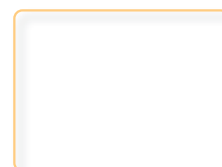
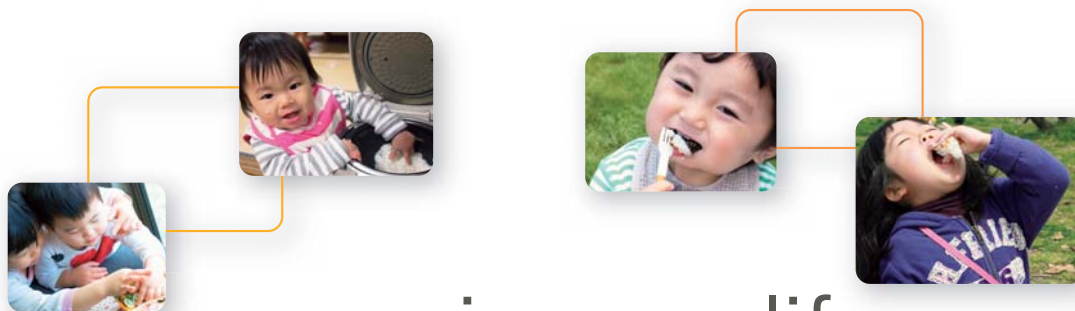


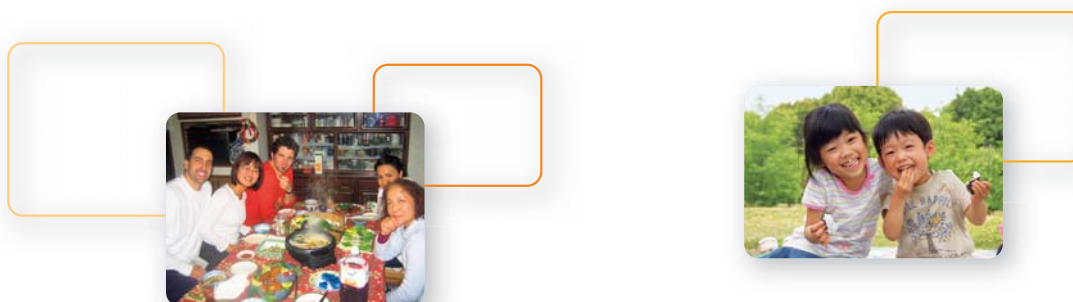
Kikkoman Group
Corporate Citizenship Report

2011





seasoning your life



Kikkoman's Promise

To fill the world with the joys of food by delivering wholehearted flavor

- To provide high-quality products and services with integrity by continuously improving on our long tradition of techniques and know-how.
- To propose a well-balanced and nutritious diet that brings out the flavor of the ingredients and bring happiness to the world everyday by helping to support a healthy mind and body.
- To create exciting new flavor experiences by fusing food cultures from around the world and to propose a rich and varied food-lifestyle that matches the times.

What is Kikkoman's Promise?

It was long ago during the Edo period that we began making soy sauce. Over time, we've come to supply soy sauce along with a variety of other products and services to more than 100 countries.

Recognizing that our responsibilities to society have grown along with our business, we sought to craft a clear statement of our commitment what we hope to accomplish through our business and how those ambitions will inform our goals by getting back to the basics as embodied by our philosophy of "the customer comes first." That effort culminated in Kikkoman's Promise.

Kikkoman Group Corporate Citizenship Report 2011

About This Report

Editorial Policy

Kikkoman has published an environmental report each year since its first Environmental Report was published in 1998. In 2006, we expanded the social component of the report and changed its name to the Kikkoman Group Corporate Citizenship Report.

Since 2010, Kikkoman has made each year's report available in a printed edition (only available in Japanese) designed to provide an overview of the Kikkoman Group's activities for a broad audience of readers and a PDF edition (this report) that focuses on communicating activities undertaken during the fiscal year under review and their results.

Reference Guidelines

- G3 Sustainability Reporting Guidelines published by Global Reporting Initiative
- Environmental Reporting Guidelines (Fiscal Year 2007 Version) published by Ministry of the Environment of Japan

Scope

This report covers the activities of the Kikkoman Group, comprising the Group's holding company, Kikkoman Corporation, as well as its 62 consolidated subsidiaries and equity-method subsidiaries and affiliates (as of March 31, 2011). This report refers to the Kikkoman Group as "Kikkoman Group" or "the Group," to Kikkoman Corporation as "Kikkoman Corporation," and to Kikkoman Corporation, Kikkoman Food Products Company, Kikkoman Beverage Company, and Kikkoman Business Services Company collectively as "Kikkoman." Otherwise companies are referred to by name. FoodChemifa Co., Ltd., changed its name to Kikkoman Soyfoods Company effective April 1, 2011. The company's activities during FY2011 may be noted under its former name.

Reporting Period

Fiscal 2011 (April 1, 2010-March 31, 2011)

This report may contain references to certain activities that were initiated prior to March 2010 or after April 2011.

Date of Publication

December 2011

Previous report: December 2010

Next report: Scheduled for December 2012

Note on Forward-looking Statements

In addition to information about past and present activities undertaken by the Kikkoman Group, this report includes forward-looking statements 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.

Contents

Kikkoman Group Overview	3
Message from the CEO	5
Kikkoman's Approach to Corporate Citizenship	7

Environmental Report

Environmental Management	9
Preventing Global Warming	11
Reducing and Recycling Wastes and Byproducts	13
Promoting Environmental Management System	15
Promoting Environmental Communication	16
Environmental Risk Management	17
Energy, Resource and Discharge Flows	18
Environmental Accounting	19

Social Report

2010 Highlights	21
For Our Customers	23
For Our Employees	28
For Our Shareholders and Investors	33
Working with Suppliers	34
As a Member of the Local Community	35

The Kikkoman Group's Shokuiku Activities

Management Report

Compliance	39
Corporate Governance	41
Framework to Promote Corporate Social Responsibility / Risk Management	42

List of Principal Initiatives and Data	44
Third-party Opinion	45

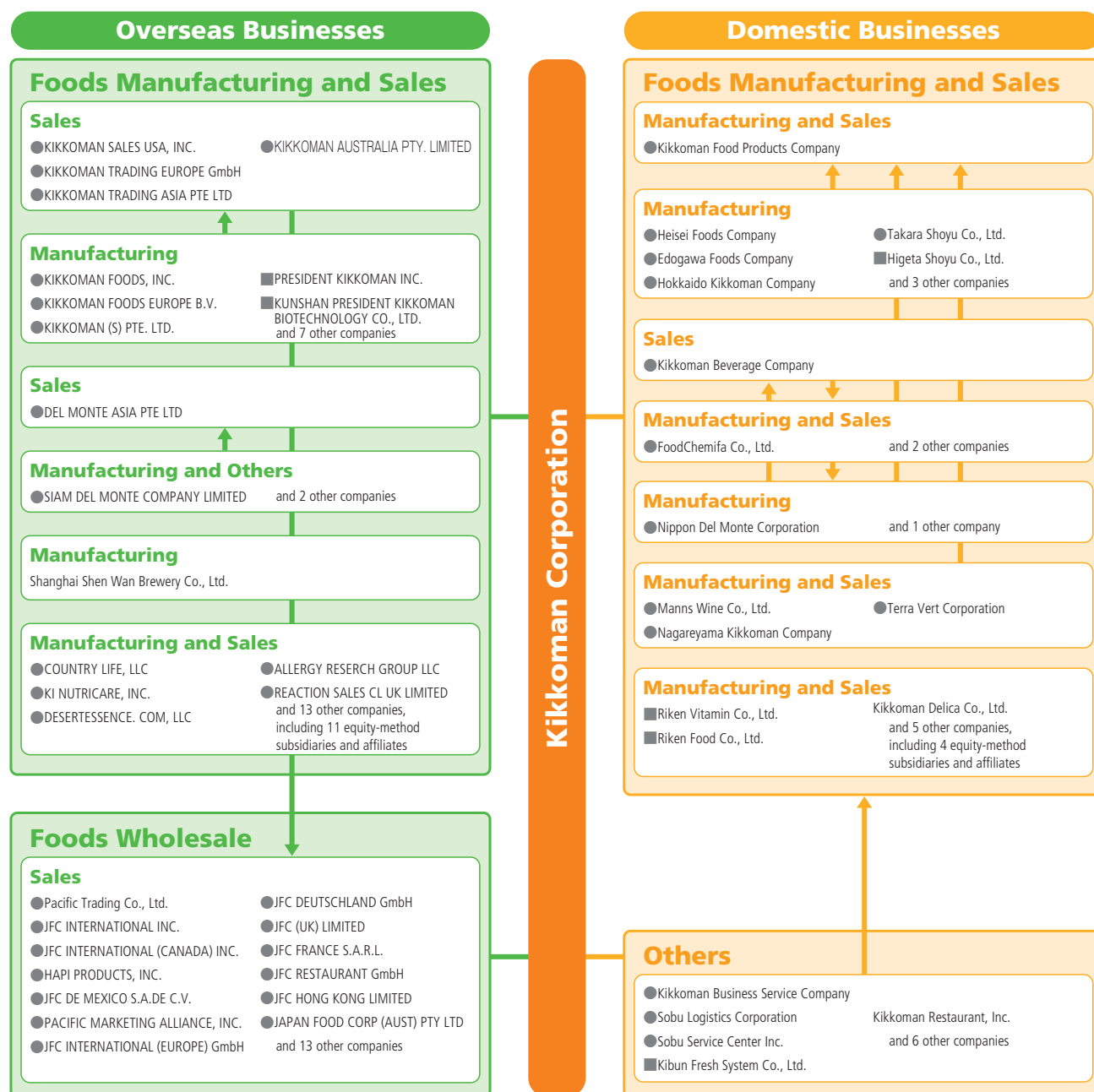
Kikkoman Group Overview (as of March 31, 2011 *Except President and CEO)

Date of Establishment: December 7, 1917
Head Office: 250 Noda, Noda-shi, Chiba 278-8601, Japan
Phone: +81-4-7123-5111
President and CEO: Mitsuo Someya, (as of July 1, 2011)
Paid-in Capital: ¥11,599 million
Number of Employees: 5,268

Number of Group Companies:
 62 (includes consolidated subsidiaries and equity-method subsidiaries and affiliates)

Note: The data refers to Kikkoman Corporation except for "Number of Employees" and "Number of Group Companies."

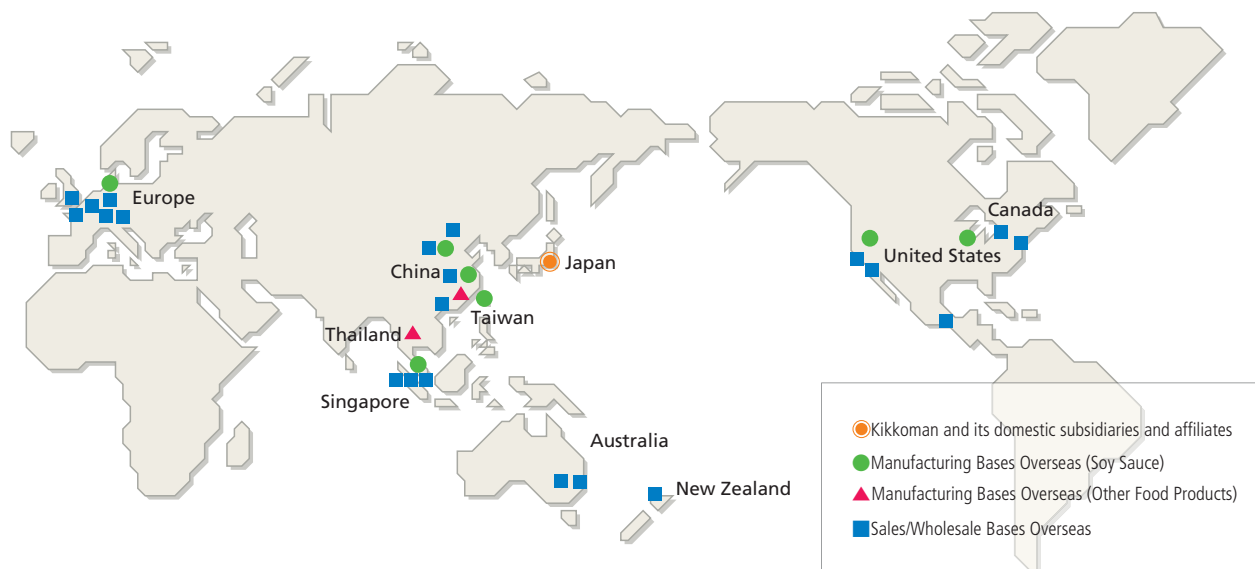
Affiliates



● Consolidated Subsidiaries (41 companies)

■ Equity-method unconsolidated subsidiaries and affiliates (21 companies)

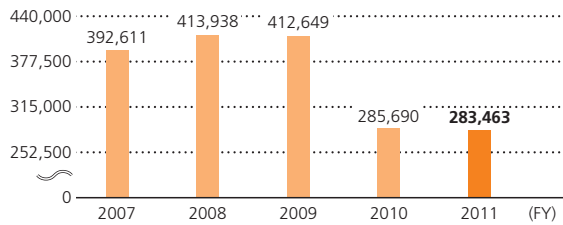
Domestic and Global Network



Financial Highlights

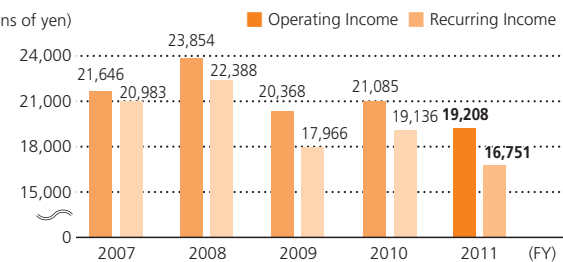
Net Sales

(Millions of yen)



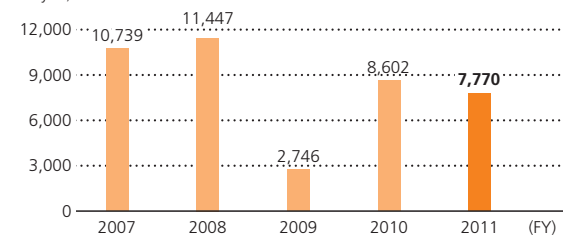
Operating Income/Recurring Income

(Millions of yen)



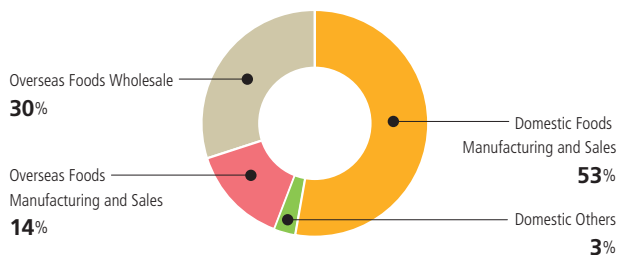
Net Income

(Millions of yen)

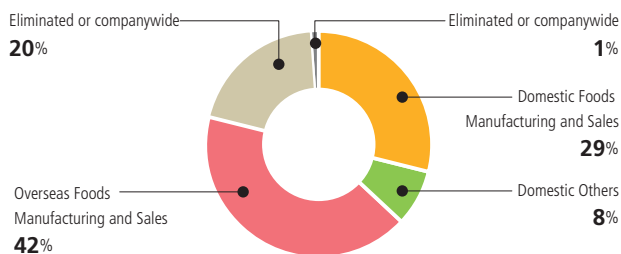


*As of March 31, 2009, TONE Coca-Cola Bottling Co., Ltd., was removed from the scope of Kikkoman's consolidated accounting. This change will affect business results starting in FY2011.

Net Sales by Business Segment (FY2011)



Operating Income by Business Segment (FY2011)



Figures in "Net Sales by Business Segment" do not include transactions between segments.

Message from the CEO



I was appointed CEO of the Kikkoman Corporation and took the helm on June 23, 2011. My commitment now is to listen to our consumers so that we at Kikkoman can provide them with valuable products and services, while being proactive in fulfilling our corporate social responsibility so that we attain Global Vision 2020, our vision for the future. Our broader aspiration is to be a company that is valued by people around the world.

Great East Japan Earthquake

On behalf of the Kikkoman Group, I offer my sincere condolences to the victims of the Great East Japan Earthquake that struck on March 11, 2011, and extend my sympathies to the people in the affected regions.

The disaster caused only minor direct damage to our Group, but it did have an adverse impact on a number of aspects of our supply chain. Continuing to operate and supply

our products under these circumstances, we were reminded that our business is based on ties with many different people. We look forward to the early restoration and reconstruction of the affected areas and we will do what we can to contribute to the recovery of the Japanese economy.

International Exchange of Food Cultures

We understand that a fundamental element of our corporate social responsibility lies in the carrying out sound daily operations. The core mission for food companies is to reliably supply safe products of high quality at reasonable prices. Building on this mission, we also recognize the importance of contributing to society by making as much of a social contribution as we can. This thinking has encouraged us to promote an international exchange of food cultures.

In our distant past, we presented soy sauce at the 1873 Vienna International Exposition and at the 1900 Universal Exposition in Paris. At the Japan World Exposition 1970 in Osaka, we operated an underwater restaurant where we introduced many people to the excellent compatibility of soy sauce with wine, meat, and other Western cuisines. In more recent years, at Expo 2010 Shanghai, China, we created an exhibition on food cultures at the Japanese Industry Pavilion, and ran a Japanese-style restaurant named Murasaki. Aided by many people in both Japan and China, we were delighted to serve visitors with first-class Japanese cuisine, hospitality, and ambience.

Creating a Good Working Environment

Our operations are expanding across the world and our business portfolio is also growing. This makes it increasingly important that we bolster our efforts to create an environment that encourages our diverse workforce to operate at its best. In Japan, we have introduced various training programs as well as employee support programs such as the childcare leave program launched in 1981. Outside Japan, we have been hiring and promoting local people under a basic policy of localizing management.

In fiscal 2010, we introduced an internal venture program, called K-VIP, as well as another initiative under which employees aim to achieve ambitious targets disclosed in advance. With these programs, we seek to motivate our employees to take up new challenges. I think that creating an environment in which everyone can feel fulfilled in their work and enthusiastically go about their tasks is an indispensable component of both human resources development and corporate growth.

Kikkoman's Position on Corporate Social Responsibility

We recently produced the Kikkoman Corporate Citizenship Framework to present our position on corporate social responsibility to our stakeholders. This chart reflects our conviction that fulfilling our corporate social responsibility requires that we do three things: First, we must be responsible in our business as a public entity. Second, as a food company, we must promote rich and healthy food lifestyles. And third, we must become an integral part of the global community through activities unique to Kikkoman. In addition, the chart implies that these initiatives must conform to our management principles.

The day-to-day actions of each and every one of our employees are related in some way to these three requirements. Individual actions accumulate to form major corporate initiatives that help bring joy to people the world over.

In 2001, Kikkoman became the first Japanese company to sign the United Nations Global Compact. Our activities to address the challenges specified in the Kikkoman Corporate Citizenship Framework mean that we pursue the ten principles defined in the Global Compact in the areas of human rights, labor, the environment, and anti-corruption.

Given that we now deliver a broad array of products and services to customers in over 100 countries, we are aware of the growing importance of acting based on the Kikkoman Corporate Citizenship Framework if we are to fulfill our responsibility to help solve global issues.



Mitsuo Someya
Chairman and CEO
JULY 2011

The Ten Principles of the Global Compact



What is the United Nations Global Compact?

The Global Compact is an initiative proposed by then UN Secretary-General Kofi Annan at the World Economic Forum held in 1999 and was officially launched at UN Headquarters in 2000. The Global Compact asks participating companies to embrace, support and enact ten universally accepted principles in the areas of human rights, labor standards, the environment, and anti-corruption.

Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
	Principle 2: make sure that they are not complicit in human rights abuses.
Labour Standards	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	Principle 4: the elimination of all forms of forced and compulsory labour;
	Principle 5: the effective abolition of child labour; and
	Principle 6: the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges;
	Principle 8: undertake initiatives to promote greater environmental responsibility; and
	Principle 9: encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Corporate Citizenship

Since its establishment, Kikkoman has always regarded a connection with society as being of great importance. This attitude is reflected in our 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 we 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 Corporate Citizenship Framework



Key Aspects

Responsible Operations

Fundamental responsibilities
of a corporate citizen

We carry out responsible business operations that respond to the trust and expectations of each of our stakeholders; that comply not only with the law but also with social norms and standards of propriety; and that are in harmony with the environment.

Areas of Focus

- Compliance
- Corporate governance
- Communication with stakeholders
- Environmental activities
- Building talent and fostering a positive workplace

Products / Services

Fundamental functions
of a food company

We deliver products and services of high quality and safety in a stable manner while promoting research and product development that create new value. We also propose new food lifestyles through the fusion of international food cultures.

- Product and service innovations
- Food safety and quality
- Stable supplies
- Delivering new and healthy food experiences

Actions for global society

Kikkoman's initiatives

We contribute to the sustainable development of global society mainly in the areas of "food and health" by promoting activities that are unique to Kikkoman.

- Promotion of Japanese food culture
- Exchange of food cultures across the world
- Shokuiku (Food education)
- Commitment to society through food and health

Environmental Management

In keeping with its Environmental Philosophy, the Kikkoman Group strives to ensure its corporate activities are compatible with the natural environment while working to preserve the global environment and build a recycling-based society.

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.

Action Guideline

We act on our Environmental Philosophy with vigor and creativity.

1. Each of us will try to keep in harmony with the environment in performing one's own duties in all sectors development, procurement, production, sales and support .
2. In addition to observing laws, we will formulate and observe the rules and regulations of our own.
3. As a member of society, we will participate actively in environmental preservation activities in our local communities.
4. We will study the environment and deepen our understanding.
5. We will think and act from a global point of view.

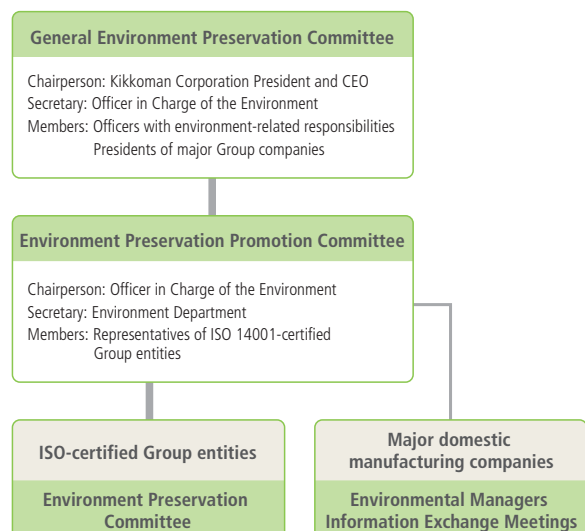
Environmental Preservation System

The Kikkoman Group has established the General Environment Preservation Committee as the decision-making body with responsibility for environmental preservation throughout the Group. The President and CEO of Kikkoman Corporation serves as the chairperson of the Committee, whose responsibilities include drawing up, implementing, and managing the Medium- and Long-Term Environment Policy.

The Environment Preservation Promotion Committee, whose membership includes environmental management officers from Group companies, operates beneath the General Environment Preservation Committee to manage and guide environmental preservation activities from a Group-wide perspective.

Environment Preservation Committees at each Group worksite take the lead in orchestrating specific activities, while Environmental Manager Information Exchange Meetings linking major companies provide a venue for sharing information and technologies of importance to the entire Group.

● Framework to Promote Environmental Preservation



Medium- and Long-term Environmental Preservation Goals

The General Environment Preservation Committee adopted the following Medium- and Long-term Environmental Preservation Goals in FY2011

Medium- and Long-term Environmental Preservation Goal 1

Preventing Global Warming

Objectives

- 1) To reduce total CO₂ emissions at major domestic companies at least 15% from FY2006 levels by FY2013
- 2) To reduce CO₂ emissions per unit of production at major domestic companies and major overseas manufacturing companies at least 1% year-on-year

Medium- and Long-term Environmental Preservation Goal 2

Reducing and Recycling Wastes and Byproducts

Objectives

- 1) To increase the recycling rate at domestic manufacturing companies and major overseas manufacturing companies to at least 99% by FY2015
- 2) To improve methods for recycling wastes and byproducts
- 3) To work actively to increase use of environmentally friendly containers and packaging materials

Medium- and Long-term Environmental Preservation Goal 3

Promoting Environmental Management System

Objectives

- 1) To have all facilities acquire ISO 14001 certification by FY2012
- 2) To actively utilize the PDCA cycle
- 3) To provide environmental education for employees

Medium- and Long-term Environmental Preservation Goal 4

Promoting Environmental Education

Objectives

- 1) Gather and disclose environmental information
- 2) Undertake activities with environmental groups

Kikkoman Group companies have pursued an effective program of environmental preservation activities under the management and leadership of the Environment Preservation Promotion Committee. During and after FY2012, the Group will continue to establish new objectives and conduct its business activities in an environmentally friendly manner.

Preventing Global Warming

To reduce emissions as effectively as possible, the Kikkoman Group manages CO₂ emissions from the dual perspectives of total emissions associated with production activities and emissions per unit of production based on process management.

Objectives

- 1) To reduce total CO₂ emissions at major domestic companies at least 15% from FY2006 levels by FY2013
- 2) To reduce CO₂ emissions per unit of production at major domestic companies and major overseas manufacturing companies at least 1% year-on-year

Scope

Target (1) Reducing total CO₂ emissions

Total of 11 companies: Kikkoman Corporation; Kikkoman Food Products Co.; Hokkaido Kikkoman Co.; Nagareyama Kikkoman Co.; Heisei Foods Co.; Edogawa Foods Co.; Nippon Del Monte Corp.; Tohoku Del Monte Co.; Manns Wine Co., Ltd.; FoodChemifa Co., Ltd.; and Takara Shoyu Co., Ltd.

Target (2) Reducing CO₂ emissions per unit of production

Total of 14 companies: Kikkoman Corporation; Kikkoman Food Products Co.; Hokkaido Kikkoman Corp.; Nagareyama Kikkoman Co.; Heisei Foods Co.; Edogawa Foods Co.; Nippon Del Monte Corp.; Tohoku Del Monte Co.; Manns Wine Co., Ltd.; FoodChemifa Co., Ltd.; Takara Shoyu Co., Ltd.; KIKKOMAN FOODS, INC. (KFI, United States); KIKKOMAN (S) PTE. LTD. (KSP, Singapore); and KIKKOMAN FOODS EUROPE B.V. (KFE, Netherlands)

● Total CO₂ emissions (major domestic companies)



Reducing emissions per unit of production

CO₂ emissions per unit of production for major Kikkoman Group domestic and overseas manufacturing companies in FY2011 totaled 0.171 t-CO₂/ton, or 102.4% of the FY2010 level (an increase of 0.004 t-CO₂/ton), missing the target. These results reflect products reassessment undertaken by Manns Wine and Nippon Del Monte. Going forward, the entire Group, including its overseas companies, will strive to lower CO₂ emissions per unit of production.

Initiatives

(1) Review and improve manufacturing processes

Optimize and reduce energy consumption by consolidating factories and achieving greater efficiency in manufacturing processes.

(2) Upgrade equipment

When renewing equipment, switch to more energy-saving and thermal-efficient types to help reduce CO₂ emissions.

(3) Improve efficiency in energy use

Reduce reliance on grade A fuel oil and switch to natural gas, and use electricity more efficiently to reduce the environmental impact of operations.

● CO₂ emissions per unit of production

	Unit	FY2010	FY2011	YoY change
Total CO ₂ emissions	t-CO ₂	150,855	156,206	103.5%
Product	tons	904,257	913,361	101.0%
Per unit of production	t-CO ₂ /tons	0.167	0.171	102.4%

FY2011 review

Reducing total emissions

Total CO₂ emissions for the Kikkoman Group's major domestic companies in FY2011 fell 19,005 t-CO₂ to 125,971 t-CO₂, or 86.9% of the FY2006 level. Consolidation of the Noda Factory and the conversion of boilers to run on natural gas contributed to the reduction.

Case Studies

Lowering energy use at the ingredient processing stage

Kikkoman Food Products

At Kikkoman Food Products' Noda Factory, water is added to soybeans to steam them before they are sent to the next process for Koji culture production. By reviewing the conditions under which the beans are steamed, engineers were able to lower ingredient processing energy by 38%.



Management of the ingredient processing stage

Lowering energy use in the sterilization process

FoodChemifa (Kikkoman Soyfoods)

At FoodChemifa's Gifu Factory, soy milk is cooled with a heat exchanger as part of the carton packaging process after heat-sterilization. The number of tanks used to store water used in the heat-exchange process (10 t/hr to 40 t/hr at 50°C to 60°C) was increased in order to boost the volume of water that can be reused as cleaning water or boiler water. The facility had been heating 15°C cleaning water to 80°C, but by using water that is already hot, the facility has lowered the amount of energy needed for heating, reducing emissions by 183 t-CO₂ per year.

(FoodChemifa's Gifu Factory became Kikkoman Soyfood's Gifu Factory in April 2011.)



Heat-exchange water storage tank

Lowering energy use by updating equipment

Nippon Del Monte

Nippon Del Monte's Gunma Factory began using what had been an idle high-performance pump in order to recover hot water from the building that manufacturers sauce and supply it to a boiler, thereby increasing the volume and temperature of hot water being reused as boiler water in an effort to lower the boiler's use of heavy fuel oil. The facility also installed a control device on each of four compressors used on the filling line, enabling the number of compressors used to be regulated according to the rate of air consumption and lowering energy use. These measures combined to reduce the plant's emissions by 163 t-CO₂ per year.



Compressor equipped with a control device

Reducing and Recycling Wastes and Byproducts

In addition to raising the recycling rate for waste products and byproducts, the Kikkoman Group is pursuing qualitative improvements in recycling in keeping with the objective of the Food Recycling Law as well as Kikkoman's Guidelines for Containers and Packaging.

Objectives

- 1) To increase the recycling rate at domestic manufacturing companies and major overseas manufacturing companies to at least 99% by FY2015
- 2) To improve methods for recycling wastes and byproducts
- 3) To work actively to increase use of environmentally friendly containers and packaging materials

Scope

- Objective 1: Domestic manufacturing companies and major overseas manufacturing companies
- Objective 2: All Kikkoman Group companies
- Objective 3: All Kikkoman Group companies

Initiatives

(1) Improve the recycling rate.

Actively promote the 4Rs (refuse, reduce, reuse, and recycle).

(2) Improve methods for recycling wastes and byproducts.

Strive to more effectively utilize wastes and byproducts, for example by optimizing production volumes, reducing material use, and improving process yields, in order to reduce byproducts such as soy sauce cake, soy sauce oil, okara (bean curd refuse), and processing residues as well as wastes such as sludge, cleaning residues, and waste plastic.

(3) Work actively to increase use of environmentally friendly containers and packaging materials

Step up efforts to promote environmentally friendly containers and packaging materials under Kikkoman's Guidelines for Containers and Packaging while reviewing their materials, volume, usage, and post-consumption collection and processing methods.

Kikkoman's Guidelines for Containers and Packaging

1. Reduce containers and packaging.
2. Use returnable and reusable containers and packaging for our products.
3. Consider applying shapes, designs and materials to containers and packaging that facilitate simple collection and reuse. Repackage current products in new containers and packaging in compliance with the relevant laws and regulations of each country.
4. Make greater use of sustainable resources.
5. Increase procurement from environmentally conscious suppliers and vendors.
6. Use materials whose chemical compositions and shapes have been verified as being safe to humans.
7. Incorporate feedback from customers and information on where and how they purchase and use our products into the development of new containers and packaging.
8. Develop containers and packaging with universal designs to make them easy to use for a diverse range of customers.

FY2011 review

Improving the recycling rate

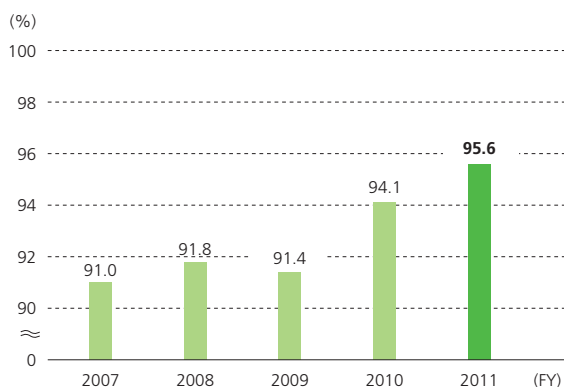
The recycling rate for major domestic and overseas manufacturing companies during FY2011 was 95.6%, a 1.5% improvement over FY2010's rate of 94.1%. Sludge recycling at FoodChemifa's Kamogawa Factory contributed to the improvement. Going forward, we will redouble our efforts to achieve our target recycling rate of 99% (FY2015).

Improving methods for recycling wastes and byproducts

The Kikkoman Group is working to more effectively recycle byproducts such as soy sauce cake, soy sauce oil, okara (bean curd refuse), and processing residues as well as wastes such as sludge, cleaning residues, and waste plastic.

During FY2011, we focused on the effective utilization of food-related waste products (soy sauce cake, soy sauce oil, okara [bean curd refuse], mirin cake, apple residue, grape residue, seaweed extraction residue, and bonito and kelp soup extraction residues), in particular by boosting reuse as feed, a high-priority area in the Food Recycling Law. As a result, we were able to recycle almost 100% of all soy sauce cake generated by domestic and overseas manufacturing companies as feed. Other initiatives involve use of sludge as fertilizer. Going forward, we will work to utilize wastes and byproducts effectively in a way that adds greater value, for example by disposal to fertilizer, from fertilizer to feed, and from feed to food products and functional food products.

Change in the waste and byproduct recycling rate at major domestic and overseas manufacturing companies



Working actively to increase use of environmentally friendly containers and packaging materials

During FY2011, Kikkoman Food Products reduced the weight of its 1 L plastic bottles from 33 g to 29 g (a reduction of about 12%). In May, the company also began using Otor 8 cartons (a design with an octagonal top and bottom) for plastic bottles to reduce weight (by 50 g, or about 11%, for a carton containing 15 one-liter plastic bottles). In October, it began using Baritt boxes (boxes that double as product displays when the top part is removed) for its Uchi-no-Gohan Osozai-no-Moto series of products, reducing carton weight by about 32%.

Nippon Del Monte changed the outer material used in pillow packaging (a method for automatically wrapping products in film) for Western Food and Rice Seasonings, reducing its weight from 53 g to 43 g (a savings of about 15%).



Otor 8 carton



Baritt box

Case Studies

Utilizing wastewater sludge residue

FoodChemifa (Kikkoman BioChemifa)

During FY2010, FoodChemifa's Kamogawa Factory discharged about 3,400 t of wastewater sludge residue, of which only about 1.3% was reused as soil conditioner (the remainder was disposed of at landfills).

During FY2011, about 24% of total wastewater sludge residue volume (about 3,400 t) was reused for purposes such as road maintenance cooperating with an outside recycling facility of a process for converting the residue into slag. (FoodChemifa's Kamogawa Factory became Kikkoman BioChemifa's Kamogawa Plant in April 2011.)



Recycled slag for use in road maintenance

Reducing the weight of 1 L plastic bottles

Kikkoman Food Products

Kikkoman Food Products has adjusted the spacing and depth of grooves on the bottom of the 1 L plastic bottles used for offerings such as its flagship Kikkoman Soy Sauce product. Thanks to the changes, which increased the container's lateral strength and reduced the thickness of the material while maintaining continuity of the product's image, the company was able to reduce the weight of each bottle from 33 g to 29 g (a savings of about 12%).



New, lightweight 1ℓ plastic bottle and grooved bottom

Recycling the containers used to import alcoholic beverages

Manns Wine

Manns Wine is working with the Yamanashi Environmental Counselors Association to reuse one-way containers used to import wine, brandy, and other alcoholic beverages (sturdy plastic drums with a capacity of about 200 L) as residential-use rainwater storage tanks. During FY2011, 37 of the containers were recycled.



Reusing one-way containers

Promoting Environmental Management System

The Kikkoman Group is pursuing ISO 14001 certification for all major domestic facilities as a whole in order to build a more efficient Group-wide environmental management system and implement more sophisticated environmental management.

Objectives

- 1) Acquire ISO 14001 certification of all major domestic Kikkoman Group facilities as a whole by FY2012.
- 2) Step up use of the PDCA (Plan-Do-Check-Act) management cycle.
- 3) Provide environmental education for employees.

Scope

Objective 1: Kikkoman Corp., Kikkoman Food Products Co., Kikkoman Beverage Co., Kikkoman Business Service Co., Nagareyama Kikkoman Co., Hokkaido Kikkoman Co., Heisei Foods Co., Edogawa Foods Co., Nippon Del Monte Corp., Manns Wine Co., Ltd., and FoodChemifa Co., Ltd.

Objective 2: applies to all Kikkoman Group companies.

Objective 3: applies to all Kikkoman Group companies.

Initiatives

(1) Acquiring ISO 14001 certification for all major domestic Group facilities

Work to earn certification for all facilities through specific activities in each workplace.

(2) Perform internal audits

Establish objectives and policies concerning environmental preservation activities from a Group-wide perspective, put the Group on a footing that facilitates the exchange of information while regularly reviewing the results of worksite efforts to meet objectives and follow policies, and leverage these activities to improve the environmental management system.

Continue to conduct internal environmental audits of domestic and overseas group companies.

(3) Provide environmental education for employees

Offer training for new and mid-level employees to give them a global and ecological perspective as well as an understanding of the importance of environmental preservation, and to motivate them to work to address related issues. Provide highly specialized training for environmental managers and administrators.

FY2011 review

Acquiring ISO 14001 certification for all major domestic Group facilities

During FY2011, the Kikkoman Group pursued specific work to earn ISO 14001 certification for all major domestic Group facilities as part of an effort to implement more sophisticated environmental management, including by establishing environmental policies, general objectives, and targets and by structuring operations around supervisory manuals. On-site reviews were completed in May 2011 following the conclusion

of the document review process, and certification was earned in June 2011.



ISO 14001 meeting

Conducting internal environmental audits

During FY2011, internal environmental audits were conducted at Takara Shoyu Co., Ltd., (July); Kikkoman General Hospital (July); Sobu Logistics Corporation (August); and Nihon Shoyu Kogyo K.K., (October) in Japan, as well as at PKZ (Shijiazhuang, China; October) and KFE (October) overseas.

Despite being the first time such audits were undertaken at Takara Shoyu, Sobu Logistics, Nihon Shoyu Kogyo, and PKZ, the process went smoothly.



Internal environmental audit at PKZ

Education for New Employees

In April 2010, Kikkoman's Environment Department offered a broad-ranging program of environmental education to a 10-person team of new employees, addressing such topics as environmental preservation activities and corporate social responsibility, the significance of the Kikkoman Group's Environmental Philosophy, and specific examples of how to deal with accidents. The team exhibited a good understanding of the material and went on to present it to other new employees using materials they had developed, spreading a shared recognition of the importance of environmental issues among all 31 new employees.



Presentation given by new employees

Promoting Environmental Communication

The Kikkoman Group strives to facilitate the mutual sharing of information in an effort to practice environmental preservation more effectively by disclosing such information to stakeholders and soliciting their views and opinions. We also work closely with environmental groups so that we can bring the Group's information, technologies, and experience to bear on environmental preservation activities.

Objectives

- 1) Gather and disclose environmental information.
- 2) Undertake activities with environmental groups.

Scope

All Kikkoman Group companies

Initiatives

(1) Gather and disclose environmental information.

Compile and publish environmental data from the Corporate Citizenship Report, environmental accounting data, and the Environmental Preservation Activities Case Book. Hold seminars and give presentations at exhibitions and tradeshows.

(2) Undertake activities with environmental groups.

Work in partnership with industrial, governmental, and educational groups as well as NPOs to undertake various activities. Take steps to strengthen the gathering of information related to the preservation of biodiversity.

FY2011 review

Principal environmental communication programs undertaken during FY2011

Name	Date	Target audience	No. of participants
Publication of the Corporate Citizenship Report	June 2010	General public	
Chiba University Internship	August 2010	Students at Chiba University	2
Revision of the Environmental Preservation Activities Case Book	September 2010	General public	
Funai Consulting Seminar report	October 2010	Companies that dispose of waste	15
Eco-Learning Program	October 2010 March 2011	Fifth-graders	140
Eco-Products 2010 exhibit	December 2010	General public	180,000
Activities with outside environmental groups	Throughout year	National, prefectural, and city governments as well as other companies	
Publication of Environmental News	Throughout year	Group companies	
Publication of legal information	Throughout year	Group companies	

Case Studies

Kikkoman Food Products announces carbon footprint calculation results at the Japan Soy Sauce Technology Center

In June 2010, Kikkoman Food Products announced at the Japan Soy Sauce Technology Center's 70th research presentation session that it had calculated the lifecycle carbon footprint (CFP) for the Extra Fancy Whole Beans Soy Sauce 1 L bottle as 673 g. The research attracted the interest of attendees as the first soy sauce-related CFP presentation using Kikkoman's proprietary calculation method.



70th research presentation session at the Japan Soy Sauce Technology Center

Kikkoman announces Eco-Learning program results at a business and biodiversity seminar

In August 2010, Kikkoman's Environment Department gave a presentation at the Chiba Prefecture Office of Biodiversity Strategy Seminar about its Eco-Learning program, which is held for elementary school students in Shimizu Park in the city of Noda, as an example of a biodiversity preservation activity undertaken in cooperation with schools. The initiative, which introduced students to a variety of living creatures in their natural habitats and communicated the importance of preserving an environment in which a diverse range of organisms exist, attracted attention as a corporate activity undertaken in partnership with schools. It was also introduced as one of Chiba Prefecture's activities at COP10 in Nagoya in October.



Presentation about biodiversity preservation activities

Environmental Risk Management

In addition to ensuring compliance with environmental laws and regulations, the Kikkoman Group strives to reduce environmental risk as part of its daily operations by observing voluntary management standards.

Principal Environmental Risk Management

The Kikkoman Group's main approach to environmental management includes the following components:

(1) Water Pollution Prevention

We establish voluntary standards and pay particular attention to the maintenance of wastewater quality and prevention of river water pollution, as we use and discharge large volumes of water in our manufacturing and cleaning processes.

(2) Manual for the Proper Disposal of Industrial Wastes

We separate industrial waste before disposal, work to generate as little industrial waste as possible, and pursue recycling. In Japan, we contract the collection, transfer, processing, and disposal of industrial waste to licensed service providers. We compiled the Kikkoman Manual for the Proper Disposal of Industrial Wastes and strive to ensure that waste is disposed of in an appropriate manner.

(3) Noise, Vibration, and Odor Prevention

In an effort to prevent noise, vibration, and odors, we have been installing quieter machines and soundproof/sound-absorbing walls in our factories. Noise and vibration levels are regularly monitored along the boundaries of our factories to ensure that they do not exceed the levels prescribed by local community regulations.

(4) Air Pollution Prevention

In addition to observing regional regulations on the concentrations and total amounts 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 factories.

(5) Black Mold Pollution Prevention

Trees, roofs, and walls of houses in the vicinity of soy sauce and mirin factories could become darkened due to the presence of *Aureo basidium*, a microbe that propagates through the intake of alcohol and whose presence can generate a black pigment on material surfaces. In consideration of local residents' potential reactions to such infestation, Kikkoman Group hermetically seals the source of emissions, installs cleaning devices on air ducts, and recovers alcohol content from discharged gases in order to prevent the microbe from spreading to residential areas.

Case Studies

Emergency drill on preventing soy sauce spills

Kikkoman Food Products

In October 2010, the Facilities Group and General Affairs Group joined freight operators in an emergency response drill at Kikkoman Food Products' Takasago Factory, where they simulated the spillage of 1 kL of soy sauce from an overturned shipping container into a rainwater drainage channel. Following emergency response procedures, workers notified involved parties after the accident was discovered at the site, issued emergency orders, deployed sandbags around the periphery of the accident site, closed wastewater gates leading off the premises, connected the rainwater drainage channel to the process wastewater channel, and began to pump out the spilled liquid. Officials verified the consistency of this workflow with the emergency response instructions.



Emergency drill based on a simulated accident

Adoption of factory work rules

Nippon Del Monte

Nippon Del Monte's Gunma Factory developed a series of written factory work rules in December 2010 to ensure that outside construction and transportation contractors operating at the factory can conduct their work smoothly, safely, and in a manner consistent with the company's environmental preservation goals. In addition to general provisions such as rules governing workers' arrival and departure from the facility as well as their bringing in items that might contaminate food products at the site, the rules address topics such as accident prevention and response and require that all contractors observe standardized work procedures while on-site. Gunma Factory held five lectures for outside contractors in FY2011 to ensure that these rules are properly followed.



Nippon Del Monte's Gunma Factory

Energy, Resource and Discharge Flows

The Kikkoman Group is striving to reduce the environmental impact of its operations by controlling the consumption of energy and materials on production lines, making manufacturing processes more efficient, and developing more readily recyclable containers and packaging for its products.

Environmental Products Lifecycle Management

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

The Kikkoman Group strives to minimize the environmental impact of its manufacturing activities by seeking to consume less energy, water, and materials in manufacturing processes; improve efficiency in manufacturing and energy use; and reduce wastes.

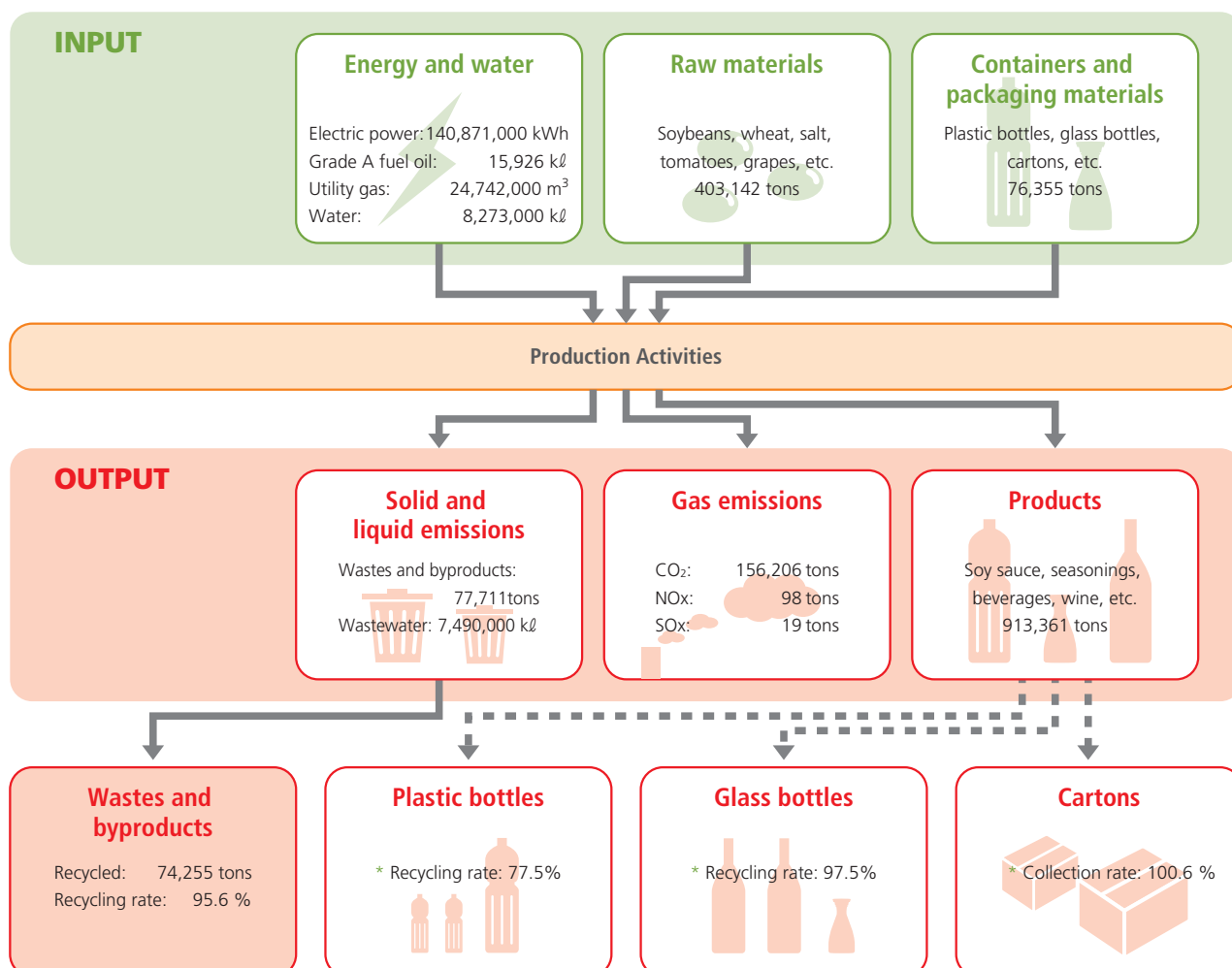
We also attempt to reduce the environmental impact of products after consumption by developing and using more readily recyclable containers and packaging materials such as glass and plastic bottles and cartons.

Scope

The data presented in this diagram applies to the following 13 companies: Kikkoman Food Products Co.; Hokkaido Kikkoman Co.; Nagareyama Kikkoman Co.; Heisei Foods Co.; Edogawa Foods Co.; Nippon Del Monte Corp.; Tohoku Del Monte Co.; Manns Wine Co., Ltd.; FoodChemifa Co., Ltd.; Takara Shoyu Co., Ltd.; KIKKOMAN FOODS, INC. (KFI, United States); KIKKOMAN (S) PTE. LTD. (KSP, Singapore); and KIKKOMAN FOODS EUROPE B.V. (KFE, Netherlands).

● Energy, Resource and Discharge Flows for FY2011

The numbers shown in the diagram are based on what we have reported in our environmental accounting for FY2011.



*The recycling rates for plastic bottles and glass bottles and the collection rate for cartons reflect action by customers. These figures have been calculated based on information published by respective trade organizations for FY2010.

Environmental Accounting

The Kikkoman Group quantifies and assesses from multiple perspectives the costs and benefits of its operations in relation to environmental preservation. This helps us pursue efficient environmental preservation practices.

Environmental Accounting Scheme

STEP 1 Identify and quantify investments and expenses in accordance with the Environmental Accounting Guidelines. The following costs are aggregated

- Controlling the environmental impact of manufacturing and service activities
- Physical distribution
- Administering environmental preservation activities

STEP 2 Assess environmental preservation benefits

- Energy-use reduction benefits and energy (fossil fuel) use control benefits
- Waste and byproduct reduction benefits
- Waste and byproduct control (recycling) benefits

STEP 4 Analyze and review the cost-benefit data and devise future plans

- Evaluate the cost-benefit relationship
- Examine how to improve investment efficiency and strengthen the financial structure
- Devise updated investment and expenditure plans

STEP 3 Value benefits in yen

- Convert reductions in energy usage and waste to CO₂ emissions, using the formula in the Evaluation Program proposed by the Ministry of the Environment
- Obtain the monetary equivalent of the calculated CO₂ emissions using the FY2011 year-end price (as of March 28, 2011) for the Nikkei-JBIC Carbon Quotation Index

Environmental Accounting for FY2011

Scope of reporting

Kikkoman Food Products Company Hokkaido Kikkoman Co., Nagareyama Kikkoman Co., Heisei Foods Co., Edogawa Foods Co.; Nippon Del Monte Corp. Tohoku Del Monte Co.; Manns Wine Co., Ltd.; FoodChemifa Co., Ltd.; Kikkoman Foods, Inc. (KFI, United States); Kikkoman (S) Pte. Ltd. (KSP, Singapore); Kikkoman Foods Europe B.V. (KFE, Netherlands)April 1, 2010 - March 31, 2011
Takara Shoyu Co., Ltd.January 1, 2010 - December 31, 2010

Category	Kikkoman Food Products Co.	Nippon Del Monte Corp.	Manns Wine Co., Ltd.	FoodChemifa Co., Ltd.	Takara Shoyu Co., Ltd.	KFI	KSP	KFE	Total
Environmental preservation investments and expenses									
Environmental preservation investments	237	37	10	264	14	79	3	1	645
Environmental preservation expenses	1,340	218	31	320	52	155	12	31	2,159
Environmental preservation benefits									
Energy use reduction	-4	1	0	-3	0	-1	0	-1	-8
Energy (fossil fuel) control	5	—	—	—	—	—	—	—	5
Waste and byproduct reduction	-2	-2	1	-21	0	-1	0	0	-25
Waste and byproduct control (recycling)	61	11	1	54	2	30	3	3	165
Total	60	10	2	30	2	28	3	2	137

(Rounded to the nearest million yen)

FY2011 Review

Environmental preservation investments

Environmental preservation investments in FY2011 totaled ¥645 million, an increase of ¥288 million from FY2010. The increase is primarily due to higher pollution mitigation investments associated with addition of a new filling facility at Kikkoman Food Products' Noda Factory.

Environmental preservation expenses

Environmental preservation expenses in FY2011 totaled ¥2,159 million, a reduction of ¥197 million from FY2010. The decline was primarily due to a decrease in resource recycling expenses related to industrial waste at Kikkoman Food Products.

Environmental preservation benefits

Environmental preservation benefits in FY2011 totaled ¥137 million, a reduction of ¥7 million from FY2010. The decline was primarily due to a reduction in waste and byproduct reduction benefits due to increased manufacturing volume at FoodChemifa.

For detailed information about the method used to estimate environmental preservation benefits and a complete environmental accounting report, visit our website.

URL

<http://www.kikkoman.co.jp/csr/>

2010 Highlights

This section introduces some of the major stakeholder initiatives pursued by the Kikkoman Group in 2010.

Stakeholder Initiatives

Customers

- Quality Assurance to Provide Safety and Peace of Mind
- Frameworks for Providing Safety to Customers
- Quality Assurance in the Product Development Phase
- Quality Assurance in the Product Manufacturing
- Frameworks for Providing Peace of Mind to Customers
- Pursuing Customer Satisfaction

Employees

- Creating Workplaces that Facilitate Employee Self-fulfillment
- Improving Employee Skills and Fostering Career Development
- Occupational Safety and Health Management System

Local Communities

- Supporting Employees' Volunteer Activities
- Programs to Provide Hands-on Experiences
- Education and Sound Development of Youth
- Contributing to Making Communities Safer
- Community Outreach Programs
- Donations
- Promoting and Developing Food Culture

Shareholders and Investors

- Timely and Appropriate Disclosure of Information
- Promoting Open General Shareholders' Meetings
- Distribution of Profits
- Credit Ratings

Suppliers

- Conducting Fair Business Transactions
- Developing Good Working Partnerships with Suppliers
- Joint Procurement by 5 Group Companies
- Ensuring Ingredient Quality
- Environmental Considerations in Procurement



Customers**Developing products that reflect voice of customer**

In response to feedbacks from single- and two-person households indicating that customers wished products were available in a size that would last about a month, Kikkoman launched a 750 mL container of Tokusen Marudaizu shouyu (Extra Fancy Whole Beans Soy Sauce), which falls between the 1 L and 500 mL sizes. We adopted environment-responsive easy-opening, one-touch cap design, which can be easily removed after the product has been used up.

Employees**Hiring top athletes**

Acting on its support for the Japanese Olympic Committee's Ath-Navi program, which helps companies navigate the process of hiring top athletes, Kikkoman hired two top athletes who have represented Japan in international competitions: swimmer Haruka Ueda and canoeist Yuriko Takeshita. Kikkoman will continue to support both Ueda and Takeshita.

**Shareholders
and Investors****Pursuing investor relations activities to promote a better understanding of the company**

Kikkoman places importance on information disclosure and investor relations that focus on fairness, timelines, and expeditiousness. During FY2011, we held four meetings with management for analysts and institutional investors as well as one workshop on the topic of the food products wholesale business. We also held 10 seminars introducing the company for individual investors and 1 for stockbrokers.

Suppliers**We pursued environmental measures together with suppliers**

Kikkoman Business Service Company Purchasing Department works with ingredient and material suppliers to encourage them to adopt packaging that minimizes the amount of waste products, introduce rules that keep delivery vehicles from being allowed to idle while parked, and take other steps to improve the environmental friendliness of their operations. During FY2010, we asked 181 suppliers to implement these measures.

**Local
Communities****Offering hands-on opportunities for parents and children to "food experience"**

The Kikkoman Group offers hands-on learning programs for parents and their children. At the "Whole Tomato Event in Gunma" program held in August 2010, elementary school students and their parents who had already grown tomato seedlings from Del Monte at home harvested tomatoes from a Nippon Del Monte contract farmer's tomato fields and tried their hand at making a dish with the freshly picked produce.

For Our Customers

In addition to providing safe and high-quality products through product quality assurance activities, we utilize feedback from customers in initiatives to improve customer satisfaction.

The Kikkoman Group's Approach to Safety and Peace of Mind

The Kikkoman Group considers the safety of the products and services it provides to be its highest priority. In order to supply safe products to our customers, we rigorously and scientifically examine quality assurance in every process, from ingredient selection to the final product stage, as part of a robust food safety system.

At the same time, we emphasize providing customers with products that inspire peace of mind. At the Kikkoman Group, we believe that peace of mind consists of building relationships of deep trust by communicating the safety of our products in an easy-to-understand manner.

In short, we strive to improve customer satisfaction by assuring product safety and customers' psychological peace of mind.

Quality Assurance for the Purpose of Providing Safety and Peace of Mind

The Kikkoman Group pursues a range of quality assurance activities conceived to provide safety and peace of mind. Our quality assurance examinations extend from the product development stage to ingredient production sites, processing, manufacturing, sterilization, product packaging, and labeling. We also examine product patentability along with trademark and related regulations, and the Quality Assurance Committee only approves the manufacture of a new product after it passes examination.

To ensure customers' ability to enjoy peace of mind, we both provide appropriate information in an easy-to-understand manner and work to incorporate customer feedback into our operations.

Kikkoman Group Quality Policy

We strive to contribute to improving the dietary lives and health of people worldwide with our safe, high-quality products and services.

1) The customer comes first:

We listen to our customers and make the customers' point of view our guide to providing better products and services.

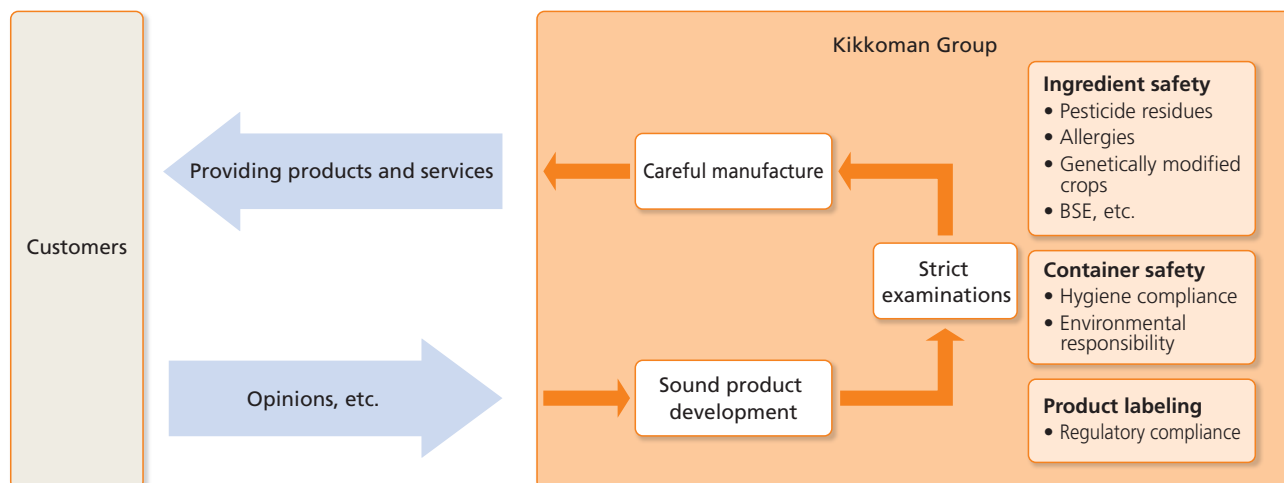
2) We are committed to quality, safety and reliability:

We constantly strive for safety and higher quality to earn complete customer confidence in our products and services.

3) Trust is our greatest asset:

We value our customers' trust above all else, and maintain it by complying with all laws and regulations, as well as by providing clear and easy-to-understand information.

● Quality Assurance at the Kikkoman Group



System for providing safety to customers

Kikkoman Group Quality Assurance System

Following its October 2009 conversion to a holding company based organization, the Kikkoman Group has been pursuing quality assurance activities under the direction of the Kikkoman Corporation Quality Assurance Department. Quality assurance departments have been established at each Group company, and we strive to provide safe products and services that comply with all applicable laws and reflect the principle of social fairness through the activities of the Quality Assurance Committee and Group Quality Assurance Coordination Committee.

Quality Assurance Committee

Kikkoman established the Quality Assurance Committee in 1986 with a membership consisting primarily of department heads and top management in order to spearhead efforts to ensure the safety of the company's products.

The committee was reorganized in October 2009 to cut across the Group horizontally, with participation from managers from research and legal affairs departments; production administration, sales, and product development departments at Kikkoman Food Products Company and Kikkoman Beverage Company; ingredient procurement departments and the Kikkoman Consumer Center at Kikkoman Business Service Company; and quality assurance departments at all Group companies. We will continue to pursue Group-wide quality assurance activities in an effort to enact Group quality policies and guidelines; address issues; and supply safe products and services that comply with all applicable laws and reflect the principle of social fairness.

Group Quality Assurance Coordination Committee

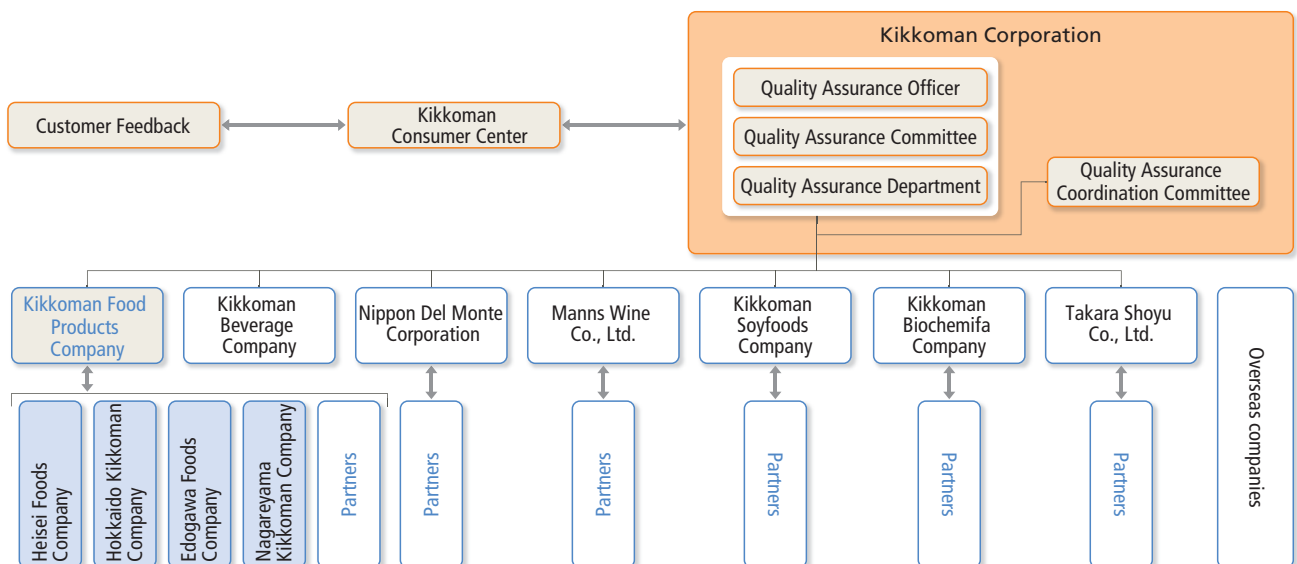
In October 2009, the Kikkoman Group established the Group Quality Assurance Coordination Committee with participation by all Group companies' quality assurance departments in order to strengthen its quality assurance activities. The Committee strives to raise the level of quality assurance practiced by Group companies by identifying and discussing how to address issues that affect particular companies as well as the Group as a whole, addressing current topics of concern, complying with regulatory changes, and sharing information about quality accidents and other incidents.

Quality Assurance Department

In 1985, Kikkoman became one of the first food industry companies in Japan to establish a Quality Assurance Department. Since then, the department has adopted the customer's perspective as it conducts rigorous quality assurance reviews of all processes from ingredient procurement to product sales from the standpoint of assuring safety, legal compliance, and social fairness. Products that do not pass these reviews, which form the lynchpin of Kikkoman's quality assurance program, are not brought to market.

Kikkoman Corporation's Quality Assurance Department also serves as the secretariat of the Quality Assurance Committee. Working with individual Group companies' quality assurance departments, the department strives to provide safe products and services that customers can use with confidence and peace of mind.

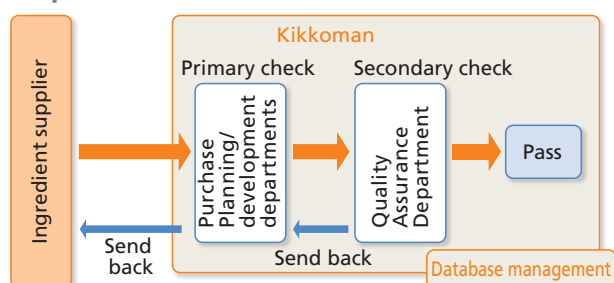
● Group Quality Assurance System



Quality Assurance in the Product Development Phase

At Kikkoman, using safe ingredients and materials is a top priority in 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, covering the following areas:

● Kikkoman's Process for Verifying Ingredient Specifications



Investigating and Verifying Allergens

When any of the 7 ingredients legally required by the Food Sanitation Act to be listed on labels as “known to cause allergic reactions” or any of the 18 ingredients for which listing is recommended are used in a product, we specifically list those ingredients on product packaging. We also work to increase the reliability of our allergen labeling by conducting voluntary inspections of ingredients as necessary.

● Ingredients legally required or recommended to be listed on labels

Ingredients legally required to be listed on labels	Eggs, milk, wheat, buckwheat, peanuts, shrimp, crab
Ingredients recommended to be listed on labels	Abalone, squid, salmon roe, oranges, kiwi fruit, beef, walnuts, salmon, mackerel, soybeans, chicken meat, bananas, pork, matsutake mushrooms, peaches, yams, apples, gelatin

Checking the Safety of Ingredients and Materials Made from Beef

To address the issue of BSE (bovine spongiform encephalopathy, commonly known as mad cow disease), we use only ingredients and materials made from beef that has been verified as totally safe. Whenever possible, we substitute ingredients and materials that are not made from beef.

Screening for Residual Agricultural Chemicals

Kikkoman screens all domestic and imported ingredients and materials for agricultural chemicals. Since 2004, we have taken the additional step of ensuring food safety by conducting voluntary checks for residual agricultural chemicals contained in farm produce, such as grains, beans, vegetables, and fruits, to verify that their usage is properly controlled.

In response to the Positive List System for Agricultural Chemical Residues in Foods under the revised Food Sanitation Act, we developed efficient and accurate analytical methods in 2007 to enable about 300 commonly used agricultural chemicals to be analyzed at once, facilitating more effective and reliable testing for pesticide residues.

Use of Non-GMO (Non-genetically Modified) Produce

Kikkoman uses IP-handled^{*1} non-GMO marudaizu^{*2} (soybeans), a raw ingredient for soy sauce. Regular voluntary inspections ensure that such raw ingredients and materials are non-GMO products. We have also shifted to non-GMO products for our defatted soybeans.

^{*1} Marudaizu: Soybeans that are not defatting-processed.

^{*2} IP (identity preserved) handling: IP handling controls the sorting of non-GMO produce and GMO produce in each phase of production, distribution, and processing so that the two types of produce are never mixed. Documentation verifies the details of these controls.

Microbial Treatment

We conduct fine-grained examination of such aspects as sterilization and filling conditions from the new product planning and development stage to ensure safety from microbes. The variety of microbes that affect food products and the range of microbe resistance deriving from food characteristics make it necessary to adopt sterilization methods that have been optimized to provide maximum safety on a product-by-product basis.

Specifically, we target bacteria for sterilization depending on the salinity, water activity, pH level, and other characteristics of the food product in question, and we check for populations of the target bacteria using indicator bacteria. Additionally, we measure the heat resistance of bacteria targeted for sterilization in each food product and ultimately determine sterilization conditions based on judgments concerning compatibility with the manufacturing plant, containers, and other aspects of production.

Container and Packaging Safety

All containers and packaging that we use are checked to ensure that their materials and designs meet the standards of the Food Sanitation Act as well as our own internal safety guidelines.

Quality Assurance in the Product Production Phase

Quality Assurance in the Production Phase

In order to supply customers with safe, high-quality products, the Kikkoman Group has received certification under the ISO 9001 international quality control standard for most of its Japanese plants.

Furthermore, Kikkoman Food Products Company manages its production activities in accordance with a proprietary quality control system that combines (1) an ISO 9001 system (an international model for quality control systems for products and services), (2) GMP standards (standards for equipment and work procedures at facilities that produce food products), and (3) the HACCP concept (a mechanism for preventing food accidents). The company also strives to manufacture safe products by conducting quality inspections as necessary during each production process.

Monitoring Quality Control

We have 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. Managers with specialized knowledge extending beyond the plant in which they work provide comprehensive and regular monitoring of food product hygiene, equipment management, and other aspects of operation at the Group's Japanese and overseas manufacturing plants.

System for Providing Peace of Mind to Customers

Complying with laws concerning product labeling and truth in advertising

Kikkoman rigorously checks the veracity of product labeling and advertising to verify compliance with the JAS (Japan Agricultural Standard), the Food Sanitation Act, the Act against Unjustifiable Premiums and Misleading Representations, the Fair Competition Codes, the Health Promotion Act, the Liquor Tax Act, the Pharmaceutical Affairs Act, and industry guidelines. If any problem is detected, 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

Working from the customer's perspective, Kikkoman verifies the absence of excessive or inappropriate claims on product packaging and in advertisements based on internal guidelines and other guidance. At the same time, Kikkoman's Intellectual Property Department plays the lead role in checking as necessary that copyrights held by other companies are not being violated.

Appropriate Product Labeling

Kikkoman strives at all times to provide clear, easy-to-understand labeling from the customer's perspective, going beyond legal requirements if necessary.



Example of product labeling for Extra Fancy Whole Beans Soy Sauce

- (1) **"Tokusen (extra grade)"**
Indicates that the product contains more umami-related compounds than special grade soy sauce.
- (2) **"Whole Beans Soy Sauce"**
Indicates that whole soybeans were used as ingredients in the production of this soy sauce product, and that defatted soybeans were not used.
- (3) **"Naturally Brewed"**
Indicates that the product was made using traditional Japanese methods for slowly fermenting and brewing moromi mash.
- (4) **Nutrition label**
Contains labeling information mandated by the JAS (Japan Agricultural Standard) and Food Sanitation Act.
- (5) **Expiration date**
Indicates that latest date at which the full flavor of the unopened product can be enjoyed, assuming that it has been stored in accordance with instructions on the nutrition label.
- (6) **"After opening"**
Indicates that the product should be kept in the refrigerator after opening and used as quickly as possible.
- (7) **JAS mark**
Indicates that the product qualifies as special-grade soy sauce under the JAS (Japan Agricultural Standard) classification system of special grade, upper grade, and standard levels of quality.
- (8) **Nutritional information**
Indicates nutrient content so that customers can choose the products they buy based on appropriate information.
- (9) **Disposal method**
Indicates how the container should be recycled at the time of disposal.

Communicating information through our website

The Kikkoman Consumer Center's website features a Q&A section based on questions and comments from our customers as well as a "Utilizing Customer Feedback" section that introduces examples of how products have been improved. We not only accept customer feedback, but also apply it to our corporate activities and communicate the results to customers through our products and website.



Pursuing Customer Satisfaction

Basic Approach

The Kikkoman Group is working to improve customer satisfaction through initiatives designed to reflect the consumer's perspective in order to put into practice the tenets of Kikkoman's Promise as adopted in FY2009. In the same vein, Kikkoman is seeking to develop a shared understanding of the customer's perspective companywide through such means as the sharing of customer information internally and employee training. The overall goal is to make customer feedback an even more integral part of the Company's management.

Kikkoman Consumer Center

Kikkoman has established a Kikkoman Consumer Center to serve as the primary channel through which the Company 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 stored in a database that is utilized companywide in order 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.

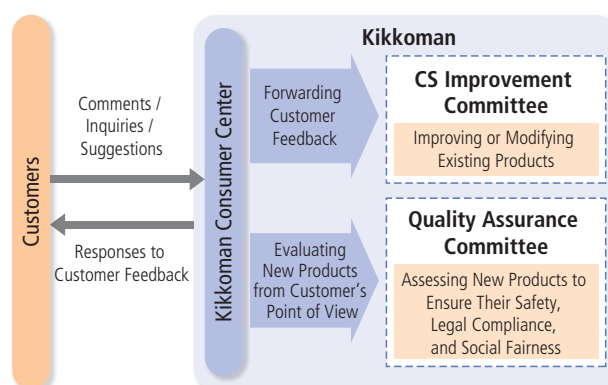
Customer inquiries at the Kikkoman Consumer Center

FY	Total inquiries	Comments	Inquiries	Suggestions
2007	20,341	1,149	17,672	1,520
2008	22,446	1,432	19,249	1,765
2009	24,343	1,234	20,958	2,151
2010	25,552	1,711	21,869	1,972
2011	25,839	1,665	21,271	2,903

CS Improvement Committee

Not all comments and suggestions received from customers can 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 the Company's products and services.

How Kikkoman Acts on Customer Feedback



Case Studies

Drawing on customer feedback to launch Extra Fancy Whole Beans Soy Sauce in a medium-size container

Reflecting the increasing number of single- and two-person households, customers occasionally indicated that they wished our popular Extra Fancy Whole Beans Soy Sauce product were available in a size that would last about a month.

In response to this feedback, Kikkoman launched a 750 mL container, which falls between the 1 L and 500 mL sizes. The container's easy-opening, one-touch cap design provides additional environmental friendliness since it can be easily removed after the product has been used up.



New 750 mL Extra Fancy Whole Beans Soy Sauce (center)

For Our Employees

In addition to respecting the diversity of employees and supporting their efforts to improve their skills, we strive to create safe, pleasant workplaces that facilitate employee self-fulfillment.

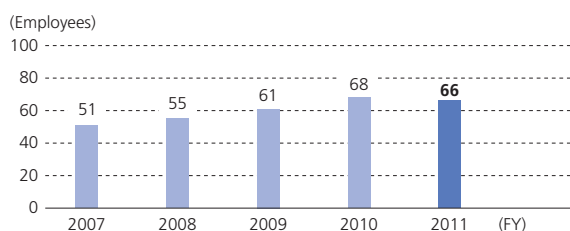
Creating Workplaces that Facilitate Employee Self-fulfillment

Basic Approach

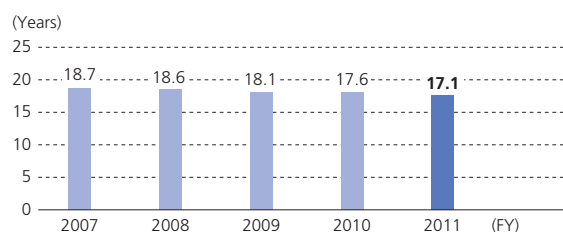
We have a basic policy of "respecting every employee's human rights" in the belief that "a company can fare well only when its employees lead healthy and happy lives." Under this policy, we believe in employees' potential, avoid practicing or condoning unlawful discrimination, ensure equal opportunity, and pursue fair employment practices.

In 2001, Kikkoman announced its participation in the United Nations Global Compact. The principles set forth in the Global Compact's "Human Rights" and "Labor Standards" sections are fully compatible with those stipulated in our Labor Agreement, Working Regulations, and Labor-Management Joint Declaration.

● New hires (non-consolidated basis)

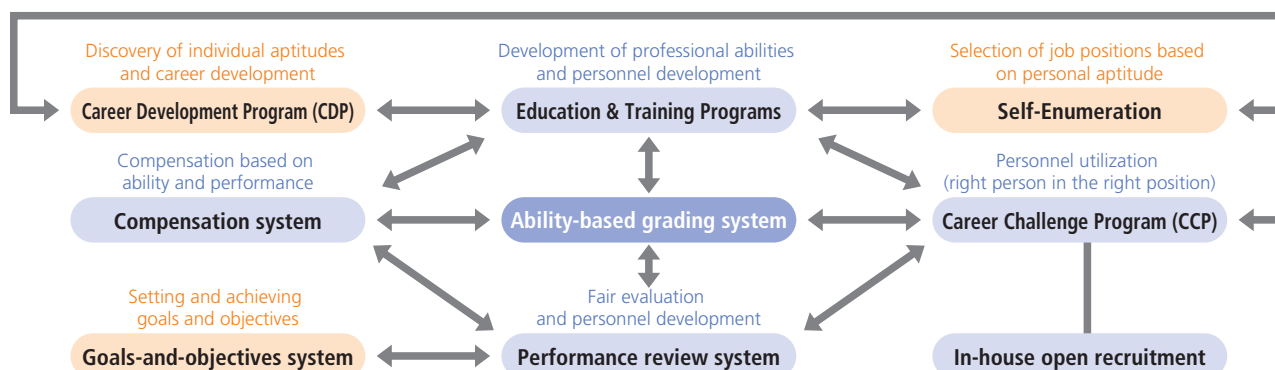


● Average employee* years of service (non-consolidated basis)



*Includes temporary employees.

● Human Resource Management System (Kikkoman)



Emphasizing Fairness and Employee Independence in Human Resources

Kikkoman's human resources system employs an ability based grading process that comprises several subsystems, including human resources utilization, training and education, performance reviews, and compensation.

Each employee's individual performance is reviewed under a goals-and-objectives system whereby supervisors conduct interviews with their staff. Prior to the interviews, all supervisors are required to receive assessor training in order to ensure the fairness of reviews. We strive to support employees' individual career objectives through self-assessment, a Career Development Program (CDP), and a Career Challenge Program, all of which allow employees to develop their skills and make their own decisions when applying for new positions within the Company. Moreover, to ensure fairness across the entire human resource management system, we have created a Human Resource Management Verification Committee comprising labor union and management representatives, and the Human Resources Department periodically conducts interviews of individual employees in offices and plants in Japan and overseas to monitor implementation of the system.

Preventing Harassment

Kikkoman regards sexual harassment and abuse of power ("bossing") as human rights violations and prohibits them in the Company's working regulations. Human resources departments are responsible for preventing and handling harassment issues, and we have opened counseling offices at major work-sites. Furthermore, we continue to raise employee awareness of this issue through activities such as training programs for managers and supervisors.

Barrier-free Initiatives and Promoting Employment of People with Disabilities

Kikkoman believes in creating a work environment in which people with disabilities can keep their jobs based on the principle of "normalization" the concept of creating a society in

which able-bodied and disabled people can live and work together on equal terms. Accordingly, we are actively creating barrier-free work environments for all employees. In FY2011 the proportion of employees with disabilities at Kikkoman Corporation and Kikkoman Food Products Company was 1.53 and 1.76 respectively.

Respecting Employees' Work-Life Balance

In order to support and encourage employee efforts to achieve a healthy balance between rewarding work and fulfilling private lives, Kikkoman has implemented a set of Company-developed support programs designed to create an environment whereby employees can make the most of their abilities in a healthy and energetic manner.

● Flexible Work Arrangements (Kikkoman)

Work Arrangements	Description
Childcare leave (since 1981)	<ul style="list-style-type: none"> 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. (Short-term childcare leave) Up to one week of paid time can be taken during the first eight weeks following birth. *Only male employees are eligible for this program.
Shorter work hours for childcare (since 1996)	<ul style="list-style-type: none"> An employee can take up to two reductions in regular work hours totaling a maximum of two hours daily from the time of conception until the child enters the fourth grade.
Morning sickness leave (since 2000)	<ul style="list-style-type: none"> Up to 15 days can be taken during pregnancy.
Child nursing care leave (since 2003)	<ul style="list-style-type: none"> Up to 5 days per year per child can be taken until the child in question reaches fourth grade.
Family care leave (since 1978)	<ul style="list-style-type: none"> Up to 2 years can be taken at any interval.
Shorter work hours for family care (since 1998)	<ul style="list-style-type: none"> 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)	<ul style="list-style-type: none"> Five days of nursing care leave can be taken per sick or injured family member requiring care per year.
Communication with employees on leave	<ul style="list-style-type: none"> Updates on company and workplace information are communicated to employees on leave via newsletters and emails so that they will not feel left out.
Flextime plan, staggered work hours, use of Shinkansen bullet trains for commuting	<ul style="list-style-type: none"> Offering a variety of work arrangement options to meet employees' needs.

Among these, we introduced childcare leave 10 years before its enactment in law and family care leave 20 years before its enactment in law. A total of 362 employees have taken advantage of the childcare leave program since its introduction, while 50 employees have utilized the family care leave program.

Maintaining Sound Labor-Management Relationships

Under the Labor-Management Joint Declaration, which was announced in 1998, Kikkoman has established and maintained sound labor-management relationships based on mutual trust and respect. Additionally, the Company 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.

In 2006, Kikkoman became a signatory to the United Nations Principles of Responsible Investment. The move marks the Company's commitment to fulfilling its social responsibility by incorporating environmental, social, and corporate governance issues into investment decision-making and stock ownership practices with respect to its pension fund.

TOPICS

Supporting the next generation through Kurumin certification

In 2009, Kikkoman received Kurumin certification from the Ministry of Health, Labour and Welfare, authorizing the company's use of the Kurumin logo in accordance with the Act on Advancement of Measures to Support Raising Next-generation Children and recognizing it as a "company that actively works to support raising next-generation children."



Recognized as a great place to work for the third year running

For three years running from 2007 to 2009, Kikkoman participated in a survey conducted by the Great Place to Work® Institute Japan and was selected as one of the Best 25 Companies.



Improving Employee Skills and Fostering Career Development

Translating the Human Resources Development Vision into Reality

In keeping with the Human Resources Development Vision, Kikkoman's educational programs are designed to offer support so that individual employees take joy in learning, work to strengthen their specialized skills, and continue to grow through lifelong learning.

The Human Resources Development Vision aims to foster the development of professionals for the 21st century by helping employees develop skills and grow personally so that they can participate in their jobs in an engaged and energetic manner and contribute to organization innovation.

During FY2011, Kikkoman enhanced a range of activities, including training for young employees (a program in its second year), selective training, and self-improvement programs.

Improving employee satisfaction

Kikkoman is involved in a variety of measures conceived to improve employee satisfaction and energize the Group.

Organizational revitalization vision

In pursuing Kikkoman's organizational revitalization vision, individual supervisors develop their own vision for the organization's mission, future role, and human resources training objectives and communicate it to their subordinates. Kikkoman is also applying the vision to some Group companies in an effort to revitalize the workplace.

Employee awareness survey

Kikkoman conducts an employee awareness survey to assess employee satisfaction. Analytical results are fed into the PDCA cycle in order to implement a range of policies and measures, facilitating further improvements in satisfaction.

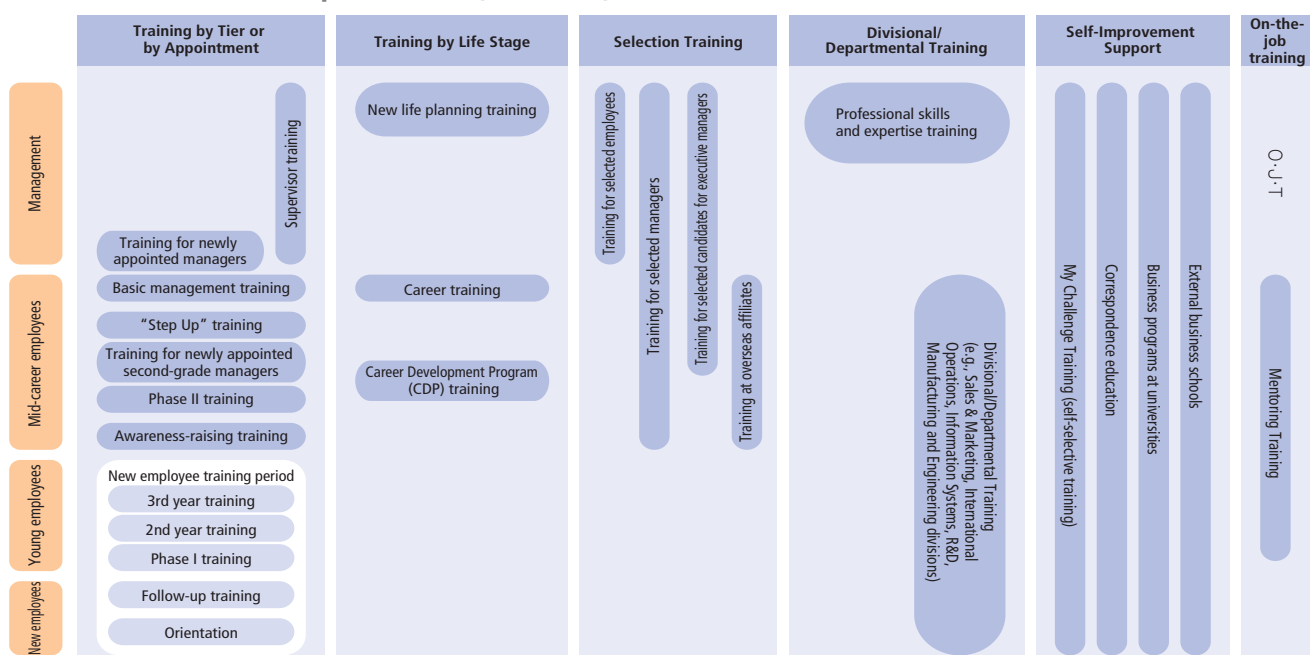
Self-improvement Training Programs

In addition to tier-based training for groups such as new employees and employees in management positions, Kikkoman offers a broad range of self-improvement training programs for employees, including courses at business schools; "My Challenge Training," which allows trainees to select from several courses; correspondence courses; and e-learning courses. Through these educational and training opportunities, we support employees' autonomous skill-building and career development efforts.

Number of participants in major self-improvement training programs in FY2011

Training program	Number of participants
Correspondence courses	554
Business school scholarships	11
Scholarships for business management courses at universities	16
My Challenge Training	64

Human Resource Development Chart (Kikkoman)



TOPICS

Hiring top athletes

On April 1, 2011, Kikkoman hired two top athletes who have represented Japan in international competitions: swimmer Haruka Ueda and canoeist Yuriko Takeshita. Kikkoman's decision to participate in the Japanese Olympic Committee's Ath-Navi program, which helps companies navigate the process of hiring top athletes, reflects its support of the JOC's goal of having companies support top athletes in terms of both providing employment and sponsoring their activities in order to provide a stable living environment for these competitors, in return for which the athletes will contribute to the companies' community service programs and help create a sense of solidarity in the organization. Kikkoman will continue to support both Ueda and Takeshita.

Occupational Safety and Health Management System

Basic Approach

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

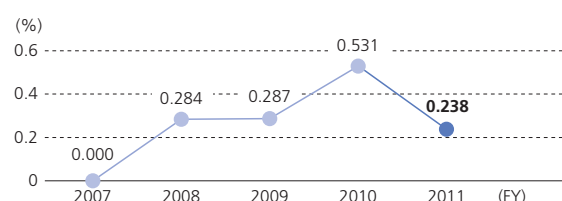
Promoting Safety and Health Activities

The committee reviews and determines policies and key objectives for companywide safety and health initiatives, and its decisions are made known throughout the Company. Daily safety and health activities are undertaken through local safety and health committees. In addition, monitoring teams consisting of labor and management representatives conduct periodic monitoring inspections at both the central and local levels, and the Company works to assess the causes of safety

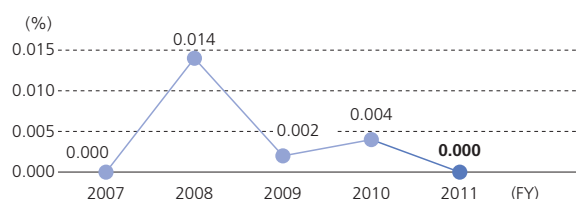
and health risks and take corrective action.

There were two accidents resulting in work stoppages during FY2010. We remain committed to strengthening efforts to eliminate accidents by applying risk assessment practices companywide.

In addition to working to improve occupational safety and health standards throughout the Group by holding two annual meetings for domestic Group companies to share information about safety and health initiatives, we are striving to prevent recurrences of accidents by promptly sharing information about both the specific incident and related policies whenever an occupational accident occurs at a Group company.

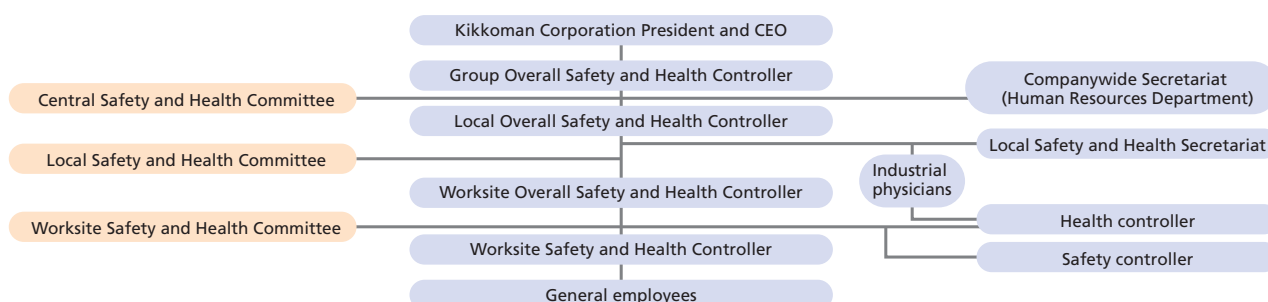
Changes in frequency rate*¹
(non-consolidated basis)

*¹ Frequency rate: An indicator of the frequency of disasters/accidents, represented by the number of casualties resulting from occupational accidents per 1 million work hours.

Changes in severity rate*²
(non-consolidated basis)

*² Severity rate: An indicator of the severity of disasters/accidents, represented by the amount of work time lost due to occupational accidents requiring absence from work per 1,000 work hours.

Safety and Health Management Organization (Kikkoman)



Encouraging Employee Physical and Mental Well-being

In addition to having an occupational medical nurse follow up with employees needing re-examination following their medical check-ups and providing a health databank by means of which employees can access their health data, Kikkoman has opened a 24-hour telephone hotline for health and medical questions in partnership with an outside institution as part of its ongoing commitment to helping employees maintain good physical and mental health. Our mental health program includes both counseling and employee training components.

To prevent health problems and accidents caused by overwork, a special agreement between labor and management limits overtime. We also utilize an overtime management system and have monthly "No Overtime" days. Furthermore, supervisors whose employees accumulate excessive overtime are warned, and employees have interviews with industrial physicians.

For Our Shareholders and Investors

Kikkoman strives to enhance transparency in management through timely and appropriate information disclosure and to secure earnings through sustainable growth that enables appropriate distribution of profits.

Timely and Appropriate Disclosure of Information

Timely and Appropriate Disclosure of Information

Kikkoman Corporation places importance on information disclosure and investor relations (IR) activities that focus on fairness, timeliness, and expeditiousness. In addition to holding IR meetings not only in Japan, but also in the United States and Europe, we promptly disclose a variety of IR information on our website for the benefit of investors who are unable to participate in the meetings.

In FY2011, we held four meetings with management for analysts and institutional investors and a workshop on the food wholesale business. We also held 10 seminars introducing the Company for individual investors and 1 for stock-brokers. Going forward, we remain committed to pursuing activities designed to promote a better understanding of our businesses while bringing feedback from shareholders and investors to bear.

Promoting Open General Shareholders' Meetings

To encourage higher attendance, Kikkoman Corporation 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. Additionally, we allow shareholders to vote online, and we participate in a voting platform for institutional investors to make it more convenient for shareholders to exercise their voting rights.



Financial results briefing



Annual Report



IR Report

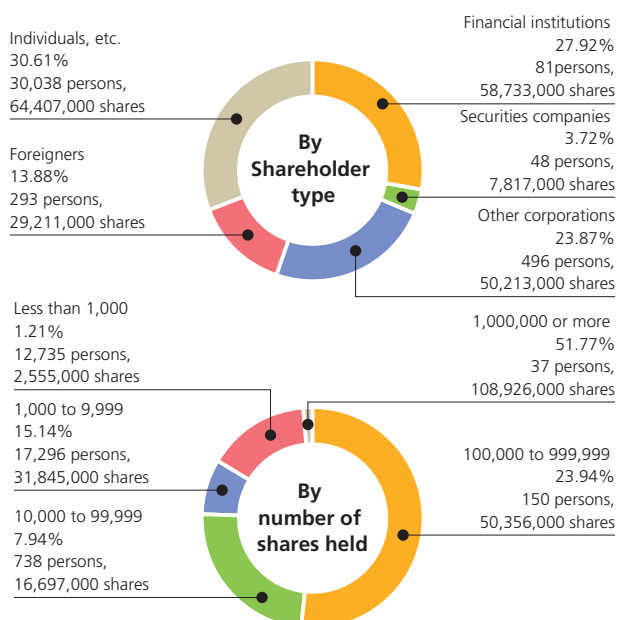
Distribution of Profits

Kikkoman Corporation considers the dividend policy as one of our key management issues. In this area, our basic policy is to reward shareholders through consistent distribution of profits backed by strong consolidated financial performance, while using funds to invest in strengthening its corporate foundation and future businesses. As a result of this approach, the dividend for FY2011 is expected to be ¥15 per share.

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.

From a long-range perspective, we intend to deploy internal reserves in ways that create robust corporate value. Future plans include investments in expanding our international operations, streamlining production facilities, conducting research and development for new businesses, opening and expanding markets to cultivate new demand, and pursuing strategic investment activities.

● Composition of shareholders (as of March 31, 2011)



Credit Ratings

Credit ratings provided by rating agencies serve as a means of better understanding Kikkoman's financial soundness. Kikkoman gives credit ratings an important role in financial strategy out of recognition that they reflect the manner in which capital markets evaluate the Company's performance and creditworthiness.

Kikkoman Corporation was given a rating of A (single A stable) by Rating and Investment Information, Inc., in Japan as of March 31, 2011. We are striving to maintain and further improve our ratings.

Working with Suppliers

We strive to observe fair business practices and develop good working partnerships with suppliers through a variety of means.

Conducting Fair Business Transactions

As outlined in our Code of Conduct, Kikkoman's selection of and transactions with suppliers are fair and based solely on vendors' ability to provide good quality, prices, and services, and not on the personal preferences or considerations of employees. Internal Procurement Guidelines provide a basis for the management system that ensures that this policy is followed.

We have in place a system for reviewing proposed business with new suppliers against evaluation criteria and for re-evaluating existing suppliers on a regular basis. Both of these measures ensure fair evaluation and provide opportunities for new suppliers. To help minimize potential risks, we procure ingredients and raw materials from multiple suppliers.

Developing Good Working Partnerships with Suppliers

At Kikkoman, the Kikkoman Business Service Company Purchasing Department 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.

Centralized Group purchasing

Kikkoman Business Service Company's Purchasing Department carries out centralized purchasing by combining the purchasing functions of domestic manufacturing companies such as Takara Shoyu, Higeta Shoyu, Nippon Del Monte, and Kikkoman Soyfoods. The Department strives to carry out fair transactions with suppliers while building mutually beneficial partnerships.

Ensuring Ingredient Quality

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.



Inspecting the corn harvest in Indiana, U.S.

Environmental Considerations in Procurement

We also work closely with suppliers through the container and packaging procurement process to develop environmentally friendly containers. In FY2008, we formulated Guidelines for Containers and Packaging (see page 25) to illustrate the Group's commitment to reducing the environmental impact of containers and packaging while improving 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 down engines while unloading at our facilities. In FY2011, we made these requests of some 183 suppliers.

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.

As a Member of the Local Community

Kikkoman promotes a variety of social activities designed to support society at large, including community development programs and efforts to contribute to the promotion and development of food culture.

Basic Approach

Under the management principle of “becoming a company whose existence is meaningful to global society,” the Kikkoman Group promotes social activities designed to support society at large, primarily in the field of food and health, while fostering appreciation and preservation of Japanese food culture and maintaining harmony with world food cultures and the environment.

Specially designated social activity promoters in factories, headquarters and branch offices support employees’ volunteer activities companywide. We also implement community-based social activity programs.

Kikkoman Group Social Activities

Supporting Employees’ Volunteer Activities

To encourage our employees to engage in volunteer activities, we have introduced programs to match employee contributions to social causes, support their involvement in the community, and provide leaves of absence so that they can work as volunteers.

We also facilitate nationwide volunteer activities in which employees can easily participate, including collecting ruined postcards and used books in support of NGOs and NPOs, holding fund-raising drives for charity, assisting with sales of charity merchandise, and holding charity events to promote interaction with NGOs.

Programs to Provide Hands-on Experiences

We provide hands-on programs designed to raise elementary school children’s and their parents’ interest in food and nature, as well as programs held in conjunction with NGOs and NPOs to encourage participants to think about international cooperation. Employee volunteers help administer these programs.

Education and Fostering of Youth

We provide financial support to several international exchange programs for the education and fostering of young people in cooperation with various public organizations and educational institutes, both in Japan and abroad.

Contributing to Making Communities Safer

We help make communities safer places to live by supporting firefighting and disaster-prevention activities as well as traffic safety campaigns.

Community Outreach Programs

We implement community outreach programs, including by holding events that highlight local features, participating in traditional community events, and opening our facilities to the public.

Donations

We make donations in fields related to our business activities, for example by providing products to a Food Bank organization, offering educational support, and practicing environmental preservation. We also contribute to a large-scale disaster relief fund.

Examples of FY2011 Activities

Cooking Experience Programs for Parents and Children: Programs to Provide Hands-on Learning Experiences for Consumers

Since FY2004, the Kikkoman Group has held cooking experience programs for parents and children in communities where factories are located.

At the “Whole Tomato Experience in Gunma” program held in August 2010, elementary school students and their parents who had already grown tomato seedlings from Del Monte at home harvested bright red, ripe sauce tomatoes from a Nippon Del Monte contract farmer’s tomato fields and tried their hand at making a dish with the freshly picked produce. Employee volunteers helped administer the program.

Kikkoman is committed to continuing to offer hands-on cooking programs for parents and children in order to stimulate interest in nature and society by learning, cooking, and eating together.



Students experience what it’s like to harvest tomatoes

Sponsoring English Education in Noda: Education and Fostering of Youth

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. In FY2011, we sponsored a visit to the Canadian embassy as well as a joint workshop by the Noda City Board of Education and the English-language Section and Elementary English Activities Section of the Noda Association for Educational Study.

At the visit to the Canadian embassy, middle school students joined middle and elementary school teachers in a hands-on English lesson. At the joint workshop, elementary and middle school teachers met together for lectures on the aims of foreign-language education, presentations of case studies, and hands-on English activities. At the Elementary English Activities Section workshop, elementary school teachers experienced and learned about communication activities in

English as well as various teaching techniques. Kikkoman will continue to offer training opportunities designed to promote partnerships in English instruction at Noda City's elementary and middle schools in preparation for the full-fledged introduction of English-language activities in the fifth and sixth grades in 2011.



A workshop during students' visit to the Canadian embassy

Supporting the YFU Exchange Student Program: Education and Fostering of Youth

The Kikkoman Group has supported an exchange student program offered by the international exchange organization Youth for Understanding (YFU) every year since 1979 through its Kikkoman Scholarship program.

In FY2011, the program brought 23 high-school students from the United States to Japan on short-term home-stays and sent 4 Japanese high-school students to the United States on long-term home-stays. Participating students expanded their potential as "citizens of the world" through various activities and study with their hosts, and we expect them to take advantage of their experience to contribute to international exchange in Visit to the Canadian embassy the future.

Donating Products to a Food Bank

The Kikkoman Group has been donating products to a Food Bank organization* since FY2010 to be distributed free of charge to individuals needing food assistance in Japan and the U.S.

*Food Bank organizations receive food products from food-related companies that are free of quality problems and distribute them free of charge to social welfare facilities that need support.



Donating products to a Food Bank organization

Promoting and Developing Food Culture

Kikkoman strives to promote and develop international food culture through lectures, cooking seminars, and operation of food-related facilities.

Cooking Seminars at Tokyo Head Office's KCC Hall

Kikkoman holds seminars in the form of lectures, demonstrations, and tastings featuring culinary experts, chefs, and other food professionals as instructors. Content spans multiple genres such as Japanese food culture and cuisine, world food culture and cuisine, and food and health. During FY2011, we offered the following seminars:

Understanding Japanese food culture and cuisine

- Japanese Cuisine Glossary
- Regional Cuisine seminar
- Seasons and Events seminar
- Japanese Cuisine Basics seminar

Understanding world food culture and cuisine

- National Food Culture and Cuisine seminar
- Introduction to World Foods seminar

Learning about food and health

- Healthy Foods seminar
- Ingredients from a Professional's Perspective
- Enriching Your Dining Room Table seminar



A food culture and cuisine seminar

Research on Food Culture with a Focus on Soy Sauce and Dissemination of Related Information

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 Center 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 its website.



The Kikkoman Institute of International Food Culture

The Kikkoman Group's Shokuiku Activities

The Kikkoman Group considers Shokuiku (food education) to be the special responsibility of companies involved with food and food products. Since announcing the Shokuiku Commitment in May 2005, we have developed a program rooted in our business and based on our Shokuiku Framework, which derives from a three-part philosophy.

Key Shokuiku Activities

Generating interest in learning food and diet through employee visits to schools

Kikkoman Soy Sauce Academy

Kikkoman employees visit elementary schools to teach students about food and diet as part of the Kikkoman Soy Sauce Academy. Schools use this program as part of their integrated study time to provide an opportunity for students to think about the importance of food and what it means to enjoy eating while simultaneously learning about the ingredients and techniques used to make soy sauce. During fiscal 2011, 8,971 students participated in 280 sessions at 120 schools.

The Kikkoman Academy

Kikkoman employee volunteers visit elementary and middle schools to talk about how soy sauce is made. During fiscal 2011, 16 presentations were given to 808 students.

Factory Tours to Experience the Soy Sauce Brewing Process

Kikkoman offers tours of soy sauce factories in Japan and Manns Wine Co., Ltd.'s wineries. We offered hands-on soy sauce-making programs for elementary schools and other organizations a total of 209 times during fiscal 2011, accommodating 282,444 students.

Website Featuring Food- and Health-related Information

Kikkoman's website features an extensive range of food- and health-related information, including the most recent news about our Shokuiku activities, seasonal recipes, and educational content for children.

Kikkoman's Shokuiku Framework



The philosophy referred to as "Kikkoman's Three Wishes"

- Eating well nourishes the mind. We wish to nourish the mind with good food.
- Good food makes good health. We wish good health to all, through good eating.
- A smile shared over a meal endures forever. We wish to share and exchange the joy of food worldwide.

Shokuiku Promotion Policies Shokuiku (Food Education)

1. For families and children it means:

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

2. In Japanese dietary culture it means:

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

Shokuiku Activities

Kikkoman's Shokuiku Commitment Expression of Corporate Attitude

Shokuiku Festa in Noda (February 12 and 26)

Kikkoman held the Shokuiku Festa in Noda in February 2011.

In a lecture on February 12, Hattori Gakuen director and principal Yukio Hattori gave a talk on the topic "Creating Delightful Memories with Good Food" at the company's head office.

On February 26, the Kikkoman Soy Sauce Museum held a hands-on soy sauce-making program for families featuring events including participating in "Playing with Naani-chan," a learning activity, and helping make rice crackers.



Yukio Hattori speaks at the Festa



"Playing with Naani-chan"

Hands-on Soy Sauce-making Program

As part of their Shokuiku activities, soy sauce factories operated by Kikkoman Food Products offer tours for elementary school students to learn and experience how soy sauce is made. Through these tours, the company strives to help students deepen their interest in food and diet. After learning about soy sauce ingredients and how soy sauce is made, students participating in the program, which lasts about two hours, experience what it's actually like to place *Koji* culture on special trays prior to fermentation and press moromi mash. They also get to coat rice crackers they roasted themselves with soy sauce and sample the tasty result. The program ends with a tour of the state-of-the-art factory.

Hands-on Soy Sauce-making Program Overview

Factories: Noda Factory (Kikkoman Soy Sauce Museum) and Takasago Factory, Kikkoman Food Products Company; Hokkaido Kikkoman Company

Date: Varies with factory

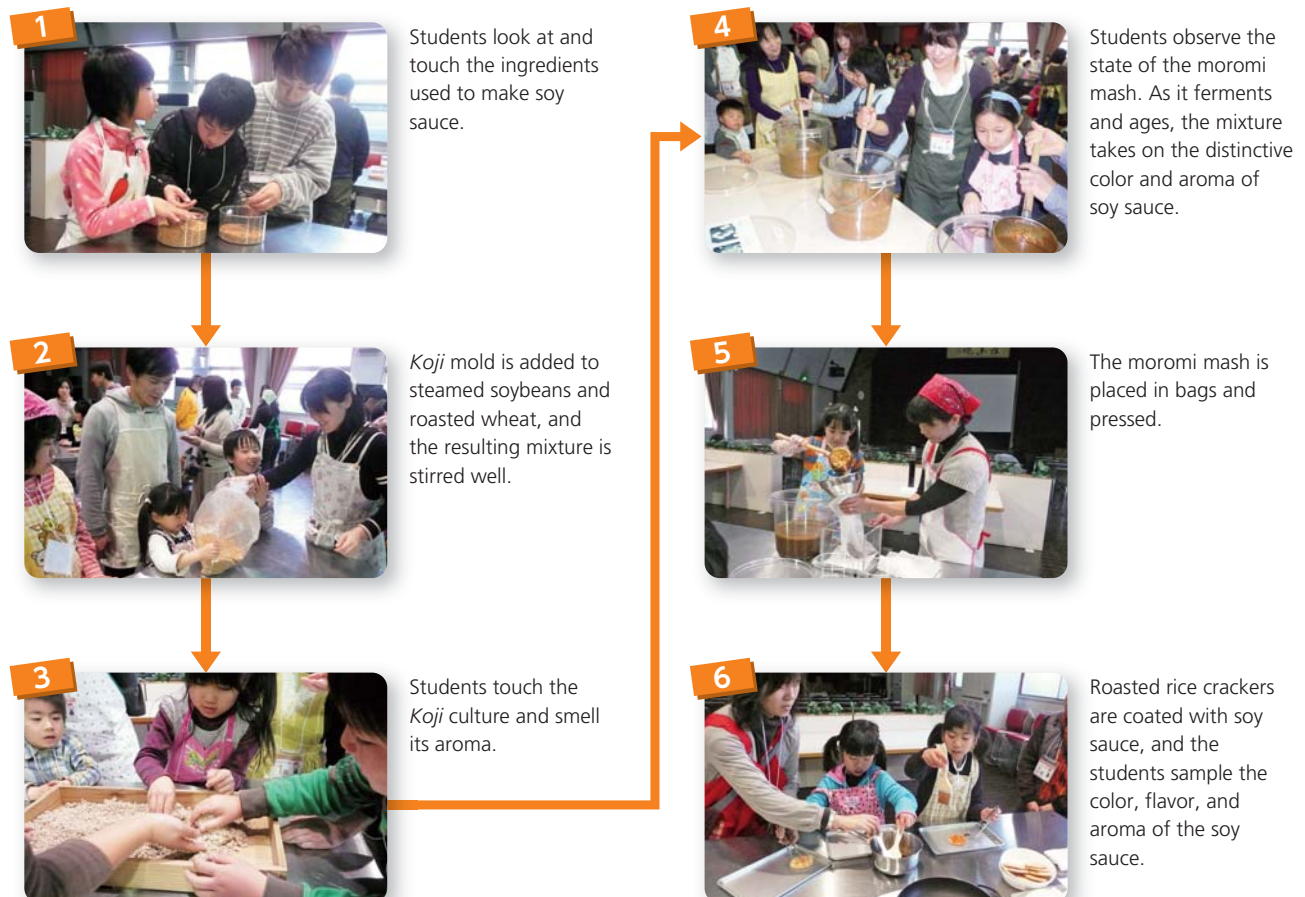
Time: 120 min.

Target group: Third through sixth graders

Eligible groups: Please apply as a group by class, grade, etc.

Hands-on Soy Sauce-making Program Steps

An instructor describes how soy sauce is made using slides. Once students have studied the process, the hands-on soy sauce-making program begins.



Compliance

We're striving to put in place a framework to ensure compliance with laws and social norms and to raise employee awareness of such compliance.

The Kikkoman Group Code of Conduct and Compliance System

The Kikkoman Group adopted the Kikkoman Group Code of Conduct in August 2002 to codify standards for the attitude and conduct expected of Group employees. Since then, Group companies have worked to ensure that the Code is well understood and thoroughly practiced by all personnel.

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 global environment, Business activities with fair and free competition, Business information disclosure and promotion of communication, Respect for human rights and establishment of happy working environment, Observation of laws and regulations in Japan and abroad and maintenance of social orders, an Positive social action program. In an effort to ensure that the Code is well understood and thoroughly practiced throughout the Group, Kikkoman has created English and Chinese versions of the text, and German and French versions were added in FY2011.

In April 2011, an employee at Kikkoman Food Products Company's Takasago Factory was arrested on suspicion of gambling on baseball, and papers detailing illegal behavior by other employees who had allegedly participated in the scheme were forwarded to the Public Prosecutor's Office in June. Kikkoman Corporation takes these events and accusations very seriously, and officials visited key facilities operated by Group companies in Japan to explain the importance of compliance. Going forward, we will strive to ensure that a problem of this nature does not recur by pursuing a redoubled program of employee education.



Pocket reference card

Submitting promissory letters of compliance with the Kikkoman Group Code of Conduct

In addition to handing out pocket reference cards outlining the Code of Conduct to all Group employees in Japan and requiring the cards to be carried by employees at all times, Kikkoman is working to ensure that employee conduct throughout the Group accords with corporate ethics and a law-abiding spirit by requiring all managerial employees holding positions of director, corporate officer, or manager/supervisor within Kikkoman as well as the presidents of Group companies to submit an annual promissory letters to the CEO pledging their compliance with the Kikkoman Group Code of Conduct. During FY2011, 308 individuals signed the letters.

Companies whose management is required to submit promissory letters of compliance with the Kikkoman Group Code of Conduct

Japan: Kikkoman Corporation; Kikkoman Food Products; Kikkoman Beverage Company; Kikkoman Business Service Company; Nippon Del Monte Corporation; Manns Wine Co., Ltd.; Pacific Trading Co., Ltd.; Heisei Foods Company; Edogawa Foods Company; Hokkaido Kikkoman Company; Nagareyama Kikkoman Company; Terra Vert Corporation; Takara Shoyu Co., Ltd.; FoodChemifa Co., Ltd.; Sobu Logistics Corporation; Sobu Service Center Inc.; KMC; Kikkoman Restaurant, Inc.; Nihon Shoyu Co., Ltd.; and Kikkoman Direct Co., Ltd.

Overseas: KFI, KSU, JFC, KMP, KFE, KTE, JFCEU, KAP, and others

Corporate Ethics Committee

The Kikkoman Group Corporate Ethics Committee was formed to ensure that the Kikkoman Group Code of Conduct is put into practice. With a total of six members including two outside experts such as attorneys as well as directors and officers from Kikkoman Corporation, the Committee has overall responsibility for studying and implementing policies related to compliance. During FY2011, the Committee met a total of 10 times. Additionally, Committee members met with standing auditors to exchange information once in each half of the fiscal year.

2010 Kikkoman Group Corporate Ethics System Survey

Since 2003, Kikkoman has conducted a biennial survey to verify the effectiveness of its corporate ethics system. In FY2011, the Group monitored this system by conducting the survey simultaneously for 20 Group companies in Japan for the first time. In addition to allowing officials to ascertain the extent of employee understanding of the Code of conduct and awareness of hotlines, the summary of the results, which reached 1,631 pages, provided extensive detailed free-answer responses submitted by participants. Going forward, Kikkoman will work to further strengthen its corporate ethics system, including by bringing this feedback to bear.

Companies participating in the corporate ethics survey

Kikkoman Corporation; Kikkoman Food Products; Kikkoman Beverage Company; Kikkoman Business Service Company; Nippon Del Monte Corporation; Manns Wine Co., Ltd.; Pacific Trading Co., Ltd.; Heisei Foods Company; Edogawa Foods Company; Hokkaido Kikkoman Company; Nagareyama Kikkoman Company; Terra Vert Corporation; Takara Shoyu Co., Ltd.; FoodChemifa Co., Ltd.; Sobu Logistics Corporation; Sobu Service Center Inc.; KMC; Kikkoman Restaurant, Inc.; Nihon Shoyu Co., Ltd.; and Kikkoman Direct Co., Ltd.

Compliance Education and Awareness Programs

To raise employee awareness of 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 holding visits and training for Group companies in Japan on the theme of compliance, the Kikkoman Group is involved in a range of educational and awareness-raising activities, including conducting compliance audits in partnership with the Internal Auditing Department. Kikkoman Group legal affairs officers and other personnel also conduct compliance fact-finding missions to overseas Group companies. During FY2011, we visited five companies in Germany and the Netherlands. During FY2012, we plan to continue to strengthen compliance throughout the Group through local awareness-raising activities such as inspections of domestic and overseas Group companies.

Compliance survey

Kikkoman conducted a compliance survey with the goal of making a comprehensive assessment of, and improving, the state of domestic Group companies' compliance. The survey elicited responses from each company to a total of 97 questions addressing topics such as management, general affairs and accounting, manufacturing and products, environmental responsibility, and labor management. No serious compliance infractions were discovered at the target Group companies as a result of the survey. Based on the results, compliance-related training was held at some Group companies in order to further strengthen their compliance programs. Going forward, Kikkoman will work to enhance the Group compliance system, including by conducting surveys linked to its compliance audit efforts.

Corporate Compliance Survey

Kikkoman Food Products; Kikkoman Beverage Company; Kikkoman Business Service Company; Nippon Del Monte Corporation; Manns Wine Co., Ltd.; Pacific Trading Co., Ltd.; Heisei Foods Company; Edogawa Foods Company; Hokkaido Kikkoman Company; Nagareyama Kikkoman Company; Terra Vert Corporation; Takara Shoyu Co., Ltd.; FoodChemifa Co., Ltd.; Sobu Logistics Corporation; Sobu Service Center Inc.; KMC; Kikkoman Restaurant, Inc.; Kikkoman Delica Co., Ltd.; Nihon Shoyu Co., Ltd.; Kikkoman Direct Co., Ltd.; and Higeta Shoyu Co., Ltd.

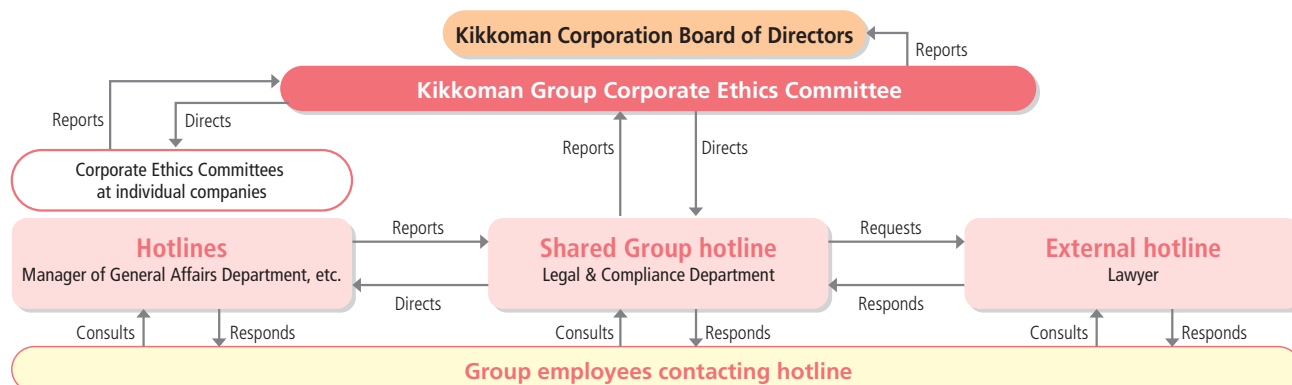
Ethics Hotline

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

The Group Corporate Ethics Hotline consists of an external hotline that is managed by an outside lawyer, a shared Group hotline that is managed by Kikkoman Corporation's Legal & Compliance Department, and hotlines at individual companies that are set up as needed. Reports are received via dedicated phone line, fax, email, and dedicated post office box.

When the office receives a report, an internal investigation is conducted, corrective measures taken, and feedback provided to the individual who initiated the report. The Corporate Ethics Committee Regulations stipulate protection for whistleblowers against any backlash or disadvantage that might result from submission of a report.

● Group Corporate Ethics Hotline



Corporate Governance

We continue to improve and enhance our corporate governance system while upgrading our internal control system to ensure that operations are conducted in an appropriate manner.

Basic Approach

We believe that responding effectively to the changing business environment and maximizing corporate value through the enhancement of Kikkoman Group management form the true basis for running a company with the mandate given by shareholders. We also consider one of our most important management priorities to be executing sound governance in order to fulfill our corporate responsibilities to all stakeholders.

Corporate Governance Framework

Kikkoman Corporation employs a corporate auditor system. We strive to improve and enhance our corporate governance framework with the aim of achieving greater management transparency, clearly defined management responsibility, speedy decision-making, and stronger management oversight. In March 2001, we introduced a corporate officer system and transferred authority for business execution to corporate officers in an effort to streamline operational responsibilities and speed decision-making and business execution. In June 2002, we established a Nominating Committee to nominate outside directors and outside corporate auditors as well as a Remuneration Committee in order to improve management transparency and strengthen management's oversight function.

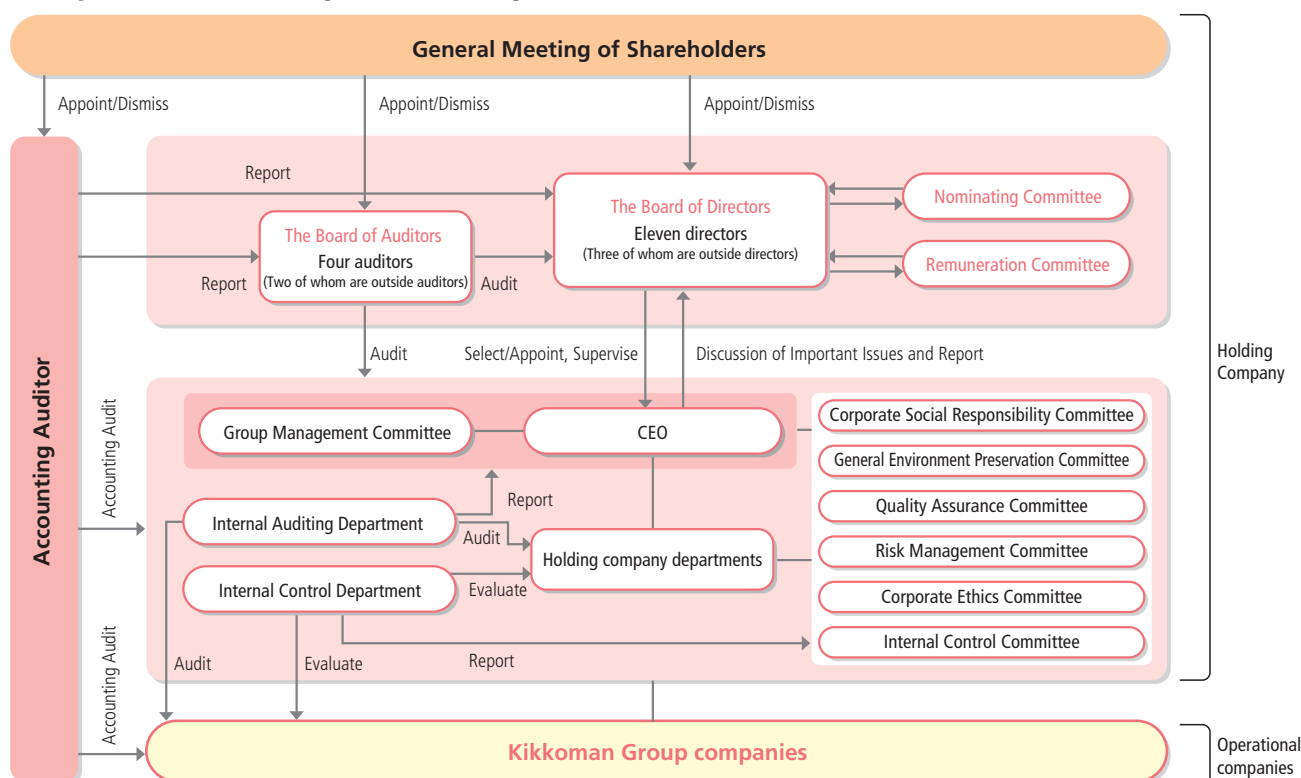
In October 2009, we shifted the Group's management system to a holding company structure. Individual operational companies will enhance their ability to create value in line with their own areas of authority and responsibility based on a Group management strategy determined by the holding company, thereby maximizing the Group's overall corporate value.

Internal Control System

Establishing an internal control system that ensures proper execution of business practices is high on our corporate agenda. Accordingly, we have been making Group-wide efforts to develop an enhanced framework for ensuring effective and efficient operations as well as compliance with laws and regulations.

We periodically review and update a basic policy for "Establishing an Internal Control System" that the Board of Directors adopted in May 2006. In addition to establishing an Internal Control Committee and Internal Control Department in November 2008 in order to comply with a new internal controls reporting system mandated by the Financial Instruments and Exchange Act, which went into effect in April 2008, we have both adopted a basic policy concerning internal controls as they relate to financial reporting and established a structure for strengthening internal controls related to financial reporting.

Corporate Governance System (As of July, 2011)



Framework to Promote Corporate Social Responsibility / Risk Management

Kikkoman is working actively to promote activities related to corporate social responsibility based on our framework. The Group is also moving to strengthen its management systems for preventing the manifestation of various risks.

Framework to Promote Corporate Social Responsibility

The Kikkoman Group believes that the basis of corporate social responsibility (CSR) lies in practicing “what we can do for society” through our business operations and in fulfilling our responsibilities to stakeholders.

In 2005, we launched a Corporate Social Responsibility Committee with members from multiple departments to promote associated initiatives. Following our transition to a holding company-based organization in 2009, we added representatives of domestic Group companies (Nippon Del Monte Corporation, Manns Wine Co., Ltd., FoodChemifa Co., Ltd., and Sobu Logistics Corporation) to the committee.

The committee plays a central role in communicating and promoting CSR policies and initiatives internally, and in systematizing the diverse CSR activities that the Kikkoman Group has been carrying out with stakeholders. It also works as a driving force to continuously improve CSR-related activities through the PDCA (Plan-Do-Check-Act) management cycle.

● Framework to Promote Corporate Social Responsibility



Risk Management System

At Kikkoman Corporation, corporate officers manage the divisions and subsidiaries for which they are responsible so as to prevent the emergence of perceived risks relating to the Group's activities. We also have a Risk Management Committee in place to establish an effective risk management system and to respond promptly to crises that could negatively impact our business.

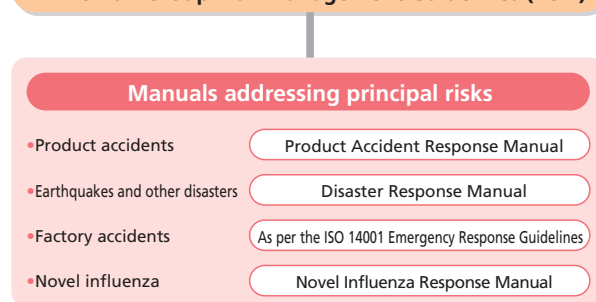
When a worldwide pandemic of novel H1N1 influenza struck in 2009, the Kikkoman Group responded in accordance with a precompiled manual. At the same time, the Risk Management Committee proposed appropriate countermeasures as events unfolded, and we worked to minimize the effect on our business execution by assessing employee health and taking steps to prevent infection.

In October 2010, we adopted the Kikkoman Group Risk Management Guideline. This is a series of provisions addressing appropriate management and implementations of various risks affecting the Group's operations. We also compiled a series of Crisis Management Manuals as part of a larger effort to standardize crisis management throughout the Group.

● Systematizing and sharing risk management

1. Adopting guidelines addressing various policies and systems related to the Group's overall crisis management
2. Compiling sample manuals addressing principal risks and sharing them among affiliates in Japan

Kikkoman Group Risk Management Guidelines (new)



Impact of the Great East Japan Earthquake and the Response of the Kikkoman Group

In the immediate aftermath of the Great East Japan Earthquake of March 11, 2011, the Group worked to deal with the effects of the disaster by forming a task force headquarters in accordance with its Disaster Response Manual. The task force determined that our priorities were (1) ensuring the safety of employees, (2) shipping products to the extent possible, and (3) ensuring that Kikkoman could continue to function as a company. In addition to assessing the status of affiliates and related departments, the Group undertook a series of measures.

1. Principal Responses

Employee Safety

Although phone and email communications to areas affected by the earthquake were difficult to establish, we were able to verify the safety of almost all employees by the end of the day thanks to a series of rules for confirming employee safety, including reliance on multiple means of communication.

Facilities and production

Since Nippon Del Monte's Fukushima Factory (located in the city of Minamisoma in Fukushima Prefecture) had been preparing to close in September 2011 due to the manufacturing facilities reorganization plan, Kikkoman stopped production at the factory due to the impact of the earthquake and now plans to move the closure date forward.

Although the disaster had only a minor impact on other Group production facilities and normal operations had resumed by the end of March, some inventory and equipment at distribution facilities were damaged. We worked to minimize the effect on product supply by lengthening the period from order receipt to delivery by one day.

Business Partners

Despite initial difficulties making deliveries to areas affected by the disaster due to traffic problems and an inability to procure sufficient supplies of bottle caps and other packaging materials, we were able to take appropriate measures thanks to the cooperation of our business partners.

2. Future Issues

Restrictions on Summertime Power Usage

Facilities located in Tokyo Electric Power's service area have been called upon to restrict their use of power during the summer of 2011, and these worksites have adopted voluntary action plans to do so. Thanks to steps including shifting work times, working on holidays and at night, limiting use of equipment that consumes a large amount of power, and generating their own electricity, these facilities reduced peak power consumption during the summer (July to September) by at least 15% from the previous year's levels.

Impact of the accident at the Fukushima Daiichi Nuclear Power Plant

Nippon Del Monte has decided to suspend contracts on tomatoes for processed products grown in Fukushima Prefecture due to an inability to make a judgment concerning the extent of soil contamination and the possible effects of the accident on harvested tomatoes at the seedling stage.

In addition to offering financial assistance to contract farmers during this fiscal year, we will work with all involved parties to verify the safety of the crop through trial cultivation and soil analysis in preparation for a resumption of contract cultivation in 2012.

Overseas, there has been a trend toward increasingly stringent inspections of products and ingredients produced in Japan. While our flagship product, soy sauce, is not affected by this trend since they are produced locally from locally procured ingredients, we are taking steps to assure safety when exporting ingredients or products from Japan by complying with regulations in each country of import.

3. Social Contributions

Donations: Kikkoman donated ¥100 million to the Japanese Red Cross Society and ¥10 million to the city of Minamisoma in Fukushima Prefecture.

Material aid: Working with the Ministry of Agriculture, Forestry and Fisheries, we supplied aid in the form of about 350,000 products (worth ¥70 million), including canned foods, beverages, and soy milk.

Fundraising: Funds contributed by officers and employees at Group companies in Japan and overseas were donated to the Japanese Red Cross Society.

Corporate Citizenship Report 2011 **List of Principal Initiatives and Data**

The Kikkoman Group is pursuing a variety of initiatives in order to put its management principles into practice and fulfill its social responsibility. This section lists principal FY2011 initiatives and data from the standpoint of the environment, society, Shokuiku, and management.

Activities		Policies and initiatives	FY2011 results and achievements	FY2010 results and achievements	FY2011 scope	PDF page	Corresponding United Nations Global Compact item
Environmental Report	Preventing Global Warming	FY2011 total CO ₂ emissions	125,971 t-CO ₂	124,919 t-CO ₂	11 domestic companies	P11	7,8,9
		FY2011 CO ₂ emissions per unit of production	0.171 t-CO ₂ /ton	0.167 t-CO ₂ /ton	14 domestic and overseas companies	P11	7,8,9
	Reducing and Recycling Wastes and Byproducts	Recycling rate	95.6%	94.1%	13 domestic and overseas companies	P13	7,8,9
		Using environmentally friendly containers and packaging materials	Reduced weight of product containers.	Reduced weight of product containers.	Kikkoman Food Products/Nippon Del Monte	P14	7,8,9
	Promoting Environmental Management	Performing internal environmental audits	Conducted at six domestic and overseas companies.	Audited two overseas companies.	6 domestic and overseas companies	P15	7,8
		Achieving ISO 14001 certification for all major domestic facilities	Earned certification.	Began preparing to earn certification.	16 domestic areas	P15	7,8
	Promoting Environmental Communication	Participating in environmental education programs for communities and schools	Accepted intern from Chiba University, etc.	Accepted intern from Chiba University, etc.	Kikkoman Corporation	P16	7,8
		Environmental communication activities	Participated in the Eco-products International Fair, etc.	Participated in the Eco-products International Fair, etc.	Kikkoman Corporation	P16	7,8
	Environmental Risk Management	Environmental risk reduction activities	Held emergency drills on preventing soy sauce spills.	Enhanced the Kikkoman Environment & Food Safety Analysis Center.	Kikkoman Food Products	P17	7,8
			Adopted rules governing work on factory premises.	Held emergency drills.	Nippon Del Monte	P17	7,8
	Environmental Accounting	Environmental preservation investments	¥645 million	¥357 million	13 domestic and overseas companies	P19,20	7,8
		Environmental preservation expenses	¥2,159 million	¥2,356 million	13 domestic and overseas companies	P19,20	7,8
		Environmental preservation benefits	¥137 million	¥144 million	13 domestic and overseas companies	P19,20	7,8
Social Report	For Our Customers	Number of Quality Assurance Committee meetings	12 (held monthly)	12 (held monthly)	Group	P24	—
		Total number of inquiries received at the Kikkoman Consumer Center	25,839	25,552	Domestic Group companies	P27	—
	For Our Employees	Number of employees (Group)	5,268	5,263	Group	P3	—
		Average employee years of service	17.1	17.6	4 domestic companies	P28	—
		New hires	66	68	4 domestic companies	P28	—
		Disabled individual employment rate	1.76%	1.86%	Kikkoman Food Products	P28	6
		Number of participants in major self-improvement training programs	645	714	4 domestic companies	P30	—
		Frequency rate: Number of casualties resulting from occupational accidents per 1 million work hours	0.238%	0.531%	4 domestic companies	P31	—
		Severity rate: Number of work days lost due to occupational accidents requiring absence from work per 1,000 work hours	0.000%	0.004%	4 domestic companies	P31	—
	For Our Shareholders and Investors	Meetings with management for analysts and institutional investors	4	4	Kikkoman Corporation	P33	—
		Seminars for individual investors, etc.	11	13	Kikkoman Corporation	P33	—
	Working with Suppliers	Briefing new suppliers on compliance	100%	100%	Domestic manufacturing companies	P34	1-10
		Asking suppliers to strengthen their efforts to reduce environmental impacts	183	181	Domestic manufacturing companies	P34	7,8
	As a Member of the Local Community	Hands-on programs for parents and their children	Held five hands-on programs about food for parents and their children.	Held five hands-on programs about food for parents and their children.	6 domestic companies	P35	—
		Supporting exchange programs for high-school students	23 in the U.S.; 4 in Japan	17 in the U.S.; 4 in Japan	3 domestic and overseas companies	P36	—
		Supporting Food Banks	Donated products to Food Bank organizations (Japan and the U.S.).	Donated products to food bank organizations (Japan and the U.S.).	3 domestic and overseas companies	P36	1,2
Shokuiku	The Kikkoman Group's Shokuiku Activities	Number of participants in the Kikkoman Soy Sauce Academy	8,971	8,560	4 domestic companies	P37	—
		Number of participants in the Kikkoman Academy	808	3,259	5 domestic companies	P37	—
		Number of participants in factory tours	282,444	268,229	3 domestic companies	P37	—
		Number of participants in the hands-on soy sauce-making program	13,273	12,599	2 domestic companies	P38	—
Management Report	Corporate Governance	Number of Board of Directors meetings	11	11	Kikkoman Corporation	P41	—
		Number of Board of Auditors meetings	8	8	Kikkoman Corporation	P41	—
	Compliance	Requiring Group management to submit promissory letters to comply with the Code of Conduct	308	298	Group	P39	1-10
		Group Compliance Survey	Conducted a survey and directed companies to make improvements.	Conducted since FY2010.	21 domestic companies	P40	1-10
		Compliance training held by the Legal & Compliance Department	33	21	Group	P39	1-10
		Conducting overseas compliance fact-finding missions	5	4	5 overseas companies	P39	1-10
	Risk Management / Framework to Promote Corporate Social Responsibility	Holding Corporate Social Responsibility Committee meetings	3	4	Group	P42	1-10

Third-party Opinion



Katsuhiro Harada

Professor, Meiji Gakuin University
Senior Staff Writer, Nikkei Newspapers

Professor Harada has served primarily on international beats for Nikkei, working as a special correspondent in both São Paulo and New York, where he has covered the United Nations as well as such topics as non-profit organizations, corporate social responsibility, and business strategy at the so-called base of the pyramid. He has been a recipient of the NSK Award (presented by the Japan Newspaper Publishers & Editors Association), and he was appointed as a professor at Meiji Gakuin University in 2010. He also serves as the editor in chief of the *Alterna* Premium newsletter, and in the past he has served on a social business-related committee at the Ministry of Economy, Trade and Industry and on a BoP-related committee at the Japan International Cooperation Agency. He is the director of the Social Business Network. His numerous published works include *Striving to Be a Good CSR Company* (published by Nikkei Inc.) and *Borderless CSR: Moving beyond the Boundaries of Companies and NPOs* (published by Dobunkan Shuppan Co., Ltd.).

Kikkoman is known for its efforts through various fine-grained support initiatives to create workplace environments where women can work for the long term. The company was the first in Japan to sign the United Nations Global Compact, and it was the first manufacturer to pledge its support for the Principles for Responsible Investment (PRI) in writing. I have a strong impression of Kikkoman as a star company in the arena of corporate social responsibility.

As I read the Corporate Citizenship Report 2011, it became clear to me that this approach is rooted in the company's traditional corporate philosophy of fulfilling corporate responsibilities as a public entity and contribute to society. A number of companies with long histories have approached their management with an awareness of corporate social responsibility that predates the introduction of the concept of Western-style CSR. I believe that Kikkoman is a prototypical example of this tradition. Such companies are often said to be prone to adopt an inward-looking focus. In that sense, the "Kikkoman Group Social Responsibility Chart" (on pages 7 and 8), which was newly adopted this year, caught my eye. The chart makes clear that Kikkoman considers social responsibility to involve more than just "responsible corporate activities"; rather, it is an intrinsic part of realizing healthy, rich lifestyles and coexisting with the global community. It is evident that Kikkoman's approach to CSR is on par with that of other leading companies on the global stage.

I have an image of soy sauce as being a Japanese seasoning, so when I saw the breakdown of Kikkoman's profit I was surprised. There are customers in more than 100 countries, and overseas sales account for 62% of profit. I recalled my time as an overseas special correspondent, when it was easier to ask for "Kikkoman" than "soy sauce." As I read the report, it became clear to me that Kikkoman globalized its operations long ago, and that its management has evolved in a manner that befits those operations. The company's global character is clear in its recycling-oriented approach to making soy sauce, its efforts to prevent global warming, and its human resources development initiatives.

I do have a request, and it centers on the fact that the

report does not include enough information in some areas. I would like to know more about the supply chain. Safety of ingredients lies at the heart of food safety, but I found that the report did not provide enough information about the issue of soybean procurement—in short, about use of genetically modified soybeans, a topic in which consumers have shown great interest. The report makes no mention of the subject at all, and there is only a small amount of space dedicated to information about the company's use of non-GMO soybeans on the company website. From an accountability standpoint, I would like to see Kikkoman set aside more space for this topic and disclose its policies. Additionally, since Kikkoman is a signatory of the Global Compact, I would like to see more information about how human rights, for example of women and children, are being protected in the supply chain.

Furthermore, I would love to see Kikkoman embrace global issues as areas in which it can take action in the future. The United Nations Millennium Development Goals (MDGs) consist of eight goals conceived to promote progress in developing nations. Behind the goal of a "rich and varied food-lifestyle" surely lies a sustainable world free of starvation and poverty. Today, there are large numbers of children who do not have enough to eat. I would like Kikkoman to become more actively involved with this issue. This is a great and abiding wish of mine.

Unfortunately, there was an incident in which a number of employees at Kikkoman Food Product's Takasago Factory were arrested or had papers detailing illegal behavior forwarded to the Public Prosecutor's Office for alleged gambling. I suspect that the problem involves only a small number of employees at the facility, but I sense that there is a need to review the company's internal compliance system to ensure that the pursuit of an employee-friendly work environment does not lead to a loss of discipline.



Kikkoman Group
Corporate Citizenship Report 2011

Contact:

Kikkoman Corporation
2-1-1, Nishi-Shinbashi, Minato-ku, Tokyo 105-8428, Japan
TEL: +81-3-5521-5131
<http://www.kikkoman.com>