



Kikkoman Group
Corporate Citizenship Report 2009
Corporate Citizenship Report



seasoning your life



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.

This year's report consists of an introductory section including a special feature followed by three report sections covering management, social programs, and the environment. The introductory section is geared toward encouraging broad knowledge of the Kikkoman Group's activities, while the report sections, as in previous reports, focus on communicating activities undertaken during fiscal 2009 and their results. The introductory section's special feature describes the commitment embodied by Kikkoman's Promise, which was announced in 2008, and introduces some of the employees responsible for its implementation.

Detailed data not included in this report is available on Kikkoman's website at:
<http://www.kikkoman.co.jp/csr/>

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 domestic and overseas activities of the Kikkoman Group, comprising Kikkoman Corporation as well as its 62 consolidated subsidiaries and equity-method subsidiaries and affiliates (as of March 31, 2009). This report refers to Kikkoman Group as "Kikkoman Group" or "the Group" and to Kikkoman Corporation as "Kikkoman" or "the Company." Other companies are referred to by name.

Reporting Period

Fiscal 2009 (April 1, 2008-March 31, 2009)

This report may contain references to certain activities that were initiated prior to March 2008 or after April 2009.

Date of Publication

June 2009

Previous report: June 2008

Next report: Scheduled for June 2010

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 Management	5

Feature

Implementing Kikkoman's Promise 7

The Commitment behind Kikkoman's Promise 8

Initiatives for Implementing Kikkoman's Promise 11

The Kikkoman Group's Shokuiku Activities	15
Group Company Initiatives	17

Management Section 19

Corporate Governance	20
Compliance	21
Risk Management and Framework to Promote Corporate Social Responsibility	22

Social Report 23

For Our Customers	25
For Our Employees	29
For Our Shareholders and Investors	33
Working with Suppliers	34
As a Member of the Local Community	35

Environmental Report 37

Preventing Global Warming	39
Reducing and Recycling Wastes and Byproducts	41
Promoting Environmental Management System	43
Promoting Environmental Education	44
Environmental Risk Management	45
Participating in Environmental Activities	46
Energy, Resource and Discharge Flows	47
Environmental Accounting	48

Third-party Opinion	49
---------------------	----



About the photographs used on the cover and facing page (see page 50)

Kikkoman Group Overview (as of March 31, 2009)

Date of Establishment: December 7, 1917

Head Office: 250 Noda, Noda-shi, Chiba 278-8601, Japan

Phone: +81-4-7123-5111

Representatives: Yuzaburo Mogi, Chairman and CEO
Mitsuo Someya, President and COO

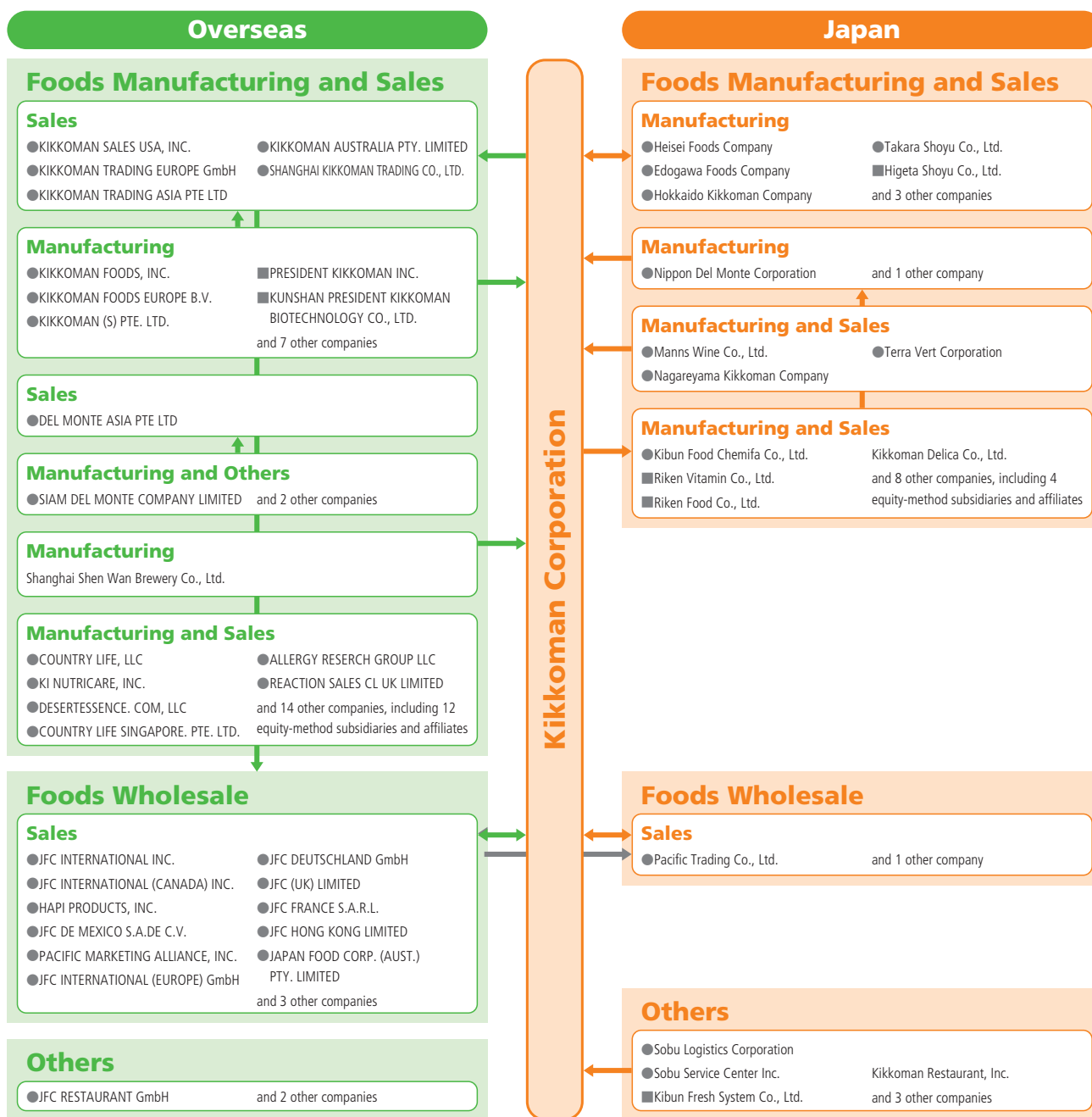
Paid-in Capital: ¥11,599 million

Number of Employees: 5,226

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

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

Affiliates

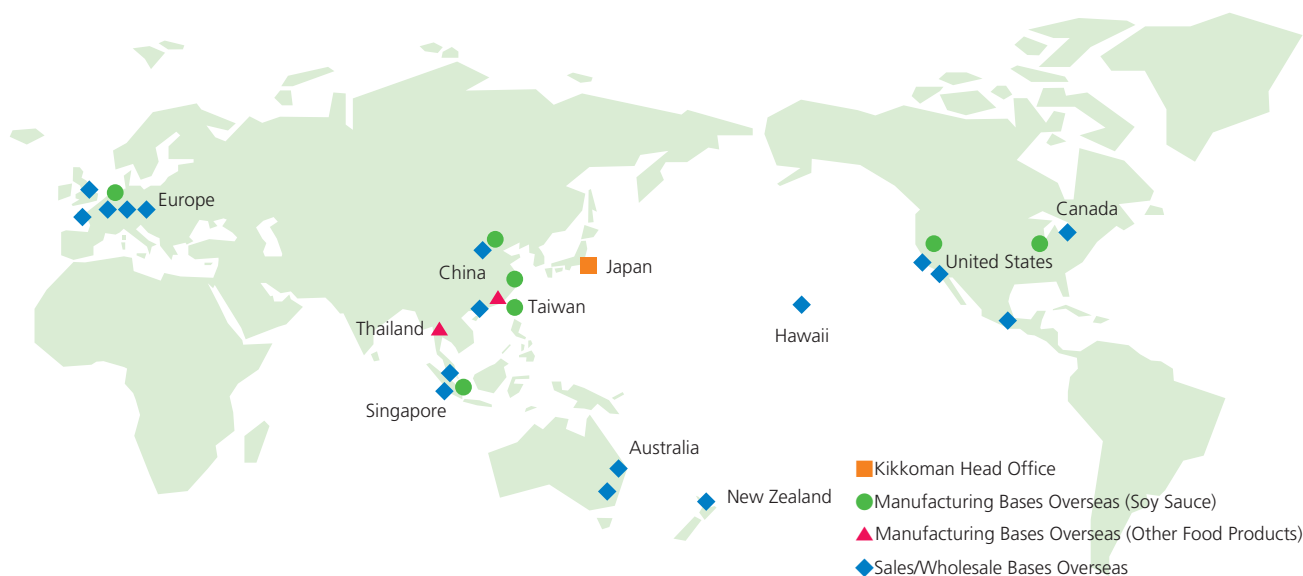


● Consolidated Subsidiaries (40 companies) ■ Equity-method unconsolidated subsidiaries and affiliates (22 companies)

* Kibun Food Chemifa Co., Ltd., changed its name to Foodchemifa Co., Ltd., effective April 1, 2009.

* The Coca-Cola business has been eliminated from the above table due to the transfer of some shares of Tone Coca-Cola Bottling Co., Ltd.

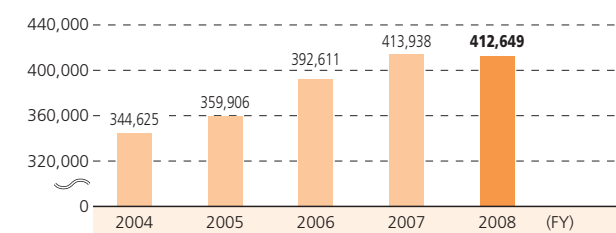
Domestic and Global Network



Financial Highlights

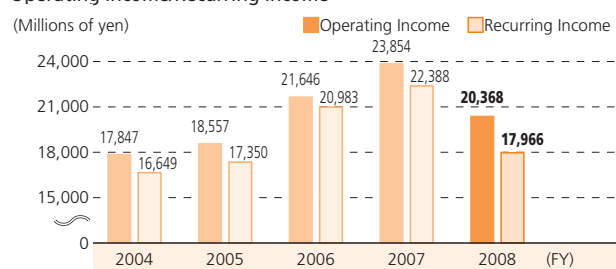
Net Sales

(Millions of yen)



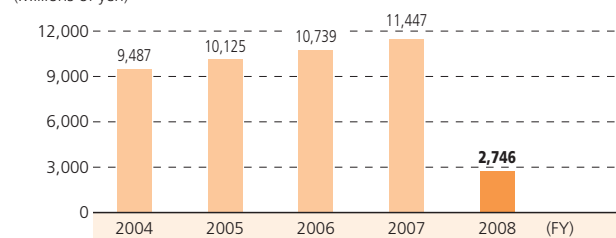
Operating Income/Recurring Income

(Millions of yen)



Net Income

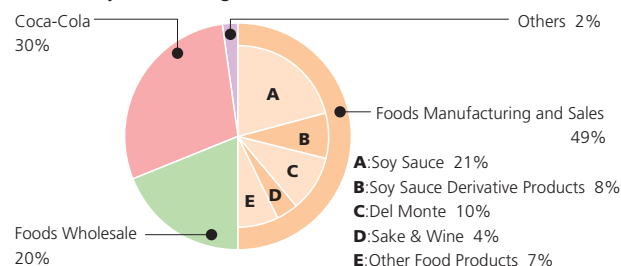
(Millions of yen)



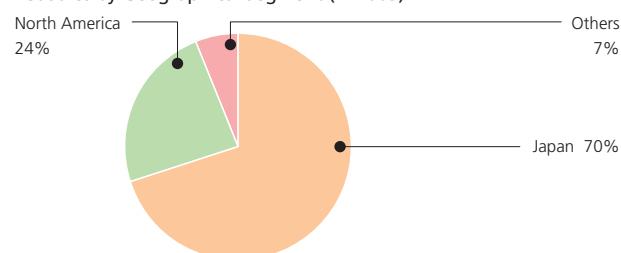
* Note about FY2009 net income

Net income decreased significantly compared to the previous fiscal year due to losses on the sale of shares in affiliates and an increase in the Company's corporate and other tax burden.

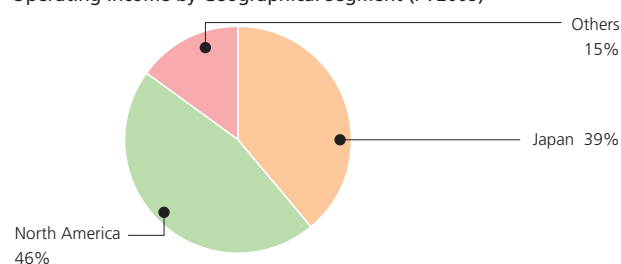
Net Sales by Business Segment (FY2009)



Net Sales by Geographical Segment (FY2009)



Operating Income by Geographical Segment (FY2009)



Note: "Net Sales by Business Segment" and "Net Sales by Geographical Segment" exclude intra-segment transactions.

Message from the CEO



Management Philosophy

The management philosophy of the Kikkoman Group is based on the following three pillars:

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

Kikkoman's "Corporate Social Responsibility"

We at Kikkoman have strived for the greater adoption of soy sauce in food cultures around the world, and thanks to our efforts soy sauce is now being used in over 100 countries. Japanese cuisine has experienced a boom worldwide, with more and more customers in more and more countries enjoying soy sauce and other Kikkoman Group products and services. Our business activities continue to grow increasingly global, but at the same time this also means that our relationship with the global community grows deeper and our social responsibility greater.

Kikkoman's approach to "Corporate Social Responsibility" is based on sound daily operations. Being in the food business, producing high quality products safely, sanitarily, and efficiently, in accordance with all regulations, is our most fundamental function. We believe that actively doing what we can to better society while carrying out our fundamental business activities is our responsibility as a public institution. By carrying out these activities worldwide, we hope to gain the trust of local communities and to become, as our group management principles state, "a company significant to the global society".

In 2001 we were the first Japanese company to sign the United Nations Global Compact. We agreed with its objective of resolving global issues through responsible corporate action.

Looking Back on 2008

The number of consumers who feel insecure about food safety has risen in recent years. In order to enable our customers to confidently enjoy our products we have taken a variety of measures to secure their safety, centered on the "Quality Assurance Committee" system. In 2008, in response to customer needs for detailed information regarding our products, we began providing information concerning the place of origin of ingredients in our domestically-produced products on our Web site. We will continue our "customer first" approach, working to provide products which customers can consume with peace-of-mind.

In June 2008, America's Kikkoman Foods, Inc. (KFI) plant in Wisconsin celebrated its 35th anniversary, and in November the plant in California celebrated its 10th anniversary. The history of these plants is also a history of coexistence with local communities. By advancing the localization of operations and positively acting as a good corporate citizen, we have established a mutually beneficial relationship with local communities. We were very pleased by the number of local residents who attended the anniversary celebrations of our plants, and by their warm applause. Also, as this report details, our plant in California has received very positive evaluations for its environmental approach, and was presented with an environmental award from Sacramento County. We will continue to make positive contributions as a member of the local community.

In June 2008 the Kikkoman Group added a new major corporate brand. The bedrock of this is our approach to business, and the "Kikkoman Promise", which embodies the value we provide to consumers through our activities.

All employees of the Kikkoman Group serve important roles in the realization of the "Kikkoman Promise" through their daily activities. The special feature of this report includes voices from the workplace, providing a glimpse into how we turn the "Kikkoman Promise" into reality.

Towards the Future of the Kikkoman Group

The Kikkoman Group moved to a holding company structure from October 2009. This was done to strengthen our management system and realize the vision for the group laid out in 2008. This future vision includes; "making Kikkoman soy sauce a global standard condiment", "being a company which supports healthy living through a healthy diet", and "being a company significant to the global society".

All of this means a continued deepening of the Kikkoman Group's relationship with the global community. Each of us realizes the gravity of this responsibility, and we wish to carry out our corporate responsibility as a public institution.

June 2009



Yuzaburo Mogi

Chairman and CEO

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.

Feature

Implementing Kikkoman's Promise

In 2008, we introduced a new corporate logo and corporate slogan based on Kikkoman's Promise, an explicit description of how we intend to go about pursuing our business and the value we hope to provide to customers through that business.

This section introduces the commitment behind Kikkoman's Promise and the initiatives through which we're working to implement it.

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.

The Commitment behind Kikkoman's Promise



In Kikkoman's Promise, we sought to craft a clear expression of the Kikkoman Group's commitment to its customers and to society.

What is Kikkoman's Promise?

Kikkoman's Promise as the embodiment of our commitment

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.



☉ About this photograph (see page 50)



kikkoman

Corporate Logo

The new corporate logo is based on the concept of "Heart to Heart Communication." The design evokes the joy of eating and the importance of a healthy heart and body.

The hexagonal mark located above and to the right of the Kikkoman logotype symbolizes the Kikkoman Group's dedication to fusing innovation with tradition. We selected orange, which is said to stimulate the appetite, as the corporate color to suggest health, youth, and vitality.

seasoning your life

Corporate Slogan

The new corporate slogan "seasoning your life" captures the essence of Kikkoman's Promise.

The commitment behind "seasoning your life"

"Seasoning your life" refers to the cumulative effect of the full range of experiences associated with food and eating in short, the joy and happiness of time spent at the dining table, and the associated benefits in terms of emotional and physical health. Behind this slogan lies Kikkoman's commitment to help people worldwide accumulate happy memories as they lead rich and meaningful lives.



Developing Kikkoman's Promise

Kikkoman's Promise is the culmination of a one-year process of careful deliberation and consideration undertaken by a broad cross-section of the Company's corporate officers and employees.

Exploring our commitment to customers

In April 2006, we formed a Working Group consisting of young and mid-level employees from various departments and tasked the group with creating the first draft of Kikkoman's Promise.

For six months, Working Group members hashed out each element of the promise by discussing the role Kikkoman should play for its customers and the nature of the commitment it should make to them.

Making a commitment that embodies value from the customer's perspective

In October of the same year, we launched a committee consisting of corporate officers, departmental managers, and other higher-level employees. This group considered the draft Kikkoman's Promise compiled by the Working Group from a more management perspective. Over the course of six months of discussions held with the occasional support of specialists in corporate communications, the committee refined the promise into its final form.

We worked hard to ensure that the promise would be easy to understand in its written form and that it would embody a statement of value for customers. In this way, Kikkoman's Promise, the product of this one-year effort, reflects the commitment of each and every Kikkoman Group member.

Communicating with customers

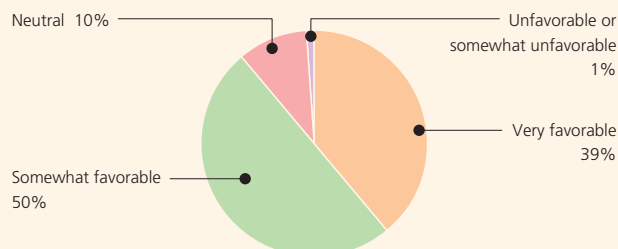
We're working to communicate the commitment behind Kikkoman's Promise to customers through advertisements and other means.

The announcement of the new corporate slogan and logo along with a declaration of the Company's commitment to implementing Kikkoman's Promise (ad placed in numerous newspapers in June 2008)



Favorable reaction to the Group's ongoing efforts to communicate its commitment to customers

Customers have reacted favorably to our ongoing efforts to communicate our commitment through advertisements and other means.



Source: Advertisement monitoring survey conducted by The Asahi Shimbun Company
 Date: March 23, 2009
 Target audience: Male and female readers age 15 to 69 in households subscribing to The Asahi Shimbun

VOICE

I feel pride and joy at being able to participate in laying the foundation for Kikkoman's Promise.

I spent a lot of time thinking about how we could best express our philosophy toward food, our corporate commitment, and our vision for the Company's future, and I was eager to craft a vision that would inspire dreams and pride in each and every employee. I feel pride and joy that I was able to participate in laying the foundation for Kikkoman's Promise.

Koji Nakayama
 Personnel Department
 Working Group member



I'll carry out Kikkoman's Promise with a sense of mission.

Kikkoman's Promise is a declaration of our Company's commitment and values, an expression of the significance of our continued existence for society. Each and every one of us who works at Kikkoman is dedicated to carrying out Kikkoman's Promise with a sense of mission and a strong awareness of connection with our work, our company, and society as a whole.

Yasuhiko Imai
 General Manager, Biochemical Department
 Committee member





Implementing Kikkoman's Promise

Exploring our commitment to customers

Kikkoman's Promise will hold no value for customers unless each and every employee honors it and by extension the commitment it embodies in their own conduct. Individual employees are aware of their importance as key persons in implementing Kikkoman's Promise, and we believe that it is important for each employee to approach the Promise as a personal commitment.

Practicing the commitment embodied by Kikkoman's Promise in our business

Regardless of the nature of their responsibilities, all Kikkoman employees, including those involved in manufacturing, research and development, sales, and customer service, play a key role in the Group's effort "to fill the world with the joys of food." Each of us is dedicated to fulfilling our job with sincerity, care, and creativity. And each of us will make good on Kikkoman's Promise by putting its tenets into practice in our work.

seasoning your life



Initiatives for Implementing the Promise

From raw material and ingredient procurement, manufacturing, and quality control to shipment, sales, and customer service, all Kikkoman Group employees play an important role in the effort "to fill the world with the joys of food."

Initiatives in procurement, manufacturing, and distribution



Raw material and ingredient procurement

Ensuring food safety by procuring safe raw materials and ingredients

Yuji Sasaki

Purchasing Group, Purchasing Department

My job is an important one that consists of ensuring safety and quality at the raw material and ingredient procurement stage while assuring that we are able to procure those materials in a stable and consistent manner. We take special precautions when procuring new raw materials and ingredients by obtaining detailed information from business partners and visiting production sites when possible to confirm the integrity and quality of associated manufacturing processes. We've responded to the increased difficulty of obtaining high-quality soybeans by visiting production sites on a regular basis so that we can build relationships of trust with business partners and ensure a stable supply of this key ingredient. In my daily responsibilities, I'm aware that procurement of safe raw materials and ingredients is the first step in ensuring food safety.



Procurement



Manufacturing

Product quality assurance

Assuring quality that meets customers' and society's expectations

Yoko Harada

Quality Assurance Department



In order to supply safe products to our customers, I work to verify safety at the raw material and ingredient, manufacturing, and sales stages and ensure the accuracy of product package labeling.

My department undertakes a series of checks to assure the safety of our products, for example by verifying the absence of residual agricultural chemicals or allergen contaminants in raw materials and ingredients and by monitoring sterilization conditions. In product labeling, we verify that allergens are properly noted on packaging, that all raw materials and ingredients are included on labeling, and that the labeling complies with relevant laws. I remain committed to assuring a level of quality that meets customers' and society's expectations so that our products continue to bring smiles to customers' faces.

Processing soy sauce ingredients

Taking responsibility for ingredients' progress to the next step in the production process

Daigaku Kudo

First Production Department, Noda Factory



I'm responsible for production processes in which we receive the ingredients of soy sauce soybeans, wheat, and salt and prepare them for the manufacture of high-quality Koji culture (a mixture of cooked soybeans and roasted wheat with seed mold) and Moromi mash (Koji culture with brine).

As manufacturing employees, we believe it is very important to be able to take responsibility for the ingredients we've processed as we pass them on to the next step in the production process. For example, in the roasting process for which I'm responsible, I do my utmost to send wheat of consistently high quality to the next step in the production process by setting processing parameters to reflect variations in air temperature and the condition of the wheat. I'll continue to play my part in the soy sauce manufacturing process with a strong determination not to lose customers' trust so that our products will bring smiles to their faces.



Soy sauce filling and packaging

Working together to deliver a safe product

Isao Matsuda

Second Production Department, Takasago Factory

My department is responsible for the process by which containers are filled with soy sauce and packaged for shipment. In addition to striving to keep our products safe by keeping out contaminants, my coworkers and I take special care to ensure that use-by dates and other information printed on product labels and cartons are accurate. We also check the ambient air temperature and humidity and adjust our climate control systems to maintain optimal conditions on a daily basis since cartons are highly susceptible to variations in environmental conditions. It's impossible to manufacture a safe product by one person; all employees must work together to monitor numerous parameters so that we can manufacture a product that customers will be proud to have chosen. I'll continue to work toward this goal.



Distribution

Quality control

Giving customers peace of mind that can't be quantified

Tsutomu Kumano

Quality Control Department, Production Division



My department is responsible for verifying that products are being safely manufactured and for developing mechanisms by which such verification can be adequately assured. We make a good-faith effort to accommodate feedback from customers and consider what manufacturing processes and inspections are best suited to ensuring the safety of our products so that customers can enjoy them with confidence and trust. Additionally, we strive to give customers reliability by providing manufacturing-related information in a timely manner. I believe that ensuring product safety and communicating trust that defies quantification to customers are key parts of making good on Kikkoman's Promise.

Distribution system

Ensuring the industry's best distribution quality with a new distribution system

Yuuki Fukushima

Logistics Planning Section, Logistics Department



I'm involved with developing mechanisms to deliver products to business partners in a safe and reliable manner. We strive to improve the quality of our distribution services by developing systems capable of flexibly accommodating a variety of requests from business partners, for example for delivery of products at a particular date and time. We've also rebuilt the system we use to check product inflows and outflows to improve the precision of tracking, giving us an accurate and instantaneous understanding of when and where products manufactured on a given date were delivered. The introduction of this new distribution system is just one way we're striving to achieve the best distribution quality in the industry, solidifying the Kikkoman Group's reputation for safety, security, timely, reliability, and courteous product distribution.

Sales Initiatives



Sales and Marketing

Helping create delightful memories with good food

Yugo Nagareda
National Retailer Sales Department

I work with our business partners to promote a new, Japan-inspired direction for customers' diets, which is to say a shift toward meals including plenty of rice and fresh seasonal vegetables.

For example, in the past we've held fairs showcasing easily prepared Japanese breakfast dishes to help keep kids from skipping meals as well as side dishes and lunch boxes that encourage consumption of rice, timed to coincide with the new rice harvest. We provide information resources in stores addressing topics like nutritional balance using an extensive selection of products ranging from soy sauce, a basic seasoning, to our Uchi-no-Gohan line of Japanese-style seasoning mixes. Our job is to help create delightful memories with good food for our customers by empowering families to enjoy a richer and more varied diet. Day in and day out, we strive to live up to this commitment.



Product sales



Customers

Recipe Development

Bringing smiles to customers' faces with delicious food

Kotoe Nakano
Menu Development Group, Product Management Division



Most seasonings are mixed with a variety of ingredients before they reach the customer's mouth. It's the Menu Development Group's job to create a wide variety of dishes as we explore which types of food best complement our carefully crafted products, and then to release the results of our work in the form of recipes.

We see our mission as introducing customers to a new, Japan-inspired diet that includes plenty of rice and vegetables, prepared in a style that suits customers' culinary preferences and lifestyles. In cooking, there's no single right answer. That's why we're always on the lookout for new ideas in our daily lives, soliciting input from a broad range of people as we strive to bring smiles to customers' faces with delicious food.

Responding to Customer Feedback

Acting as a bridge between customers and Kikkoman

Akira Takita
Kikkoman Consumer Center



Despite dealing with food daily, people are often unfamiliar with many aspects of what they eat, including how food products are best used and stored, which ingredients are used in processed foods, and how various products differ in quality.

When you have a question along these lines, try contacting the Kikkoman Customer Center listed on the product labeling. We'll answer your questions in good faith. Another important part of our Center's mission is ensuring customer feedback is brought to bear on the development of better products and services. We at Kikkoman's Customer Center do our best to respond quickly, accurately, and sincerely to all inquiries so that customers are glad they called to ask for information.

Kikkoman's Promise cannot be implemented by product manufacturing and sales employees alone. Behind the Promise lie the hard work and commitment of all employees, including those in management and back-office positions.

Back-office initiatives



Human resources system

Fostering employee motivation at Kikkoman

Tatsuto Arino

Compensation Group, Human Resources Department

In order for Kikkoman to provide customers with superior products and services, it's important that the Company foster employee motivation and remain an appealing place to work.

The Personnel Department is a service division that helps create companies and workplaces that foster employee motivation. It's also a strategic division charged with developing and implementing better human resources systems so that the Company will continue to grow. In the Personnel Department, we're committed to implementing Kikkoman's Promise by further activating employees and workplaces and ensuring that Kikkoman is a place that stimulates employee motivation.



Back-office divisions



Compliance

Earning the trust of society

Makiko Kihara

Legal Affairs Section, General Affairs Department

The Legal Section is concerned with the question of how Kikkoman can best earn the trust of society. Companies like Kikkoman that handle food products related to everyday health earn the trust of customers by ensuring that each and every employee abides by a strict ethical code. We're committed to living up to that trust by observing all applicable laws and regulations, a skill that we take very seriously and hone during compliance training. Trust is also cultivated through ongoing dialog, for example by making general shareholders' meeting an easy-to-participate place for all shareholders and publishing booklets that communicate information about the Company's management in an appropriate and easy-to-understand manner.

I look forward to continuing to communicate our commitment through trust-building activities such as these.

seasoning your life

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

Visiting Lectures to Increase Interest in Food and Eating

●Kikkoman Soy Sauce Academy

Kikkoman employee volunteers visit elementary and middle schools to talk about how soy sauce is made. During fiscal 2009, 193 presentations were given to about 6,100 students at 87 schools.

●Kikkoman Academy

People from schools and other organizations visit Kikkoman and experienced Kikkoman employees talk about various food-related topics. During fiscal 2009, 52 sessions were held with some 3,400 participants.

Factory Tours to Experience the Soy Sauce Brewing Process

Kikkoman offers tours of domestic soy sauce factories and Manns Wine's wineries. The Company offered hands-on soy sauce-making programs for elementary schools and other organizations a total of 183 times during fiscal 2009.

Cooking Classes to Stimulate Interest in Cooking

Kikkoman works with supermarkets nationwide to offer a selection of cooking lessons and seminars, including cooking classes for parents and children.

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 the Company's Shokuiku activities, seasonal recipes, and educational content for children. For more information about Kikkoman's Shokuiku initiatives, visit our website at:

URL <http://www.kikkoman.co.jp/corporate/life/shokuiku/index.html>

Topics

Kikkoman Receives Corporate 2009 Himawari Medal

In April 2009, Kikkoman received the 2009 Himawari Medal in the corporate category from Himawarinokai, a not-for-profit organization dedicated to supporting children and pregnant women, in recognition of its contributions to child-raising through its Shokuiku programs.



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

This year's report profiles the Soy Sauce Museum as an example of the Company's Shokuiku activities.

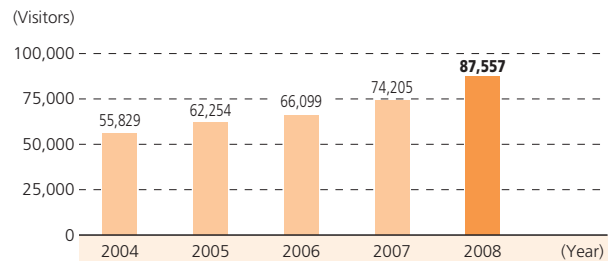


Soy Sauce Museum

The Soy Sauce Museum offers tours designed to give participants an opportunity to experience the color, flavor, and aroma of soy sauce.

The Soy Sauce Museum at Kikkoman's Noda Factory introduces the soy sauce manufacturing process and the history of soy sauce with easy-to-understand video and graphical exhibits. The facility gives visitors a more immediate understanding of soy sauce by allowing them to observe operations in a factory that actually produces the product as they tour various manufacturing processes and visit exhibit rooms where they can observe changes in the fermentation and aging of Moromi Mash. The experience provides an understanding of how soy sauce is made from soybeans and wheat.

Annual museum visitors



The number of visitors to the Soy Sauce Museum has been increasing annually and exceeded 80,000 people in fiscal 2009.

A small taste of what's available at the Soy Sauce Museum

Viewing Koji Culture

Visitors can view Koji culture at up to 1,000 times magnification under a microscope.



Experiencing differences in the color and aroma of soy sauce

Visitors learn how the color and aroma of soy sauce change after being allowed to sit at room temperature.



Observing changes as Moromi mash ages

The product's typical color, flavor, and aroma develop as Moromi mash of Koji culture and brine is allowed to age.



Soy Sauce World

Visitors have fun learning more about soy sauce through quizzes and information about various dishes prepared using soy sauce.



Take a break at Mame Cafe

Visitors to the Soy Sauce Museum can sample soy sauce at Mame Cafe. Learn about the color, flavor, and aroma of soy sauce and its mysterious ability to bring out the flavor of other ingredients as you enjoy soy sauce-flavored soft-serve ice cream, try your hand at making rice crackers, and sample a special pork miso soup made with Moromi mash.



- Location: Inside Kikkoman's Noda Factory, 110 Noda, Noda-shi, Chiba Prefecture
- Directions: By train, take the Tobu Noda Line and get off at Nodashi Station. Noda Factory is a 3-minute walk. By car, take the Joban Expressway and get off at Kashiwa Interchange. Drive toward Kasukabe and Iwatsuki on National Route 16 for about 8 kilometers. Alternately, get off at Nagareyama Interchange and drive toward Noda for about 9 kilometers.
- Hours: 9:00 am to 4:00 pm
- Closed: Golden Week, Obon, and New Year's
- Inquiries and reservations: Call +81-4-7123-5136 between the hours of 9:00 am and 4:00 pm (except when the Museum is closed).

Group Company Initiatives

The Kikkoman Group includes 62 domestic and overseas companies, each of which is striving to contribute to society as a good corporate citizen in its particular area of operations.

Initiatives at Kikkoman Foods, Inc.

Kikkoman soy sauce has become a fixture of the diet in the United States since the Company established a sales and marketing facility in San Francisco in 1957 as the first step in an effort to enter the U.S. market in full scale. At first, soy sauce was imported from Japan, but as consumption of the product grew in the U.S. as a result of steady marketing efforts, we established Kikkoman Foods, Inc., (KFI) in Wisconsin in 1972 as our first manufacturing facility in the U.S. The soy sauce market continued to enjoy steady growth, and we opened the California Plant in 1998 as KFI's second manufacturing facility.

We've consistently emphasized coexistence with local communities as we've developed our businesses. KFI has sought to play a positive role as a good corporate citizen in the communities in which it is active by pursuing a series of programs designed to help resolve environmental problems and contribute to local employment. As an example of such initiatives, this section introduces environmental measures being undertaken at KFI's California Plant. Residents of California have a particularly pronounced awareness of environmental issues compared to other U.S. states, and KFI's California Plant is actively involved in environmental measures. The company's activities have been praised by the local community, including in the form of awards from Sacramento County, where it is located.



California Plant employees pictured with three certificates recognizing their facility's environmental programs

Environmental awards received by the California Plant in 2008

Sacramento Sustainable Business Award (SSB)

An award given to corporations by Sacramento County in recognition of praiseworthy efforts in areas including energy and water conservation, pollution prevention, and waste reduction. KFI's California Plant was recognized with this award in both 2007 and 2008.

Waste Reduction Award Program Award (WRAP)

An award given to companies that have undertaken notable activities in the area of waste reduction. KFI's California Plant has won the award a total of eight times (in 1999, 2001, 2002, 2003, 2004, 2005, 2006, and 2008).

Sacramento Environmental Commission Award (SEC)

An award given to companies that are actively involved in environmental activities by a Sacramento County-based environmental group. KFI's California Plant was recognized with this award in both 2007 and 2008.

VOICE

Feeling pride as an employee in having received these awards

We've received a number of environmental awards recognizing the environmental measures we've put in place over time. When I describe our achievements to customers, I feel pride as an employee. Thanks to initiatives such as these in my workplace, I've come to actively pursue environmental conservation at home, too.



Rebecca Phillip
General Affairs Supervisor

Having fun pursuing environmental conservation

The California Plant is working with local government to recycle toxic waste and other waste products as part of its environmental conservation program. Since I believe that by reducing the environmental impact of their operations companies can help enable everyone on Earth to lead happy lives, I'm enjoying being involved in these initiatives.



Mike Hermle
Maintenance worker in charge of electrical power

The California Plant has been involved in numerous environmental initiatives. This section introduces three of the facility's community-based activities.

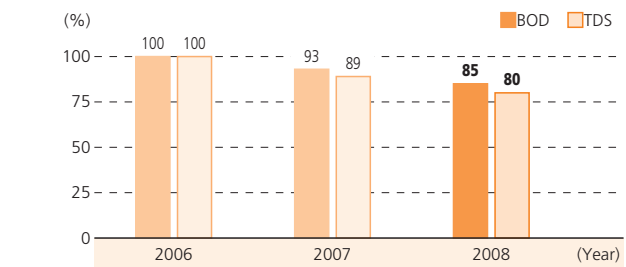
Reducing the environmental impact of operations through wastewater treatment

The California Plant is particularly cautious about managing the wastewater it produces in order to minimize the impact of its operations on the environment. In addition to reducing wastewater flows by improving work processes, the facility has been successful in aggressive efforts to reduce contamination of wastewater with pollutants by improving equipment and facilities, for example by changing the material out of which conveyor belts are made to minimize adherence of raw materials.



Conveyor belt maintenance

● Rate of reduction of environmental impact (BOD※1 and TDS※2)



Fiscal 2007: 100%

※1 BOD: Biochemical oxygen demand; higher values indicate more pollution of river water.

※2 TDS: Total dissolved solids; higher values indicate more contamination of river water.

Using renewable energy

The California Plant began participating in the Greenergy® program offered by its Sacramento County power company in order to make use of environmentally friendly renewable energy.

The California Plant has been purchasing renewable energy from sources including methane fermentation, wind power,

solar power, and hydrogen power through the program since April 2008, and 10% of its monthly power consumption now consists of renewable energy. The plant is looking for ways to further increase these purchases, including in terms of the return likely to be generated by any associated investments, as a member of the local community.

Reducing power consumption

The California Plant has been installing skylights for some time as a means of reducing power usage for lighting. During fiscal 2009, the facility installed skylights in space gained from a recent expansion, bringing the total number of power consumption-reducing skylights to 41. The plant has also sought to reduce power use by installing sensor-activated lighting in areas where work is not performed continuously. Additionally, power and water usage are monitored at all times by a process monitoring system.



Skylight installed in space gained from a recent expansion



KFI's California Plant

KIKKOMAN FOODS, INC. (KFI)

Company Overview (as of March 31, 2009)

- Established: 1972
- Head Office: N1365 Six Corners Road, Walworth, Wisconsin 53184, U.S.A.
- Plants: Wisconsin Plant, California Plant
- President: Kazuo Shimizu
- Number of Employees: 190
- Business Operation: Manufacture of soy sauce and other food products

Management Section

**The Kikkoman Group strives to build and strengthen
its management framework in order to fulfill
its corporate social responsibility as a good corporate citizen.**

Corporate Governance	20
Compliance	21
Risk Management and Framework to Promote Corporate Social Responsibility	22

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 employs a corporate auditor system. We have taken additional steps 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. Specifically, we have introduced a corporate officer system, appointed outside directors and auditors, and formed a Nominating Committee and Remuneration Committee.

In 2001, we introduced a corporate officer system to expedite decision-making and streamline responsibilities for business execution. The Board of Directors formulates Group management strategies, makes important decisions based on its internal decision-making guidelines, and oversees business execution by corporate officers. In 2004, we established the positions of chairman of the board and Chief Executive Officer (CEO), and president and Chief Operating Officer (COO). The CEO is the highest-ranking decision-maker in our Group management structure. Under the CEO, the Management Committee functions as a deliberative body for decision-making. The COO holds the ultimate responsibility for making operational decisions and ensuring execution of the business operations of Kikkoman Corporation. Under the COO, the Corporate Officers Meeting functions as a deliberative body for decision-making.

The corporate auditors conduct audits in accordance with rules, auditing policies, and audit plans established by the Board of Corporate Auditors. When planning and carrying out audits at the end of the interim period and the fiscal year, the corporate auditors meet with the independent auditors to hear briefings on plans and reports and exchange opinions. The corporate auditors work with the Internal Auditing Department in carrying out their auditing duties.

In 2002, we established a Nominating Committee and Remuneration Committee, each body comprising three directors, two of whom are outside directors. The Nominating Committee makes recommendations to the Board of Directors on candidates for director, corporate auditor, and corporate officer. Candidates for corporate auditor are approved by the Board of Corporate Auditors. The Remuneration Committee formulates remuneration proposals for directors, corporate auditors, and corporate officers.

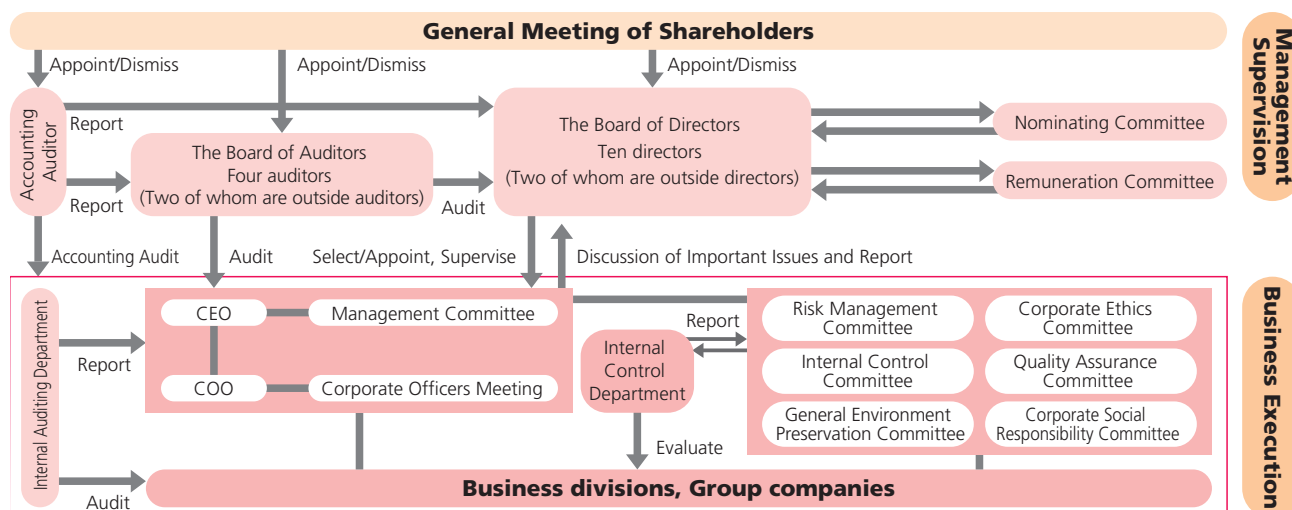
Internal Control System

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 March 31, 2009)



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.

Kikkoman's Code of Conduct and Compliance System

The Kikkoman Group has established a Code of Conduct, which states that every officer and employee should execute his/her duties with a sense of ethics and mission, and should contribute to the development of society. Kikkoman has established a Corporate Ethics Committee to ensure that the Code of Conduct is put into practice. The committee comprises two outside experts such as lawyers and three Kikkoman directors and/or corporate officers. Members are responsible for reviewing and implementing all compliance-related policies and measures for the Group.



Pocket Guide

Compliance Education and Awareness Programs

To raise employee awareness of and enforce corporate ethics based on our Code of Conduct, we provide compliance education during training sessions for all managers/supervisors, newly appointed managers/supervisors, and new mid-career hires. Compliance education is also incorporated into training programs for all new recruits.

All managerial employees holding positions of director, corporate officer, manager/supervisor, within Kikkoman Corporation, as well as the presidents of Group companies, are obliged to submit an annual written oath to the CEO pledging their compliance with the Code of Conduct. The entire Group strives to practice compliance with corporate ethics as well as laws and regulations.

Kikkoman Group legal affairs officers and other personnel conduct compliance fact-finding missions to domestic and overseas Group companies. The Mission, which visited three companies in the United States during FY2008, inspected three companies in Shanghai and Taiwan in FY2009. Other compliance education and awareness programs included compliance audits of Group companies in Japan by the Internal Auditing Department.

During FY2010, the Mission plans to continue site-based awareness-raising activities through visits to Group companies in Japan and overseas.

Ethics Hotline

Kikkoman has established an ethics office that provides a communication channel for employees to report on compliance violations, including violations of the Code of Conduct. Employees are made aware of the office through internal notices, company newsletters, and training sessions. In FY2008, the office was opened to part-time workers and temporary workers in an effort to enhance the Company's internal reporting system. Group companies continue efforts to open ethics offices, and some have implemented systems that allow their employees to make use of Kikkoman's ethics office. The office provides two ethics hotlines: an external hotline that is managed by an outside lawyer as well as an internal hotline that is staffed with employees as part of the Secretariat of the Corporate Ethics Committee. Both hotlines receive reports 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.

Protecting Personal Information

Kikkoman is committed to handling personal information in an appropriate manner. In addition to establishing a Personal Information Protection Committee to oversee and verify the protection of personal information companywide in accordance with our Personal Information Protection Regulations, which lay out systems and guidelines relating to the protection of personal information, we have put in place a system for aggressively protecting the confidentiality and integrity of personal information by assigning personal information protection officers and supervisors in all of the Company's departments.

We have also compiled a series of rules outlining precautions that should be taken in everyday activities, for example concerning the appropriate use of mobile phones, and Q&As addressing hypothetical situations. We strive to ensure broad employee awareness of this content, for example through internal training sessions.

Topics

Compliance System Questionnaire

- Kikkoman administered a compliance system questionnaire in FY2009. The biennial survey, which is given to all employees, including part-time and temporary workers, is designed to gauge awareness of the Code of Conduct and to assess the extent to which the ethics office is being utilized. The results of the questionnaire were reported in the February 2009 issue of the company newsletter, and the Company plans to develop its compliance system based on the feedback that was received.

Risk Management and Framework to Promote Corporate Social Responsibility

We're working to enhance the management framework by means of which we prevent the emergence of risks. We've also developed a framework to promote activities related to corporate social responsibility, and we're actively involved in associated initiatives.

Risk Management System

At Kikkoman, each corporate officer manages his/her division so as to prevent the emergence of perceived risks relating to our corporate 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 Kikkoman subsidiary Pacific Trading discovered in 2008 that mackerel and other processed foods exported to Australia had been labeled improperly, the company reported the incident to local authorities and initiated a recall of the affected products. To prevent similar problems from recurring in the future, the company rechecked labeling on all of the products it handles and reviewed the verification systems in place.

We also updated a manual developed in 2007 to guide the Group's response to a potential pandemic flu outbreak, and Kikkoman set aside a store of masks and other supplies.

Framework to Promote Corporate Social Responsibility

We believe 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, Kikkoman established a Corporate Social Responsibility Committee, a cross-divisional, cross-functional body to promote associated initiatives. Several departments are represented on the committee, including Public Relations & Investor Relations, Environment, General Affairs, Human Resources, Corporate Planning, and Foreign Operations.

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



Social Section

The Kikkoman Group is involved in a range of initiatives to fulfill its responsibilities to customers and other stakeholders.

For Our Customers	25
For Our Employees	29
For Our Shareholders and Investors	33
Working with Suppliers	34
As a Member of the Local Community	35

Stakeholder Initiatives

Customers

Providing Safe and High-quality Products

- Kikkoman Group Quality Policy
- Quality Assurance System
- Quality Assurance in the Product Development Phase
- Quality Assurance in the Production Phase

Pursuing Customer Satisfaction

- Utilizing Customer Feedback

Employees

Creating Workplaces that Facilitate Employee Self-fulfillment

- Ensuring Fairness and Employee Independence in Human Resources
- Preventing Harassment
- Barrier-free Initiatives and Promoting Employment of People with Disabilities
- Respecting Employees' Work-Life Balance
- Maintaining Sound Labor-Management Relationships
- Socially Responsible Corporate Pension Management

Improving Employee Skills and Fostering Career Development

- Translating the Human Resources Development Vision into Reality
- Self-improvement Training Programs

Occupational Safety and Health Management System

- Promoting Safety and Health Activities
- Encouraging Employee Physical and Mental Well-being

Local Communities

- Kikkoman Group Social Activities
 - 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
- Ensuring Ingredient Quality
- Environmental Considerations in Procurement



For Our Customers

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

● Providing Safe and High-quality Products

Kikkoman Group Quality Assurance Policy

The Kikkoman Group pursues quality assurance activities covering the entire process of developing and marketing products in accordance with the Kikkoman Group Quality Policy. Additionally, our website details our efforts to improve quality assurance in a section called “Initiatives for Providing Greater Safety and Assurance” with the aim of helping customers to have greater confidence in our products.

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 System

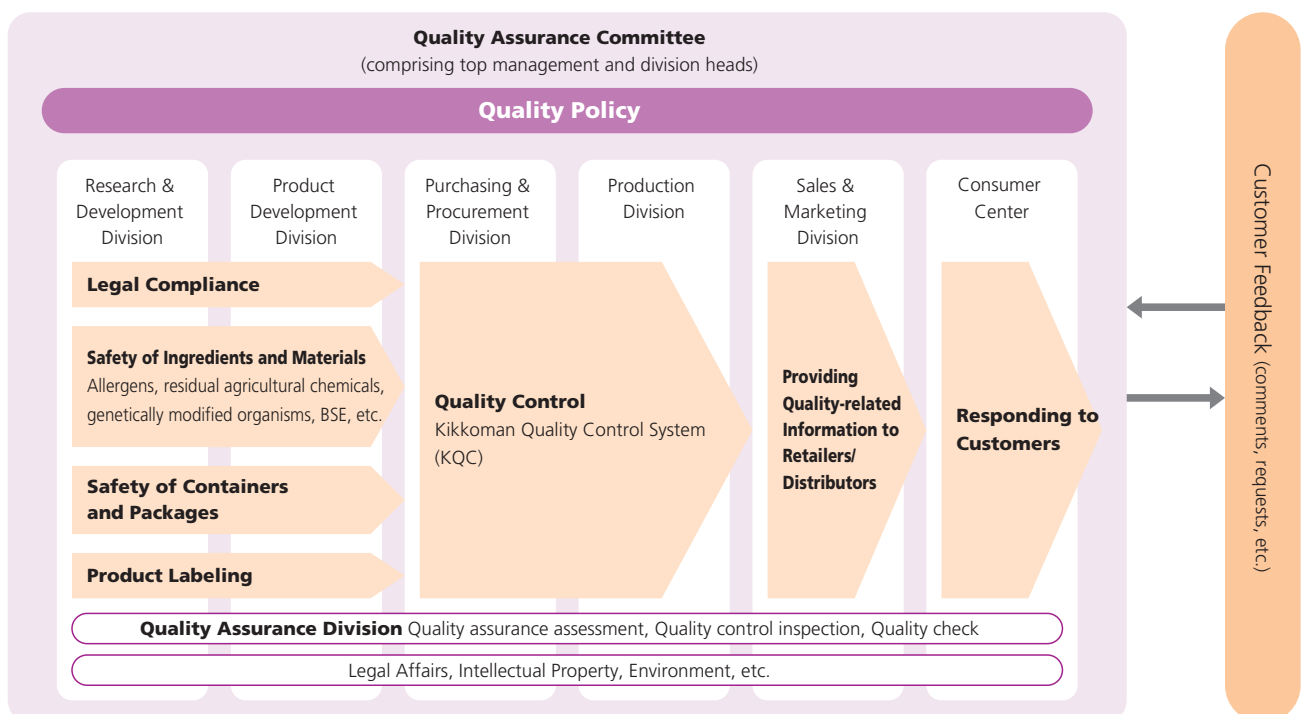
Quality Assurance Department

In 1985, Kikkoman established the Quality Assurance Department, one of the first such units to be introduced in the Japanese food industry. This department is responsible for thoroughly inspecting the entire process from procurement of ingredients and materials to sales and marketing from the standpoint of ensuring safety, legal compliance, and social fairness. Particularly important issues and cases are investigated by a Quality Assurance Committee. We have in place a system to prevent any product that fails these inspections from reaching the marketplace. The Quality Assurance Department and the Quality Assurance Committee play key roles in Kikkoman's quality assurance program.

Quality Assurance Committee

The Quality Assurance Committee, established in 1986, is made up of top management and the heads of related divisions. The Committee meets every month to review important matters, address quality assurance issues, develop internal guidelines, and shape the Group's food safety policy, all with the aim of enhancing our quality assurance activities.

● Quality Assurance System



Quality Assurance in the Product Development Phase

Safety of Ingredients and Materials

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:

●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 established efficient and accurate analytical methods in 2007 to facilitate timely detection of any of 300 commonly used agricultural chemicals. In FY2009, we strengthened voluntary analysis of ingredients and materials imported from China.

●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.

●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.

Product Labeling

●Legal and Regulatory Compliance

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 to adopt the customer's perspective, Kikkoman seeks to ensure that labeling conforms to standards of social fairness by verifying that product packaging and advertisements do not contain exaggerated or misleading information, and that they comply with our internal labeling guidelines.

●Specific Label-listing of 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 go a step further by ensuring the accuracy of our product labels through our own quality examinations and through voluntary inspection of ingredients and materials. Additionally, we work to provide useful information to customers, for example launching a “Product Information” section on our website in 2008 to provide an easy-to-understand indication of which products include the 7 ingredients whose listing is mandatory or the 18 ingredients whose listing is recommended.

The screenshot shows a webpage with a table of allergen information. The table has columns for product names and allergen status. The allergens listed are: 小麦 (Wheat), 卵 (Egg), 大豆 (Soybean), 牛乳 (Milk), 豚肉 (Pork), 鶏肉 (Chicken), and 魚介類 (Seafood). The products listed include various types of soy sauce and other condiments. The table indicates whether each product contains any of the listed allergens.

Allergy information presented in the “Product Information” section

URL: <http://www.kikkoman.co.jp/products/>

Container and Packaging Safety and Environmental Considerations

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.

In addition, we strive to minimize environmental impact in this area by having a Containers and Packaging Committee verify that all containers and packaging meet our internal environmental standards. We do not use any container that does not conform to these standards.

Quality Assurance in the Production Phase

Quality Control System

Kikkoman manages production in accordance with Kikkoman Quality Control (KQC), a quality control system incorporating elements of the ISO 9001 international quality management system standard, GMP^{※1}, and HACCP^{※2}. Specifically, we seek to eliminate risks through process management, including work procedures; facilities management; and employee health management. We also work to enhance these programs through education and training. Additionally, we conduct quality inspections at each stage of the production process to ensure the safety of our products, including both acceptance inspections for ingredients and materials and inspections of semi-finished goods and completed products.

※1 GMP (Good Manufacturing Practice): Standard for plant facilities and procedures for the production of food.

※2 HACCP (Hazard Analysis and Critical Control Point): System for preventing food accidents.

●Kikkoman Quality Control (KQC)

Kikkoman Quality Control System

Implementing a quality plan under ISO 9001

Preventing food hazards with HACCP techniques

Health management through GMP

Monitoring Quality Control

Kikkoman monitors quality control practices based on the KQC system to ensure that our quality control system is continuously reviewed and improved.

Not only in Kikkoman's domestic factories but also in the Group's major manufacturing facilities overseas, internal inspectors regularly carry out comprehensive inspections of food sanitation and facility management in order to ensure that consumers in all countries can use Kikkoman products with confidence and reliability.



A regular inspection being carried out at a manufacturing plant

● 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.

Utilizing Customer Feedback

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 (see page 25) helps bring customer feedback to bear in our efforts to both improve existing products and develop new ones.

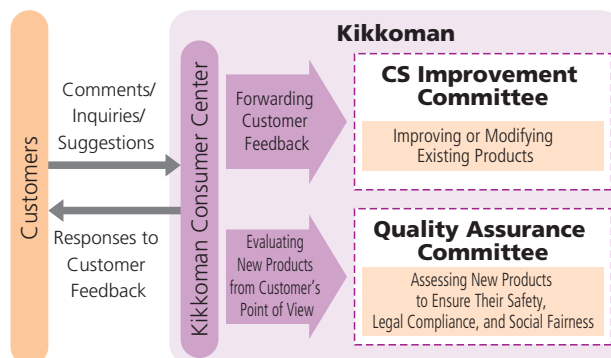
● Customer inquiries at the Kikkoman Consumer Center

FY	Total inquiries	Comments	Inquiries	Suggestions
2004	17,022	1,194	14,734	1,094
2005	16,748	1,025	14,457	1,226
2006	19,518	1,135	16,785	1,598
2007	21,758	1,421	18,414	1,923
2008	23,981	1,235	20,245	2,501

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



Communicating information through our website

The Kikkoman Consumer Center's website features a Q&A section based on questions and comments from our customers. Information about the present original value of our product with the most inquiries has been published since 2008. The site also updates product improvement examples that were implemented from customer feedback and other information are regularly revised and updated as well.

URL <http://www.kikkoman.co.jp/soudan/>

Initiative Profile

Customer Feedback in Product Labeling

We strive to provide the information customers require in the limited space available on product labeling.

As an example of these efforts, we recently added an easy-to-understand description of salt content and color to labeling on Usukuchi Shoyu products to address the fact that a large number of customers were assuming that those products were lower in salt. Other initiatives include the addition of nutrient information to soy sauce labeling to accommodate numerous customer inquiries.



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.

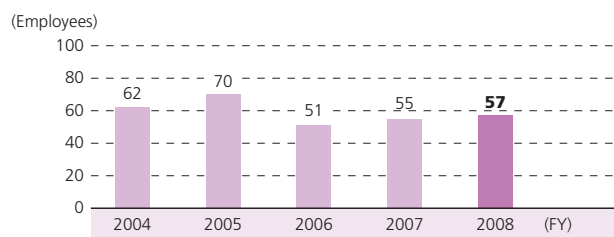
● Creating Workplaces that Facilitate Employee Self-fulfillment

Basic Approach

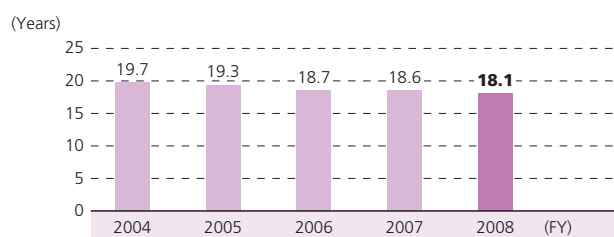
We have a basic policy of “respecting every employee’s human rights” in the belief that “a company can fare well only when its employees lead healthy and happy lives.” Under this policy, we believe in employees’ potential, avoid practicing or condoning unlawful discrimination, ensure equal opportunity,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

Ensuring 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.

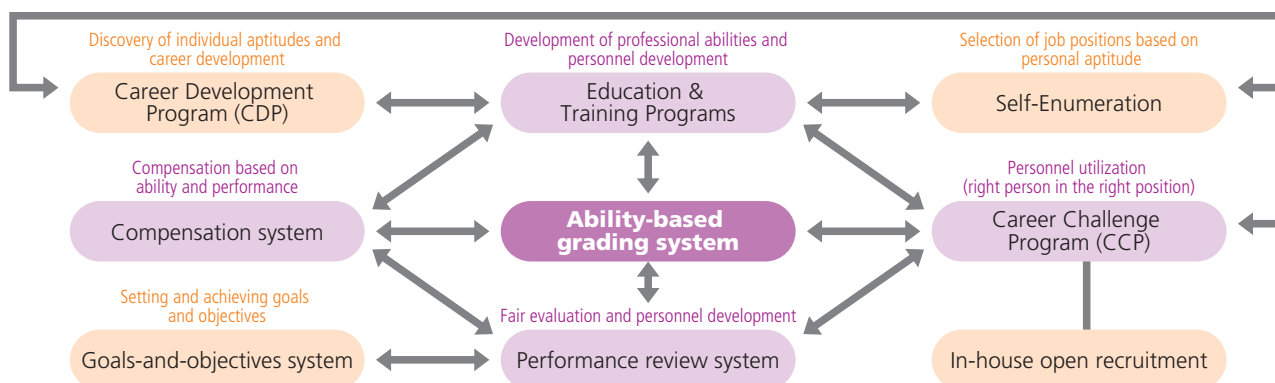
Each employee’s individual performance is reviewed under a goals-and-objectives system whereby supervisors conduct interviews with their staff. Prior to the interviews, all supervisors are required to receive assessor training in order to ensure the fairness of reviews. We strive to support employees’ 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 in offices and factories around the country to monitor implementation of the system. In FY2009, departmental staff visited the Kanto region (Tochigi, Gunma, Niigata, and Nagano) and the Hokkaido region.

Preventing Harassment

Kikkoman regards sexual harassment and abuse of power (“bossing”) as human rights violations and prohibits them in the Company’s working regulations. The Human Resources Department is responsible for preventing and handling harassment issues, and we have male and female counseling staff assigned at the Noda Head Office, Tokyo Head Office, Takasago Factory, and Kinki Branch Office.

Furthermore, we continue to raise employee awareness of this issue through training programs for managers and supervisors as well as various initiatives undertaken by the Sexual Harassment Prevention Committee.

● Human Resource Management System



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 FY2009, the proportion of employees with disabilities in the total workforce was 1.75%.

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

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. Up to one week of paid time can be taken during the first eight weeks following birth (since FY2009).
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 18 months 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.
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.

Kikkoman introduced childcare leave 10 years before such programs were mandated by law, and family care leave at least 20 years before such programs were mandated by law. A total of 286 employees have made use of childcare leave since it was introduced, and a total of 45 employees have made use of family care leave.

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. Since becoming a signatory to the Principles, we regularly update our investment portfolio based on assessment of the entities in which we invest while maintaining an effective balance between stability and profitability.

*Principles of Responsible Investment: Voluntary principles for investment decision-making proposed in 2005 by then UN Secretary-General Kofi Annan and coordinated by the UN Environment Programme Finance Initiative (UNEP FI) and the UN Global Compact.

● Topics

Kikkoman Commits to Fostering a Dynamic Work Environment

On March 6, 2009, Kikkoman was certified by Chiba Prefecture as a participant in its “Dynamic Work Environment Declaration” program.

The program is administered by Chiba Prefecture as part of an effort to support and increase the number of companies working to create work environments conducive to child-raising on the part of employees. The prefecture's website profiles some of Kikkoman's initiatives in this area.

● URL

http://www.pref.chiba.lg.jp/syozoku/f_rousei/ryoritu/p01_02.html

● Improving Employee Skills and Fostering Career Development

Basic Approach

Kikkoman's education and training programs are founded on the three goals of self-study, development of professional abilities, and lifelong learning based on the Human Resources Development Vision. The Vision is formulated to cultivate 21st-century professionals by supporting the career and skills development efforts of employees who work proactively in an era of focused expertise and individual competence and who are expected to bring about positive changes in the corporate environment.

Translating the Human Resources Development Vision into Reality

In order to put the Human Resources Development Vision into practice during FY2009, we provided intensive training programs for supervisors to improve their staff-training skills and fostered a sense of commitment among employees through workshops. These activities included an aggressive effort to improve compliance awareness and prevent harassment through various programs.

Self-improvement Training Programs

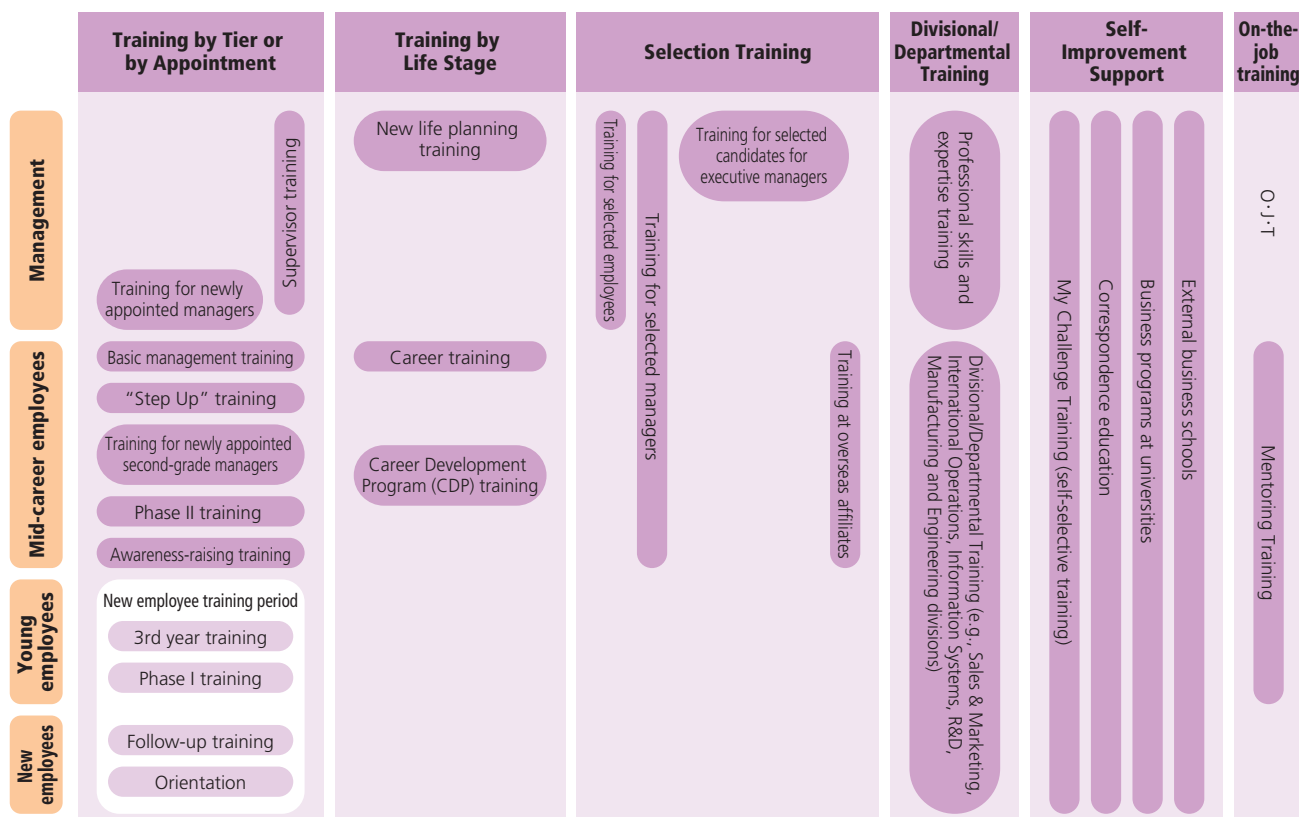
In addition to tier-based training, Kikkoman makes self-improvement training available to all employees to help them make explicit plans for their career paths. Our range of training programs includes attending business management courses offered by external business schools and universities; a program called "My Challenge Training," which allows trainees to select from several courses; correspondence courses; and e-learning courses.

Through these educational and training opportunities, we will continue to support employees as they build skills and pursue careers in ways that meet their individual needs and goals.

● Number of participants in self-improvement training programs in FY2009

Training program	Number of participants
Correspondence courses	489
Business school scholarships	27
Scholarships for business management courses at universities	8
My Challenge Training	111

● FY2009 Human Resource Development Chart



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 was one accident resulting in a work stoppage during FY2009. The Company is committed to strengthening efforts to eliminate accidents by applying risk assessment practices companywide.



Monitoring inspection by corporate executives

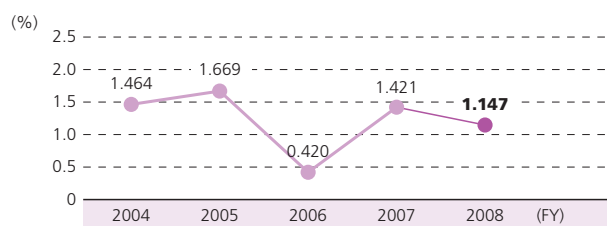
Encouraging Employee Physical and Mental Well-being

At Kikkoman, all employees are encouraged to undergo annual medical check-ups in order to maintain good physical and mental health. An occupational medical nurse follows up with those who need re-examination. Additionally, in cooperation with the Japan Industrial Counselors Association, we provide counseling and training for employees on mental health care. Use of a health databank helps individual employees manage their health in accordance with the results of their check-ups.

To prevent health problems and accidents caused by overwork, the Personnel Department notifies employees whose overtime exceeds the upper limit set forth in a special agreement between labor and management in accordance with Article 36 of Japan's Labor Standards Act. In addition, employees are encouraged to manage their health through interviews with industrial physicians.

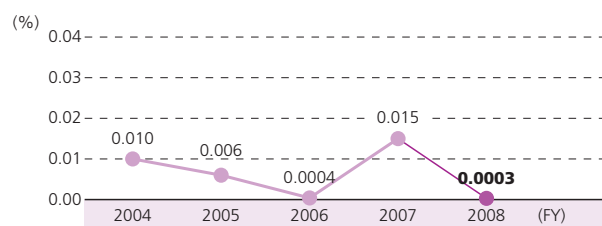
Kikkoman is committed to providing an environment that encourages employees to manage and improve their own health through such measures as the appropriate management of work hours by means of an overtime management system introduced in 2006 and monthly "No Overtime" days.

Changes in frequency rate^{※1} (non-consolidated basis)



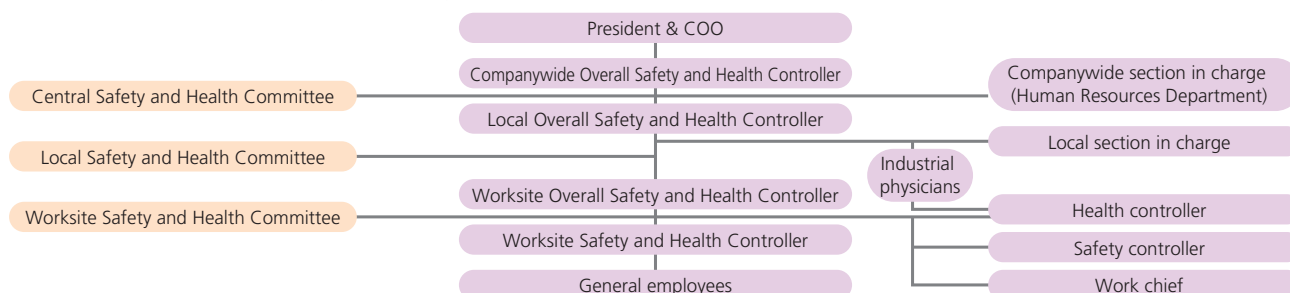
※1 Frequency rate: An indicator of the frequency of disasters/accidents, represented by the number of casualties resulting from occupational accidents per 1 million work hours (non-absence injuries count as 0.5 persons).

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 (non-absence injuries count as 0.5 days).

Safety and Health Management Organization



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

Kikkoman places importance on information disclosure and investor relations (IR) activities that focus on fairness, timeliness, and expeditiousness. In addition to holding IR meetings in Japan, 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 FY2009, we held three meetings with management for analysts and institutional investors as well as two factory tours. For individual investors, we held 12 seminars introducing the Company and 1 factory tour. 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 schedules the annual general shareholders' meeting to avoid clashing with the most common dates for other companies' meetings. Moreover, we deliver the convocation notice and related documents to shareholders three weeks in advance in order to allow careful review of the agenda. We also send an English-language convocation notice to overseas shareholders.

In FY2010, we will begin using electronic voting and including convocation notices (in Japanese and English) on our website in order to make it more convenient for shareholders to exercise their voting rights.



Financial results briefing

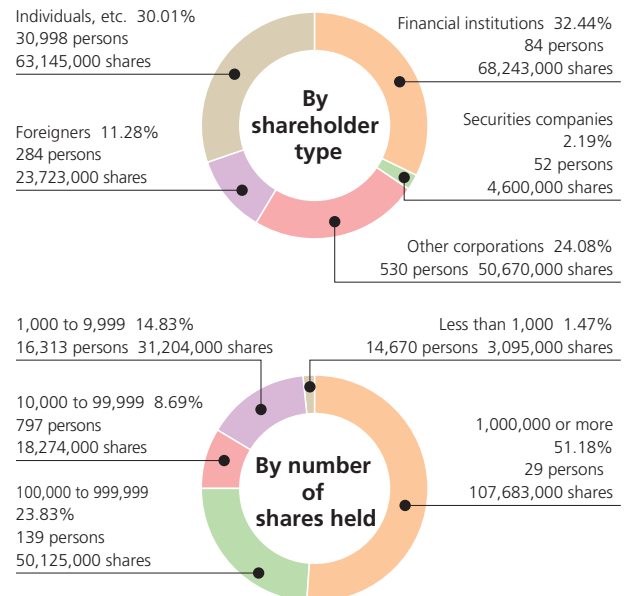


Annual Report



IR Report

Composition of shareholders (as of March 31, 2009)



Distribution of Profits

The Kikkoman Group's 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. The dividend for FY2009 is expected to be ¥15 per share.

In addition, we have a special benefit plan for shareholders aimed at deepening their understanding of Kikkoman's businesses and 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.

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 was given a rating of A (single A stable) by Rating and Investment Information, Inc., in Japan as of March 31, 2009. 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 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 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.



Visit to an ingredient supplier

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 (see page 26) 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.

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 41) 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 FY2009, we made these requests of some 180 suppliers.

When ordering ingredients and raw materials, we work with suppliers and Sobu Logistics 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 philosophy 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, such as educational support and environmental preservation. We also contribute to a large-scale disaster relief fund.

Examples of 2008 Activities

Valentine’s Day and White Day Charity Fundraisings: Supporting Employee Volunteer Activities

Kikkoman has held Valentine’s Day and White Day Charity Fundraisings for employees since FY1998. Each year, the Company matches contributions from employees nationwide and donates the proceeds to an NGO or NPO.

During FY2009, the 12th year of our fundraising activity, proceeds were donated to an NGO dedicated to supporting health education and school education for minorities and children in agricultural districts in Thailand, Myanmar, and India. During the fundraising drive, the Company held screenings of a documentary introducing how children of Thai mountain tribes live at the Tokyo Head Office and the Noda Head Office. NGO representatives discussed the film and exhibited and sold handicrafts.

We look forward to continuing to hold volunteer activities with active employee participation nationwide.



Valentine’s Day and White Day documentary screening

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 “Cooking with Whole Tomatoes in Gunma” event held in August 2008, elementary school students and their parents picked tomatoes, which will be used for processed food, at a farm that supplies Nippon Del Monte and prepared dishes with the freshly harvested produce while learning how tomatoes both taste delicious and promote health. 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.



Picking 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 FY2009, 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.



Joint workshop

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 introduction of English-language activities in the fifth and sixth grades in 2011.

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 FY2009, 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 the future.

Promoting and Developing Food Culture

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

Club Kikkoman, a Food-related Event

Kikkoman has held Club Kikkoman, a talk show featuring food experts as invited guests, in locations around Japan since 1999. In FY2009, the show, which has appeared in such locations as Chitose, Sapporo, Sendai, Tokyo, Nagoya, Osaka, Hiroshima, and Fukuoka, was held in Takasago City, Hyogo Prefecture, with the theme "seasoning your life." At the October lecture, Hattori Nutrition College president and principal Yukio Hattori addressed 704 participants.



Lecture by Yukio Hattori

Cooking Seminars at Tokyo Head Office's KCC Hall

Kikkoman holds seminars on subjects ranging from home cooking recipes to restaurant specialty menus and the latest trends in food preparation featuring culinary experts, chefs, and other food professionals. Seminars held in FY2009 included a "Professional Cooking Seminar," in which participants learned from chefs specializing in French, Italian, Chinese, and other cuisine; an "Adult Cooking Class," in which participants learned about Japanese ingredients from culinary experts; and a "Cooking Class for Parents and Children," in which parents and

children learned about Japanese cooking and regional cuisine in Chiba Prefecture.



Cooking seminar at KCC Hall

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 soy sauce and international food cultures, collects and publishes information, and holds forums and seminars on those subjects. In addition to opening research results and a collection of visual and written materials for public viewing, the Institute also holds exhibitions and makes related information available on its website.



The Kikkoman Institute of International Food Culture

Environmental Section

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.

Preventing Global Warming	39
Reducing and Recycling Wastes and Byproducts	41
Promoting Environmental Management System	43
Promoting Environmental Education	44
Environmental Risk Management	45
Participating in Environmental Activities	46
Energy, Resource and Discharge Flows	47
Environmental Accounting	48

※The Kikkoman Group makes information about typical environmental activities available in the “Environmental Preservation Case Book” section of its website.

URL <http://www.kikkoman.co.jp/kankyou/english/katsudo/index.html>

Environmental Preservation System

The Kikkoman Group has established the General Environment Preservation Committee as the highest decision-making body for the Group's environmental preservation activities. Two subordinate Environment Preservation Committees address environmental issues in production/engineering divisions and sales and marketing/management divisions.

Guided by these committees, the Kikkoman Group sets policies and targets for its environmental preservation activities. By periodically reviewing the results of this process, the Group employs the PDCA cycle in the administration of its environmental management system.

● Framework to Promote Environmental Preservation



*The General Environment Preservation Committee is chaired by Kikkoman's president and includes directors with related responsibilities and Group company presidents.

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.

- 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).
- In addition to observing laws, we will formulate and observe the rules and regulations of our own.
- As a member of society, we will participate actively in environmental preservation activities in our local communities.
- We will study the environment and deepen our understanding.
- We will think and act from a global point of view.

Medium- and Long-term Environmental Preservation Goals

The General Environment Preservation Committee adopted the following Medium- and Long-term Environmental Preservation Goals in FY2009:

Medium- and Long-term Environmental Preservation Goal 1 Preventing Global Warming ▶ P39

Target The major manufacturing companies of the Kikkoman Group in Japan have set a CO₂ emissions reduction target of 10% below the 1990 level, to be achieved by FY2011.

Medium- and Long-term Environmental Preservation Goal 3 Promoting Environmental Management System ▶ P43

Objectives

- Step up use of the PDCA (Plan-Do-Check-Act) management cycle.
- Proactively communicate updates on environmental information to internal and external audiences.
- Disclose the environmental accounting results for Group companies.

Medium- and Long-term Environmental Preservation Goal 2 Reducing and Recycling Wastes and Byproducts ▶ P41

Objectives

- Apply improved methods to more effectively recycle wastes and byproducts.
- Actively promote the usage of environmentally friendly containers and packaging materials.

Medium- and Long-term Environmental Preservation Goal 4 Promoting Environmental Education ▶ P44

Objectives

- Provide environmental education for employees.
- Participate in environmental education programs for communities and schools.
- Promote environmental communication.

Medium- and Long-term
Environmental Preservation Goal

1 Preventing Global Warming

The Kikkoman Group is working to exceed the Kyoto Protocol requirements for Japan to reduce its greenhouse gas emissions (to 6% below 1990 levels) and the reductions requested of the industrial sector by the Japanese Cabinet in April 2005 (8.6% below 1990 levels).

Target

The major manufacturing companies of the Kikkoman Group in Japan have set a CO₂ emissions reduction target of 10% below the 1990 level, to be achieved by FY2011.

Scope

Kikkoman Corp., Hokkaido Kikkoman Co., Nagareyama Kikkoman Co., Heisei Foods Co., Edogawa Foods Co., Nippon Del Monte Corp., Tohoku Del Monte Co., and Manns Wine Co., Ltd

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.

FY2009 review

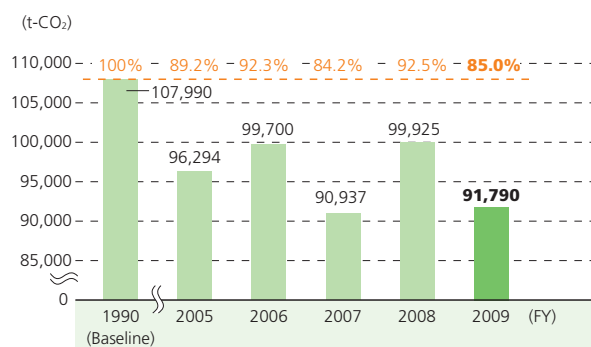
At the Kikkoman Group's major manufacturing companies in Japan, CO₂ emissions from manufacturing in FY2009 totaled 91,790 t-CO₂, a decrease of 8,135 t-CO₂ from the previous year, or 15% below the 1990 level. This result meets the Group's target. The result includes indirect CO₂ emissions from the use

of purchased steam but benefits from efforts at Kikkoman's Noda Factory to improve energy consumption efficiency by installing compact boilers, taking advantage of Japan's Voluntary Emissions Trading Scheme^{*1} and from efforts to review energy use, which led Nippon Del Monte to switch fuels to natural gas. Additionally, lower soy sauce production volumes in FY2009 resulted in lower CO₂ emissions. Going forward, the Group will strive to effect further reductions in CO₂ emissions by reviewing and improving manufacturing processes, upgrading equipment, and improving efficiency in energy use. The Kikkoman Group also announced its participation in the Caring for Climate program^{*2} in FY2009.

^{*1} Japan's Voluntary Emissions Trading Scheme: A Ministry of the Environment program that subsidizes a portion of capital investments made by companies to meet their voluntary reduction targets for greenhouse gases.

^{*2} Caring for Climate: A climate change initiative unveiled in 2007 by the United Nations Global Compact, United Nations Environment Program (UNEP), and World Business Council for Sustainable Development (WBCSD).

Total CO₂ emissions



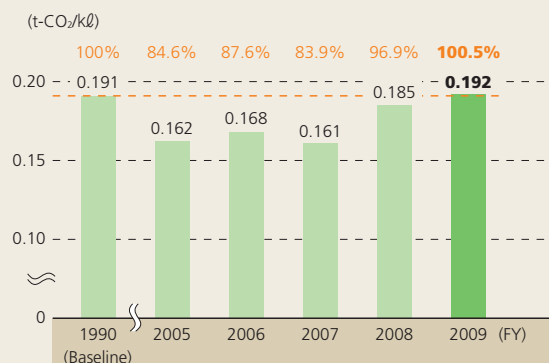
* Indirect emissions from purchased steam were added starting in FY2008.

CO₂ Emissions per Unit of Production of Soy Sauce, Soup and Barbecue Sauce

Kikkoman, Hokkaido Kikkoman, and Heisei Foods manage their efforts to reduce CO₂ emissions using the value per unit of production (kℓ) for their principal soy sauce product line.

In FY2009, CO₂ emissions per unit of production increased 3.7% over FY2008 to 0.5% over the 1990 level. This result reflects lower soy sauce production volume in FY2009 as well as the effect of adding indirect CO₂ emissions from the consumption of purchased steam starting in FY2008. Going forward, we are committed to reducing not only total CO₂ emissions, but also CO₂ emissions per unit of production through such measures as reviewing and improving manufacturing processes, upgrading equipment, and improving efficiency in energy use.

CO₂ emissions per unit of production of soy sauce, soup and barbecue sauce



Case Studies

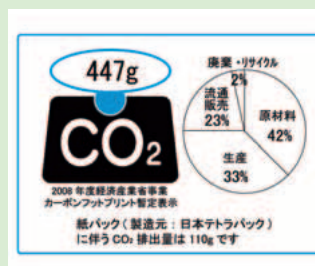
Carbon footprint of products^{※1} initiatives (FoodChemifa, Kikkoman)

Through its participation in the Workgroup on Popularizing and Promoting the Carbon Footprint of Products (CFP) System, FoodChemifa calculated that there are 447g of CO₂ emissions in its Unmodified Soy Milk (1000 ml). Raw materials account for the largest share of those emissions, followed by production, distribution, and sales. The company announced a product whose labeling includes the CFP mark with that information at Eco-Products 2008 in December 2008 and cooperated in a Ministry of Economy, Trade and Industry survey designed to help facilitate the popularization of the CFP system.

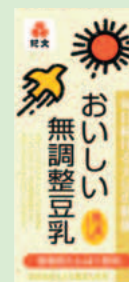
For its part, Kikkoman launched an internal CFP Commission in August 2008 and calculated the CFP value for its 1ℓ Extra Fancy Whole Beans soy sauce product. The raw material procurement stage accounted for the largest proportion of emissions, followed by production. In the future, we will take advantage of this information to reduce CO₂ emissions.

※1 Carbon footprint of products: A value calculated to gauge CO₂ emissions throughout the product life cycle (from raw material procurement to consumption and recycling).

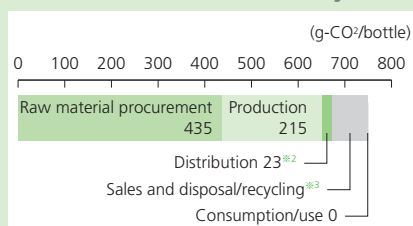
●CFP value and display mark on Unmodified Soy Milk (1000ml)



* As exhibited at Eco-Products 2008



●CCFP value for 1ℓ Extra Fancy Whole Beans soy sauce



※2 The distribution stage is limited to primary distribution

※3 Disposal/recycling and sales stage values are estimates



Achieving the goals of a compact boiler installation plan using the Japan's Voluntary Emissions Trading Scheme (Kikkoman)

In the past, Kikkoman's Noda Factory in the Imagami area had purchased the steam energy needed to manufacture soy sauce from the neighboring Kamihanawa area. In FY2008, the facility developed a plan for producing its own steam and reducing CO₂ emissions through increased energy efficiency by installing compact boilers with partial funding from the Japan's Voluntary Emissions Trading Scheme. Noda Factory achieved its FY2009 target, which called for reducing FY2009 CO₂ emissions by 1,630 t-CO₂ from FY2007 levels.



Compact boilers

Heat source conversion (FoodChemifa)

In October 2008, FoodChemifa's Kamogawa Factory, which manufactures hyaluronic acid and alginic acid, installed a new gas tank, replaced and upgraded boiler burners, and converted boilers from grade A fuel oil to natural gas in an effort to reduce boiler CO₂ emissions. The changes are expected to reduce CO₂ emissions by 1,844 t-CO₂ annually.



Newly installed gas tank

Medium- and Long-term
Environmental Preservation Goal

2 Reducing and Recycling Wastes and Byproducts

The Kikkoman Group is striving to improve the recycling rate for wastes and byproducts and to make qualitative improvements in recycling.

Objectives

- (1) Apply improved methods to more effectively recycle wastes and byproducts.
- (2) Actively promote the usage of environmentally friendly containers and packaging materials.

Scope

All Kikkoman Group companies

Initiatives

Actively promote the 4Rs (Refuse, Reduce, Reuse, Recycle).

(1) Waste and byproduct management

Optimize production output, reduce materials, and boost process yields in manufacturing in an effort to reduce byproducts such as soy sauce cake, soy sauce oil, okara (soy milk refuse), and processing residues as well as wastes such as sludge and used plastics. Concurrently, make more effective use of wastes and byproducts.

(2) Container and packaging material management

Step up efforts to reduce or recycle 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.

FY2009 review

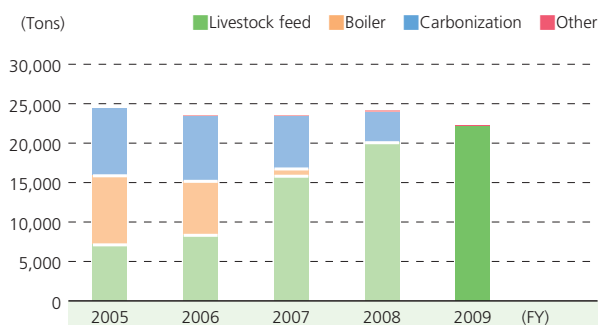
Waste and Byproduct Management

The Kikkoman Group stepped up effort to process such byproducts as soy sauce cake, apple and tomato residues, and okara into livestock feed in line with the order of priority for recycling methods established by the Food Recycling Law.

To manage these activities, nine Group companies (Kikkoman, Hokkaido Kikkoman, Nagareyama Kikkoman, Heisei Foods, Edogawa Foods, Nippon Del Monte, Tohoku Del Monte, Manns Wine, and FoodChemifa) calculated their recycling rate as defined by the Food Recycling Law. During FY2009, the recycling rate was 94.8%, exceeding the target of 85% as set for the food manufacturing industry by the law.

The Group remains committed to improving its recycling rate and to making qualitative improvements in recycling.

Changes in soy sauce cake recycling methods (domestic soy sauce manufacturing plants)



Container and Packaging Materials Management

The Kikkoman Group is striving to implement Kikkoman's Guidelines for Containers and Packaging as adopted in FY2008. During FY2009, Group companies made significant progress in conforming with the first guideline, "Reduce containers and packaging," including by reducing the weight of Manns Wine labeling (by approximately 19%), shrinking Nippon Del Monte 900 ml PET plastic bottle cartons (by approximately 2%), reducing the thickness of shrink film used for yakiniku sauce (by approximately 17%), reducing the weight of Kikkoman tsuyu 500 ml PET plastic bottles (by approximately 14%), reducing the weight of soy sauce cartons (by approximately 14%), reducing the weight of soy sauce 500 ml PET plastic bottles (by approximately 17%), and reducing the weight of mirin and cooking wine bottle caps (by approximately 11%).

The savings in transport energy associated with these weight reductions help reduce CO₂ emissions.

Case Studies

Achievement of 100% recycling of soy sauce cake as livestock feed (Kikkoman)

During FY 2009, Kikkoman's Noda Factory and Takasago Factory joined Hokkaido Kikkoman in successfully recycling 100% of their waste soy sauce cake for use as livestock feed. The achievement reflects not only the fruits of measures such as the expansion of sales channels and ongoing efforts by the company's plants to make full use of filling equipment, but also the reality of increased benefits for users of soy sauce cake, for example through the expansion of applications from dairy cattle to meat cattle and swine.

The findings of joint research carried out by Kikkoman and the National Institute of Livestock and Grassland Science to investigate the advantages of soy sauce cake feed, specifically its high energy content and antioxidative effects, were published in the Dairy Journal in August 2008.



Soy sauce cake feed products

Utilization of vegetable residues (Tohoku Del Monte)

Tohoku Del Monte, which manufactures primarily seasonings and beverages, has been working to recycle the vegetable residues that comprise a large percentage of the byproducts of its operations. The company not only sells carrot, tomato, apple, and other vegetable residues for use as livestock feed, but also uses apple juice residual fiber as an ingredient for food products. Together, these measures facilitated the effective utilization of 1,039 tons of byproducts during FY 2009.



Apple juice residual fiber

Development of new 750ml and 500ml soy sauce containers (Kikkoman)

Kikkoman began using newly designed PET plastic bottles as containers for currently introduced 750 ml soy sauce and some 500 ml soy sauce products in areas including the Kanto and Koshin'etsu regions. The development of these new containers led to the incorporation of two improvements:

(1) New "Eco-Cap"

The "Eco-Cap" was developed to be easily removable from the bottle at the time of recycling. Additional changes to the shape of the top part of the cap and other aspects of the design resulted in improved ease of use by making it significantly easier to remove the cap, making it easier to open the bottle, and preventing drippage of the container's contents.

(2) Lighter weight

By performing a structural analysis of the bottle's strength and modifying its shape accordingly, engineers were able to reduce the weight of the 750 ml bottle by 3.5% by surface area ratio compared to 1 l bottles and of the 500 ml bottle by approximately 17% compared to the previous design.



New easy-to-use "Eco-Cap"



750 ml (left) and 500 ml (right) PET bottles

3 Promoting Environmental Management System

The Kikkoman Group's major offices and factories have received ISO 14001 certification and strive to improve the operational level of their environmental management systems.

Objectives

- (1) Step up use of the PDCA (Plan-Do-Check-Act) management cycle.
- (2) Proactively communicate updates on environmental information to internal and external audiences.
- (3) Disclose the environmental accounting results for Group companies.

Scope

Objective 1 applies to all Kikkoman Group companies.

Objective 2 applies to all Kikkoman Group companies.

Objective 3 applies to the 14 Group companies that disclose environmental accounting results (see page 48).

Initiatives

(1) Practice ISO 14001.

Enforce the Environmental Management System based on ISO 14001, step up use of the PDCA management cycle, and encourage exchanges of information and ideas among certified offices and factories.

(2) Perform internal audits.

The Environmental Department carries out on-site audits of ISO 14001-certified offices and factories for renewal of certificates and conducts pre-assessment of documents and on-site assessments at those offices and factories yet to be certified in an effort to upgrade the environmental management of all Group companies.

(3) Disclose information on environmental preservation activities.

Disclose the measures that Kikkoman Group offices and factories are implementing to preserve the environment to both internal and external audiences through this report and the "Environmental Preservation Case Book" section of the website.

(4) Disclose environmental accounting reports.

Disclose the environmental accounting reports of 14 Group companies in accordance with the Environmental Accounting Guidelines established by the Ministry of the Environment of Japan.

FY2009 review

In December 2008, a Workshop for Environmental Administrators was held at Manns Wine Katsunuma Winery. Participants observed environmental preservation activities at the winery, heard reports from Group companies on the state of their environmental preservation activities, and discussed future issues. The results are playing a useful role in Group companies' ISO 14001-based environmental preservation activities. Additionally, Noda and Nagareyama Environmental Preservation Discussions were held in August 2008 and February 2009 to provide site managers with information about the latest environment-related laws and wastewater technologies from the Environmental Department. The events provided an opportunity for managers to share examples of environmental preservation and pollution prevention activities, helping to improve their ability to resolve on-site issues.

The Environment Department conducted internal audits and manager training at Group companies in Singapore, Taiwan, and China in November 2008. In FY2010, the Department plans to do the same for Group companies in the United States. In February 2009, ISO Secretariat managers from the Noda, Nagareyama, and Tokyo districts met for an ISO Secretariat joint workshop to share views on ISO operational status and issues.

Finally, the valuation basis used to express environmental preservation benefits in environmental accounting was changed in FY2009 from grade A fuel oil pricing to CO₂ pricing (see page 48).



Noda and Nagareyama Environmental Preservation Discussions



Internal audit at a Group company in Taiwan

4 Promoting Environmental Education

The Kikkoman Group strives to communicate the importance and basic ideas of environmental preservation to its employees and to make a meaningful contribution to environmental preservation activities in neighboring communities through education.

Objectives

- (1) Provide environmental education for employees.
- (2) Participate in environmental education programs for communities and schools.
- (3) Promote environmental communication.

Scope

All Kikkoman Group companies

Initiatives

(1) Environmental education for employees

Provide training for new recruits and mid-career employees so that they can develop a global and ecological mindset, understand the importance of environmental preservation, and become motivated to address environmental issues. Provide highly specialized training for environment managers and administrators.

(2) Environmental education programs for communities and schools

Engage in direct dialogue with community residents, students, and schoolchildren to discuss the importance of caring about nature, how to address environmental issues, what the Kikkoman Group is doing to preserve the environment, and how communities can help with the environmental cause.



An environmental lesson taught by a guest teacher

(3) Environmental communication

Participate in environment-themed seminars and exhibitions to showcase the Kikkoman Group's environmental preservation-related research results, experience, and expertise in the field.

FY2009 review

During FY2009, the Kikkoman Group conducted a variety of environmental education programs for employees. Nippon Del Monte's Gunma Factory held an Energy Conservation Workshop where participants came up with suggestions that led to some 50 improvements related to steam energy.

Activities for the local community and schools included an eco-learning program held by Kikkoman for elementary school children that sought to awaken an interest in nature by observing plant and animal life at Shimizu Park. Tone Coca-Cola Bottling held a series of environmental lessons taught by guest teachers for fourth and fifth graders.

Kikkoman also participated in Eco Messe 2008 in Chiba in September 2008 and Eco-Products 2008 in December 2008.

● Key environmental education programs conducted in FY2009

Program name	Date	Target audience	No. of participants
New recruit training	April 2008	New recruits	33
Environmental lessons taught by guest teachers	June to December 2008	Elementary school students	850
ISO 14001 internal auditors training	July 2008	Internal auditors	24
Eco-learning program	July and December 2008	Elementary school students	142
Chiba University Internship	August 2008	Students at Chiba University	2
Energy Conservation Workshop	October 2008	Site managers	28
Training for Group companies in Asia	November 2008	Administrators and environmental managers	12
Eco-Products 2008 exhibit	December 2008	General public	170,000

Case Studies

Eco-Learning Program (Kikkoman)

In FY2009, Kikkoman launched an eco-learning program designed to deepen children's knowledge about the natural world while giving them first-hand experience of the preciousness of nature and the importance of protecting it. In the program, elementary school students from Noda City were invited to Shimizu Park (sixth graders in July and fourth graders in December), where they watched plant and animal life with a nature observation instructor and shared in the resulting sense of discovery and excitement. The children described the experience as "extremely interesting" and expressed their feeling that the natural world is mysterious and that humankind must treasure it. For their part, teachers said their students' faces glowed with excitement and described the experience as a valuable one that could not be duplicated in the classroom. The Company plans to coordinate with local schools to continue the program in the future.



Eco-learning program

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 manages the principal environmental risks described below.

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.

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.

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.

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.

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 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

Wastewater treatment designed to protect the Edo River (Kikkoman)

Many factories of the Kikkoman Group located in Noda and Nagareyama use large quantities of water for cleaning and cooling in manufacturing processes, and most of that water is discharged into the Edo River after use.

This wastewater is carefully treated to comply with the provisions of the Water Pollution Control Act and Sewerage Law as well as local regulations, and discharged water is monitored continuously by a range of diagnostic equipment to ensure that it has been treated appropriately. These measures are bolstered by detailed analysis of factory wastewater to test for BOD, COD, SS (suspended solids), nitrogen, phosphorus, and other substances twice monthly at Kikkoman's Analysis Center, reflecting our strong commitment to limiting the environmental impact of our operations on the Edo River.

Disposing of industrial waste in an appropriate manner (Kikkoman)

In 1994, Kikkoman compiled the Kikkoman Manual for the Proper Disposal of Industrial Waste which standardizes the procedures used at every stage of waste treatment and disposal, in order that the handling of industrial waste at its various factories and worksites might be more appropriate, precise, and consistent. The manual, which is regularly updated to reflect any changes to associated laws and regulations, is also used to guide industrial waste treatment work at some Group companies' factories and worksites.

The manual includes sections addressing the roles and responsibilities of waste dischargers; industrial waste treatment procedures; management of outside contractors; storage, collection, transport, and burial of wastes; and specific precautions for individual types of industrial waste.

We also strive to manage and collaborate with outside contractors. During FY2009, Kikkoman personnel visited contractors' worksites to observe operations and improve mutual understanding.



Collecting a water sample



Visiting an industrial waste intermediate treatment contractor

Participating in Environmental Activities

The Kikkoman Group strives to contribute to society by actively utilizing its environmental technologies and expertise in outside environmental activities.

Participating in an Exploratory Committee for a Food Resource Recycling Program

Kikkoman continued to participate in a Japan Food Industry Center committee in FY2009 as a food industry representative. The committee is working to build a system for certifying fertilizers made from food product processing residues (from the manufacturing and preparation stages) and food waste products (unsold food, leftovers, etc.) as well as a system for promoting the consumption of produce grown using certified fertilizers and processed food products manufactured using that produce. The committee finalized a logo for identifying such products and developed systems for certifying and promoting the consumption of recycled food products. The Kikkoman Group will continue to promote these systems.



Recycled food product logo

Working with the Green Purchasing Network

The Green Purchasing Network (GPN) is a loose network of companies, government agencies, and consumers dedicated to promoting green purchasing*.

The GPN's popularization and education activities include Eco-Product Net, a program designed to provide purchasing guidelines for various products. Realizing that the program did not include food products, Kikkoman became a member of the Food Product Study Group, which began meeting in October 2007, and assisted with the formulation of a series of Food Purchasing Guidelines, which were completed in March 2009. Going forward, the Kikkoman Group plans to have its key products included in Eco-Product Net.

※Green purchasing: The practice of carefully considering the necessity of purchases and striving to select products and services with the smallest possible environmental impact. Green purchasing decisions take into account not only quality and price, but also environmental factors, and give priority to vendors that strive to reduce the environmental impact of their operations.



We practice Green Purchasing.
GPN logo

Participating as a Panelist in Eco Messe 2008 in Chiba

Kikkoman participated as a panelist representing companies in Chiba Prefecture in the Chiba Prefecture Environmental Symposium "Global Warming and Conserving Biodiversity" at Eco Messe 2008 in Chiba, which was held at Makuhari Messe in September 2008. After announcing the Kikkoman Group's CO₂ reduction targets, current status, future policies, and biodiversity conservation activities, the Company's representative participated in a lively discussion.



Chiba Prefecture Environmental Symposium

Holding an Environmental Seminar for Trainees from Asia

As a member of the Green Productivity Advisory Committee of the Asian Productivity Organization (APO), Kikkoman assists with programs conceived to facilitate improvements in productivity in Asia while pursuing environmental preservation. In November 2008, we accepted 21 trainees from 14 countries at the request of the APO. After being given a tour of Kikkoman's Noda Factory, the trainees participated in an environmental seminar addressing the topic of food product recycling.



Seminar for APO trainees

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 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 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.

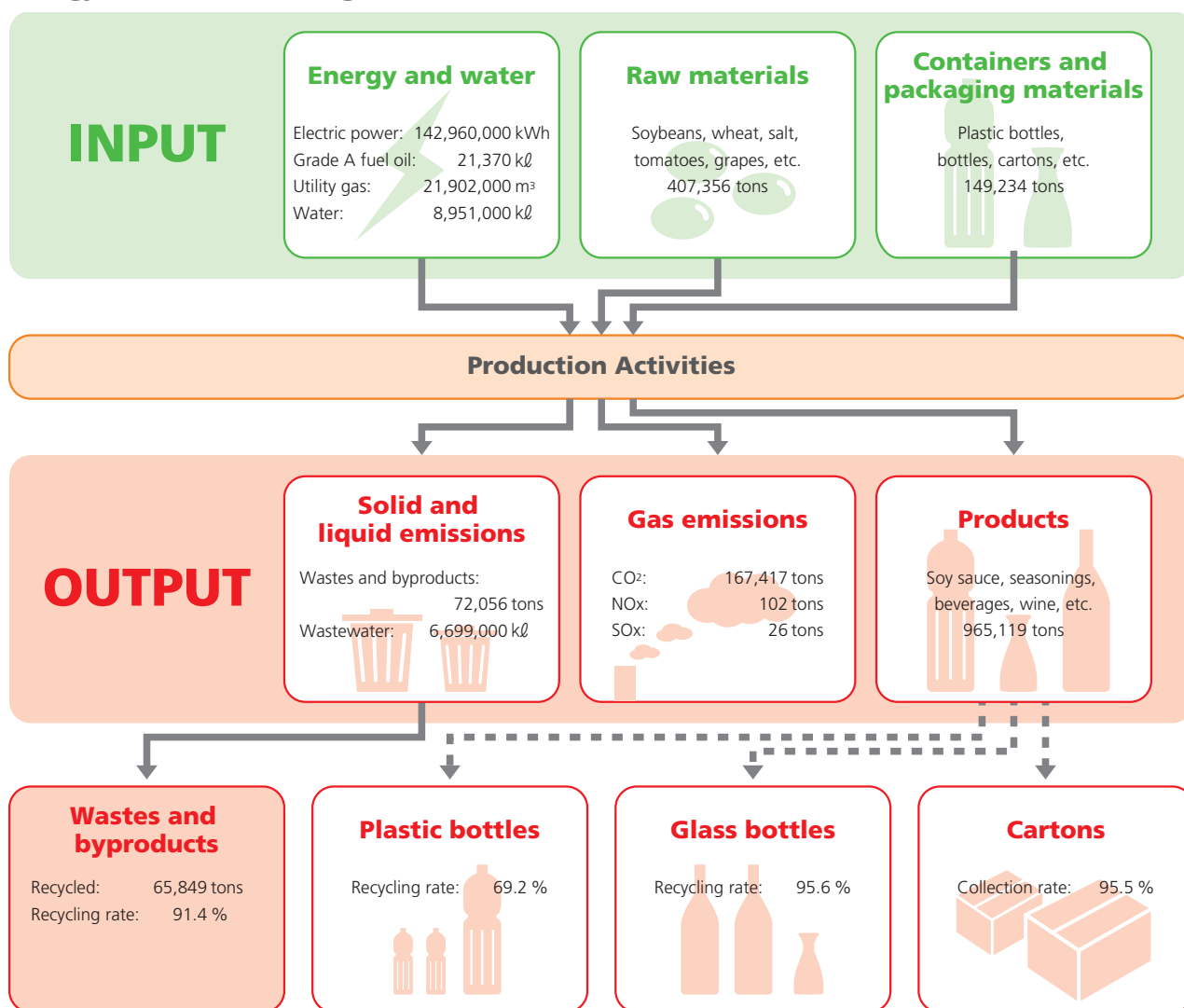
The Kikkoman Group strives to minimize the environmental impact of its manufacturing activities by seeking to consume less energy, water, and materials in manufacturing processes; improve efficiency in manufacturing and energy use; and reduce wastes.

We also attempt to reduce the environmental impact of products after consumption by developing and using 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 Corp.; Hokkaido Kikkoman Co.; Nagareyama Kikkoman Co.; Heisei Foods Co.; Edogawa Foods Co.; Nippon Del Monte Corp.; Tohoku Del Monte Co.; Manns Wine Co., Ltd.; Eatsia Co., Ltd.; FoodChemifa 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 FY2009



* The numbers shown in the diagram are based on what we have reported in our environmental accounting for FY2009. The recycling rates for plastic bottles and glass bottles and the collection rate for cartons are based on the information published by respective trade organizations for FY2008.

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 average price for the Nikkei-JBIC Carbon Quotation Index during FY2009 (calculated as a simple average).*

※ In FY2009 we began using the average price of the Nikkei-JBIC Carbon Quotation Index during the fiscal year in question as the standard for calculating the monetary equivalent of benefits, replacing the price of grade A fuel oil, which had been used for the same purpose in previous fiscal years.

Environmental Accounting for FY2009

Scope of reporting

Kikkoman Corp.; 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); and Kikkoman Foods Europe B.V. (KFE, Netherlands): April 1, 2008 - March 31, 2009
Tone Coca-Cola Bottling Co., Ltd., and Eatsia Co., Ltd.: January 1, 2008 - December 31, 2008

(Rounded to the nearest million yen)

Category	Kikkoman Corp. ^{※1}	Nippon Del Monte Corp. ^{※2}	Manns Wine Co.	Tone Coca-Cola Bottling Co., Ltd.	Eatsia Co., Ltd.	FoodChemifa Co., Ltd.	KFI	KSP	KFE	Total
Environmental preservation investments and expenses										
Environmental preservation investments	106	3	13	609	0	292	24	5	0	1,052
Environmental preservation expenses	1,310	231	40	989	71	495	197	12	41	3,386
Environmental preservation benefits										
Energy use reduction	10	10	0	0	2	5	-2	0	-1	24
Energy (fossil fuel) control	10	-	-	-	-	-	-	-	-	10
Waste and byproduct reduction	10	3	-1	2	2	2	3	0	0	21
Waste and byproduct control (recycling)	91	18	3	17	18	60	34	5	5	251
Total	121	31	2	19	22	67	35	5	4	306

※1 Includes performance of Hokkaido Kikkoman Co., Nagareyama Kikkoman Co., Heisei Foods Co., and Edogawa Foods Co.

※2 Includes performance of Tohoku Del Monte Co.

FY2009 Review

●Environmental preservation investments

Environmental preservation investments in FY2009 totaled ¥1,052 million, a reduction of ¥624 million from FY2008. The decline reflects the completion of investments associated with installing compact boilers at Kikkoman facilities and compact gas boilers at Nippon Del Monte's Nagano Factory.

●Environmental preservation expenses

Environmental preservation expenses in FY2009 totaled ¥3,386 million, a reduction of ¥481 million from FY2008. The decline reflects a reduction in resource recycling expenses associated with waste treatment at Kikkoman.

●Environmental preservation benefits

Benefit valuation differs significantly from FY2008 and previous years due to the adoption of a different calculation standard starting in FY2009.

Environmental preservation benefits in FY2009 totaled ¥306 million, an increase of ¥19 million over FY2008 when that year's benefits are recalculated using the same standard. The increase reflects benefits associated with a reduction in energy use and reductions in waste and byproduct volume at Kikkoman.

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

URL <http://www.kikkoman.co.jp/csr/e/report/index.html>

Third-party Opinion



A sustainable lifestyle cultivates confidence and peace of mind

Kikuko Tatsumi

Board Member

Chairman, Environment Committee

NIPPON ASSOCIATION OF CONSUMER SPECIALISTS

I am pleased to be able to offer my assessment of the Kikkoman Group Corporate Citizenship Report from the standpoint of a consumer who wishes to see the realization of a sustainable lifestyle.

I have the faintest memories as a child of bringing a large bottle to the store and having it filled with soy sauce from a barrel stamped with the Kikkoman logo, and of the distinctive smell of the store. Our lifestyle has changed dramatically in the intervening years, but the scent and flavor of soy sauce remain the same. I remember the scent particularly well, and every time I open a new bottle of soy sauce, I am reminded of my childhood memories of that store long ago.

The message from management includes a commitment to undertake daily operations with a sense of responsibility and to follow a philosophy of becoming “a company whose existence is meaningful to the global society.” These goals have become part of the Kikkoman Group’s vision for the future, making clear its dedication to deepening its relationship with global society.

The message from management for FY2009 also notes how the group has codified its stance toward operations in the form of Kikkoman’s Promise. I believe that the cumulative effect of the commitments embodied in the Promise will be to pave the way for unshakable trust in the group on the part of consumers.

This year’s report includes a special feature on Kikkoman’s Promise that lays out its philosophy and initiatives in careful detail. This feature describes how the Promise can be condensed to the group’s slogan of “seasoning your life” through a series of memories that are by turns pleasant, happy, and emotionally enriching. The ability to contribute to the formation of such life-seasoning memories is the greatest possible joy for a corporation and the best indicator of the Kikkoman Group’s continued significance and relevance.

I personally believe that encouraging consumers to have an interest in and knowledge of the life cycles of the products they use will lead them to select products and corporations that give not only safety, but also environmental factors, the consideration they deserve. This trend ultimately moves us closer to a sustainable lifestyle one that cultivates confidence and peace of mind. When consumers think about the life cycle of the Kikkoman Group’s products, they naturally wonder if the group is taking sustainability into account in its procurement of raw materials and ingredients from around the world. In a special feature describing initiatives during each stage of the soy sauce life cycle, this report stresses the central importance of safety. Safety is critical, but we must also remember that time is of the essence in our struggle to address the rapid changes occurring in the global environment. In the future, I hope that the Kikkoman Group will invest its energy and resources in addressing such challenges as environmental impact in the regions that produce its raw materials and ingredients as well as easily overlooked issues like virtual water and biodiversity in those regions.

I’m impressed by the breadth of the group’s environmental education initiatives, but I’d like to note that such initiatives can also extend to such areas as products and advertising. The report describes the group’s carbon footprint initiatives, and I hope that associated information will gradually come to be included on product labeling. The inclusion of information about a product’s carbon footprint on labeling can be expected to have the educational benefit of encouraging consumer interest in the product’s life cycle.

In conclusion, let me note that the group has set a CO₂ emission reduction target for 2010. I expect that the group will adopt a new medium-term target that reflects our current, or at least our future, circumstances.

Postscript

The Kikkoman Group unveiled its new corporate mark and corporate slogan in June 2008. This edition of the Corporate Citizenship Report includes a special feature on Kikkoman's Promise, which lies at the very foundation of that corporate identity. It is our hope that readers will come to understand what the Promise means to individual employees and how those employees work to bring the Group's products and services to customers.

This report is divided into Introductory, Management, Social, and Environmental sections. In the Introductory section, we sought to build on the special feature by providing information about the Group's unique Shokuiku activities and Group companies' initiatives to a broad audience in easy-to-understand terms. As in previous reports, the Management, Social, and Environmental sections focus on activities undertaken during the fiscal year under review and their results. We trust that this organization will allow the report to communicate the Group's approach in easy-to-understand terms while also supplying detailed information for interested readers.

We remain committed to compiling reports that excel in both clarity and richness of content and welcome your feedback concerning how we might best do so in the future.

Working Group
Corporate Social Responsibility Committee
Kikkoman Corporation

A word about the photographs used in this report



As part of an effort to share the philosophy informing its new corporate slogan of "seasoning your life" with customers everywhere, Kikkoman held a photography contest on its website in December 2008. We invited our customers to send in pictures illustrating how food had "seasoned their lives" by creating joyful memories, and they responded with 1,549 photographs capturing how food "seasons their lives." Some of the prize-winning submissions are featured on the cover, page 1 ("Corporate Slogan") and page 8 ("Feature") of the report.

All submitted photographs can be viewed on Kikkoman's website.

● "Seasoning your life" photo contest

URL <http://www.kikkoman.co.jp/photocon/index.html> (available until December 2009)



Kikkoman Group
Corporate Citizenship Report 2009

Contact:

Public Relations & Investor Relations Department
Kikkoman Corporation
2-1-1, Nishi-Shinbashi, Minato-ku, Tokyo 105-8428, Japan
TEL: +81-3-5521-5811 FAX: +81-3-5512-6798
<http://www.kikkoman.co.jp>

Published June 2009