Assurance Based on the Concepts of “Safety” and “Peace of Mind”
- 58 Quality Assurance Systems for Delivering Safe and High-quality Products to Customers
- 59 Tour of Overseas Group Companies
- 59 System to Maintain a Stable Supply
- 60 Healthy Food Lifestyles
- 61 Responsible Marketing Expressions and Advertisements
- 62 Pursuing Customer Satisfaction
- 63 Intellectual Property
- 67 Shokuiku
- 67 Shokuiku (Food Education) Activities
- 68 Major Shokuiku Activities

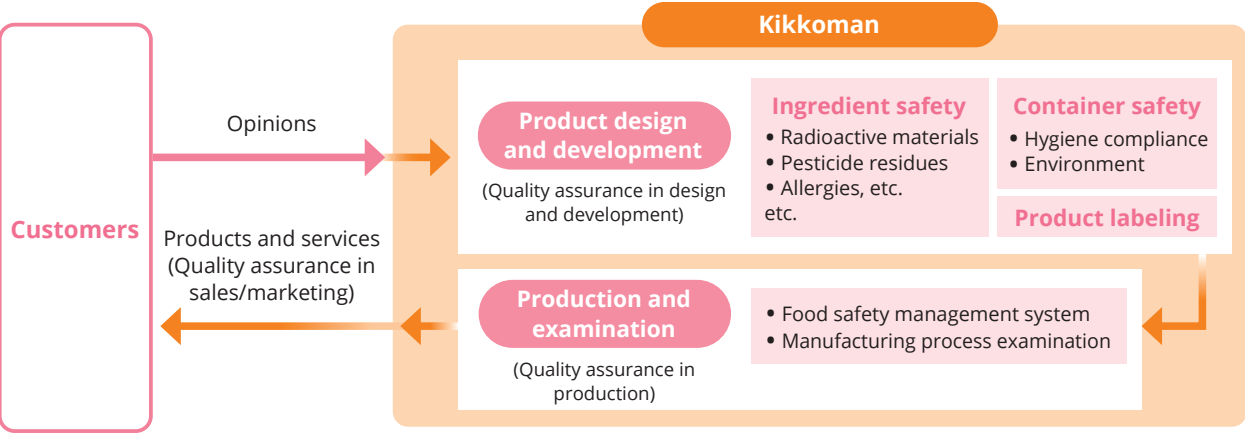
For Our Customers

Quality Assurance Based on the Concepts of “Safety” and “Peace of Mind”

At the Kikkoman Group, we consider the “safety” of our products and services as our highest priority. 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 as part of our system in place for ensuring food safety. Our quality assurance examinations extend from the product development stage to ingredient production sites, processing,manufacturing, sterilization, product packaging, and labeling based on related laws and regulations. We also examine product patentability, trademarks, and related regulations, and the Quality Assurance Committee only approves the manufacture of a new product after it passes these inspections.

At the same time, we also place importance on delivering products that give “peace of mind” to customers. The Kikkoman Group believes that “peace of mind” comes from building relationships of deep trust by communicating the “safety” of our products in an easy-to-understand manner. We strive to improve customer satisfaction by delivering product “safety” as well as “peace of mind” to customers. From this viewpoint of “peace of mind,” we actively communicate through our website and other means. Moreover, we place great importance on labeling and advertisements. In addition to compliance with laws and industry standards, we strive to provide clear and easy-to-understand expressions beyond legal requirements.

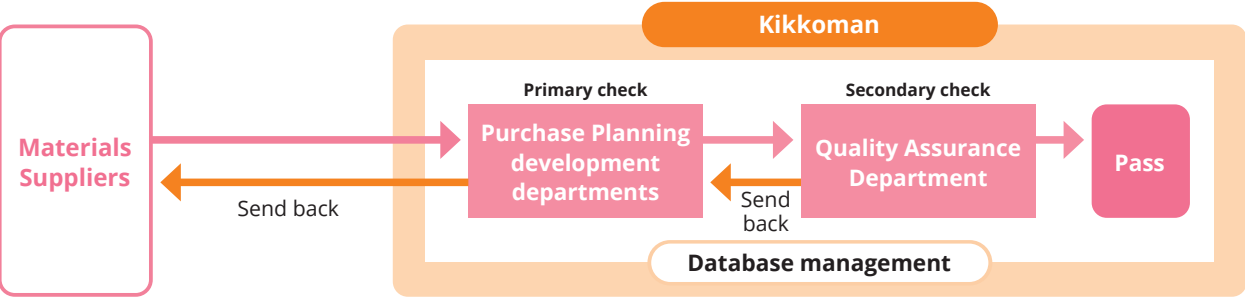
The Kikkoman Group’s Quality Assurance Flow



Quality Assurance in Product Development

At Kikkoman, using safe ingredients and materials is a top priority for ensuring food safety. We track country of origin information on all of our ingredients and materials and thoroughly examine them for safety and legal compliance.

Kikkoman’s Process for Verifying Ingredient Specifications



For Our Customers

Traceability

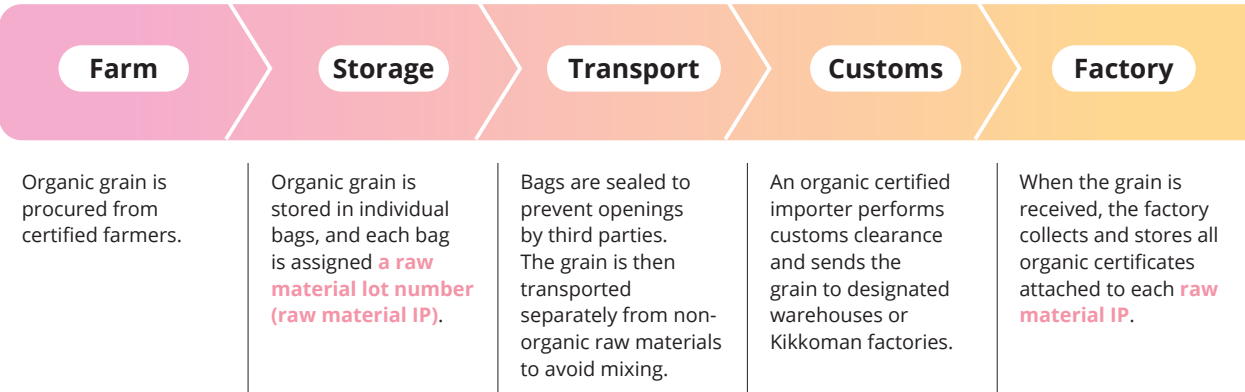
Traceability is the capacity to track the production and distribution history of products as well as the raw materials used in those products. We take a thorough approach to record management for processes, from raw material procurement to manufacturing and shipment, to deliver products that give customers safety and peace of mind, and we promote systems that make traceability possible.

Examples

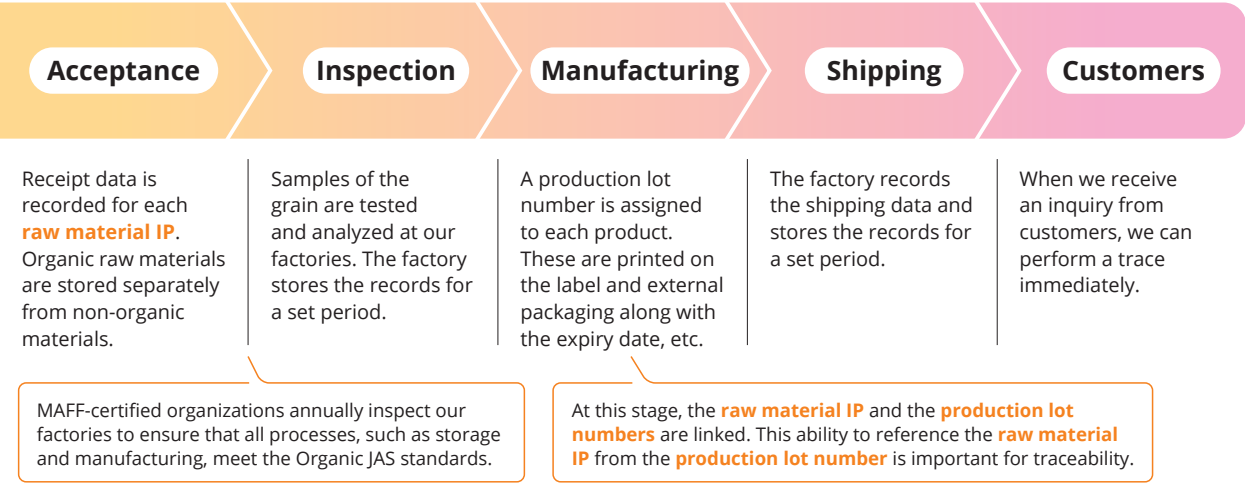
● Organic soy sauce

The organic soybeans and organic wheat used in organic soy sauce is managed strictly to ensure that they do not become mixed with other raw ingredients. Kikkoman has established a system for traceability, which includes certification and transportation history to ensure that the products are organic.

Flow of Organic Crops (From the Farm to the Kikkoman Factory)



Flow of Products (From the Kikkoman Factory to the Consumer)



* Tracing procedure: Check production lot number ➡ Identify raw material used from the raw material IP ➡ Investigate transportation route and farm location

Kikkoman factories retain records for all of their raw materials including packaging, production processing, and distribution routes for not only their organic soy sauce but for all of their products. Through this system, if an issue arises, Kikkoman factories can quickly target the affected products and minimize any negative impact. The system also allows us to quickly identify the cause and resolve the issue.

Radioactive Materials

Soon after the Great East Japan Earthquake, the Kikkoman Group deployed various Group-wide efforts to deal with radioactive materials. We confirm the safety of raw materials by monitoring results of radioactive material tests conducted by the Japanese government and local governments. Also, we confirm the safety of our products by collecting and checking information from our suppliers regarding the place of origin and control systems. When necessary, we analyze raw materials and water through our own analyzers or external institutions and ensure safety. At Kikkoman, the Environment & Food Safety Analysis Center and/or each plant undertake the examinations by using germanium semiconductor detectors or NaI scintillation spectrometers.

Quality Assurance Systems for Delivering Safe and High-quality Products to Customers

Acquired Certification of International Food Safety Management Systems and Quality Management Systems

The Kikkoman Group is acquiring certification from food safety management system (FSSC22000, SQF2000, JFS-C) schemes approved with the benchmark of the Global Food Safety Initiative (GFSI) and quality management systems (ISO9001) at its production sites, with the aim of manufacturing even safer and higher quality products.

Quality Assurance at the Manufacturing Stage

Kikkoman has put in place a system for monitoring quality control to ensure that customers can use Kikkoman brand products with confidence and peace of mind no matter where in the world they are. At the Group's Japanese and overseas manufacturing plants, auditors from outside the plants draw on specialized knowledge to provide comprehensive and regular monitoring of food product hygiene, equipment management, and other aspects of operations. The Kikkoman Corp. Quality Assurance Department takes the lead in carrying out process inspections at the Kikkoman Group's factories in Japan.

Original Equipment Manufacturers (OEMs) manufacture a certain amount of the Kikkoman products. In order to assure the quality of those products, we monitor the OEM based on our OEM assessment sheet. The questions cover the following categories: administration,buildings/facilities, sanitation in general, raw materials, production, foreign materials, examination, and shipping. Before conducting site audits, the OEMs are requested to implement self-assessments. By comparing results of audits and self-assessments, we strive to further improve our quality assurance system.

Use of Original Food Product Safety Management System

Kikkoman Food Products Company manages production activities utilizing its proprietary product safety management system, the Kikkoman Food Products Food Chain Management System (KFS). KFM was systematized to manage food manufacturing in accordance with laws, regulatory requirements, FSSC22000 ver. 6, and our in-house requirements. The system aims to fulfill our responsibilities for food safety, quality control, and environmental burden reduction in the food chain, to ensure the provision of safe products.

For Our Customers

Tour of Overseas Group Companies

Representatives in charge of the Kikkoman Corp. Legal & Compliance Department, Quality Assurance Department, and Environment Department tour overseas group companies to provide explanations of the Group's policies and initiatives as well as conduct interviews regarding the state of those initiatives at each company. During these tours, representatives exchange views with the companies they are visiting, and also interact with managers and on-site workers of those companies. During the tour of production sites, representatives check up on facilities and the state of operation including aspects like quality management systems and environment conservation initiatives.

Although checks were suspended due to the COVID-19 pandemic, they were restarted in FY2023. During FY2024, representatives visited Singapore (KSP, KTA, DMA, and JFC Singapore) and Thailand (SDM, JFC Thailand).

System to Maintain a Stable Supply

The Group believes that it is our social responsibility to deliver our products in a stable manner.

Our plants constantly update their facilities for smooth production, and each plant works to prevent any chance of accidents, which affect our production capabilities. Also, Kikkoman works with Sobu Logistics Corporation to review the Group's logistics on a continuous basis to build a faster and stabler logistics system.

The Great East Japan Earthquake in March 2011 affected our production and logistics capabilities, and a supply of some of our products stopped for a temporary period of time. Neither production nor logistics were seriously damaged, but the Group decided to introduce the BCP (Business Continuity Plan) in preparation for possible future disasters.

Healthy Food Lifestyles

"Realization of rich and healthy food lifestyles" is one of the three themes of the Kikkoman Group Corporate Social Responsibility Framework. Nutritional challenges, including both obesity and malnutrition, are becoming more widespread globally. Kikkoman strives to address these issues by supporting healthy food lifestyles by providing nutritious products and appropriate health information.

Development of Products that Contribute to Healthy Eating Habits

At the Kikkoman Group, to provide customers with products that are rich in nutrition and good for health, we strive to develop new products and continuously improve existing ones. By utilizing the proprietary know-how of each of the Group companies and with the aim of contributing to healthy lifestyles for consumers, we have developed products such as low-sodium soy sauce that contains about 50% less salt than regular soy sauce products, easy-to-drink vegetable-based beverages, soy milk rich in important nutrients such as vegetable protein, and specially processed food for the elderly.

Raising Awareness for Healthy Eating Habits

The Kikkoman Group provides information regarding healthy eating habits on our website. The information is not only related to products; we also share information on healthy recipes as well as characteristics and nutrition information regarding ingredients for better eating habits.

For Our Customers

Responsible Marketing Expressions and Advertisements

At the Kikkoman Group, we pursue socially responsible marketing expressions and advertisements based on the Group Code of Conduct, which states we "do not pursue profits by unfair or unjust means which may offend the customers, competitors, and/or business partners." We recognize that our marketing expressions and advertisements have an influence over consumers. Therefore, in addition to compliance with laws and social norms, we strive to bring forward fair and accurate information as well as sensible expressions.

Complying with Laws Concerning Product Labeling and Advertisement

Kikkoman rigorously checks the veracity of product labeling and advertisement to verify compliance with related laws and regulations. This includes industry guidelines as well. If any problem is found, we immediately take corrective action before products reach the market to ensure that our product labeling complies with these laws and regulations.

Ensuring Social Fairness

To ensure social fairness from the customer's perspective, Kikkoman has established internal guidelines for labeling and advertisements. Based on the guidelines, the Quality Assurance departments of the Group companies play central roles in ensuring the absence of misleading, exaggerated, or unfair labeling and descriptions of unscientific effects. At the same time, Kikkoman's Intellectual Property Department plays a lead role in verifying that Kikkoman does not violate patents, trademarks, etc., held by other companies.

Information Access through Website

In the Consumer Center corner of our Japanese-language website, we include category-specific Q&As based on inquiries and comments from customers as well as a page highlighting product improvements prompted by suggestions from customers. We do more than just listen to customers; we incorporate their ideas into our activities and convey the results to customers through our products and website content.

In addition, for mainstay products and products that attract a significant number of comments, we indicate the geographical area from which the ingredients are sourced on the Ingredient Origins page accessed from the Consumer Center on our Japanese-language website.

Protecting Personal Information

The Kikkoman Group believes that protecting personal information is both fundamental to our business operations and is also our duty to society. Based on this thinking, we established our Group privacy policy. We work to make this policy thoroughly known as we strive for the protection of personal information.

* Scope: Consolidated subsidiaries and directly owned non-consolidated subsidiaries in Japan.

For more information on the Privacy Policy, please visit our website: <https://www.kikkoman.co.jp/kiyaku/privacy.html>

Pursuing Customer Satisfaction

The Kikkoman Consumer Center

Kikkoman has established the Kikkoman Consumer Center to serve as the primary channel through which Kikkoman communicates with customers. The Center strives to provide accurate, speedy, and heartfelt service to customers in accordance with a basic policy of "Speed, Precision, and Sincerity."

Questions and comments received from customers are utilized Company-wide to help provide speedy, accurate service and to take full advantage of customer feedback as a management resource. Furthermore, customer feedback is summarized and shared internally with executives, managers, and supervisors nationwide in the form of weekly reports.

Participation of the Kikkoman Consumer Center in the Quality Assurance Committee helps bring customer feedback to bear in our efforts to both improve existing products and develop new ones.

Number of Customer Inquiries

FY	Total	Comments	Inquiries	Suggestions
2020	20,837	1,391	16,503	2,943
2021	17,980	1,092	12,769	4,119
2022	15,220	1,701	10,803	2,716
2023	17,036	1,641	12,613	2,782
2024	16,429	1,949	12,231	2,249

CS Improvement Committee

The suggestions from customers include ones that cannot be dealt with by the Kikkoman Consumer Center alone. The Customer Satisfaction (CS) Improvement Committee, chaired by top management and counting departmental officers as its members, takes care of inquiries that fall beyond the scope of the Center's responsibility in order to improve Kikkoman's products and services.

How Kikkoman Acts on Customer Feedback



Visit our website for more information on other "For Our Customers" initiatives: <https://www.kikkoman.com/jp/quality/>

Intellectual Property

Basic Policy

To continuously provide better products and services to our customers, the Kikkoman Group works to maintain and improve our business competitiveness through the effective use of patent rights, trademark rights, and other intellectual property. We also make every effort to avoid infringing on the rights of other companies and take measures to protect our customers from counterfeit products.

Kikkoman Group Intellectual Property Strategy

Intellectual property includes inventions, trademarks, designs, copyrighted materials, and technical and business information useful to business activities, and is the foundation underpinning the business activities of the Kikkoman Group.

The Kikkoman Group's Global Vision 2030 long-term vision calls for us to draw on internal and external management resources to create new businesses and products in endeavoring to offer No. 1 value. To ensure a longer-term competitive advantage for the new businesses and products created under the Vision, the Group has formulated an intellectual property strategy tied in with its business and R&D strategies, which together are guiding us in the pursuit of activities to support the foundation of each of our businesses.

The Group engages in intellectual property strategy from the following three perspectives.

Strategy

1 Maintenance and enhancement of competitiveness based on our patent strategy

The Group actively carries out research and development and strategically applies for patents and acquires patent rights. We are also working to maintain and enhance longer-term competitiveness by gathering and analyzing information from patent searches and addressing patents pending and registered by other companies.

2 Maintenance and enhancement of competitiveness based on our brand strategy

As initiatives to establish differentiated products and services in markets, we work to guard not only our patent rights but also rights that combine our trademarks, designs, and other rights.

3 Brand protection strategy centered on anti-counterfeit measures

The Group is strengthening its monitoring and response to trademark infringements in the form of counterfeit products. From the perspective of protecting consumers as well, we respond aggressively to the cases of counterfeit products we detect, including requesting the authorities to crack down on offending operations.

Actions

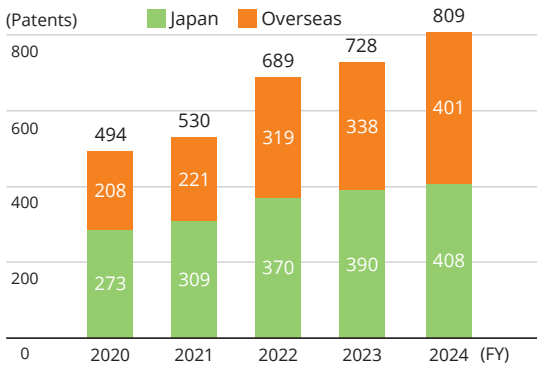
1 Initiatives for the maintenance and enhancement of competitiveness based on our patent strategy

Based on fermentation and brewing technologies we have cultivated through the application of microorganisms, our Group actively conducts research and development in a range of fields including food products, biotechnology, food and health, and container development. With regard to the inventions born of our endeavors to create new businesses, products, and value that we can offer to customers, we aim to establish competitive advantages by combining proactive patent applications and rights acquisition with know-how management.

Patent searches are not limited to searches for possible infringements of other companies' rights or to determine whether there is existing technology—recently, we have been addressing the intellectual property landscape, taking an integrated overview of intellectual property and market data and using the results of our analysis to validate the direction of our research and development themes.

Meanwhile, we are monitoring the patent application and registration data of other companies, ensuring the freedom of Group businesses by offering information statements and addressing patent invalidation when needed. In recent years, the volume of patent applications and patents held by the Group have been on the rise both in Japan and overseas as a result of our proactive promotion of rights acquisition and the expansion of business overseas.

Number of Patents Held by the Kikkoman Group over the Past Five Years



Development of Soy Sauce Containing High Levels of Blood Pressure-lowering Peptides Through Brewing Technology Innovation

With cases of high blood pressure increasing in Japan and worldwide year by year, the development of soy sauce with blood pressure-lowering properties has been a long-held dream of Kikkoman.

Drawing on knowledge built up through years of brewing research and conducting hundreds of brewing trials, we have established a soy sauce brewing method capable of producing high levels of soy peptides that act to lower blood pressure (6 patents in Japan, 24 patents overseas). Through the application of this technology, we created *Itsudemo Shinsen (Always Fresh) Freshly Squeezed Low-Sodium Soy Sauce (with Dashi)*, which has been designated by the Consumer Affairs Agency as a Food with Function Claims. Aimed at persons with high blood pressure, this soy sauce is rich in soy peptides produced in the soy sauce brewing process. While halving the salt content of regular soy sauce, it delivers rich flavor through kelp broth for delicious enjoyment every day.

We will continue to tackle the creation of new value and to provide products and services that contribute to the joy of food and health of people around the world.



Kikkoman Proprietary brewing technologies



Soy protein



Soy peptides

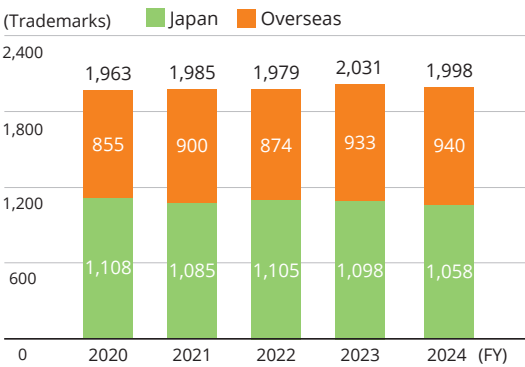
* SY and GY are active ingredients involved in the efficacy of soy peptides.
 SY (seryltyrosine) GY (glycyltyrosine)
 ● 2016 Japan Society for Bioscience, Biotechnology, and Agrochemistry (JSBBA) Award for Achievement in Technological Research
 ● 2016 Encouragement Award of the Japanese Society for Brewing Science
 ● 2016 Japan Soy Sauce Technology Award, Japan Soy Sauce Technology Center

Intellectual Property

2 Initiatives for the maintenance and enhancement of competitiveness based on our brand strategy

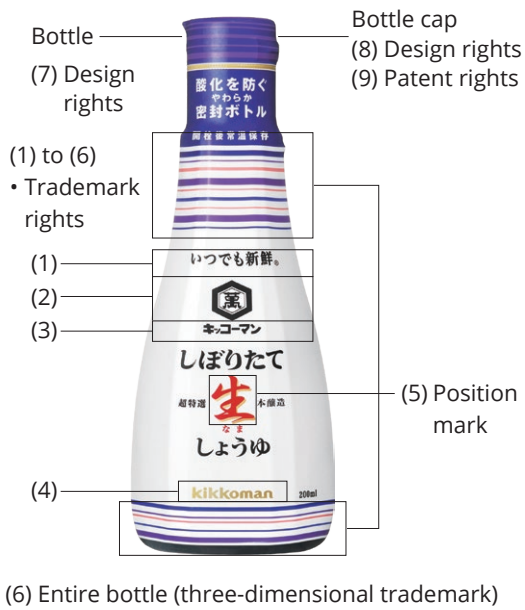
In addition to creating unique technologies, to establish differentiated products and services in markets, our Group devises product names and shapes that make an impression on customers and continues to create product forms and designs that are both functional and aesthetically pleasing. By incorporating these elements into Kikkoman products, we are aiming to enhance brand recognition in Japan and overseas. Moreover, we strategically acquire intellectual property rights generated through these efforts as patent, trademark, and design rights.

Number of Trademarks Held by the Kikkoman Group over the Past Five Years



Protection through a Combination of Intellectual Property Rights for Itsudemo Shinsen (Always Fresh) Freshly Squeezed Soy Sauce

The Kikkoman Itsudemo Shinsen (Always Fresh)® Freshly Squeezed Soy Sauce 200ml Bottle product sold by Kikkoman Food Products is protected by an array of intellectual property rights. In addition to trademark rights for label items (1) to (6), we hold design rights for the bottle cap design ((7) and (8)) and patent rights for the cap (9). Of these, (5) is protected by a position mark, and (6) is protected by a three-dimensional trademark. In this way, we strive to prevent product counterfeiting through a combination of patent, trademark, and design rights and other intellectual property rights and to establish a longer-term differentiated competitive advantage for our products and businesses.



Intellectual Property Rights Underlying Lumitester Smart

Lumitester Smart is a measuring instrument for hygiene monitoring systems, jointly developed by Kikkoman Biochemifa Co., Ltd. and OPTEX Co., Ltd. It employs technology (Patent No. 7181526) that enables easy hygiene management by anyone, not specially trained and skilled persons only. We have filed and registered the trademark “LUMITESTER” in 15 countries and regions. The product's design enables measurement through user-friendly, hygienic, and intuitive operation, and has received awards in Japan and overseas, including the Japan Patent Office Commissioner's Award in the 2024. Protection through a Combination of Intellectual Property Rights National Commendation for Invention.



- 2019 Good Design Best 100 Award
 - iF Design Award 2021 Product Design Award
 - Japan Patent Office Commissioner's Award, FY2022 Kinki Region Invention Award*
 - Japan Patent Office Commissioner's Award, 2024 National Commendation for Invention*
- * Design Registration No. 1628256

3 Initiatives to formulate a brand protection strategy centered on anti-counterfeit measures

Counterfeit products differ from genuine products in quality, and present risks to customers who mistakenly purchase and use them in place of genuine products. We have strengthened our capacity to monitor and respond to trademark infringements that counterfeit the Kikkoman brand and continue to take proactive countermeasures with a focus on Russia, China, and other areas in Asia. In recent years, we have discovered multiple cases of counterfeit products in not only these regions but also in Europe and the United States. When we discover a counterfeit product, we work to eliminate it in several ways, including: (1) requesting administrative exposure by authorities; (2) requesting the deletion of links to online sites selling the counterfeit product; (3) issuing a warning letter to counterfeit product sellers. We will continue to respond resolutely to cases of counterfeit products.

Intellectual Property Management System

To control the effective and proper use of the various intellectual property held by the Kikkoman Group, the Intellectual Property Department at Kikkoman Corp. collectively manages all intellectual properties for Group companies, who facilitate information exchange and support across the Group. Furthermore, to encourage and capitalize on inventions, under a resolution by the Board of Directors we have established rules for handling employee inventions and formed a committee to evaluate the achievements of inventors.

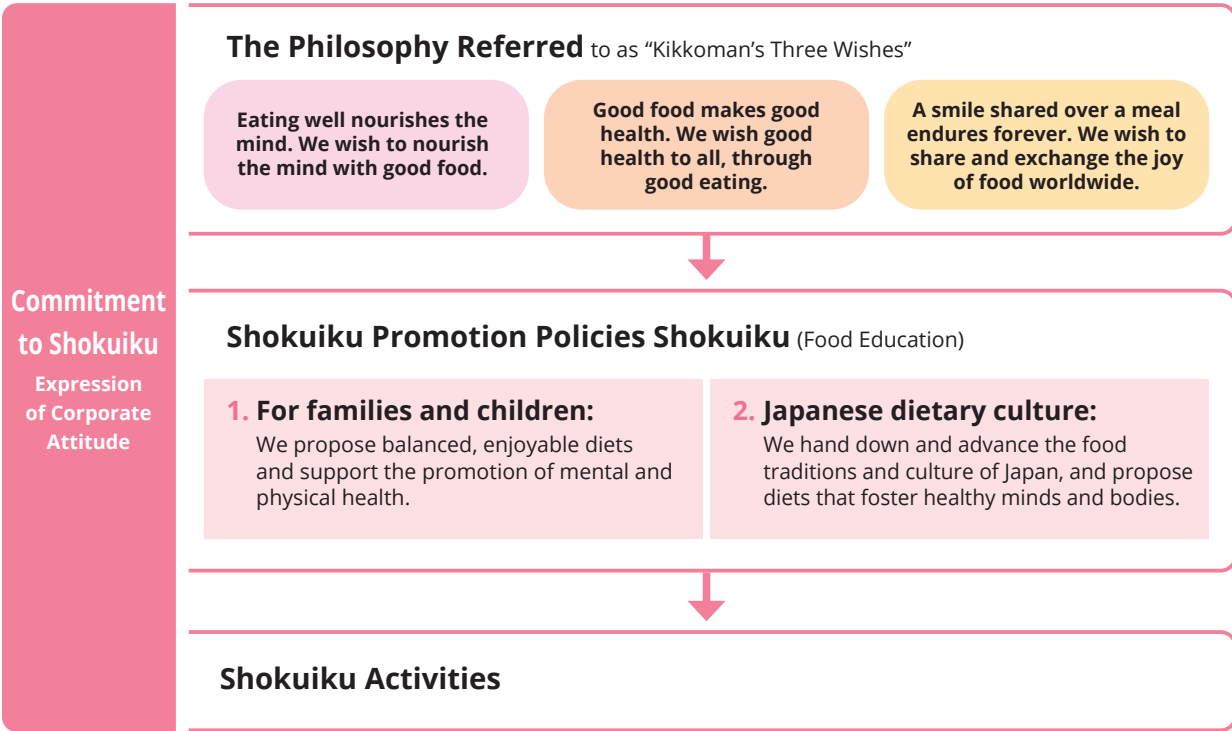
Protection of Intellectual Property and Non-infringement

The Kikkoman Group holds numerous patent rights, utility model rights, design rights, and other rights in Japan and overseas, covering designs, logos, shape trademarks, and other assets invented, devised, and created through our R&D and product development. The Kikkoman Group promotes fair business practices to avoid infringing on the rights of other companies at every stage of development, from selecting research themes to commercialization. Kikkoman's quality assurance processes are systematically implemented as a part of these activities. All Kikkoman-branded products developed and produced in Japan and overseas are subject to examination and approval of the Intellectual Property Department at Kikkoman Corp. (A total of 342 patent searches and 489 trademark searches were performed in FY2024.) As of March 31, 2024, the Kikkoman Group had no active intellectual property infringement legal cases in Japan or overseas.

Shokuiku

Shokuiku (Food Education) Activities

The Kikkoman Group believes Shokuiku (food education) is a special responsibility for companies in the food industry. Since we announced our “Commitment to Shokuiku” in 2005, we have developed programs based on our “Shokuiku Framework.”



Shokuiku

Factory Tours

Kikkoman runs factory tours at three of its soy sauce factories around Japan: the Kikkoman Soy Sauce Museum in Noda City, Chiba Prefecture; Takasago Factory in Takasago City in Hyogo Prefecture; and Hokkaido Kikkoman Company in Chitose City, Hokkaido.

Manns Wines also offers tours at its Komoro Winery in Komoro City, Nagano Prefecture, and Katsunuma Winery in Koshu City, Yamanashi Prefecture.

Kikkoman Soy Sauce Museum

The “Kikkoman Soy Sauce Museum” is a museum covering everything there is to know about soy sauce, the most famous seasoning in Japan. Visitors can learn about the processes for making soy sauce, including viewing mash fermenting and getting a feel for the color, flavor and aroma of soy sauce. Discover the history and knowledge of soy sauce through exhibits in an entertaining manner.



Kikkoman Goyogura

The Kikkoman Soy Sauce Museum (called “Goyogura”) was reconstructed on-site at the Noda Factory in 2011. Before it was reconstructed, Goyogura was the exclusive brewery for soy sauce delivered to the Imperial Household Department (current Imperial Household Agency), built along the Edo River (Nakanodai in Noda City, Chiba Prefecture) in 1939. With the deteriorating facilities requiring extensive refurbishment work, the building was reconstructed on its 70th anniversary. During reconstruction, the same soy sauce brewing vats, roof framing trusses, roof tiles, stone walls, gates and other features of the old building were used to recreate an atmosphere reminiscent of the original.

Goyogura continues to brew soy sauce for the Imperial Household Agency to this day. The museum houses and exhibits traditional soy sauce brewing technology as well as the tools and equipment used at Goyogura from when it was first constructed in 1939.



Other Shokuiku Activities

Hands-on “Food” program

Hands-on learning programs were run to discover fun, flavor and usefulness of “food.” The hands-on parents and children food session invited elementary school students and their parents to take part in a hands-on program in cooperation with people involved in the food industry in regions where Kikkoman Group factories are located.

KCC lectures on food culture and cooking

Professional cooks, chefs, researchers of cuisine, and other experts with food provide useful information on Japanese and international food culture, cuisine, and daily dining.

Kikkoman Institute of International Food Culture

Our main activities include historical research from a cultural and social perspective based on “fermented seasonings and soy sauce,” as well as the collection and publication of information related to food. The history of Kikkoman and how its containers have evolved are permanently shown as exhibits, and special exhibitions are also held.



Kikkoman Institute of International Food Culture

 **Visit our website for details:** <https://www.kikkoman.com/jp/shokuiku/activity/>

People and Society

72	Respect for Human Rights
79	For Our People
91	Compliance
95	For Our Shareholders and Investors
97	Sustainable Sourcing
100	As a Member of Communities
105	Partnerships

Respect for Human Rights

Basic Policy

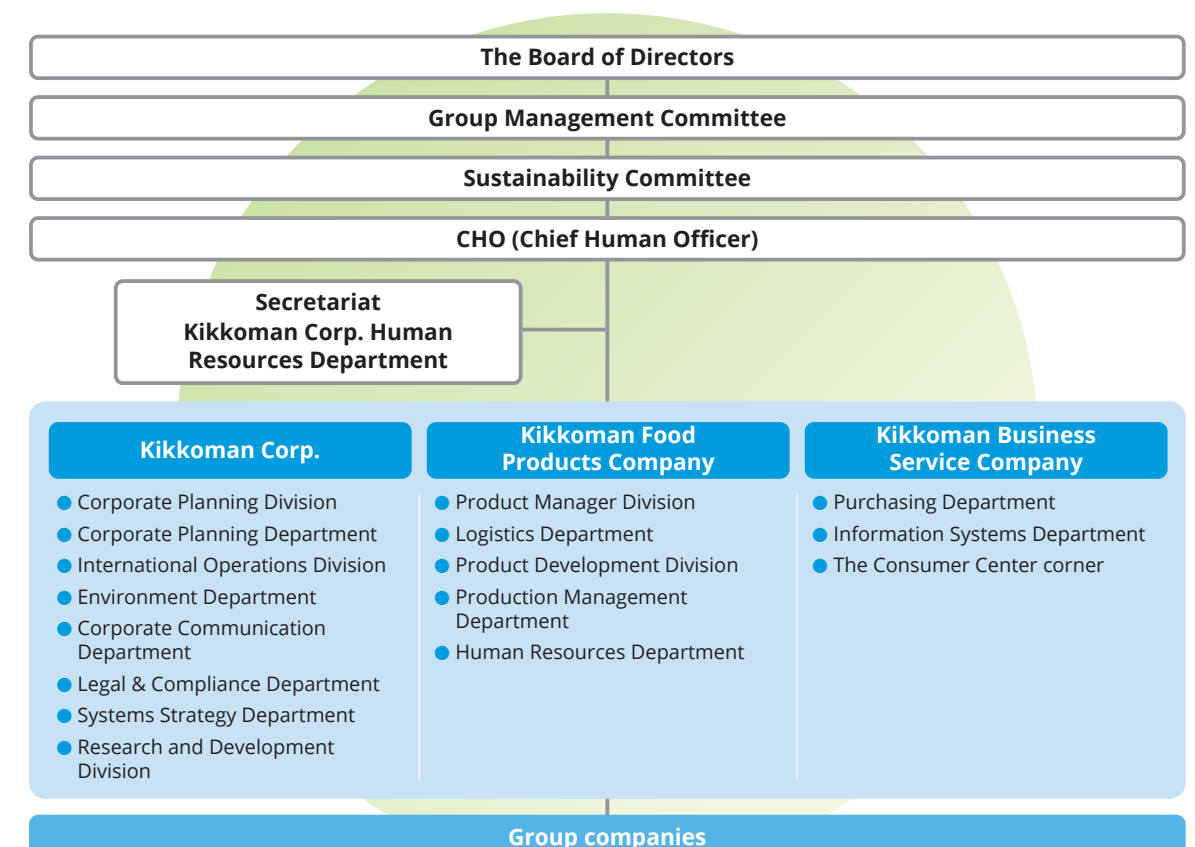
As a group of global companies, the Kikkoman Group is committed to putting the Kikkoman Group's Management Principles into practice by fulfilling our responsibilities to respect human rights within our organization and throughout the supply chain.

In December 2020, our Group formulated the Kikkoman Group Human Rights Policy. This policy sets forth our support and respect for international norms concerning human rights, including the ILO Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights, in line with the United Nations Guiding Principles on Business and Human Rights. Under our Human Rights Policy, we will carry out business activities with respect for the basic human rights established in the Universal Declaration of Human Rights and other norms, and will also advance initiatives including employee education and surveys of the supply chain.

 **The Kikkoman Group Human Rights Policy:** <https://www.kikkoman.com/jp/csr/management/pdf/humanrightspolicyJP.pdf>

Management system

The Kikkoman Group engages in human rights initiatives under the Chief Human Officer (CHO), led by Kikkoman Corp., Kikkoman Food Products Company, and Kikkoman Business Service Company. The Human Resources Department of Kikkoman Corp., acting as secretariat, coordinates Group-wide activities and reports on progress and achievements to the Sustainability Committee and the Board of Directors.

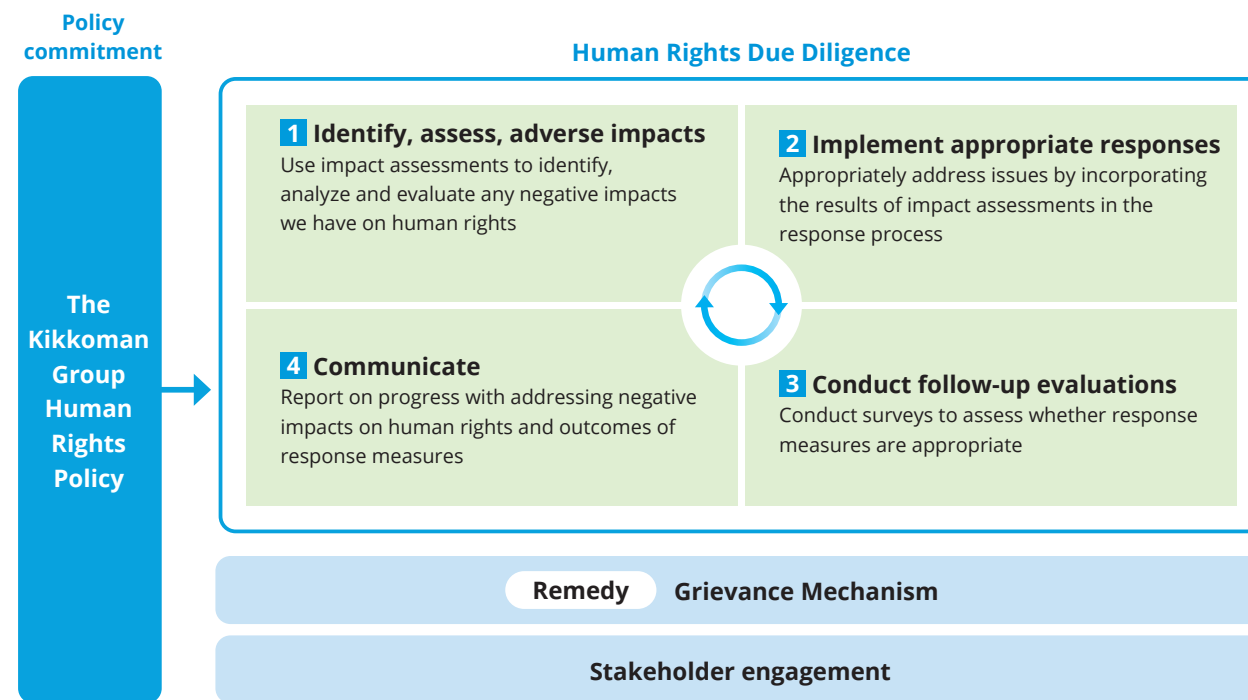


Respect for Human Rights

Human Rights Due Diligence

The Kikkoman Group is building a human rights due diligence framework that incorporates the United Nations Guiding Principles on Business and Human Rights, based on the Kikkoman Group Human Rights Policy.

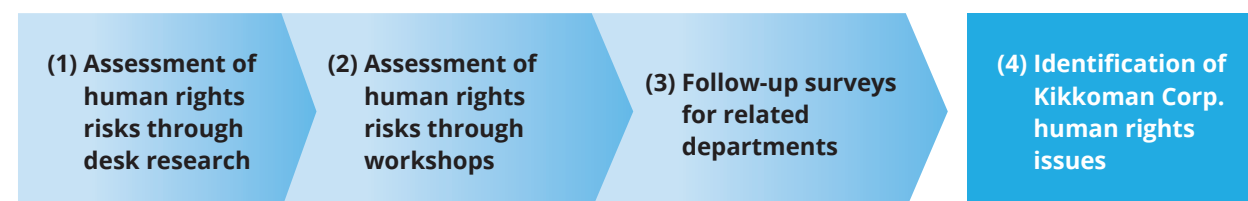
Stance on Human Rights Due Diligence



Impact Assessment

In 2021, Kikkoman Corp. conducted a human rights risk assessment with the support of Caux Round Table Japan (CRT Japan).

Human rights impact assessment process



Details of processes

(1) Assessment of human rights risks through desk research

To identify human rights risks involving Kikkoman, we conducted a desk research from the following perspective.

Risk evaluation by country	Based on human rights-related global risk data ^{*1} , we evaluated human rights risks by country using a four-tier ranking. Human rights risks subject to analysis: Access to remedy, child labor, fair wages, working hours, discrimination in the workplace, education, forced labor, freedom of association and collective bargaining, freedom of expression, rights of indigenous people, land rights, migrant workers, minority rights, modern slavery, occupational health and safety, poverty, privacy rights, sexual minorities, women's rights, young workers
Risk evaluation by business	We evaluated the degree of impact on human rights risks on the basis of net sales, number of plants, number of employees, and other aspects of business scale, and evaluated specific human rights risks incidental to products, services, procurement, operations, and other aspects of business.
Evaluation based on risk data analysis	We carried out the work of identifying human rights risks that are globally high and relevant to our business, based on the two criteria of human rights issues that are important to the food industry ^{*2} and are generally considered business-related, and the human rights risk indicators evaluated as 3 or higher on a four-tier ranking, based on global risk data.

^{*1} We used research materials from Verisk Maplecroft, which provides a risk solutions portfolio within its primary work of global risk analysis, research, and strategic forecasting.

^{*2} "Human rights issues that are important to the food industry" is a program provided by the Caux Round Table Japan (CRT Japan). In response to business- and human rights-related issues raised by 10 organizations including NGOs, CRT Japan held discussions on the context in which human rights issues arise in major Japanese food companies, the relationship between business activities and human rights, key human rights issues, and the importance of business activities that take human rights into account.

(2) Assessment of human rights risks through workshops

With participation from 26 members across 14 departments involved in human rights risks, particularly in the supply chain, we examined global trends in business and human rights in a study group format, and, with consideration of changes in societal demands, identified potential human rights risks related to the value chain overall in a workshop format.

Participants' departments:

Kikkoman Corp.	Board of Directors Secretariat, Corporate Planning Division, Corporate Planning Department, Overseas Business Department, Foreign Administration Department, Overseas Production Promotion Department, Legal & Compliance Department, Internal Auditing Department, Quality Assurance Department
KIKKOMAN FOOD PRODUCTS COMPANY	Product Manager Division, Production Management Department, Human Resources Department
KIKKOMAN BUSINESS SERVICE COMPANY	Purchasing Department, Human Resources Department

(3) Follow-up surveys for related departments

To dig deeply into the human rights risks identified following the workshop, we conducted a follow-up survey targeting the Corporate Planning Department and the Purchasing Department.

(4) Identification of Kikkoman's human rights issues

Based on the results of (1), (2), and (3), we identified human rights issues of importance to Kikkoman.

Respect for Human Rights

Key Human Rights Issues at Kikkoman

Based on the results of our human rights impact assessment, we set forth two important human rights issues and are working to address each. The identified human rights issues of importance to Kikkoman are as follows.

(1) Human rights risks in the supply chain

(1) Human rights risks in the supply chain (producers of materials for Kikkoman) (foreign workers at original equipment manufacturers (OEMs))	
I. Overview	As a societal trend, producers and workers at suppliers of materials may face human rights risks including non-payment of wages, forced labor, and child labor. Accordingly, it is necessary that we understand human rights risks to workers at our main suppliers as well as at OEMs.
II. Rights holders	Producers and workers across the supply chain
III. Our initiatives	<ul style="list-style-type: none">● Policy formulation<ul style="list-style-type: none">▶ Transaction policies▶ Sustainable Procurement Policy (cf. p. 99)▶ Guidelines on Soybean Procurement▶ Guidelines on Forest Resource Use▶ Guidelines on Packaging● Education activities and surveys for suppliers<ul style="list-style-type: none">▶ Conducted a Sedex*1 questionnaire targeting major suppliers, with 11 suppliers responded▶ Carry out supplier briefingsIn January 2023, Kikkoman Corp. worked with other buyer members to hold a joint briefing for Sedex supplier members in Japan, providing business- and human rights-related information and calling for participation in Sedex. Seven OEM companies took part in the briefing.▶ Publicized the Kikkoman Group Human Rights Policy and our approach to business and human rights toward 38 OEMs● Encouragement of improvements to working conditions at logistics contractors<ul style="list-style-type: none">▶ Conducted hearings with logistics contractors through Sobu Logistics, which handles logistics for the Kikkoman Group in Japan▶ As a specific improvement measure, cooperated with Kikkoman Foods Products to carry out the following initiatives<ul style="list-style-type: none">• Reduction of driver idle time through systematization of out-warehouse operations• Reduction of waste in work and dispatching by extending order lead time• Improvement of improper work demands at delivery destinations• Consolidation of distributed shipping warehouses to reduce truck driver working hours▶ Kikkoman Foods Products submitted a declaration of voluntary action as a supporting company of Japan's White Logistics campaign*2.
IV. Future measures	<ul style="list-style-type: none">● Construction and operation of a human rights due diligence framework in the supply chain● Survey of domestic business partners, OEMs, and logistics contractors regarding human rights risks, and communication of the Kikkoman Group Human Rights Policy● Build grievance mechanism for business partners

*1 Sedex (Supplier Ethical Data Exchange): an online platform for managing and improving working conditions in the supply chain
*2 White Logistics campaign portal site (Japanese only): <https://white-logistics-movement.jp/>

(2) Survey on the foreign workers at our factories

(2) Survey on the foreign workers at our factories	
I. Overview	International organizations and NGOs report that foreign workers are often in vulnerable positions due to their employment status, and numerous cases of human rights violations have been reported. Accordingly, it is necessary that we make sure human rights risks to foreign workers at our plants in Japan and overseas.
II. Rights holders	Group employees
III. Our initiatives	<ul style="list-style-type: none">● Survey of Group companies in Japan and overseas<ul style="list-style-type: none">▶ We conducted a questionnaire- and hearing-based survey of human resources staff concerning the working environments for foreign employees at 22 Kikkoman Group companies* in Japan.Direct dialogues with foreign workers found no signs of human rights violations.▶ We used Sedex to assess the numbers, and nationalities of foreign workers at overseas plants.● Education activities targeting Group companies in Japan<ul style="list-style-type: none">▶ We distributed guidelines on the employment of foreign workers to Group companies in Japan, and communicated cautions concerning the employment of foreign workers.
IV. Future measures	<ul style="list-style-type: none">● Regular surveys of working environments of foreign workers in our plants in Japan and regular dialogues with them● Survey and assessment of working environments for foreign workers at overseas plants

* KC, KF, KBC, NDM, MW, JFC-J, KFT, HKC, NKC, SKC, TRV, TSC, SF, NDMA, SLC, SSC, KMC, KRI, NSK, KINJ, KCD, HSC

Respect for Human Rights

Other Initiatives

● Training for our employee

The Kikkoman Group conducts a variety of education activities to promulgate our approach to respect for human rights.

● Training for new employees

Every year, we conduct training on business and human rights for new employees, and communicate the Kikkoman Group Human Rights Policy and our approach to business and human rights.

● Training for managers (FY2023)

▶ Training on business and human rights

We provided e-learning program two times with about 900 managers in Japan to increase understanding the Kikkoman Group Human Rights Policy and to convey basic knowledge concerning business and human rights

▶ Training programs for supervisors

Every year, we conduct training programs for all supervisors. Focusing on roles and key human resources measures to be carried out by supervisors, the training enhances recognition of human rights-related and other compliance matters, employee management, and human resource issues. In FY2023, 377 managers joined this programs. In the training, they learned about examples of human rights violations caused by companies and engaged in discussions of human rights risks lurking within their own companies and departments.

● Business and Human Rights workshop for overseas sites

In FY2023, Kikkoman Corp. and SDG Partners, Inc. held a workshop on business and human rights. The workshop was held one time each in three regions – the Americas, Europe/Australia, and Asia – with a total of 43 participants from departments in Kikkoman Corp. (Corporate Planning Department, International Operations Division, and Human Resources Department), JFC JAPAN, and overseas Group companies*. Participants identified human rights risks in their regions and countries and discussed initiatives to address human rights risks specific to business in those regions and countries. We are undertaking initiatives based on the issues summarized in the workshop.

* Americas (KSU, KFI, KUL, KMP, KDB, JFC, JFCI, JFC-MX, TB)
Europe/Australia (KTE, KEL, KFE, KMPEU, KAP, JFCAUST, JFCEU, JFCUK)
Asia (DMA, KSP, KSL, KTA, KMP-A, KAID, PKI, JFC-THAI, JFC-TAIPEI, JFC-SG/MY)

● Endorsement of and Participation in Initiatives

▶ United Nations Global Compact (UNGC)

In 2001, Kikkoman Corp. signed the United Nations Global Compact (UNGC). In addition to engaging in business activities grounded in the 10 principles of the UNGC, we actively participate in subcommittees hosted by the UNGC Japan Secretariat and are building a network with other companies and academics.

 **United Nations Global Compact (UNGC):** <https://www.ungcn.org/gcnj/about.html>



WE SUPPORT

▶ The Consumer Goods Forum (CGF)

Kikkoman Corp. is a member of the Consumer Goods Forum (CGF), a global network of consumer goods manufacturers and distributors. CGF has been calling for cooperation among companies around the world to solve problems in non-competitive fields. CGF has been conducting a variety of relevant activities, such as establishing the Japan Sustainability Local Group. Kikkoman Corp. joins CGF in activities including participation in the Social Sustainability Study Group, an initiative concerned with business and human rights.

 **The Consumer Goods Forum (CGF):** <https://www.theconsumergoodsforum.com/jp/>



▶ Seidanren

In 2022, Kikkoman Corp. endorsed the basic policies put forth by Seidanren, a consumer goods industry and consumer group federation, concerning the acceptance of foreign nationals, and has adopted these policies for our own use.

 **Seidanren:** <https://www.seidanren.jp/>

 **Basic policies concerning the acceptance of foreign nationals:** <https://www.kikkoman.com/jp/assets/kikoman-basic-polic.pdf>

For Our People

Basic Policy

The Kikkoman Group is committed to creating work environments where each employee feels motivated and can fully utilize their abilities. By doing so, we aim to realize our Management Principles and deliver wholehearted flavor to consumers.

Human Resource Strategies

Faced with dramatic changes in the environment in which the Kikkoman Group operates, we believe that human capital is the key to creating value for society and ensuring the Group's sustainable growth. This belief is reflected in the Group's Global Vision 2030 and Medium-Term Management Plan. Based on the management strategy outlined in these statements, we will foster a diverse array of specialists who can promote the Group's global management and overseas businesses, and support their autonomous career development. We will also cultivate an environment where diverse personnel within the Group can achieve their full potential in their respective fields.

Our Ideal for Employees

Kikkoman seeks professionals who have the requisite expertise, can harness their capabilities, take initiative in achieving results, and meet needs both within the Group and beyond, bringing value to the markets we serve.

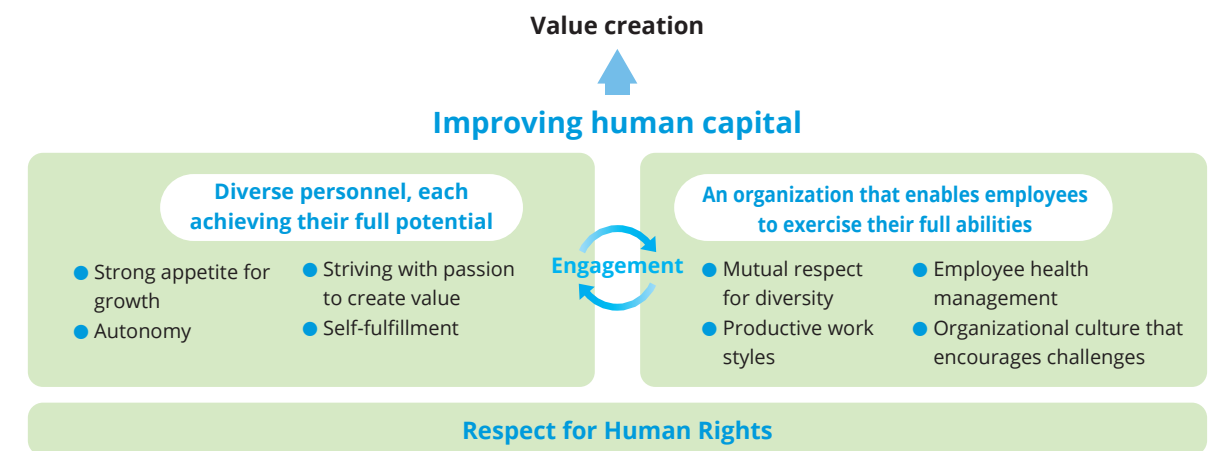
For Kikkoman to continue to grow as a company with a meaningful presence in global society, it is crucial that every employee has a sense of ownership and takes initiative in achieving results.

Regardless of position, we expect all employees to deepen their expertise, take an interest in operations around them, and engage in related fields. At Kikkoman, we strive to cultivate personnel so that each employee can attain our ideal for group employees through their work.

Our Ideal for Organizations

We aim to be a company with a meaningful presence in the global community by creating an environment where every member of our diverse workforce can reach their full potential. We recognize that achieving this requires sharing the company's vision and increasing employee engagement to encourage all employees to take personal ownership of their work, driven by a shared desire for growth. To be an organization that enables employees to fully exercise their abilities, we are working to establish an organizational culture that recognizes diversity, encourages employees to take on challenges, and provides an environment where they can be healthy and productive.

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



Initiatives to Create Professional Human Resources

Amid drastic changes in society, human resources who aim for self-fulfillment and increase corporate value are needed. The Kikkoman Group defines such human resources as professional human resources. These are individuals who have the requisite expertise, can harness their capabilities, take initiative in achieving results, and meet needs both within the Group and beyond, bringing value to the markets we serve. We make nurturing such professional human resources our policy for human resource development.

Recruiting

Kikkoman considers human capital to be the source of value creation. In our recruiting efforts, we stress not only individual experience and skills but also whether candidates align with the Management Principles, values, and policies of the Kikkoman Group.

In the process of hiring new graduates, we look for people who possess the qualities Kikkoman seeks and share our values. In interviews, along with staff from the Human Resources Department, heads of each business department participate to ensure personnel selections incorporate a wide range of perspectives.

Kikkoman has been hiring experienced personnel for posts to be strengthened in line with the human resources strategy and to enhance the required level of expertise. The ratio of experienced personnel accounting for all hires during FY2024 was 34%.

For Our People

Human Resources Development

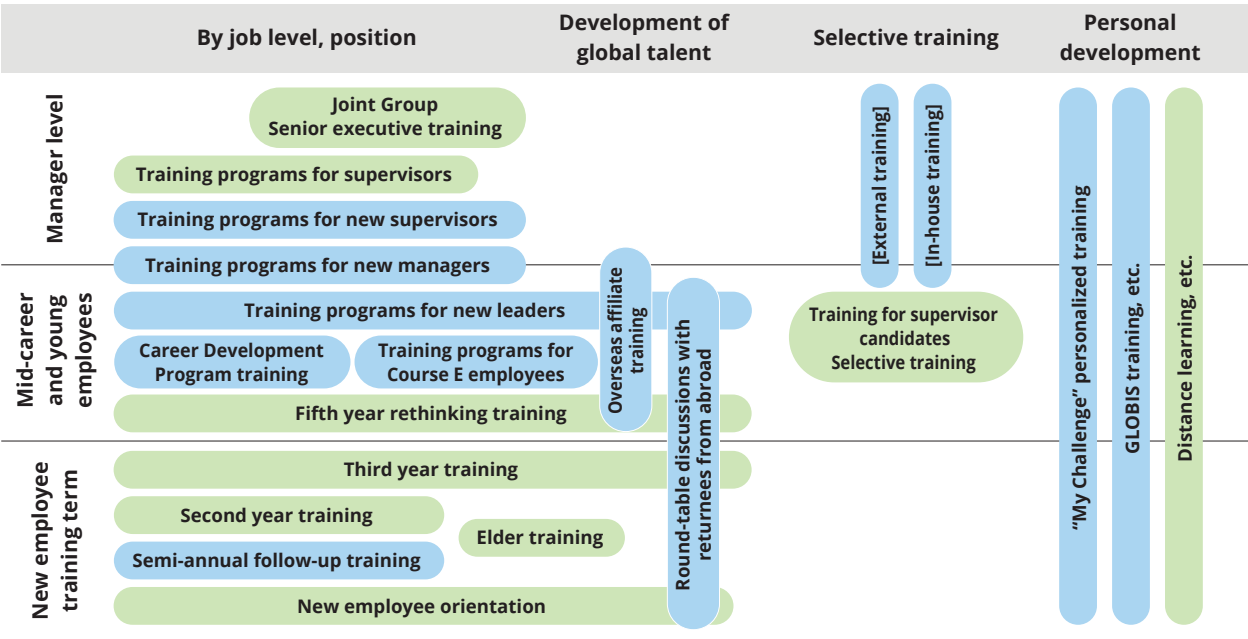
Developing human resources is an essential part of the Kikkoman Group's management strategy. We carry out job level-specific training under a system based on our Human Resources Development Vision. We also operate our proprietary Career Development Program (CDP) along with training programs and selective training from a global perspective.

The Human Resources Development Vision

The Human Resources Development Vision aims to help employees develop skills and grow personally so that they can be highly engaged in their work and help bring innovation to the organization. In keeping with the Vision, Kikkoman's training programs are designed to offer support so that individual employees enjoy learning, hone their specialized skills, and continue to grow through lifelong learning.

Human Resources Development System

Kikkoman has put in place training programs to foster personnel specializing in various fields who can play an active role in our global operations, as well as working with outside institutions to develop an array of educational programs. We are revising and expanding these programs with the aim of instilling skills needed to address changes in social conditions. Our training makes use of both in-person and online methods depending on the social context and the nature of the training. We offer training related to work duties and for personal development, including correspondence courses and “My Challenge” training that allows selection from a menu of learning options.



New Employee Training

New Kikkoman employees undergo training for about two months before being assigned to their first post. For new hire training, we have constructed a program to help instill the attitudes and awareness expected of working adults and to learn about our Management Principles, business, and products. In addition to classroom lectures, they learn the ropes of being a Kikkoman employee through hands-on soy sauce making, product presentations, and project work. After being assigned, in addition to follow-up training carried out by the Human Resources Department, we have put in place a framework to assist both new employees and their supervisors by appointing elder employees.

CDP System

To develop professional human resources, Kikkoman supports employees' career advancement through the Career Development Program (CDP) system. The three pillars of the CDP system are job rotation through personnel transfers, interviews with the Human Resources Department and employees' supervisors, and training and education programs. We perform personnel transfers with consideration of the ideal career for the individuals involved. Employees also submit their own wishes through a self-reporting system and through interviews with the Human Resources Department and their supervisors.

Job rotation through personnel transfers

Kikkoman divides career development into Stage I and Stage II. In Stage I, we aim for the growth of fundamental capabilities that go beyond the domain of work duties for eight years after joining the Company. We uncover individuals' aptitudes through job rotation and offer support for personal growth and self-fulfillment. In Stage II, during employees' 9th to 15th years with the Company, we aim to have employees shape their careers through self-directed selection and responsibility, demonstrate professional capabilities, and realize our Corporate Philosophy as leaders.

Training and education programs

In Stage I, we provide training for two months after employees join the Company to help new hires leverage their individuality; follow-up training six months after joining the Company to review employees' work following assignment to posts and to confirm their footing; third-year training in the third year with the Company as an opportunity to consider careers; fifth-year rethinking training in the fifth year with the Company to actively engage in work; and CDP training in the seventh year with the Company to form a career vision.

In Stage II, we conduct training to strengthen the capabilities for delivering results as professional human capital in the 10th year with the Company, and management training in the 13th year with the Company to improve capabilities for framing issues through the use of management metrics.

Program for interviews with the Human Resources Department and supervisors

Development interviews held during Stage I include a first assignment placement interview after joining the Company, follow-up training six months after joining the Company, and a capability development and motivation enhancement interview in the third year with the Company. CDP interviews include a career design interview in the seventh year with the Company and discussions of capability development and career plans for Stage II and beyond.

CDP-related programs

Our elder program seeks to help new employees settle in quickly by offering support for aspects of healthy social lives. Under our elder program, young employees provide support for new employees. After a new employee is assigned to a post, another young employee in the department, referred to as an “elder,” is assigned to support the new employee. We also offer elder training to support these assigned elders. We further operate a self-reporting system as a support tool for building career plans that let employees grow their capabilities and select work duties offering self-fulfillment in line with their aptitudes. Once a year, following interviews with their supervisors, employees submit a report to the Human Resources Department under the system.

For Our People

Initiatives with Kikkoman Group companies

The Group Human Resources Networking Session, organized by the Kikkoman Business Services Human Resources Department, serves as a platform for representatives from the Human Resources Departments of major group companies in Japan to come together. During these sessions, the Group’s human resources policies are shared, and information on topics such as recruitment activities, human resources development is exchanged to enhance the human resources system. In FY2023, joint training was conducted for eleven group companies in Japan as part of new employee training. This joint training not only helps convey the Group’s philosophies and policies but also fosters a sense of belonging among participants and cultivates a broad perspective towards their tasks.

Diversity in the Workplace

Diverse employees from various backgrounds work within the Kikkoman Group. Our Group strives to develop programs that foster an environment where all employees can work productively in an atmosphere of mutual respect for diversity, fully exerting their capabilities and creativity in tackling challenges.

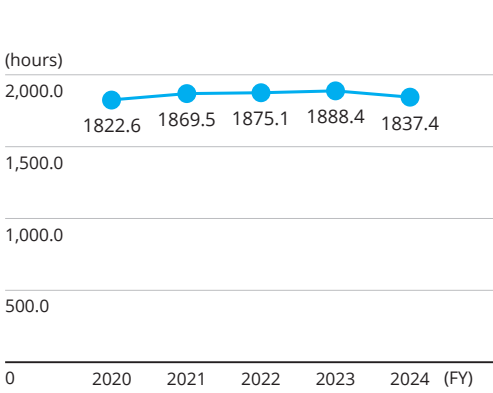
Improving Productivity by Means of Efficient Work Styles

Kikkoman believes that boosting productivity requires increasing added value while also improving workflows and working more efficiently. We recognize that promoting efficient work styles is essential for achieving a work-life balance for employees.

Prompted by the increasing importance of remote work since 2020 due to COVID-19, we are exploring and implementing various projects to enable more efficient work styles, such as further adoption of working from home, encouraging online meetings, paperless operations, trial office sharing arrangements, and revising the management of commuter passes. The ratio of remote work was 30.8% of total days worked in FY2024 (excluding manufacturing departments, hospital staff, seconded employees, and employees on leave).

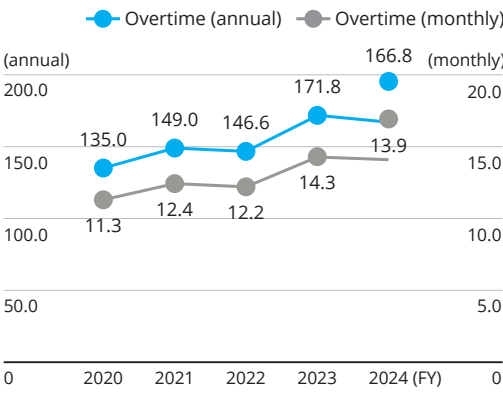
The Labor-Management Work Style Review Committee meets regularly to exchange opinions on the effectiveness of these systems and other matters related to work styles.

Total Hours Worked



* Managers and hospital staff are excluded

Average Overtime Hours



* Managers and hospital staff are excluded

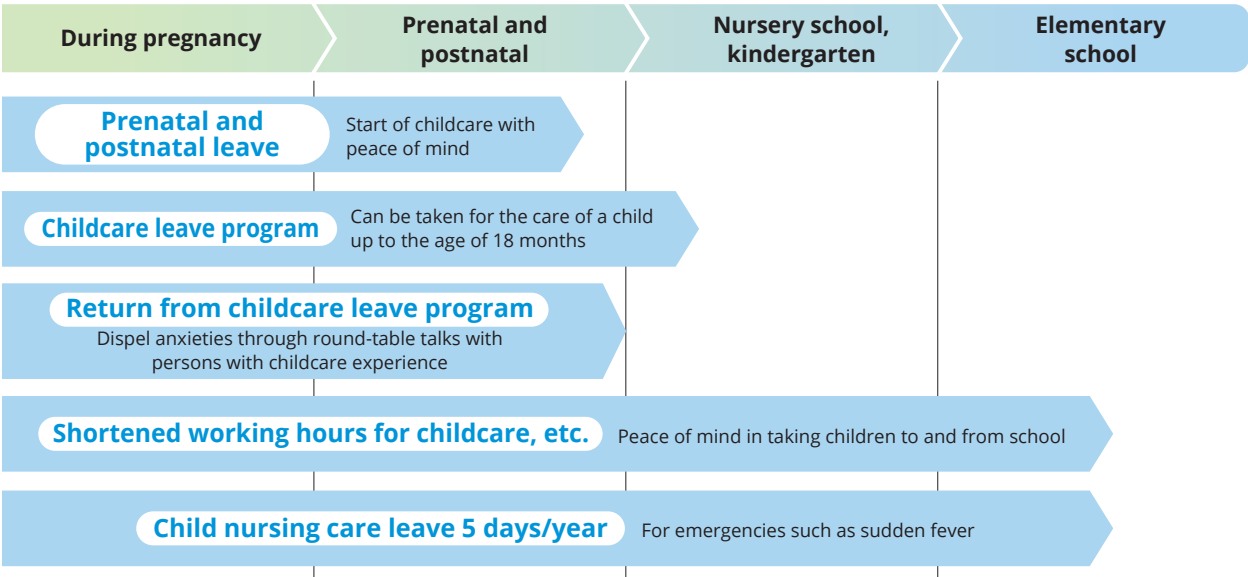
Kikkoman’s Initiatives on Work Style Reforms

Names of programs and details of initiatives for work style reform, to present	Description
Flextime system (since 1992)	Allows employees to choose their own start and finish times without changing the total number of hours worked each month. * Aimed at R&D and product development departments.
Discretionary work system for specialist roles (since 2011)	A system for eligible employees in R&D departments who want to work on key themes approved by the Company.
• Shinkansen commuting system (since 1990) • Work-from-home system (since 2017) • Accompanying spouse leave system (since 2017)	A broader choice of work styles to address increasingly diverse approaches to commuting and work.
Establishment of the Labor-Management Work Style Review Committee (2017)	A committee for employees and managers to exchange opinions on realizing work style reforms to support more diverse ways of working and improvements in productivity.
Summertime work schedule (2018)	Work start times were brought forward 45 minutes in Jul-Aug as a way of encouraging employees to explore changes to their own work practices.
Staggered work shift system (since 2019)	A system that allows employees to adjust start and finish times without changing their daily scheduled working hours.
Extended mandatory retirement age (since 2020)	The mandatory retirement age was raised to 65 to encourage senior employees aged 60 and older to continue working in order to leverage and utilize their wealth of expertise.
Appropriate Working Hours Management Review Committee (since 2020)	A committee for workers and managers to exchange opinions on understanding and addressing issues related to the management of working hours.
Home working allowance introduced (since 2021)	A new allowance was introduced to cover costs related to working from home for a sustained period.
Expand scope of flextime system (since 2022)	Expand the system from only R&D and product development departments, to also include back-office divisions
Shared offices (since 2022)	Utilization of shared offices to enhance productivity and WLB through increased choices in location of work.
Review of Tokyo Head Office (since 2023)	Review of workplaces with the goal of open innovation.
Communication of policies on approaches to future work styles (since 2023)	Presentation of a guideline promoting presence in the workplace two times a week from the standpoint of effective utilization of work at workplaces and at home, taking into consideration the balancing of trouble-free workplace management with work efficiency/productivity.

For Our People

Childcare Support

Committed to creating an environment where all employees can work with peace of mind and build their careers, Kikkoman has prepared programs tailored to the life stages of employees.



Creation of fulfilling workplaces

The Kikkoman Group is developing a working environment where diverse employees can work with confidence.

Organizational Revitalization Vision

Our Organizational Revitalization Vision consists of organizational units’ ideals for themselves over the next two to three years, along with the policies and human resources development measures to achieve those ideals. These are expressed by the heads of Kikkoman Group company workplaces in their own words, based on Kikkoman’s Promise, Global Vision 2030, and individual Group companies’ visions. Introduced in 2009, it has expanded to encompass all Group companies and is posted on our in-house portal site.

From July 2021 to March 2023, we conducted Organizational Revitalization Vision training sessions to further promote the Organizational Revitalization Vision and enhance engagement. The sessions were held 34 times, with participation by over 450 supervisors. CEO Nakano (then COO) attended the sessions to engage in individual dialogues with training participants.

From FY2024 onward, we will continue Organizational Revitalization Vision training with participation by supervisors. Through deepening interactions among supervisors and gaining new perspectives and learning, we are further strengthening management aimed at achieving better working environments.

Employee Engagement Surveys

To this end, we carry out employee engagement surveys to gauge the progress of our efforts, which inform our planning and implementation of measures going forward. In FY2022, we significantly expanded the number of Group companies covered and added survey questions to better grasp the actual context of our workplaces.

We identified several strengths, including customer orientation, corporate social responsibility, and inclusion, as well as issues such as communication and career development. These insights will be used to improve the situation in each company and department to create more fulfilling workplaces.

Maintaining Sound Labor-Management Relationships

The main labor union of the Kikkoman Group is the Kikkoman Labor Union of Kikkoman Corp., which had 1,192 members as of March 1, 2024, and is a member of the FOOD RENGO (JFU) federation of food-related industry labor unions. Under the Labor-Management Joint Declaration announced in 1998, Kikkoman has established and maintained sound labor-management relationships based on mutual trust and respect. Additionally, Kikkoman has adopted a union shop labor agreement.

Socially Responsible Corporate Pension Management

Kikkoman has a contract-based, defined-benefit pension plan to ensure the stability of our corporate pension fund in response to changes in employees’ needs and employment conditions in Japan. This move marks Kikkoman’s commitment to fulfilling our social responsibility by incorporating environmental, social, and corporate governance issues into investment decision-making and stock ownership practices with respect to our pension fund.

Basic Policy on Diversity, Equity and Inclusion

The Kikkoman Group values diversity in terms of gender, age, nationality, race, sexual orientation, and physical challenges, and respects various careers and work styles. Kikkoman is working towards creating workplaces where employees can maximize their individual capabilities, aiming to become an ambitious company where employees engage in friendly competition.

By leveraging diversity, Kikkoman aims to increase its meaningfulness in global society by creating exciting new flavor experiences that match the times and cultures, and to create value while fusing food cultures from around the world.

Better Work Environment for Female Employees

Kikkoman is working to create a better work environment for female employees. As of March 2024, there were 49 female managers at Kikkoman (9.0% of total managers). We set a goal to increase this percentage to 10% by the end of FY2025. The “Accompanying Spouse Leave System” was first introduced in FY2018, allowing employees to take leave instead of quitting their job if their spouse is transferred, supporting a better balance between work and home life. To help female employees return after childbirth, Kikkoman introduced childcare leave 10 years before the enactment of the law in Japan. In FY2024, 48 employees utilized the childcare leave program, including short-term childcare leave for male employees.

Promoting Employment of People with Disabilities

Under the principle of “normalization,” which seeks the creation of a society where people with and without physical challenges live and work on equal terms, Kikkoman is developing a work environment that enables the employment and ongoing work of physically challenged individuals. The Group’s basic approach is grounded in hiring by individual companies and workplaces. To promote Group-wide social contribution and hiring of the physically challenged, we established Kikkoman Clean Service in April 2019, which was certified as a special subsidiary in July 2019. The proportion of employees with disabilities in the Kikkoman Group was 2.48% as of March 2024.

For Our People

Localization of Management and Appointing Senior Managers

When expanding our operations overseas, the Kikkoman Group places great importance on the localization of management. We contract with local companies and recruit local employees as much as possible to grow successfully within the community. Our marketing companies follow the same policy. Additionally, we appoint local employees to senior management positions, such as heads of human resources and accounting.

Flexible Work Arrangements

Kikkoman is working to implement systems that accommodate the various life stages of our employees. Through these efforts, we aim to foster an environment where employees can work without anxiety.

Work Arrangements	Description
Childcare leave (since 1981)	Can be taken from the time of birth of a child until the first April 30 after the child attains the age of 18 months. One extension and one reduction of leave period are permitted. Up to one week of paid leave can be taken during the first eight weeks following birth.
Shorter work hours for childcare (since 1996)	Work hours may be shortened up to two times (totaling up to two hours) per day from pregnancy until the child enters secondary school.
Morning sickness leave (since 2001)	Up to 15 days can be taken during pregnancy.
Child nursing care leave (since 2003)	Up to 5 days per year per child can be taken until the child enters secondary school.
Family care leave (since 1978)	Up to 2 years can be taken at any interval.
Shorter work hours for family care (since 1999)	An employee can take up to two reductions in regular work hours totaling a maximum of two hours daily in one or more 1-month blocks for a total period of up to 1 year.
Nursing care leave (since 2010)	Five days of nursing care leave can be taken per sick or injured family member requiring care per year.
Communication with employees on leave	Company and workplace information is communicated to employees on leave via newsletters and emails to support returning to work with ease.
Planned annual leave (since 2015)	Scheme that allows employees to take planned annual leave.
Hourly units of annual leave (since 2016)	A system that allows employees to flexibly use their annual leave in half-day or hourly increments, as well as full days.
Challenger leave system (since 2020)	A leave system to help employees pursue self-improvement goals.
Shorter work hour system for rehabilitation (since 2022)	Shorter work hour system for promoting recovery of employees who face difficulties fulfilling their duties during prescribed working hours due to personal illness or injury, with the aim of faster return to normal work hours (up to 2 hours/day).
Treatment support leave system (since 2022)	Leave system available for use by employees who require ongoing treatment at hospital due to personal illness or injury (up to 4 times/month).

Performance on efforts toward Medium-Term Management Plan Goals

	FY2025 target	FY2023 performance	FY2024 performance
Increase in percentage of female managers	10% or more	9.2%	10.5%
Percentage of Employees with Disabilities	2.5% or more	2.44%	2.48%
Men's childcare leave take-up rate	100%	64.5%	87.8%
Annual paid short-term leave take-up rate	80% or more	77.4%	82.0%

* As of March 31, 2024
* Companies covered are Kikkoman Corporation and Group companies in Japan. However, the percentage of employees with disabilities is calculated only among those of the companies listed above that are subject to the hiring obligation.

Health Management Initiatives

The Kikkoman Group believes that employee health is the foundation for fostering a corporate culture that values people and contributes to the sustainable development of society. One of the goals of the current Medium-Term Management Plan is to support the mental and physical health of employees.
As part of these efforts, Kikkoman promotes the early detection and treatment of diseases by encouraging employees to undergo health checks, annual physical examinations, and stress tests. We are also working to create comfortable work environments by establishing separate smoking areas and promoting a healthy work-life balance. As a result, since FY2020, Kikkoman Corp., Kikkoman Food Products, and Kikkoman Business Service have all received Excellent Health and Productivity Management Corporation certification*.

* Excellent Health and Productivity Management Corporation certification 2023 (large enterprise category): March 8, 2023 to March 31, 2024
Excellent Health and Productivity Management Corporation certification 2023 (small and medium-sized enterprise category) for SOBU LOGISTICS CO., LTD. and NAGAREYAMA KIKKOMAN COMPANY: March 8, 2023 to March 31, 2024

Reinforcing the Support Framework for Physical and Mental Health

To maintain and enhance the health of employees, in FY2023 the Kikkoman Group introduced a health checkup management system* to promote follow-up checkups at medical institutions for employees who require re-examinations. Through the Kikkoman Counseling Program, offered in collaboration with outside specialists, and the Family Health Consultation of the Kikkoman Health Union, we offer programs for consultation on health and medical care, addressing both the physical and mental health of employees and their families.

* KC, KF, KBS, SF, MN, KBC, KMC, TRV, KINJ

For Our People

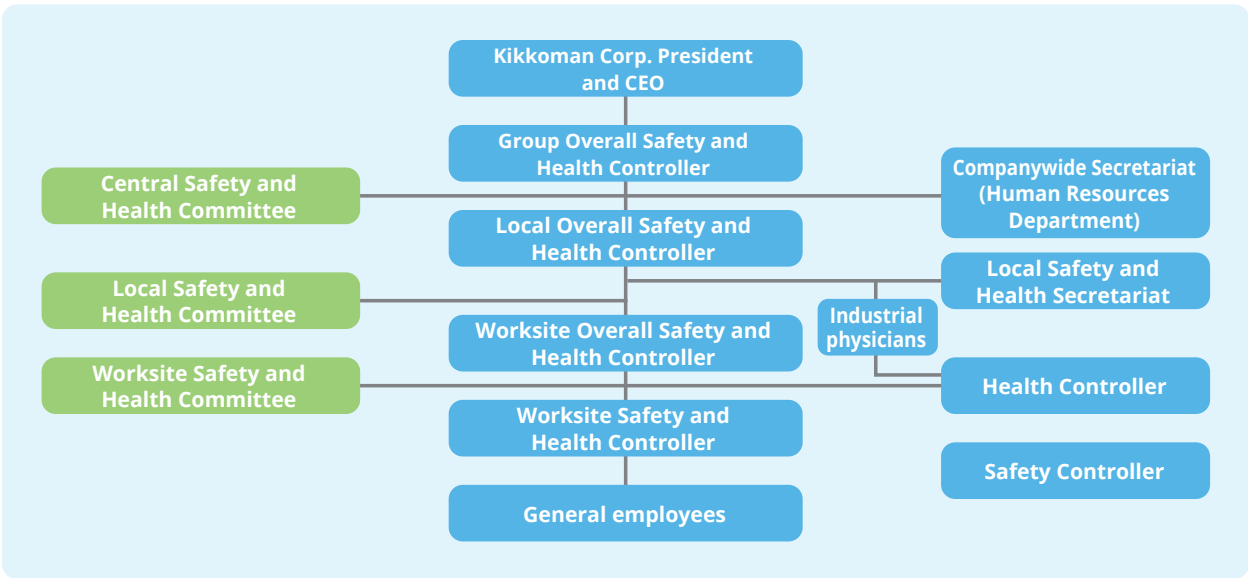
Safe and Healthy Work Environment

The Kikkoman Group 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, plays a central role in implementing our occupational safety and health management system (OSHMS).

In FY2023, there was one accident resulting in a work stoppage (same as the previous year), seven minor accidents (up from one the previous year), and 19 accidents causing minor injuries (up from 15 the previous year). The frequency rate* was 0.604. We are continuing to strengthen initiatives towards achieving zero accidents by implementing risk assessments on a company-wide scale. To raise the standard of the Group's occupational health and safety, a safety and health competition was held where group companies in Japan shared information related to safety and health initiatives, as well as successively sharing information on work-related accidents and the responses taken to prevent similar accidents.

* Indicator outlining the frequency that accidents occur. This is expressed in terms of numbers of fatal & non fatal injuries in industrial accidents per 1 million work-hours.

Safety and Health Management Organization (Kikkoman)



Efforts by the Group Companies Overseas

The Kikkoman Group is working on improving safety and health systems at our overseas companies. At KFI, KFE, and KSP, each company forms its own Safety and Health Committee and strives to improve the effectiveness of the safety and health system. All of our overseas Group companies provide lectures and/or training sessions regarding safety and health, as well as using proper protection while performing job functions. Our affiliates share accident reports with the Foreign Administration Department at Kikkoman Corp. to avoid repeating similar accidents.

Kikkoman Group Employee Data

Kikkoman Group Employee Data

Number of employees	7,521
Number of employees in Japan	3,857
Kikkoman employees	1,745
Newly recruited Kikkoman employees	21
Kikkoman employee turnover (excluding employees who retired at age of 60)	48
Employees who used the early retirement program	8
Newly recruited Kikkoman employee turnover rate (less than 3 years)	22.7%
Number of Kikkoman managers	542
Female managers (ratio of female managers)	49 (9%)
Kikkoman employees on medical leave	10

As of March 31, 2024

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. To ensure that the Code is thoroughly understood and practiced throughout the Group, Kikkoman Corp. has issued English, Chinese, German, French, Dutch, Spanish, Russian, Italian, Portuguese, Korean, and Thai editions.

The Kikkoman Group is working to ensure that employees conduct activities in accordance with corporate ethics and a law-abiding spirit by requiring board members, executive officers, managers at Kikkoman Corp., and management-level employees at our subsidiaries to submit annual promissory letters to the CEO pledging their compliance with the Kikkoman Group Code of Conduct.

Initiatives to Promote Compliance

The Kikkoman Group Corporate Ethics Committee

The Kikkoman Group has established the Kikkoman Group Corporate Ethics Committee, composed of six members including two attorneys or other outside experts and officers of Kikkoman Corp. The committee sets and manages policies concerning actions required for compliance with laws, regulations, and the Kikkoman Group Code of Conduct. Regarding corrupt practices and other matters related to compliance, the committee reports to the Kikkoman Corp. CEO, the Board of Directors, and the Audit and Supervisory Board and receives instruction from these as needed.

The Kikkoman Group Corporate Ethics Hotline

The Kikkoman Group has established a Group Corporate Ethics Hotline as an internal desk accepting whistleblowing reports from all Group companies in Japan. Overseas, too, we are encouraging major Group companies to establish similar hotlines. The Group Corporate Ethics Hotline is designed to allow anonymous reports if desired, to protect the identity of employees who provide information. Guided by its own Kikkoman Group Corporate Ethics Committee rules and Kikkoman Group internal reporting regulations, the Kikkoman Group Corporate Ethics Committee investigates, reviews, and resolve issues involving ethics violations, including corrupt practices. The Committee received and worked to resolve 28 reports in FY2024.



Conducting Compliance Audits

In addition to instructions in daily operations by the Legal & Compliance Department of Kikkoman Corp. and regular audits by the Kikkoman Group Internal Auditing Department, a legal affairs officer and other personnel conduct compliance fact-finding missions at Group companies overseas. In FY2023, we conducted a questionnaire concerning corporate ethics and internally shared the results, based on which we implemented improvement activities and initiatives. We also aim to strengthen compliance across the Group through deep-rooted awareness activities at frontline business sites.

Liaison Conference of the Kikkoman Group Compliance Promotion

Compliance promotion has become an important issue as the number of Group companies of the Kikkoman Group increases and our business fields diversify. In order to promote compliance throughout the Group, the Kikkoman Group launched the Liaison Conference of Compliance Promotion in FY2012.

The members attend the Liaison conference of compliance promotion organized by staff members of the Kikkoman Group Corporate Ethics Committee consisting of the Legal & Compliance Department of Kikkoman Corp. The members work on projects such as developing compliance education programs, lectures to deepen the understanding of legal issues, and sharing information about good practices of the Group companies.

Compliance Education and Awareness Programs

To raise employee awareness and enforce corporate ethics based on the Kikkoman Group Code of Conduct, we provide compliance education during training sessions for all managers/supervisors and newly appointed managers/supervisors. Compliance education is also incorporated into training programs for all new recruits and new mid-career hires. In addition to these efforts, the Legal & Compliance Department at Kikkoman Corp. visits subsidiaries and holds compliance lectures. In FY2024, we engaged in awareness-raising during Compliance Enhancement Month and held compliance training at Group companies in Japan and overseas, covering topics including legal compliance, response to legal revisions, and communicating our Basic Approach to Compliance with the Competition Law.

The Kikkoman Group Compliance Handbook

To develop a firm understanding of compliance, Kikkoman Corp. issued the Kikkoman Group Compliance Handbook in October 2011 and distributed it to employees in Japan. The handbook was updated and redistributed in FY2022. The handbook describes specific examples involving non-compliance with the Kikkoman Group Code of Conduct. By giving visible examples, we are trying to raise awareness as well as of practices at workplaces.



The Kikkoman Group Compliance Handbook

Compliance

Corporate Social Responsibility Survey

The Kikkoman Group conducted compliance surveys from FY2011 to FY2014 with the objective of comprehensively assessing and improving the compliance status of Group companies in Japan. We subsequently enhanced the survey by adding items of high social interest, and since FY2015 have continued the survey under the name Corporate Social Responsibility Survey. In FY2024, we conducted the Corporate Social Responsibility Survey to verify conditions at relevant Group companies. The survey included questions about legal compliance, internal controls, compliance with Group rules, the Code of Conduct, risk management, and social issues. Based on results from the survey, we implemented the following measures.

Anti-Corruption Policy

As the Kikkoman Group Code of Conduct states, the Group does not tolerate bribery, graft, or other corrupt practices. Moreover, Kikkoman Corp. signed the UNGC in 2001, and has enforced the 10 principles, including the anti-corruption principle since its inclusion in 2004. In our business activities, our Group strives to prevent acts prohibited by the United Nations Convention against Corruption, the U.S. Foreign Corrupt Practices Act, the UK Bribery Act, and other overseas anti-corruption regulations.

Statement on the Anti-Corruption Policy in the Kikkoman Group Code of Conduct

In August 2002, the Group formulated the Kikkoman Group Code of Conduct based on the approval of the Board of Directors of Kikkoman Corp. Among the six principles, the fifth one states “Observation of laws and regulations in Japan and abroad, and the maintenance of social order,” and our anti-corruption policy is expressed in this principle. In addition to the Japanese version of the Kikkoman Group Code of Conduct, the Group has issued English, Chinese, German, French, Spanish, and Russian editions of the text in an effort to ensure its accessibility in each Group company in Japan and overseas. In addition, all employees holding the positions of director, executive officer, or manager/supervisor within Kikkoman, as well as the presidents and executives of the Group companies, are required to submit an annual promissory letter pledging their compliance with the Code of Conduct.

Basic Approach to Prevention of Corrupt Practices and Basic Approach to Compliance with the Competition Laws

In FY2023, the Kikkoman Group formulated the Group-wide Basic Approach to Prevention of Corrupt Practices and the Basic Approach to Compliance with the Competition Law. We also carried out training for group employees in coordination with implementation of these policies. Through measures including this internal training, we will continue to strengthen our compliance system.

Internal Communication and Training

The Kikkoman Group disseminates messages from the CEO, Kikkoman Corp., on rigorous legal compliance, including anti-corruption, at senior management meetings and through internal communication. At Group companies in Japan and overseas also, the Code of Conduct is read aloud in order to make it well known to their employees. In addition, the officer in charge of legal affairs and compliance conduct periodical inspection tours on the state of compliance and undertake awareness raising activities rooted in the workplace.

Risk Assessment Related to Prevention of Corrupt Practices

In FY2013, the Kikkoman Group used the UNGC Self-Assessment Tool to carry out a self-assessment, which included anti-corruption items. We conducted a Corporate Social Responsibility Survey using our own assessment standards to investigate the state of anti-corruption practices at the Group companies covered by the survey. We also reviewed the specific business measures in the regions where the risk of bribery is a concern, and thereafter conducted a follow-up.

Working with Suppliers

The Kikkoman Group's Policy for Business Partners was established in FY2014 to communicate our policy regarding business transactions with our business partners, including service contractors. When we introduce the Policy to our suppliers, we explain about the 10 principles of the UNGC, including anti-corruption as well as the Group's basic approach on this subject. Moreover, among the key factors that the Kikkoman Group expects from our business partners, “Business transactions” lists those related to anti-corruption such as “Prohibits the inappropriate exchange of gifts or client entertainment.”

Penalties/Settlements in Relation to Corrupt/Anti-Competitive Practices and Measures Taken

In FY2024, there were neither penalties nor corrupt or anti-competitive practices reported in the Kikkoman Group. In addition, there were no internal reports related to such practices. Accordingly, no measures were taken against infringements.

Serious Legal and Regulatory Infractions Occurring During the Reporting Period

In FY2024, there were no cases of serious legal or regulatory infractions in which fines and surcharges were imposed. There were also no cases of serious legal or regulatory infractions in which non-monetary sanctions were imposed.

Tax

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

Efforts Accompanying the Globalization of Business

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

Disclosure of Information on Corporation Taxes, etc.

Information on the Kikkoman Group's corporation taxes, etc., is disclosed on the Company website. In FY2024, the effective tax rate was 30.5%.

 Visit our website for more information: <https://www.kikkoman.com/jp/ir/lib/yo/yo/>

For Our Shareholders and Investors

Actions to Achieve Management with Awareness of Stock Price and Cost of Capital

In its Medium-Term Management Plan (FY2023 to FY2025), the Kikkoman Group has set sales growth rate, business profit margin, and ROE as target management indicators under which we work to enhance corporate value with an awareness of the cost of capital. By evaluating the performance of major business companies through indicators such as ROIC, we operate with an awareness of the profitability of invested capital. Based on these indicators, we are reviewing businesses that face challenges in growth and profitability while working to normalize our portfolio over time. Through efforts such as thorough annual budget management and dialogues with stakeholders, we will work to further enhance our corporate value.

Fair, Proper, and Timely Disclosure of Information

Kikkoman Corp. discloses information and conducts investor relations (IR) activities that prioritize fairness, propriety, and timeliness. In addition to holding IR meetings in Japan, the United States, and Europe, we also promptly disclose IR information on our website for the benefit of investors who are unable to participate in these meetings.

In FY2024, we held results briefings for analysts and institutional investors and individual meetings for institutional investors in Japan and overseas. We also engaged in dialogue on ESG with institutional investors. Going forward, we remain committed to pursuing activities designed to promote better understanding of our businesses while also taking on board feedback from shareholders and investors.

Shareholder Return

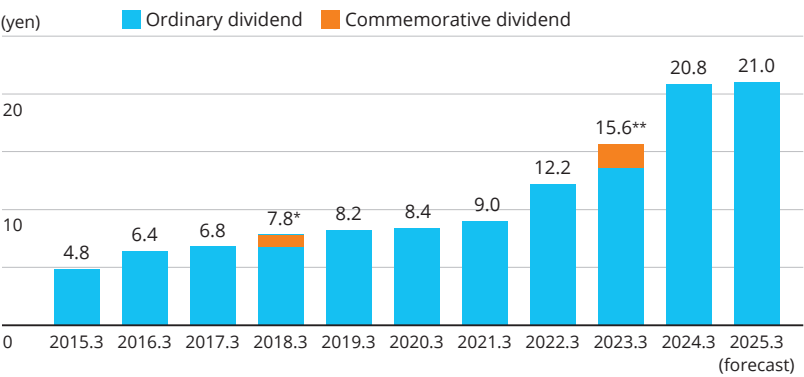
Kikkoman Corp. considers the dividend policy as one of our key management issues. In this area, our basic policy is to reward shareholders through the consistent distribution of profits backed by a strong consolidated financial performance, while using funds to invest in strengthening our corporate foundation and future businesses.

Our Company's basic policy is distribute surpluses as dividends twice a year. The year-end dividend is decided by the General Meeting of Shareholders and the interim dividend is decided by the Board of Directors.

From a long-term perspective, we will use internal reserves for measures to increase corporate value, including overseas investment and financing, investments for rationalization of manufacturing equipment, commercialization-oriented R&D investments, and market investment to spur new demand.

In addition, we have a special benefit plan for shareholders aimed at deepening their understanding of the Kikkoman Group's products and encouraging their ongoing support.

Dividend

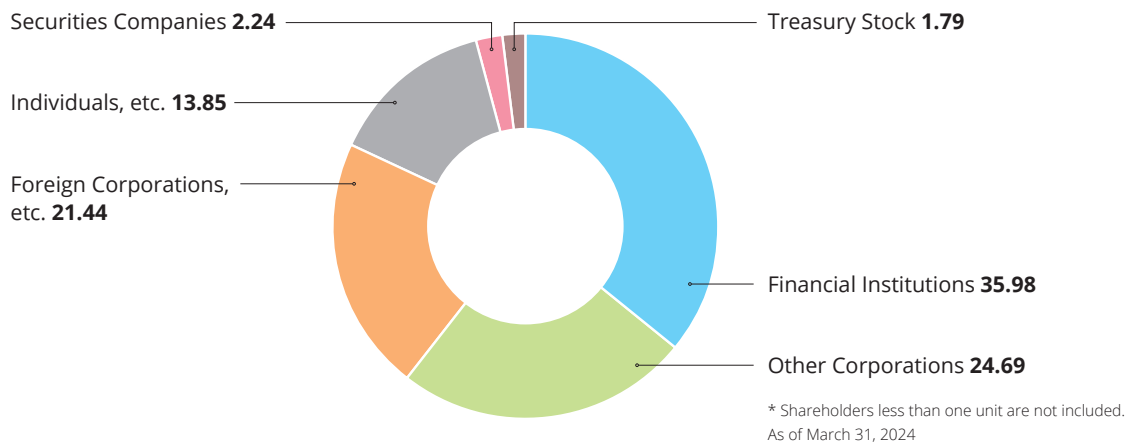


Note: Effective April 1, 2024, the Company conducted a stock split of 5 shares per 1 share of common stock. The annual dividend per share for the fiscal year ended March 2015 to the fiscal year ended March 2024 is calculated on a post-stock split basis.

* (Prior to stock split effective April 1, 2024) Ordinary dividend of 34 yen + 100th anniversary commemorative dividend of 5 yen

** (Prior to stock split effective April 1, 2024) Ordinary dividend of 68 yen + Kikkoman Foods 50th anniversary commemorative dividend of 10 yen

Shareholder Composition (By Shareholder Type)



Open General Shareholders' Meetings

To encourage higher attendance, Kikkoman Corp. schedules the annual general shareholders' meeting to avoid clashing with the most common dates for other companies' meetings. Moreover, we deliver the convocation notice and related documents to shareholders three weeks in advance in order to allow careful review of the agenda. We also send an English-language convocation notice to overseas shareholders. In order to make it more convenient for shareholders to exercise their voting rights, we arrange an online voting system for shareholders. We also participate in a voting platform for institutional investors.

Credit Rating

Credit ratings provided by rating agencies serve as a means of better understanding financial soundness of Kikkoman Corp. Credit ratings are given an important role by Kikkoman Corp. in financial strategy out of recognition that they reflect the manner in which capital markets evaluate the Company's performance and creditworthiness. As of June 2024, Kikkoman Corp. held a rating of AA- from Rating and Investment Information, Inc. We are striving to maintain and further improve our ratings.

ESG Investment

ESG stands for Environmental, Social and Corporate Governance, and ESG indexes are brands determined by how a company's ESG initiatives are evaluated by corporate ratings agencies. Kikkoman Corp. is included in the FTSE4Good Index Series, a tradeable index designed to promote investments in companies that meet environmental, social and governance-related global standards. As of June 2024, the Company was also included in the MSCI Japan ESG Select Leaders Index and FTSE Blossom Japan Index.

Sustainable Sourcing

Conducting Fair Business Practices

In selecting and dealing with business partners, the Kikkoman Group adopts a fair and selfless stance in accordance with the Kikkoman Group Code of Conduct. The Group selects business partners with emphasis on quality, price, and capabilities, not on individuals' personal preferences or favoritism.

As a management system for purchasing activities in line with this policy, the KBS Purchasing Department conducts purchasing in accordance with our Internal Procurement Guidelines. We conduct criteria-based evaluations when selecting new suppliers and regularly re-evaluate business partners with whom we conduct ongoing transactions, to ensure fairness toward suppliers and opportunities for entry by new suppliers. To help minimize potential risks, we procure ingredients and raw materials from multiple suppliers.

Appropriate Payment Practices

The Kikkoman Group promotes appropriate payment practices. Inappropriate demands in transactions with smaller companies are a concern around the world. In dealings with small business partners, our Group acts from a basic stance of seeking mutual prosperity. Our Group does not request unreasonable cost reductions from business partners, and when determining transaction prices, responds to requests for consultation from business partners to include appropriate gain for the business partner in discussions. Contracts, including those determining transaction prices, clearly specify conditions in writing.

Developing Good Partnerships with Suppliers

At Kikkoman, the Purchasing Department, Kikkoman Business Service Co., plays a key role in maintaining close communication with suppliers in order to build and maintain fair and good relationships. Whenever we enter into basic contracts with suppliers for new transactions, we explain our compliance policies and share compliance concerns with them. Moreover, we brief subcontractors on Japan's Act against Delay in Payment of Subcontract Proceeds, etc., to Subcontractors each time an agreement is signed.

Consolidation of the Group's Purchasing Functions

The Kikkoman Business Service Purchasing Department combines the purchasing functions of Group manufacturing companies in Japan including Takara Shoyu, Nippon Del Monte, and Kikkoman Soyfoods. As an integrated purchasing department, it works toward fair transactions and positive partnerships with suppliers.

Ensuring Quality of Ingredients

Kikkoman works closely with suppliers to ensure ingredient quality. For example, when procuring raw farm produce, we track its production history and conduct voluntary checks for residual agricultural chemicals. When procuring organic crops or non-GMO produce as raw materials, we strive to maintain and improve the quality of procured materials through such measures as obtaining Certified Organically Grown Food Certificates, investigating the country of origin, and conducting joint inspections on IP handling.

Preserving Environment in Procurement

The Kikkoman Group works closely with suppliers through the container and packaging procurement process to develop environmentally friendly containers. In FY2008, we formulated Guidelines for Containers and Packaging to illustrate the Group's commitment to a stance of reducing the environmental impact of containers and packaging while enhancing customer satisfaction. We ensure that our suppliers understand the Guidelines, and we work with them to reduce the environmental impact of their products.

In addition, we ask suppliers of ingredients and raw materials to deliver them in packages that generate less waste and require that their delivery truck drivers shut off engines while unloading at our facilities.

When ordering ingredients and raw materials, we work with suppliers and Sobu Logistics Corporation to streamline truck deliveries and reduce the environmental impact of our operations, for example, by using trucks returning from product delivery runs to pick up shipments from suppliers.

The Kikkoman Group's Policy for Business Partners

In FY2014, the Kikkoman Group established the Kikkoman Group's Policy for Business Partners to clarify in detail the Group's basic ideas, concepts, and policies including the UN Global Compact. This policy explains the principles and standards of the Kikkoman Group.

The Key Factors of the Kikkoman Group's Policy for Business Partners

Quality and stable supply

- ☐ Retain and improve quality and safety of products and services.
- ☐ Create systems for the stable supply of products and services.

Human rights

- ☐ Respect human rights in compliance with international conventions.
- ☐ Do not discriminate on the basis of race, ethnicity, nationality, religion, beliefs, gender, home origin, disability, illness, age, etc.

Labor practices

- ☐ Prohibit all forms of harassment.
- ☐ Comply with minimum age standards.
- ☐ Prohibit compulsory labor and cruel punishments.
- ☐ Provide a safe and hygienic workplace environment.
- ☐ Pay wages at or above the legally prescribed amount.
- ☐ Comply with laws and ordinances on working hours.
- ☐ Respect the various rights applicable to workers.

Environmental measures

- ☐ Undertake initiatives to appropriately process and reduce waste products.
- ☐ Undertake initiatives to constrain the emissions of greenhouse gases.
- ☐ Create systems to promote compliance with environmental laws and regulations in the countries and territories of companies' business activities.

Business transactions

- ☐ Prohibit transactions with organized crime.
- ☐ Prohibit inappropriate exchange of gifts or client entertainment.
- ☐ Prohibit making excessive demands on suppliers.

Sustainable Sourcing

Basic Approach

The Kikkoman Group is committed to adopting sustainable initiatives across our range of goods and services. In parallel with pursuing food safety and quality, the Group promotes sustainable sourcing for the benefit of society, based on governance, human rights, labor practices, the environment, fair operating practices, consumer issues, and community involvement and development.

Sustainable Sourcing

The Kikkoman Group Sustainable Sourcing Policy

The Kikkoman Group Sustainable Sourcing Policy was established and put into practice in 2020, defining six key sustainability areas of focus for the Group and our suppliers:

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.

Sustainable procurement policy items

- | | |
|--|-------------------------------------|
| 1. Initiatives with Supply Chains | 4. Internal training |
| 2. Guideline formulation | 5. Requests to suppliers |
| 3. Supplier selection for goods and services | 6. Addressing issues with suppliers |

 Visit the URL on the right for details of each item: <https://www.kikkoman.com/jp/csr/management/jizoku.html>

Supplier Engagement

The Kikkoman Group strives for collaboration with suppliers. As a component of this, in FY2024, the Kikkoman Corp. Corporate Planning Department and Environment Department and the Kikkoman Business Service Purchasing Department jointly visited three suppliers of soybeans, containers, packaging materials, and cartons to engage in dialogues.

The companies explained the Kikkoman Group's approaches, received explanations of the suppliers' sustainability activities in their respective supply chains, and discussed future collaboration.

Comment from supplier Kanematsu Corporation

The Kanematsu Group has sold soybeans to the Kikkoman Group for about 15 years, primarily for Maru Daizu soy sauce and soy milk. In addition to handling materials certified by Round Table on Responsible Soy, our group leverages our direct cultivation contracts with farmers and the non-GMO seed development functions of KG Agri Products Inc., our own supply base in Ohio, U.S. We are promoting the construction of a sustainable supply chain for soybeans through means including the study of measures for preservation of biodiversity and the demonstration of high-performance bio charcoal that exhibits farmland carbon-fixing effects as a measure to combat climate change. While we strengthen collaboration with the Kikkoman Group, we will continue to expand these initiatives throughout the supply chain so that we can continue to provide customers and society with safe and secure products.

Sedex

The Kikkoman Group is a member of Sedex (supplier ethical data exchange). Sedex is one of the world's leading platforms for collecting and sharing information on ethical trade, with the goal of improving working conditions and environmental activities in global supply chains. In FY2023, the Group expanded the use of Sedex within the Group and deployed it at suppliers. (See p. 75)

As a Member of Communities

Our Social Activities

Supporting Food Bank Organizations

Since FY2010, the Kikkoman Group has been active in donating products to food bank organizations in Japan and the United States. Food banks are organizations that receive food provisions from food industry companies and freely donate food to facilities in the welfare sector that require assistance. The focus is on effectively utilizing food that is designated for disposal even though it can still be eaten. In addition to assisting welfare facilities and the like through our efforts through food banks, the Kikkoman Group is also lightening the burden on the environment by reducing food loss.

To Second Harvest Japan, for example, Kikkoman Foods and other Group companies donate products that cannot be sold due to reasons unrelated to product quality such as soiled labeling, even though they still have more than one month left before the "best used by" date. Around 1,500 cases of products were supplied during FY2024.

Shokuiku Activities

Kikkoman Corp. is a member of the "Good Gohan" initiative supporting single-parent households with food products run by the Good Neighbors Japan non-profit organization. "Good Gohan" is a program that distributes food products donated by individuals and companies to eligible households, with food products equivalent to 10,000 yen delivered per allocation. Products for 300 households were donated during FY2024. Around 80 volunteers from the Kikkoman Group also took part in writing letters that are included with the donations.

Kikkoman Corp. also donated food products to the Food Box for Children campaign run by Save the Children Japan. The Food Box is an outreach delivering food and other items to children of low-income households during long school breaks when school lunches are unavailable and children are likely to lack sufficient food. Food and supplies were delivered to 10,004 households in FY2024.

Sponsoring English Education in Noda

Kikkoman has supported English-language education in Noda since FY2008 as part of an effort to increase children's communication skills and enable them to make a contribution on the global stage when they grow up.

Supporting the YFU Exchange Student Program

Kikkoman has supported an exchange student program by the international exchange organization Youth for Understanding (YFU) since 1978 through the Kikkoman Scholarship program.

Sales event by Welfare Facilities

At the Noda Head Office and Tokyo Head Office, Kikkoman Corp. conducts in-house sales events together with companies focused on employment of the physically challenged. At the events, employees help to support welfare facilities through purchases of the handmade bread, confections, ice cream, vegetables, and other goods offered for sale.

Cooperation: Swan Co., Ltd., Social Welfare Service Corporation Olive Tree, Pasona Heartful Inc., Asian Education and Friendship Association

As a Member of Communities

Support for Athletes

At Kikkoman Corp. we hire top athletes who have their sights set on competing at the Olympic Games, because we agree with the objectives of the Japanese Olympic Committee's employment support program "Athnavi." More specifically, the program aims to provide top athletes with a stable living environment through support for employment and sporting activity from the hiring company, while at the same time, giving companies the opportunity to lead social contributions, as well as generate a sense of solidarity within the organization.

Supporting Employees' Volunteer Activities

Kikkoman encourages our employees to engage in volunteer activities. We have introduced programs, such as a matching donation program, a community service program, and a volunteer leave program.

Promotions and Preservations of Food Cultures

Kikkoman is committed to promotions and preservations of food culture in Japan and around the world through lectures on food and cooking workshops, and management of food facilities.

Research and Communication on Food Culture with a Focus on Soy Sauce

The Kikkoman Institute of International Food Culture, located at the Noda Head Office, conducts research on food culture with a focus on fermented seasonings and soy sauce, collects information related to food, and holds forums and seminars on related subjects. The institute also contributes to international exchange and amalgamation of food culture by making research findings and collected information and materials available to the general public at libraries and exhibitions and on our website.

The Kikkoman General Hospital

The Kikkoman General Hospital is located in Noda City, Chiba Prefecture. Since soy sauce brewing began in Noda in the 17th century, the soy sauce business has had a mutually beneficial relationship with the local community. The origin of the hospital dates back to 1862, when a clinic was founded for workers at the breweries and their families. The clinic expanded over time and was reestablished as Noda Hospital in 1914 in Kami-Hanawa, Noda City. Soon after Noda Shoyu Co., Ltd., the predecessor of Kikkoman Corp., was formed in 1917, the Noda Hospital became Kikkoman's private hospital in 1918. In 1973, the Noda Hospital was renamed the Kikkoman General Hospital.

In order to further contribute to the local community through providing better medical services, Kikkoman began the construction of a new hospital in March 2011. Construction was completed in June 2012, and the hospital began operating in August 2012. In addition to installing new medical devices, the new hospital reopened the maternity department with a better environment for expecting mothers in the local community. The new hospital also has new features such as relaxation spaces and countermeasures against disasters.



Social Contribution Activities Worldwide

North America

Kikkoman Foods Foundation Inc.

KIKKOMAN FOODS, INC. (KFI), our soy sauce production base in the U.S., established Kikkoman Foods Foundation Inc. as a charitable foundation in 1993. Through this organization, KFI donates to local educational institutions and disaster relief funds. In 2013, as part of the 40th anniversary celebration of opening our Walworth, Wisconsin Plant, the foundation made a USD \$1 million contribution to the University of Wisconsin-Milwaukee. This contribution was used in establishing the Kikkoman Healthy Waters Environmental Health Laboratories that conducts research on water environments in the university's life sciences department.

To commemorate the 50 years since the grand opening of KFI in 1973, KFI announced a donation of \$5 million to the University of Wisconsin in support of its sustainable agriculture and freshwater research in June 2023. Specifically, a donation of \$3 million was made to the University of Wisconsin-Madison's College of Agricultural & Life Sciences to support research into sustainable production of agricultural produce including soybeans and wheat, and a donation of \$2 million was made to the University of Wisconsin-Milwaukee's School of Freshwater Science to support the construction and operation of a state-of-the-art research vessel to be used on the Great Lakes. These donations will contribute to protecting the valuable natural resources that also initially led KFI to establish sites in the region.

Food Bank Initiatives in the United States

Since 2010, Kikkoman Sales USA, Inc. (KSU) has donated food products to food bank organizations throughout the United States as part of its social contribution activities.

Europe

Water Quality Improvement Project in the Netherlands

Since 1997, Kikkoman Foods Europe B.V. (KFE), our soy sauce production site in the Netherlands, has supported a water quality improvement project for Zuidlaardermeer (Lake of Zuidlaren) in Groningen, the Netherlands. A unique aspect of this project is its water purification mechanism that uses the power of nature as an energy source, to purify through natural restorative power. A vast water purification area is located adjacent to the lake, with water from the lake slowly drawn in by the windmill. After the water has been gradually purified by beneficial aquatic organisms and microbes, it is returned to the lake. The windmill, which was introduced with support from KFE, was named "Kikkoman Windmill."



Kikkoman Windmill

As a Member of Communities

Asia

Water Purification Project in Singapore

In 2010, Kikkoman (S) Pte. Ltd. (KSP), our soy sauce production site in Singapore, supported the construction of Kingfisher Lake (an aquatic wildlife sanctuary), located inside “Gardens by the Bay”, an urban garden in Singapore. Kingfisher Lake has an environmentally friendly water purification system that utilizes the nature within the park, such as aquatic plants. The Singaporean government recognized KSP as a corporation which has contributed to the promotion of beautification and greening in Singapore, and as a token, dedicated a natural heritage “Rain Tree” (80 years old) in the Fort Canning Park to KSP.

In 2021, the company also supported the development of Kingfisher Wetlands (mangrove and wild bird conservation area), a new area in Gardens by the Bay, as part of efforts to protect Singapore’s water resources and natural environment. This area is planted with 200 mangroves, including some species threatened with extinction, and has become a valuable habitat for 130 bird species and many other wild animals.



Kingfisher Wetlands

Mangrove Tree Planting in Singapore

Singapore has seen a decline in mangrove forests, creating a threat to rare tropical species of plants and animals. In FY2016, KSP donated 500,000 Singapore dollars to a mangrove planting program along the coastline of the Sungei Buloh Wetland Reserve, in support of conservation activities for ecosystems that are home to many living organisms.

Food Culture Exchange in China

The Kikkoman Group exhibited an authentic Japanese restaurant, Murasaki, in the Japanese industry pavilion at Expo 2010 Shanghai China. Students from Shanghai University participated in operating Murasaki. Thereafter, in October 2010, the Kikkoman “Murasaki” fund was established between the School of Foreign Languages at Shanghai University and the Kikkoman Group. This fund provides scholarships to support training programs in Japan for students of high scholastic standing. These activities promote the fostering of skilled and aspiring individuals who can contribute to the international exchange of food culture and serve as a bridge between Japan and China.

Project to Improve Nutrition in Africa

From 2013 to 2016, with support from the Japan International Cooperation Agency (JICA), Kikkoman Corporation conducted a three-year business research project in Kenya on improving nutrition based on fermentation. In Kenya, we established koji production using miscellaneous grains and cooking techniques based on amazake. We also affirmed that the promotion of soy foods is effective in improving nutrition for local children, and that our soybean processing technologies are valid. At the same time, due to the hygiene environment and other reasons, we found it difficult to promote fermentation and cooking techniques to local residents under no-salt conditions.

After the conclusion of the JICA study, Kikkoman has continued efforts to develop the local production and supply of high-protein food products made from soybeans processed using our technology. In May 2023, we concluded an agreement with JICA for a project to popularize, demonstrate, and commercialize puffed-soybean high-protein foods in Tanzania (contracted survey fees: 48,501,000 yen including tax) under JICA’s “Small- and Medium Enterprise and SDGs Business Development, Verification and Commercialization (SDGs Business Model)” program. The puffing process makes soybeans more tasty and easily digestible as a food ingredient while also shortening cooking time. Under the business model, the proposed puffed soybean product will be made using locally grown and produced soybeans, with the resulting sweets and other processed products sold at stores and supplied for use in school lunches in Tanzania, as well as provided as a puffed soybean powder commercial food ingredient. Our aim is to improve nutrition in the region. Furthermore, this study will investigate the local suitability of nutrition education and processed soy products by running nutrition educational workshops for Tanzanian parents and children, members of the food industry, school lunches, and staff working at health centers, in order to facilitate the development of local business opportunities.

We plan to complete the study during FY2025. After FY2026, we will undertake surveys and studies aimed at launching a business in the region to popularize soybean foods.

Partnerships

Initiatives through Partnerships

The Kikkoman Group collaborates and cooperates with different external associations and organizations. Through these partnerships, we are making efforts that reflect the extensive knowledge in our business activities, which include social and environmental aspects.

Global Compact Network Japan

In 2001, Kikkoman became the first Japanese company to sign the United Nations Global Compact. We signed it because we agreed with the purpose of the UN Global Compact to solve global issues through responsible corporate activities. Kikkoman Corp. has been involved in relevant activities, such as becoming a member of the board of the Global Compact Network Japan, a local network of the United Nations Global Compact in Japan.

 **Global Compact Network:** <https://www.ungcn.org>

The Consumer Goods Forum

Kikkoman Corp. is a member of the Consumer Goods Forum (CGF), a global network of consumer goods manufacturers and distributors. CGF has been calling for cooperation among companies around the world to solve problems in non-competitive fields. CGF has been conducting a variety of relevant activities, such as establishing the Japan Sustainability Local Group. Kikkoman Corp. conducted several activities with CGF including participation in the Social Sustainability Study Group.

 **The Consumer Goods Forum:** <https://www.theconsumergoodsforum.com>

Japan Climate Leaders' Partnership

Kikkoman Corp. is an supporting member of the Japan Climate Leaders' Partnership (JCLP). JCLP is a group of Japanese companies, which was established based on the awareness that the industry needs to have a healthy sense of crisis and start aggressive actions to realize a sustainable decarbonized society. JCLP's activities aim to: (1) Realize a sustainable decarbonized society by having decarbonization as a premise of economic activities, (2) Draw a common vision for a sustainable decarbonized society as the basis for the participating companies in taking their own commitments and initiatives, and (3) Send out proactive messages to speed up social changes and focus the activities in Asia. In JCLP, we collect information through activities such as participating in its subcommittees.

 **Japan Climate Leaders' Partnership:** <https://japan-clp.jp/>

Japan Climate Initiative

One initiative for tackling climate change led us to join the Japan Climate Initiative (JCI) in September 2021, with the aim of mitigating global warming and reducing greenhouse gas emissions. Kikkoman endorses the initiatives of JCI, and JCI is also an organization supporting the messages that the government is disseminating in relation to climate change issues.

 **Japan Climate Initiative:** <https://japanclimate.org/>

In addition to the organizations above, the Group engages in various activities by participating in a wide range of organizations.

SDG Index and GRI Standards Content Index

SDG Index

The Kikkoman Group is working on a wide range of activities to contribute to achieving SDGs.

Targets	Corporate Non-financial Section Items		
1	Our Social Activities		
2	Development of Products that Contribute to Healthy Eating Habits	Raising Awareness for Healthy Eating Habits	Shokuiku Activities
	Our Social Activities		
3	Development of Products that Contribute to Healthy Eating Habits	Healthy Food Lifestyles	The Kikkoman General Hospital
	Social Activities in the World		
4	Healthy Food Lifestyles	Shokuiku Activities	
5	Responsible Marketing Expressions and Advertisements	Human Rights Due Diligence	Diversity in the Workplace
6	Responding to Water-related Risk	Social Activities in the World	
7	Climate change	Natural Resources	Environmental Management System
8	Diversity in the Workplace	Implementation of Human Rights Due Diligence	Human Resource Strategies
9	Initiatives through Partnerships		
10	Implementation of Human Rights Due Diligence	Diversity in the Workplace	Compliance
11	Social Activities in the World		
12	Climate Change	Responding to Water-related Risk	Natural Resources
	Food Environments	Quality Assurance Based on the Concepts of "Safety" and "Peace of Mind"	Healthy Food Lifestyles
	Responsible Marketing Expressions and Advertisements	Pursuing Customer Satisfaction	Shokuiku Activities
	Human Rights Due Diligence		
13	Climate Change	Renewable Energy Use	Food Environments
	Environmental Management System		
14	Responding to Water-related Risk		
15	Responding to Water-related Risk	Food Environments	Environmental Management System
16	Human Rights Due Diligence	Compliance	Our Social Activities
	Social Activities in the World	Initiatives through Partnerships	
17	Human Rights Due Diligence	Sustainable sourcing	Initiatives through Partnerships
Global Environment Food and Health People and Society			

GRI Standards Content Index

Note
Items that are included in this report are indicated in the Content Index. Items that are covered in the corporate section are designated with (c) at the end.
HTML links are for content or media available on our website.

GRI 1: Foundation 2021		
Statement of use	Kikkoman Corporation is reporting on the information included in this GRI Content Index from April 1, 2023 to March 31, 2024 in accordance with GRI Standards.	
GRI 1 used	GRI 1: Foundation 2021	
General Disclosures		Page no. or URL
GRI 2: GENERAL DISCLOSURES 2021		
1. The organization and its reporting practices		
2-1	Organizational details	Scope
2-2	Entities included in the organization's sustainability reporting	106th term Securities Report—Company overview Data Section—Business sites (c)
2-3	Reporting period, frequency and contact point	Reporting Period Contact:
2-4	Restatements of information	—
2-5	External assurance	Preparations are being made for acquiring external assurance.
2. Activities and workers		
2-6	Activities, value chain and other business relationships	Kikkoman Overview—At a Glance (c) Kikkoman Management Resources—The Kikkoman Group's Value Chain (c)
2-7	Employees	People and Society—For Our People—Kikkoman Group Employee Data
2-8	Workers who are not employees	—
3. Governance		
2-9	Governance structure and composition	Corporate governance report(only in japanese) Foundations of Value Creation—Strengthening corporate governance (c) Sustainability Strategy—Sustainability Governance Structure
2-10	Nomination and selection of the highest governance body	Corporate governance report(only in japanese) Foundations of Value Creation—Strengthening corporate governance (c)
2-11	Chair of the highest governance body	Corporate governance report(only in japanese) Foundations of Value Creation—Strengthening corporate governance (c)
2-12	Role of the highest governance body in the oversight of impact management	Foundations of Value Creation—Strengthening corporate governance (c) Sustainability Strategy—Sustainability Governance Structure Global Environment—Climate Change—Disclosures based on TCFD recommendations
2-13	Delegation of responsibility for managing impacts	Foundations of Value Creation—Strengthening corporate governance (c) Sustainability Strategy—Sustainability Governance Structure Global Environment—Environmental Management Promotion System Global Environment—Climate Change—Disclosures based on TCFD recommendations People and Society—Respect for Human Rights—Governance Framework
2-14	Role of the highest governance body in sustainability reporting	Foundations of Value Creation—Strengthening corporate governance (c) Sustainability Strategy—Sustainability Governance Structure
2-15	Conflicts of interest	Corporate governance report (only in japanese)
2-16	Communication of critical concerns	Foundations of Value Creation—Risk Management (c)
2-17	Collective knowledge of the highest governance body	113th General Meeting of Shareholders/shareholder meetings notice of convocation
2-18	Evaluation of the performance of the highest governance body	Corporate governance report(only in japanese)
2-19	Remuneration policies	Sustainability Strategy—Sustainability Governance Structure
2-20	Process to determine remuneration	Sustainability Strategy—Sustainability Governance Structure
2-21	Annual total compensation ratio	—

SDG Index and GRI Standards Content Index

General Disclosures		Page no. or URL
4. Strategies, policies and practices		
2-22	Statement on sustainable development strategy	Our Vision and Strategy—Message from the CEO (c)
2-23	Policy commitments	Kikkoman Group Human Rights Policy Sustainable Procurement Policy Our Vision and Strategy—Long-Term Environmental Vision (c) Foundations of Value—Compliance (c)
2-24	Embedding policy commitments	People and Society—Respect for Human Rights—Human Rights Due Diligence People and Society—Sustainable Sourcing
2-25	Processes to remediate negative impacts	Foundations of Value—Compliance (c) People and Society—Respect for Human Rights—Human Rights Due Diligence
2-26	Mechanisms for seeking advice and raising concerns	Foundations of Value—Compliance (c)
2-27	Compliance with laws and regulations	People and Society—Compliance
2-28	Membership associations	People and Society—Partnerships—Initiatives through Partnerships
5. Stakeholder engagement		
2-29	Approach to stakeholder engagement	Kikkoman Management Resources—Stakeholders (c) People and Society—For Our Shareholders and Investors—Fair, Proper, and Timely Disclosure of Information
2-30	Collective bargaining agreements	People and Society—For Our People—Diversity in the Workplace—Maintenance of Sound Labor-Management Relationships
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Sustainability Strategy—Identification of Materiality
3-2	List of material topics	Sustainability Strategy—Sustainability Strategy
3-3	Management of material topics	Sustainability Strategy—Sustainability Governance Structure
Economic Items		
GRI 201: Economic performance 2016		
201-1	Direct economic value generated and distributed	Data Section—Financial and Non-financial Data (c)
201-2	Financial implications and other risks and opportunities due to climate change	Global Environment—Climate Change—Disclosures based on TCFD recommendations
201-3	Defined benefit plan obligations and other retirement plans	107th Term Securities Report—Accounting
201-4	Financial assistance received from government	People and Society—As a Member of Communities—Project to Improve Nutrition in Africa
GRI 202: Market presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	—
202-2	Proportion of senior management hired from the local community	People and Society—For Our People—Localization of Management and Appointing Senior Managers
GRI 203: Indirect economic impacts 2016		
203-1	Infrastructure investments and services supported	People and Society—As a Member of Communities—Kikkoman General Hospital People and Society—As a Member of Communities—Social Activities in the World
203-2	Significant indirect economic impacts	People and Society—As a Member of Communities—Our Social Activities People and Society—As a Member of Communities—Kikkoman General Hospital People and Society—As a Member of Communities—Social Activities in the World
GRI 204: Procurement practices 2016		
204-1	Proportion of spending on local suppliers	People and Society—For Our People—Localization of Management and Appointing Senior Managers

General Disclosures		Page no. or URL
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	People and Society—Compliance—Anti-Corruption Policy
205-2	Communication and training about anti-corruption policies and procedures	People and Society—Compliance—Anti-Corruption Policy
205-3	Confirmed incidents of corruption and actions taken	People and Society—Compliance—Anti-Corruption Policy
GRI 206: Anti-competitive behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust,and monopoly practices	No incidents reported.
GRI 207: Tax 2019		
207-1	Approach to tax	107th Term Securities Report—Accounting People and Society—Compliance—Tax
207-2	Tax governance, control, and risk management	107th Term Securities Report—Accounting
207-3	Stakeholder engagement and management of concerns related to tax	107th Term Securities Report—Accounting
207-4	Country-by-country reporting	107th Term Securities Report—Accounting
Environmental Items		
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	Global Environment—Environmental Initiatives—Natural Resources—Energy, Resource, and Discharge Flows
301-2	Recycled input materials used	Global Environment—Environmental Initiatives—Natural Resources—Energy, Resource, and Discharge Flows Global Environment—Environmental Initiatives—Use of Resources—Eco-Friendly Products
301-3	Reclaimed products and their packaging materials	Global Environment—Environmental Initiatives—Natural Resources—Energy, Resource, and Discharge Flows Global Environment—Environmental Initiatives—Use of Resources—Eco-Friendly Products
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Global Environment—Environmental Initiatives—Use of Resources Energy, Resource, and Discharge Flows
302-2	Energy consumption outside of the organization	—
302-3	Energy intensity	Global Environment—Environmental Initiatives—Natural Resources—Energy, Resource, and Discharge Flows
302-4	Reduction of energy consumption	Global Environment—Environmental Initiatives—Natural Resources—Energy, Resource, and Discharge Flows
302-5	Reductions in energy requirements of products and services	Global Environment—Environmental Initiatives—Natural Resources—Energy, Resource, and Discharge Flows
GRI 303: Water and effluents 2018		
303-1	Interactions with water as a shared resource	Global Environment—Environmental Initiatives—Responding to Water-related Risk
303-2	Management of water discharge-related impacts	Global Environment—Environmental Initiatives—Responding to Water-related Risk
303-3	Water consumption	Global Environment—Environmental Initiatives—Responding to Water-related Risk—Water Consumption and Discharge Management
303-4	Discharge	Global Environment—Environmental Initiatives—Responding to Water-related Risk—Water Consumption and Discharge Management
303-5	Water consumption	Global Environment—Environmental Initiatives—Responding to Water-related Risk—Water Consumption and Discharge Management

SDG Index and GRI Standards Content Index

General Disclosures		Page no. or URL
GRI 304: Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Global Environment—Environmental Initiatives—Food Environments—Biodiversity
304-2	Significant impacts of activities, products, and services on biodiversity	—
304-3	Habitats protected or restored	Global Environment—Environmental Initiatives—Food Environments—Biodiversity
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	—
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Global Environment—Environmental Initiatives—Climate Change—Medium- to long-term CO ₂ emissions reduction target
305-2	Energy indirect (Scope 2) GHG emissions	Global Environment—Environmental Initiatives—Climate Change—Medium- to long-term CO ₂ emissions reduction target
305-3	Other indirect (Scope 3) GHG emissions	Global Environment—Environmental Initiatives—Climate Change—Medium- to long-term CO ₂ emissions reduction target
305-4	GHG emissions intensity	Global Environment—Environmental Initiatives—Climate Change—Medium- to long-term CO ₂ emissions reduction target
305-5	Reduction of GHG emissions	Global Environment—Environmental Initiatives—Climate Change—Medium- to long-term CO ₂ emissions reduction target
305-6	Emissions of ozone-depleting substances (ODS)	Global Environment—Environmental Initiatives—Natural Resources—Energy, Resource, and Discharge Flows
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Global Environment—Environmental Initiatives—Natural Resources—Energy, Resource, and Discharge Flows
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	Global Environment—Environmental Initiatives—Natural Resources—Reducing food loss Global Environment—Environmental Initiatives—Use of Resources—Eco-Friendly Products
306-2	Management of significant waste-related impacts	Global Environment—Environmental Initiatives—Natural Resources—Reducing food loss Global Environment—Environmental Initiatives—Use of Resources—Eco-Friendly Products
306-3	Waste generated	Global Environment—Environmental Initiatives—Natural Resources—Energy, Resource, and Discharge Flows
306-4	Waste diverted from disposal	—
306-5	Waste directed to disposal	Global Environment—Environmental Initiatives—Natural Resources—Energy, Resource, and Discharge Flows
GRI 308: Supplier environmental assessment 2016		
308-1	New suppliers that were screened using environmental criteria	—
308-2	Negative environmental impacts in the supply chain and actions taken	Global Environment—Environmental Initiatives—Sustainable Sourcing—Development of Supply Chains Not Associated with Deforestation and Conversion of Natural Biodiversity

General Disclosures		Page no. or URL
Social Items		
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	People and Society—For Our People—Kikkoman Group Employee Data
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	—
401-3	Parental leave	People and Society—For Our People—Diversity in the Workplace—Improving Productivity by Means of Efficient Work Styles
GRI 402: Labor/management relations 2016		
402-1	Minimum notice periods regarding operational changes	—
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	People and Society—For Our People—Safe and Healthy Work Environment
403-2	Hazard identification, risk assessment, and incident investigation	People and Society—For Our People—Safe and Healthy Work Environment
403-3	Occupational health services	People and Society—For Our People—Safe and Healthy Work Environment
403-4	Worker participation, consultation, and communication on occupational health and safety	People and Society—For Our People—Safe and Healthy Work Environment
403-5	Worker training on occupational health and safety	People and Society—For Our People—Safe and Healthy Work Environment
403-6	Promotion of worker health	People and Society—For Our People—Safe and Healthy Work Environment
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	People and Society—For Our People—Safe and Healthy Work Environment
403-8	Workers covered by an occupational health and safety management system	People and Society—For Our People—Safe and Healthy Work Environment
403-9	Work-related injuries	People and Society—For Our People—Safe and Healthy Work Environment
403-10	Work-related ill health	People and Society—For Our People—Safe and Healthy Work Environment
GRI 404: Training and education 2016		
404-1	Average hours of training per year per employee	People and Society—For Our People—Human Resources Development
404-2	Programs for upgrading employee skills and transition assistance programs	People and Society—For Our People—Human Resources Development
404-3	Percentage of employees receiving regular performance and career development reviews	—
GRI 405: Diversity and equal opportunity 2016		
405-1	Diversity of governance bodies and employees	113th General Meeting of Shareholders/shareholder meetings notice of convocation
405-2	Ratio of basic salary and remuneration of women to men	107th Term Securities Report—Review of Operations
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	No incidents reported.
GRI 407: Freedom of association and collective bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Kikkoman Group Human Rights Policy People and Society—Respect for Human Rights—Human Rights Due Diligence People and Society—For Our People—Diversity in the Workplace—Maintenance of Sound Labor-Management Relationships
GRI 408: Child labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	Kikkoman Group Human Rights Policy People and Society—Respect for Human Rights—Human Rights Due Diligence People and Society—Sustainable Sourcing

SDG Index and GRI Standards Content Index

General Disclosures		Page no. or URL
GRI 409: Forced or compulsory labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Kikkoman Group Human Rights Policy People and Society—Respect for Human Rights—Human Rights Due Diligence People and Society—Sustainable Sourcing
GRI 410: Security practices 2016		
410-1	Security personnel trained in human rights policies or procedures	—
GRI 411: Rights of indigenous peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	No incidents reported.
GRI 413: Local communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	Our Vision and Strategy—Value Creation Story (c) People and Society—As a Member of Communities
413-2	Operations with significant actual and potential negative impacts on local communities	—
GRI 414: Supplier social assessment 2016		
414-1	New suppliers that were screened using social criteria	—
414-2	Negative social impacts in the supply chain and actions taken	—
GRI 415: Public policy 2016		
415-1	Political contributions	—
GRI 416: Customer health safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	Food and Health—For Our Customers
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Important announcements
GRI 417: Marketing and labeling 2016		
417-1	Requirements for product and service information and labeling	Food and Health—Quality Assurance Based on the Concepts of “Safety” and “Peace of Mind” Food and Health—For Our Customers—Responsible Marketing Expressions and Advertisements
417-2	Incidents of non-compliance concerning product and service information and labeling	Important announcements
417-3	Incidents of non-compliance concerning marketing communications	—
GRI 418: Customer privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	—

Kikkoman Group Operational Chart

Current as of end of June 2024

