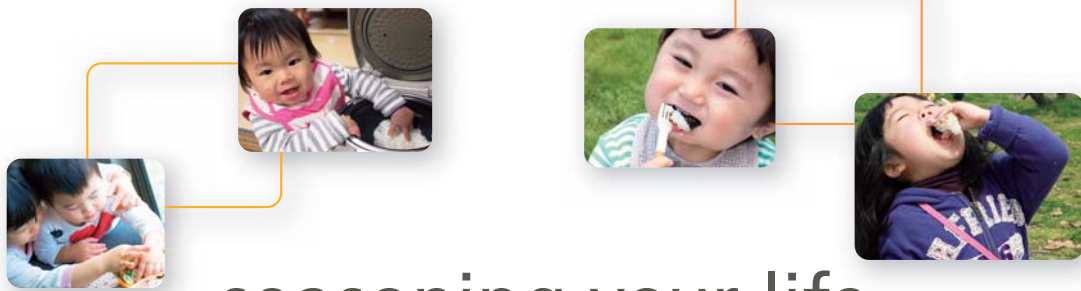


Kikkoman Group Corporate Citizenship Report 2013

December, 2013



seasoning your life



Kikkoman's Promise

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

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

Kikkoman Group Corporate Citizenship Report 2013

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【About this report】 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.

【Scope】 This report covers the activities of the Kikkoman Group, comprising the Group's holding company, Kikkoman Corporation, as well as its 64 consolidated subsidiaries and equity-method subsidiaries and affiliates (as of March 31, 2013). This report refers to the Kikkoman Group as "Kikkoman Group" or "the Group," to Kikkoman Corporation as "Kikkoman Corporation," and to Kikkoman Corporation, Kikkoman Food Products Company, Kikkoman Beverage Company, and Kikkoman Business Services Company collectively as "Kikkoman." Otherwise companies are referred to by name.

【Reporting Period】 Fiscal 2013 (April 1, 2012-March 31, 2013)

This report may contain references to activities that were initiated prior to March 2012 or after April 2013.

【Date of Publication】 December 2013 Previous report: December 2012 Next report: Scheduled for December 2014

【Note on Statements about the Forecast】 In addition to information about past and present activities undertaken by the Kikkoman Group, this report includes statements about the forecast in the form of plans and projections current at the time of its publication. These statements reflect the judgment of management based on information that was available at the time of their inclusion in the report. Changing conditions may cause the results of future business operations and other events to differ from projections.

Message from the CEO

On June 25, 2013, I was appointed Chief Executive Officer of Kikkoman Corporation. The environment surrounding the Kikkoman Group is changing rapidly and we are required to provide new values by responding flexibly and making changes. I believe that it is also important for us to take an approach in which we maintain our principles, and seek to develop our value to society. Since these are times of great change, we must hold on to our unshakable principles and turn our values into firm ones.

Since Kikkoman was founded, we have given careful attention to our role as a public entity within society, and have conducted our business based on an awareness of our connections with society. In keeping with the ideas that have been handed down by our predecessors, we have set forth the current management principles of the Kikkoman Group. I believe that a foundation of our business activities is fulfilling our social responsibilities by putting these management principles into practice.



In 2011, we formulated the Kikkoman Corporation Citizenship Framework, which sets forth the three key elements of “Responsible Operations,” “Products/Services,” and “Actions for Global Society.” This Framework shows that the implementation of these elements is the social responsibility of our company, and that carrying out this social responsibility is tied to our management principles. More specifically, we are able to fulfill our corporate social responsibility as a public entity within society by having each and every employee working on a foundation of being consumer-oriented, carrying out our day-to-day business activities conscientiously, and thus contributing to society in a way that only Kikkoman can.

I believe that these initiatives are also connected with the implementation of the United Nations Global Compact, which Kikkoman became the first Japanese company to sign in 2001. The United Nations Global Compact requires signatory companies to carry out initiatives based on 10 principles in the areas of human rights, labor standards, the environment, and anti-corruption. We recognize the high expectations and trust bestowed on the Kikkoman Group, and we will carry out our activities in order to fulfill our responsibilities.

Noriaki Horikiri
President and
Chief Executive Officer
JULY 2013

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

Corporate Citizenship

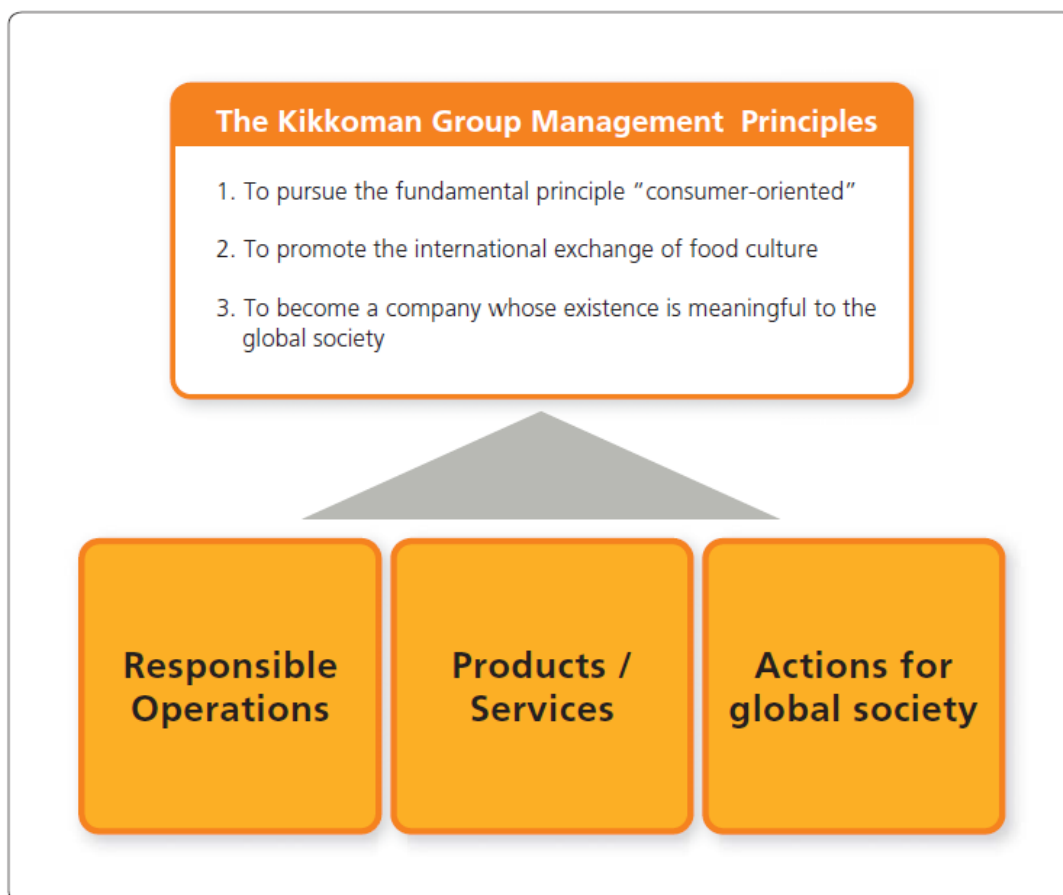
Since its establishment, Kikkoman has always regarded a connection with society as being of great importance. This attitude is reflected in our Management Principles.

Now that we have come to supply a variety of products and services to customers in more than 100 countries worldwide, we recognize that our responsibilities to global society have grown together with the growth of our business. We aim to become a company that is valued by people around the world and we will continue to implement activities that are aligned with our

Management Principles.

The basics of our Management Principles are that we carry out our day-to-day business activities in a reliable and trustworthy manner and that we contribute to the realization of rich and healthy food lifestyles through our products and services. In addition, we aim to fulfill our responsibilities as a public entity and contribute to society through activities that are unique to Kikkoman. We believe that the cumulative pursuit of each and every one of these activities is our corporate social responsibility.

Kikkoman Corporate Citizenship Framework



Key Aspects

Responsible Operations

Fundamental responsibilities
of a corporate citizen

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

Areas of Focus

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

Products / Services

Fundamental functions
of a food company

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

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

Actions for global society

Kikkoman's initiatives

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

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

Kikkoman Group
Corporate Citizenship Report 2013

Environmental Report

Environmental Management

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

Environmental Philosophy

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

Action Guideline

We act on our Environmental Philosophy with vigor and creativity.

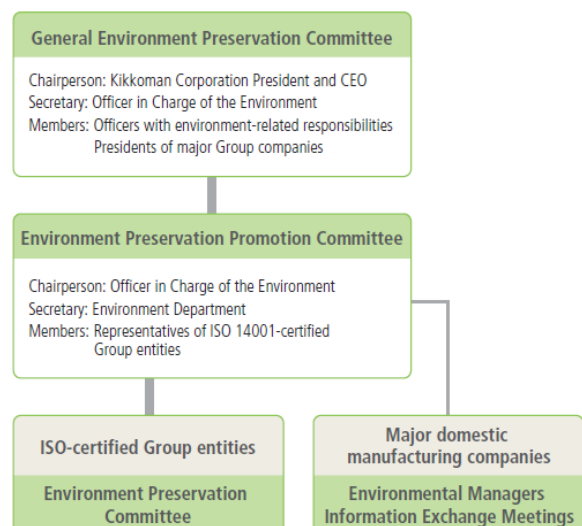
1. Each of us will try to keep in harmony with the environment in performing one's own duties in all sectors development, procurement, production, sales and support .
2. In addition to observing laws, we will formulate and observe the rules and regulations of our own.
3. As a member of society, we will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

Environmental Preservation System

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

The Environment Preservation Promotion Committee, whose membership includes environmental management officers from Group companies, operates beneath the General Environment Preservation Committee to manage and guide environmental preservation activities from a Group-wide perspective. Environment Preservation Committees at each Group worksite take the lead in orchestrating specific activities, while Environmental Manager Information Exchange Meetings linking major companies provide a venue for sharing information and technologies of importance to the entire Group.

● Framework to Promote Environmental Preservation



Medium and Long-term Environmental Preservation Goals

The General Environment Preservation Committee adopted the following Medium- and Long-term Environmental Preservation Goals in FY2013

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

【Objectives】

- 1) To reduce total CO₂ emissions at major domestic companies at least 17% from FY2006 levels by FY2015
- 2) To reduce CO₂ emissions per unit of production at major domestic companies and major overseas manufacturing companies at least 1% year-on-year

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

【Objectives】

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

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

【Objectives】

- 1) To promote firm implementations among Group companies and continuous improvements
- 2) To actively utilize the PDCA cycle
- 3) To provide environmental education for employees

Medium and Long-term Environmental Preservation Goal 4 Promoting Environmental Communication

【Objectives】

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

Kikkoman Group companies have pursued an effective program of environmental preservation activities under the management and leadership of the Environment Preservation Promotion Committee. During and after FY2014, the Group will continue to establish new objectives and conduct its business activities in an environmentally friendly manner.

Medium and Long-term Environmental Preservation Goal 1

Preventing Global Warming

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

Objectives

- 1) To reduce total CO₂ emissions at major domestic companies at least 17% from FY2006 levels by FY2015
- 2) To reduce CO₂ emissions per unit of production at major domestic companies and major overseas manufacturing companies at least 1% year-on-year

【Scope】

Objective 1) Reducing total CO₂ emissions

Total of 12 companies: Kikkoman Corporation; Kikkoman Food Products Co.; Hokkaido Kikkoman Co.; Nagareyama Kikkoman Co.; Heisei Foods Co.; Edogawa Foods Co.; Saitama Kikkoman, Nippon Del Monte Corp.; Manns Wine Co., Ltd.; Kikkoman Biochemifa Co.; Kikkoman Soyfoods Co. and Takara Shoyu Co., Ltd.

Objective (2) Reducing CO₂ emissions per unit of production

Total of 15 companies: Kikkoman Corporation; Kikkoman Food Products Co.; Hokkaido Kikkoman Co.; Nagareyama Kikkoman Co.; Heisei Foods Co.; Edogawa Foods Co.; Saitama Kikkoman, Nippon Del Monte Corp.; Manns Wine Co., Ltd.; Kikkoman Biochemifa Co.; Kikkoman Soyfoods Co.; Takara Shoyu Co., Ltd.; KIKKOMAN FOODS, INC. (KFI, United States); KIKKOMAN (S) PTE. LTD. (KSP, Singapore); and KIKKOMAN FOODS EUROPE B.V. (KFE, Netherlands)

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 loads of operations.

FY2013 Review

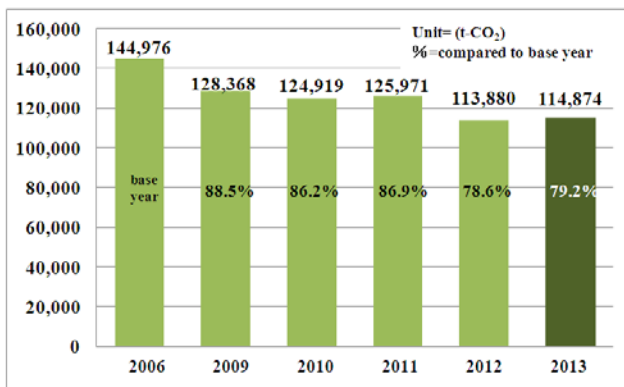
Reducing total emissions

Total CO₂ emissions for the Kikkoman Group's major domestic companies in FY2013 fell to 114,874 t- CO₂, or 79.2% of the FY2006 level (reduction of 30,102 t-CO₂). Due to an increase of production, CO₂ emissions rose by 994 CO₂ over the previous year.

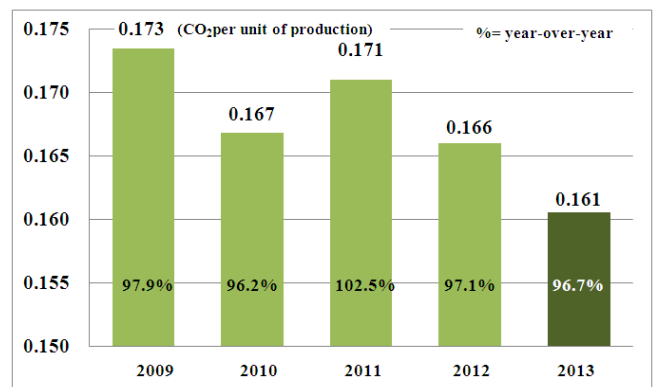
Reducing emissions per unit of production

CO₂ emissions per unit of production for major both domestic and overseas Kikkoman Group manufacturing companies in FY2013 fell to 0.161 t-CO₂/ton, or 96.7% of the FY2012 level (a decrease of 0.005 t-CO₂/ton), meeting the objective. This was primarily due to CO₂ reduction in spite of an increase of production. The Group including companies overseas will work to further reduce emissions per unit of production.

●Total CO₂ emissions (major domestic companies)



●CO₂ emissions per unit of production



Medium and Long-term Environmental Preservation Goal 2

Reducing and Recycling Wastes and Byproducts

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

Objectives

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

【Scope】

Objective 1) Domestic manufacturing companies and major overseas manufacturing companies

Objective 2) All Kikkoman Group companies

Objective 3) All Kikkoman Group companies

Initiatives

(1) Improve the recycling rate.

By examining causes that prevent recycling wastes and byproducts, actively promote the 4Rs (refuse, reduce, reuse, and recycle).

(2) Improve methods of recycling wastes and byproducts.

Strive to more effectively utilize wastes and byproducts, for example by optimizing production volumes, reducing material use, and improving process yields, in order to reduce byproducts, and processing residues as well as wastes.

(3) Strive to adopt environmentally friendly containers and packaging materials

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

Kikkoman's guidelines for containers and packaging

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

FY2013 Review

Improving the recycling rate

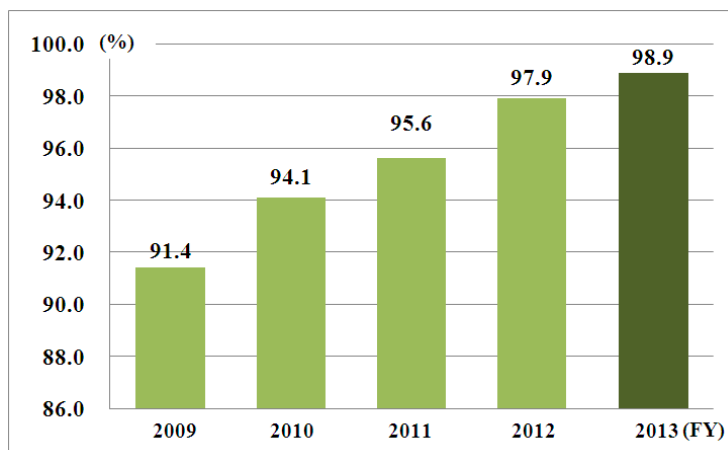
The recycling rate for major domestic and overseas manufacturing companies during FY2013 was 98.9%, a 1.0% improvement over FY2012's rate of 97.9%. Sludge recycling at Kikkoman Biochemifa's Kamogawa Plant contributed to the improvement. Going forward, we will redouble our efforts to achieve our target recycling rate of 99% (FY2015).

Improving methods of recycling wastes and byproducts

The Kikkoman Group is working to more effectively recycle food-related wastes and byproducts, sludge, cleaning residues, and waste plastic.

During FY2013, we focused on the effective utilization of food-related byproducts (soy sauce cake, soy sauce oil, *okara* [bean curd refuse], *mirin* cake, apple residue, grape residue, seaweed extraction residue, and bonito and kelp soup extraction residues), in particular by boosting reuse as feed, a high-priority area and enhanced quality. We will continue to work on quality improvements of recycling wastes and byproducts.

- The waste and byproduct recycling rate (major domestic and overseas manufacturing companies)



Increase use of environmentally friendly containers and packaging materials

During FY2013, Nagareyama Kikkoman Co. reduced the bottle weight of its product *Houjun Hon Mirin* 500ml PET bottle from 24g to 23g. Kikkoman Foods Co. adopted bio-PET resin made from waste black treacle for its product *Nabe Tsuyu*. The adoption of bio-PET resulted in 10% reduction of CO₂ emissions in compare to petroleum-based PET resin.

Medium and Long-term Environmental Preservation Goal 3

Promoting Environmental Management System

The Kikkoman Group has acquired ISO14001 certification of all major domestic facilities as a whole. We will build a more efficient Group-wide environmental management system and implement more sophisticated environmental management.

Objectives

- 1) To promote firm implementations among Group companies and continuous improvements
- 2) Step up use of the PDCA (Plan-Do-Check-Act) management.
- 3) Provide environmental education for employees.

【Scope】

Objective 1)

Kikkoman Corp.; Kikkoman Food Products Co.; Kikkoman Beverage Co.; Kikkoman Business Service Co.; Nagareyama Kikkoman Co.; Hokkaido Kikkoman Co.; Heisei Foods Co.; Edogawa Foods Co.; Nippon Del Monte Corp.; Manns Wine Co. Ltd.; Kikkoman Biochemifa Co.; Takara Shoyu Co. Ltd.; and Kikkoman Soyfoods Co.

Objective 2)

Applies to all Kikkoman Group companies.

Objective 3)

Applies to all Kikkoman Group companies.

Initiatives

(1) Firm implementations and continuous improvements

Through specific activities in each workplace, we promote firm implementations among Group companies and continuous improvements

(2) Perform internal audits

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

(3) Provide environmental education for employees

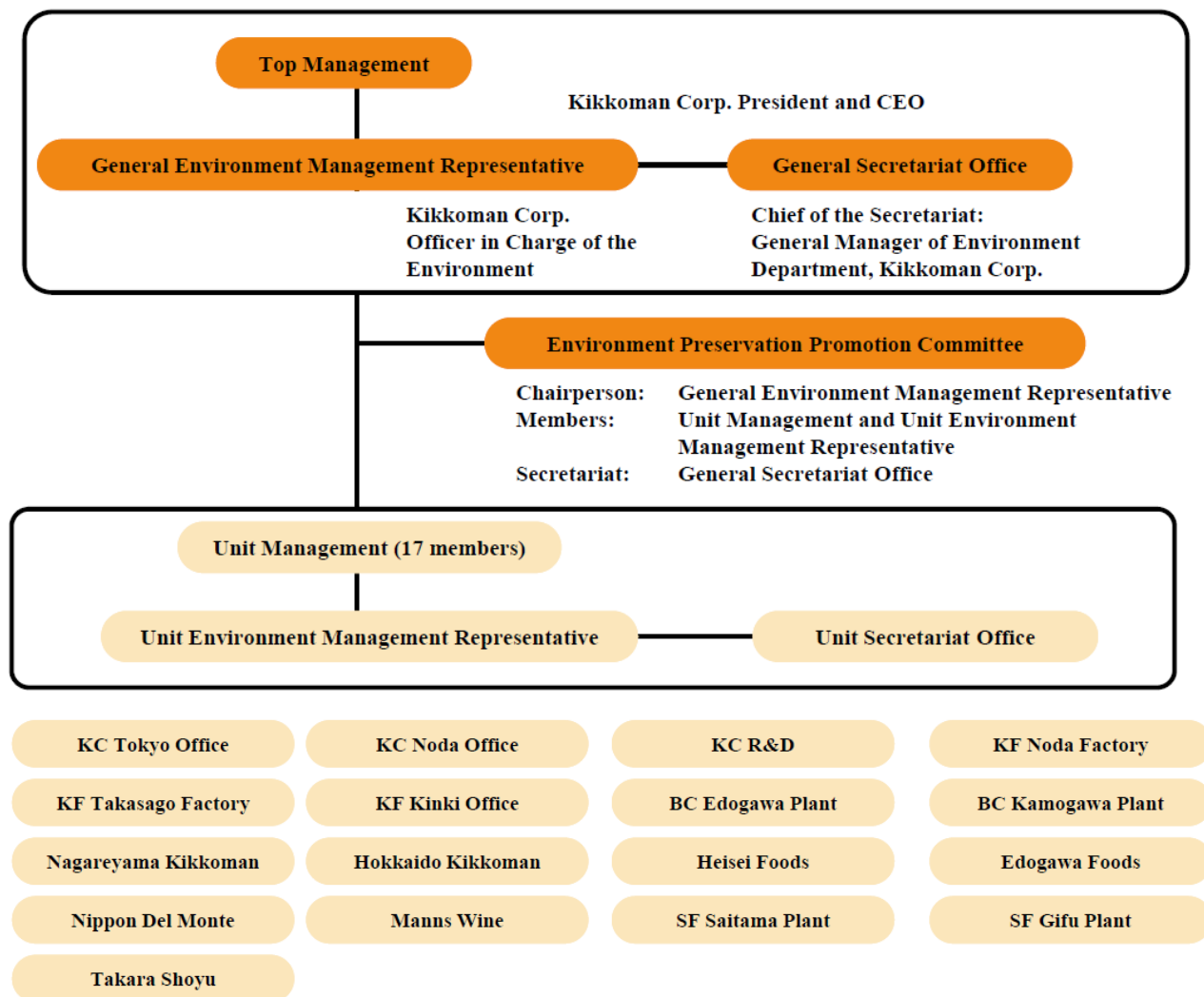
Offer training for new and mid-level employees to give them a global and ecological perspective as well as an understanding of the importance of environmental preservation, and to motivate them to work to address related issues. Provide highly specialized training for environmental managers and administrators.

FY2013 Review

Acquisition of ISO14001

After acquiring ISO14001 certification of all major domestic Group facilities as a whole in June, 2011, the Group has pursued the better environmental management by enhancing the internal communication and continuously improving this system. In FY2013, the Group began to share information about environmental issues and internal-cross audits. The internal-cross audit is a system that auditors from different areas audit each other. In addition, Takara Shoyu joined the scope of the Group certification.

- Framework to Promote ISO14001



KC=Kikkoman Corp. KF=Kikkoman Food Products BC=Kikkoman Biochemifa SF=Kikkoman Soyfoods

Medium- and Long-term Environmental Preservation Goal 4

Promoting Environmental Communication

The Kikkoman Group strives to share information with stakeholders. We also work with environmental groups and utilize the Group's information, technologies, and experiences on environmental preservation activities.

Objectives

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

【Scope】

All Kikkoman Group companies

Initiatives

(1) Collect and disclose environmental information.

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

(2) Undertake activities with environmental groups.

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

FY2013 Review

Principal environmental communication programs undertaken during FY2013

Name	Date	Target Audience	No. of Participants
Publication of Corporate Citizenship Report	Jul-12	General Public	—
Training at private companies for school teachers program	Aug-12	Kunitachi Board of Education	10
University Internship	Aug-12	Students at Chiba and Tokyo Kasei Universities	4
Eco Learning Program	Aug-12 Mar-13	Fourth Graders	74
Environmental Lecture at Kanagawa Institute of Technology	Nov-12	Students at Kanagawa Institute of Technology	90
Environmental Lecture at CO ₂ Countermeasure technologies Research Institute	Nov-12	Members of the institute	16
Eco-Products 2012 exhibit	Dec-12	General Public	180,000
Revision of the Environmental Preservation Activities Case Book	Jan-13	General Public	—
Environmental Lecture at Corporations and Biodiversity Seminar	Mar-13	Companies in Chiba Pref.	50
Activities with outside environmental groups	10 times	Japanese, Prefectures, and Town governments & other companies	—
Environmental Lectures at Kikkoman Group companies	20 times	Group companies	—
Providing environmental news	6 times	Group companies	—
Providing legal information	5 times	Group companies	—

Environmental Risk Management

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

Principal Environmental Risk Management

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

(1) Water pollution prevention

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

(2) Manual for the proper disposal of industrial wastes

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

(3) Noise, vibration, and odor prevention

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

(4) Air pollution prevention

In addition to observing regional regulations on the concentrations and total amounts of sulfur oxides (SO_x), nitrogen oxides (NO_x), and soot and particulate emissions, we seek to control these emissions by establishing voluntary standards at each of our plants.

(5) Black Mold Pollution Prevention

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

Energy, Resource and Discharge Flows

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

Environmental Products Lifecycle Management

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

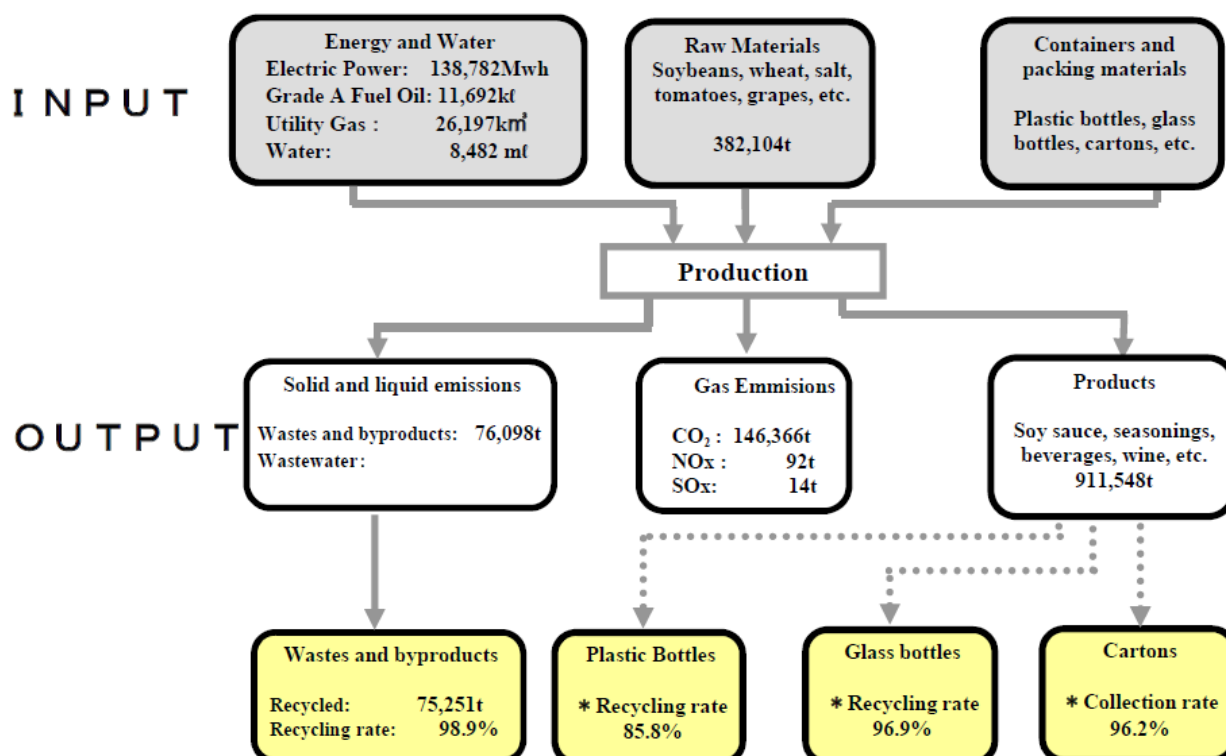
The Kikkoman Group strives to minimize the environmental loads of its manufacturing activities by seeking to consume less energy, water, and materials in manufacturing processes; improve efficiency in manufacturing and energy use; and reduce wastes. We also attempt to reduce the environmental loads of products after consumption by developing and using more readily recyclable containers and packaging materials such as glass and plastic bottles and cartons.

【Scope】

The data presented in this diagram applies to the following 14 companies: Kikkoman Food Products Co.; Hokkaido Kikkoman Co.; Nagareyama Kikkoman Co.; Saitama Kikkoman; Heisei Foods Co.; Edogawa Foods Co.; Nippon Del Monte Co.; Manns Wine Co., Ltd.; Kikkoman Biochemifa Co.; Kikkoman Soyfoods Co.; Takara Shoyu Co., Ltd.; KIKKOMAN FOODS, INC. (KFI, United States); KIKKOMAN (S) PTE. LTD. (KSP, Singapore); and KIKKOMAN FOODS EUROPE B.V. (KFE, Netherlands).

• Energy, resource and discharge flows for FY2012

The numbers shown in the diagram are based on what we have reported in our environmental accounting for FY2013.

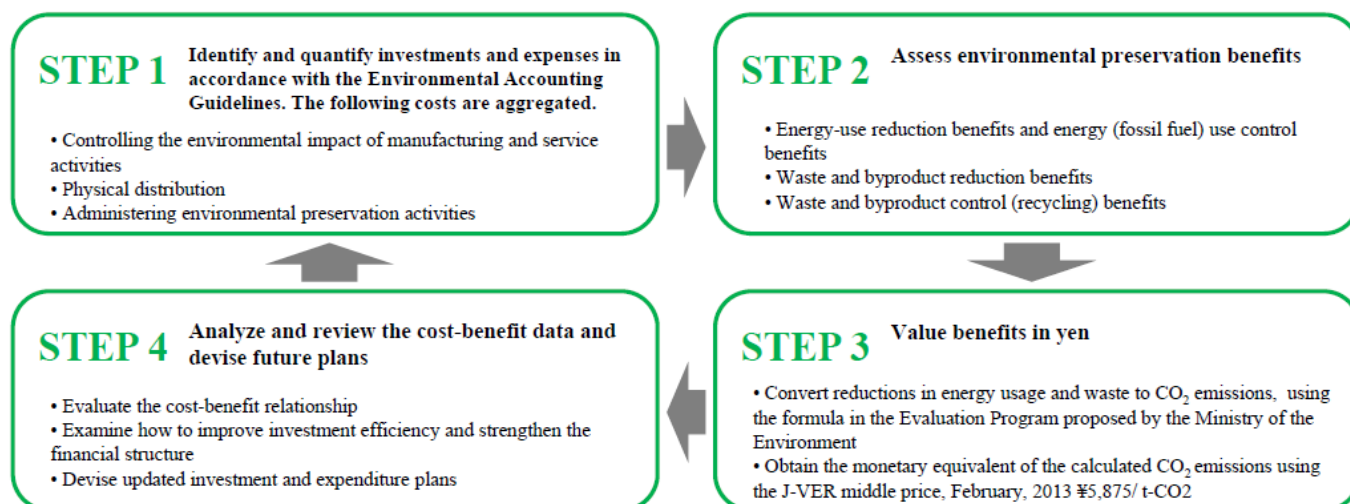


*The recycling rates for plastic bottles and glass bottles and the collection rate for cartons reflect action by customers. These figures have been calculated based on the latest information published by respective trade organizations.

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



Environmental Accounting for FY2013

【Scope of reporting】

Kikkoman Food Products Co. including Hokkaido Kikkoman Co., Nagareyama Kikkoman Co., Heisei Foods Co., Edogawa Foods Co., and Saitama Kikkoman; Nippon Del Monte; Manns Wine Co., Ltd.; Kikkoman Biochemifa Co.; Kikkoman Soyfoods Co.; Takara Shoyu Co., Ltd.; Kikkoman Foods, Inc. (KFI, United States); Kikkoman (S) Pte. Ltd. (KSP, Singapore); Kikkoman Foods Europe B.V. (KFE, Netherlands) .

【Reporting period】

April 1, 2012 - March 31, 2013

Category	Kikkoman Food Products	Nippon Del Monte	Manns Wine	Bichemifa	Soyfoods	Takara Shoyu	KFI	KSP	KFE	Total
Environmental preservation investments and expenses										
Environmental preservation investments	295	23	7	62	261	15	13	12	1	689
Environmental preservation expenses	1,450	117	26	120	369	49	156	12	25	2,324
Environmental preservation benefits										
Energy use reduction	10	-5	—	4	-11	—	-5	—	-2	-9
Energy (fossil fuel) control	21	—	—	—	—	—	—	—	—	21
Waste and byproduct reduction	10	5	-1	12	-7	1	-1	—	—	19
Waste and byproduct control (recycling)	244	22	7	82	141	6	136	12	17	667
Total	285	22	6	98	123	7	130	12	15	698

(Rounded to the nearest million yen)

FY2013 Review

Environmental preservation investments

Environmental preservation investments in FY2013 totaled ¥689 million, an increase of ¥186 million from FY2012. The increase was primarily due to a pollution prevention investment associated with the expansion of a drain facility at Noda Plant of Kikkoman Food Products.

Environmental preservation expenses

Environmental preservation expenses in FY2013 totaled ¥2,324 million, an increase of ¥71 million from FY2012. The increase was primarily due to a pollution prevention investment of Kikkoman Food Products.

Environmental preservation benefits

The CO₂ emissions of the environmental preservation benefits in FY2013 were 118,775 t-CO₂. The conversion to the monetary value of the benefits is ¥698 million (J-VER middle price, February, 2013 ¥5,875/ t-CO₂). The converted value of the environmental preservation benefits FY2012 was ¥774 million; the benefit declined for ¥ 76 million. The decline was primarily due to the CO₂ emissions reduction as a result of a consolidation of Nippon Del Monte manufacturing facilities.

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

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

Kikkoman Group
Corporate Citizenship Report 2013
Social Report

For Our Customers

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

Basic Approach

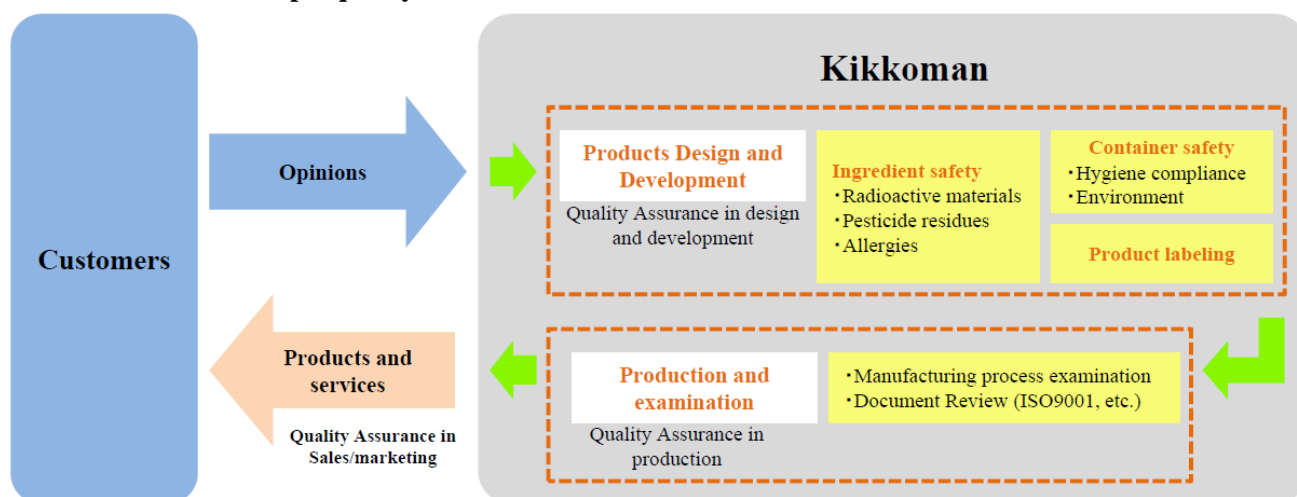
The Kikkoman Group considers the safety of the products and services it provides to be our highest priority. In order to supply safe products to our customers, we rigorously examine quality assurance based on corroborative evidence in every process, from ingredient selection to the final product stage,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

At the same time, we emphasize providing customers with products that inspire peace of mind. At the Kikkoman Group, we believe that peace of mind comes from building relationships of deep trust by communicating the safety of our products in an easy-to-understand manner. In short, we strive to improve customer satisfaction by assuring product safety and customers' peace of mind.

Quality Assurance for Safety and Peace of Mind

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

●The Kikkoman Group's quality assurance flow



Systems for Providing Safety to Customers

The Kikkoman Group's quality assurance system

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

The Quality Assurance Committee

Kikkoman established the Quality Assurance Committee in 1986 with a membership consisting primarily of department heads and top management in order to spearhead efforts to ensure the safety of the company's products. The committee was reorganized in October 2009 to cut across the Group horizontally, with participation from managers from research and legal affairs departments; production administration, sales, and product development departments at Kikkoman Food Products Company and Kikkoman Beverage Company; ingredient procurement departments and the Kikkoman Consumer Center at Kikkoman Business Service Company; and quality assurance departments at all Group companies. We will continue to pursue Group-wide quality assurance activities in an effort to enact Group quality policies and guidelines; address issues; and supply safe products and services that comply with all applicable laws and reflect the principle of social fairness.

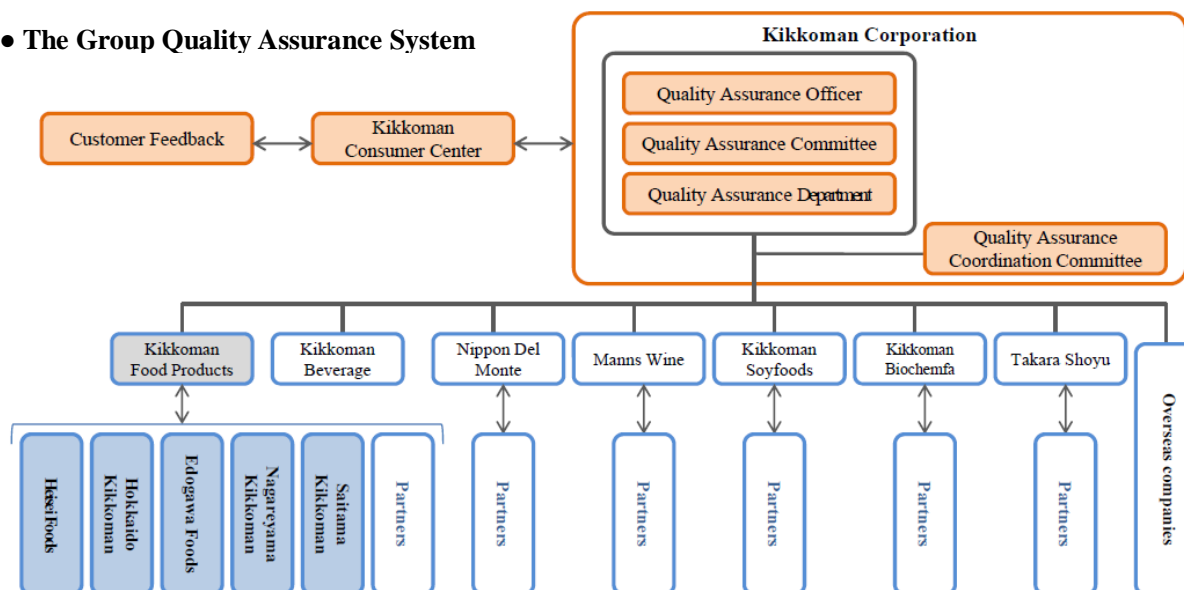
Enhancing the group-wide quality assurance system

In order to enhance our quality assurance activities, the Kikkoman Group Quality Assurance Liaison Committee was launched in October, 2009. The Committee members strive to improve their quality assurance system through discussions such as: issues that each company face, finding common problems among the group companies as well as responses to the problems, actions to the current events, responses to revised laws/regulations, and sharing information about incidents. Also, the committee further improves the network among the group companies overseas to build better global quality assurance system.

The Quality Assurance Department

In 1985, Kikkoman became one of the first food industry companies in Japan to establish a Quality Assurance Department. Since then, the department has adopted the customer's perspective as it conducts rigorous quality assurance reviews of all processes from ingredient procurement to product sales from the standpoint of assuring safety, legal compliance, and social fairness. Products that do not pass these reviews, which form the lynchpin of Kikkoman's quality assurance program, are not brought to market. Kikkoman Corporation's Quality Assurance Department also serves as the secretariat of the Quality Assurance Committee. Working with individual Group companies' quality assurance departments, the department strives to provide safe products and services that customers can use with confidence and peace of mind.

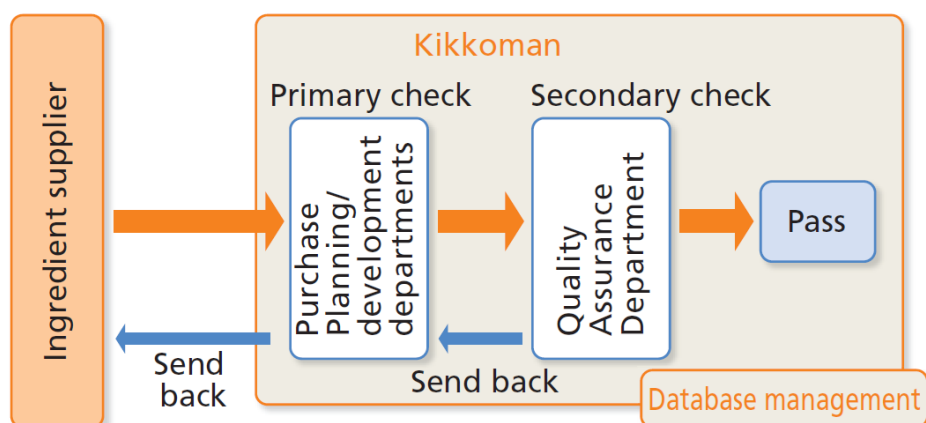
• The Group Quality Assurance System



Quality Assurance in the Product Development

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

- **Kikkoman's Process for verifying ingredient specifications**



Investigating and verifying allergens

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

- **Ingredients legally required or recommended to be listed on labels**

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

Checking the safety of ingredients and materials made from beef

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

Screening for residual agricultural chemicals

Kikkoman screens all domestic and imported ingredients and materials for agricultural chemicals. Since 2004, we have taken the additional step of ensuring food safety by conducting voluntary checks for residual agricultural chemicals contained in farm produce, such as grains, beans, vegetables, and fruits, to verify that their usage is properly controlled. In response to the Positive List System for Agricultural Chemical Residues in Foods under the revised Food Sanitation Act, we developed efficient and accurate analytical methods in 2007 to enable about 300 commonly used agricultural chemicals to be analyzed at once, facilitating more effective and reliable testing for pesticide residues.

Microbial treatment

In order to protect our products from microbes and ensure safety, Kikkoman carefully develop our products and give special consideration to proper sterilization and filling conditions. There are a variety of microbes that affect food products and the range of microbe resistance derives from food characteristics. Therefore, it is very important to adopt sterilization methods that have been optimized to provide maximum safety on a product-by-product basis.

We target bacteria for sterilization depending on the salinity, water activity, pH level, and other characteristics of specific food products. In addition, we use indicator bacteria to check if they grow in the target products as well as measuring the heat resistance of bacteria targeted for sterilization in each food product. After these examinations, we determine sterilization conditions based on judgments concerning compatibility with the manufacturing plant, containers, and other aspects of production.

Container and packaging safety and pursuit of better designs

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. Also, based on the concept of “Universal Design,” we continue improving designs of our products.

Quality Assurance in the Production

In order to supply customers with safe, high-quality products, the Kikkoman Group has received certification under the ISO9001 international quality control standard for most of its Japanese plants. Furthermore, Kikkoman Food Products Company manages its production activities in accordance with a proprietary quality control system that combines (1) an ISO9001 system (an international model for quality control systems for products and services), (2) GMP standards (standards for equipment and work procedures at facilities that produce food products), and (3) the HACCP concept (a mechanism for preventing food accidents). The company also strives to manufacture safe products by conducting quality inspections as necessary during each production process.

Monitoring quality control

Kikkoman has put in place a system for monitoring quality control to ensure that customers can use Kikkoman brand products with confidence and peace of mind no matter where in the world they are. Managers with specialized knowledge extending beyond the plant in which they work provide comprehensive and regular monitoring of food product hygiene, equipment management, and other aspects of operation at the Group’s Japanese and overseas manufacturing plants.

Original Equipment Manufacturers (OEM) manufacture a certain amount of the Kikkoman products. In order to assure quality of those products, we monitor the OEM based on our OEM assessment sheet that consists of 70 questions. The questions cover the following categories: administration, building / facilities, sanitation in general, raw materials, production, foreign materials, examination, and shipping. Before conducting site audits, the OEM are requested to implement self assessments. By comparing results of audits and self assessments, we strive to further improve our quality assurance system.

Traceability

Traceability refers to a condition that products and raw materials used for specific products can be traced by their manufacturer. Kikkoman pursues better traceability by strictly controlling raw materials, production and shipping. In order to achieve a faster tracing result, major production facilities conduct simulation trainings and confirm procedures.

Radioactive materials

Kikkoman developed the quality assurance system from early on to deliver safe products and services to our customers. Soon after the Great East Japan Earthquake, the Kikkoman Group deployed various group-wide efforts to deal with radioactive materials.

We confirm safety of raw materials by monitoring results of radioactive material tests conducted by the Japanese government and local governments. Also, we confirm safety of our products by collecting and checking information from our suppliers regarding place of origin and control systems. When necessary, we analyze raw materials and water through our own analyzer or external institutions and ensure safety.

As necessary, raw materials, water, and products are examined for radioactive contamination at Kikkoman facilities or at external institutions to ensure safety.

At Kikkoman, Environment & Food Safety Analysis Center and/or each plant undertake the examinations by using germanium semiconductor detectors or scintillation spectrometers.

System to Deliver Peace of Mind to our Customers

Complying with laws concerning product labeling and truth in advertising

Kikkoman rigorously checks the veracity of product labeling and advertising to verify compliance with the JAS (Japan Agricultural Standard), the Food Sanitation Act, the Act against Unjustifiable Premiums and Misleading Representations, the Fair Competition Codes, the Health Promotion Act, the Liquor Tax Act, the Pharmaceutical Affairs Act, and industry guidelines. If any problem is detected, we immediately take corrective action before products reach the market to ensure that our product labeling complies with these laws and regulations.

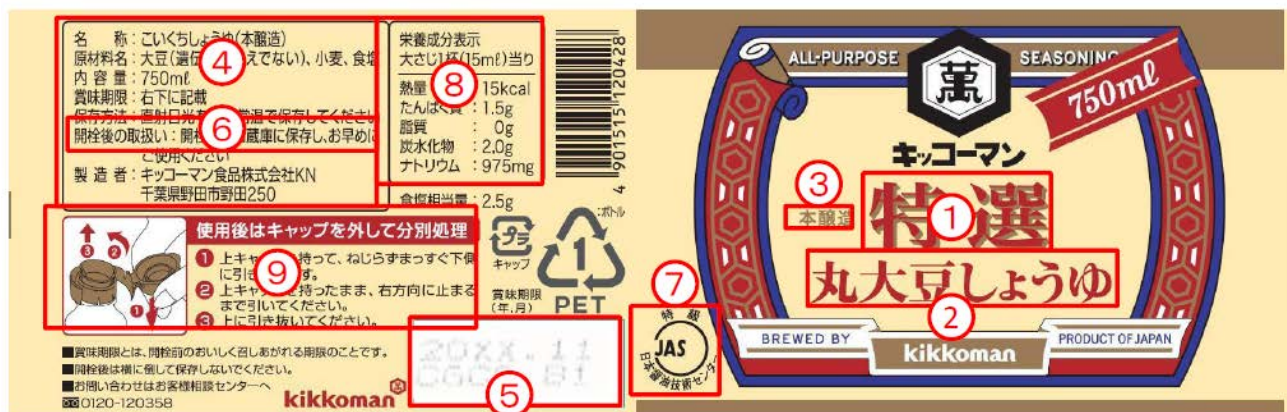
Ensuring social fairness

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

Appropriate product labeling

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

Product label for Extra Fancy Whole Beans Soy Sauce



(1) “Tokusen (extra grade)”

Indicates that the product contains more umami-related compounds than special grade soy sauce.

(2) “Whole Beans Soy Sauce”

Indicates that whole soybeans were used as ingredients in the production of this soy sauce product, and that defatted soybeans were not used.

(3) “Naturally Brewed”

Indicates that the product was made using traditional Japanese methods for slowly fermenting and brewing moromi mash.

(4) Nutrition label

Contains labeling information mandated by the JAS (Japan Agricultural Standard) and Food Sanitation Act.

(5) Expiration date

Indicates that latest date at which the full flavor of the unopened product can be enjoyed, assuming that it has been stored in accordance with instructions on the nutrition label.

(6) “After opening”

Indicates that the product should be kept in the refrigerator after opening and used as quickly as possible.

(7) JAS mark

Indicates that the product qualifies as special-grade soy sauce under the JAS (Japan Agricultural Standard) classification system of special grade, upper grade, and standard levels of quality.

(8) Nutritional information

Indicates nutrient content so that customers can choose the products they buy based on appropriate information.

(9) Disposal method

Indicates how the container should be recycled at the time of disposal.

Communicating information through our website

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

The Kikkoman Consumer Center's website also has a section that informs countries of origin of raw materials used for our major products and products whose origins are frequently asked.

System to Maintain a Stable Supply

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

Our plants constantly update their facilities for smooth productions and each plant works to obviate any chance of the accidents, which affects our production capabilities.

Also, Kikkoman works with Sobu Logistics Corp. to review the Group's logistics on a continuous basis to build a faster and more stable logistic system.

The Great East Japan Earthquake affected our production and logistics capabilities, and a supply of some of our products temporarily stopped. Both productions and logistics were not seriously damaged, but the Group is introducing the BCP (Business Continuity Plan) in preparation for the future disasters.

* See also the Management Part.

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.

For better food lifestyles

The Kikkoman Group believes, as a food company, it is an important social responsibility to deliver products and services with new values and help customers enjoy better food lifestyles.

Delivering new and healthy food experiences

The Kikkoman Group is undertaking product developments and campaigns to promote health of our customers through food.

In 2011, Kikkoman Food Products expanded its Less Sodium Soy Sauce product line as well as introducing healthy recipes through less salt diet campaigns. Kikkoman Soyfoods also launched a campaign to introduce soy milk recipes.

In markets overseas, as well as introducing Japanese food, we also promote fusion recipes that feature both soy sauce and local ingredients. In many countries, Japanese food continues to be popular and recognized as delicious and healthy food. We hope to contribute to our customers all over the world by promoting Japanese food and soy sauce.

The Kikkoman Consumer Center

Kikkoman has established the Kikkoman Consumer Center(KCC) to serve as the primary channel through which the Company communicates with customers. The Center strives to provide accurate, speedy, and heartfelt service to customers in accordance with a basic policy of “Speed, Precision, and Sincerity.” Questions and comments received from customers are stored in a database that is utilized companywide in order to help provide speedy, accurate service and to take full advantage of customer feedback as a management resource. Furthermore, customer feedback is summarized and shared internally with executives, managers, and supervisors nationwide in the form of weekly reports. Participation of the Kikkoman Consumer Center in the Quality Assurance Committee helps bring customer feedback to bear in our efforts to both improve existing products and develop new ones.

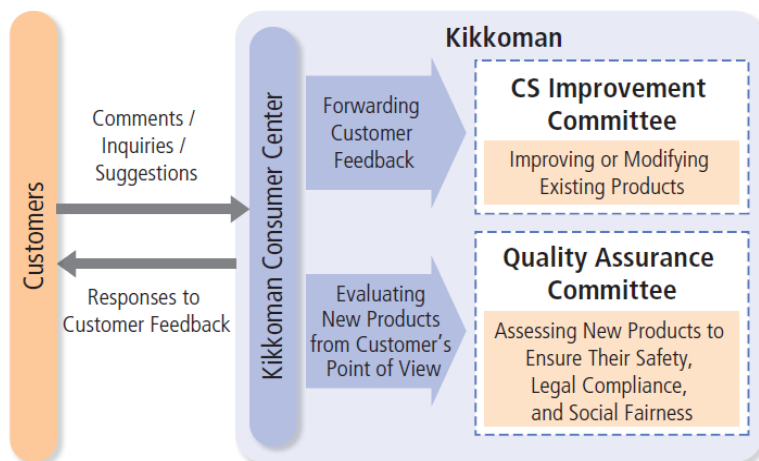
The CS Improvement Committee

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.

● Customer inquiries at the KCC

FY	Total	comments	inquiries	suggestions
2009	24,343	1,234	20,958	2,151
2010	25,552	1,711	21,869	1,972
2011	25,839	1,665	21,271	2,903
2012	32,450	1,823	27,929	2,698
2013	26,423	1,330	21,808	3,285

● How Kikkoman acts on customer feedback



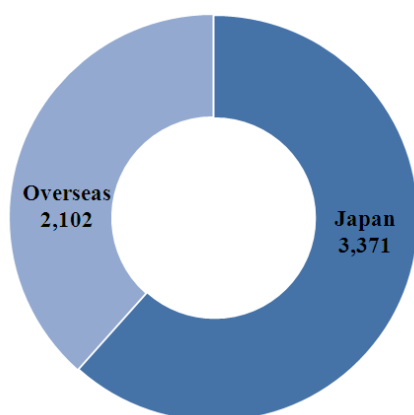
For Our Employees

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.

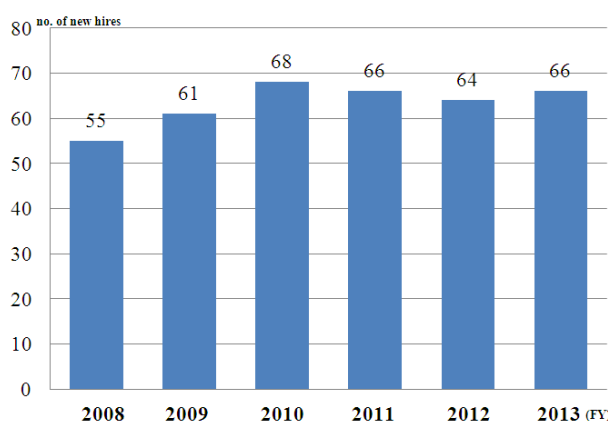
Basic Approach

The Kikkoman Group has 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.

●The number of employees March, 2012



●New hires (non-consolidated basis)



*Includes temporary employees.

Respecting Human Rights

When doing business, the Kikkoman Group respects human rights. The Kikkoman Group Code of Conduct states, “We respect personalities and individualities, foster mutual understanding, and stamp out discriminations based on prejudices. We make fair evaluations in the treatment of employees.” Managers at the Kikkoman Group submit an annual promissory letters to the CEO pledging their compliance with the Kikkoman Group Code of Conduct. In FY 2013, 408 managers signed the promissory letters.

In 2001, Kikkoman announced our participation in the United Nations Global Compact(UNGC). The ten principles of the UNGC 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.

Trainings for the managers

Every year, Kikkoman conducts a management training program for all managers. This training program focuses on roles and measures as managers and helps managers to develop further understanding of compliance including human rights, employee management, and proper performance reviews. In FY 2013, 178 managers took this program.

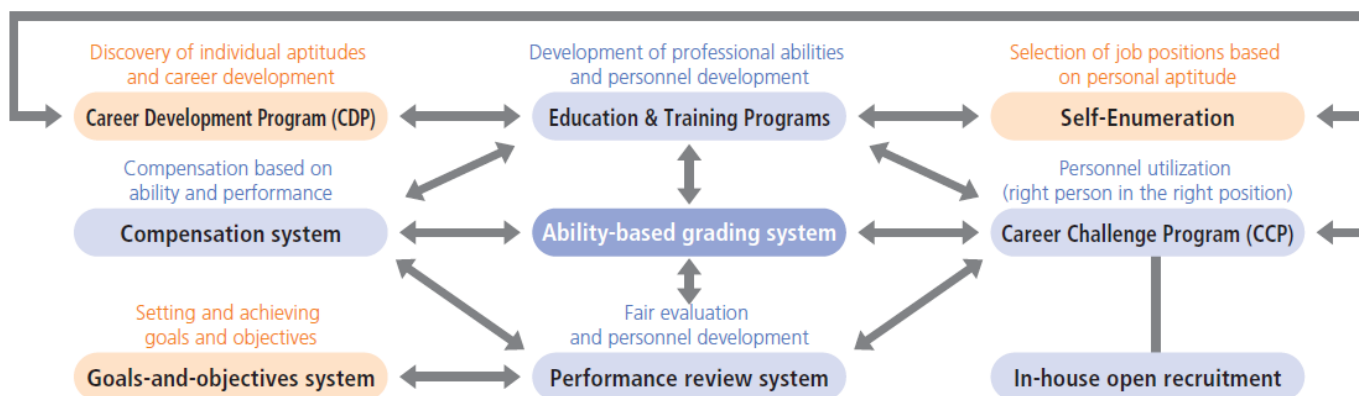
Preventing harassments

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

Promoting Fair Human Resource Systems and Enlarging Career Opportunities

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

●Human Resource Management System



Nurturing Better Work Environment

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 vital manner. We introduced childcare leave 10 years before its enactment in law and family care leave 20 years before its enactment in law.

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



•Flexible work arrangements (Kikkoman)

Work Arrangements	Description
Childcare leave (since 1981)	<ul style="list-style-type: none"> • Can be taken from the time of birth of a child until the first April 30 after the child attains the age of 18 months. One extension and one reduction of leave period are permitted. • (Short-term childcare leave) Up to one week of paid time can be taken during the first eight weeks following birth. *Only male employees are eligible for this program.
Shorter work hours for childcare (since 1996)	<ul style="list-style-type: none"> • An employee can take up to two reductions in regular work hours totaling a maximum of two hours daily from the time of conception until the child enters the fourth grade.
Morning sickness leave (since 2000)	<ul style="list-style-type: none"> • Up to 15 days can be taken during pregnancy.
Child nursing care leave (since 2003)	<ul style="list-style-type: none"> • Up to 5 days per year per child can be taken until the child in question reaches fourth grade.
Family care leave (since 1978)	<ul style="list-style-type: none"> • Up to 2 years can be taken at any interval.
Shorter work hours for family care (since 1998)	<ul style="list-style-type: none"> • An employee can take up to two reductions in regular work hours totaling a maximum of two hours daily in one or more 1-month blocks for a total period of up to 1 year.
Nursing care leave (since 2010)	<ul style="list-style-type: none"> • Five days of nursing care leave can be taken per sick or injured family member requiring care per year.
Communication with employees on leave	<ul style="list-style-type: none"> • Updates on company and workplace information are communicated to employees on leave via newsletters and emails so that they will not feel left out.
Flextime plan, etc.	

Diversities

Promoting employment of people with disabilities

Based on the principle of “normalization,” the concept of creating a society in which able-bodied and disabled people live and work together on equal terms, Kikkoman works to develop a work environment for people with disabilities. In FY2013 the proportion of employees with disabilities at Kikkoman Corporation and Kikkoman Food Products Company was 1.55 and 1.89.

The Continuing Employment System

In 2001, Kikkoman introduced the Post Retirement Employment System, which is available to those who retire at age of 60. This system made it possible to provide opportunities for the object employees to exercise their skills as well as passing on the skills of experienced workers to younger workers.

Promoting opportunities for female employees

Kikkoman promotes to develop a work environment that female employees can work on a long-term basis and expand opportunities for participation.

In order to help female employees come back to their work after childbirth, Kikkoman introduced the Childcare Leave 10 years before its enactment in law. In FY 2013, 33 employees including male employees applied for this program. Since the program was introduced, 429 employees in total have applied.

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.

Promoting Skill Development Programs and Supporting Career Development

The human resources development vision

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

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

Global Human Resource Development

The Kikkoman Group is working to develop global human resource. We help our employees develop skills that can be displayed both in domestic and foreign markets. The set of skills includes communication, leadership, intercultural adjustments, expertise, physical strength, and forward-looking mindset.

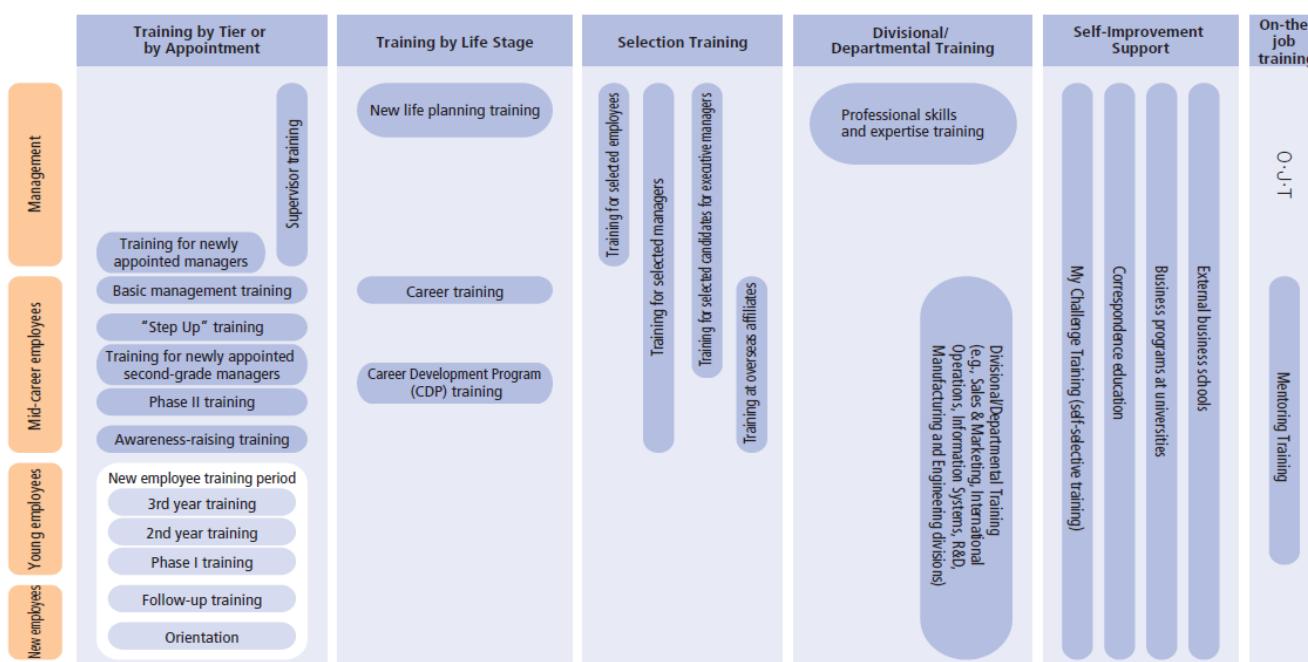
As a part of our program, we have training at overseas affiliates for a select group of mid-career employees. We also employ foreign staff to develop diversity. They nurtured as candidates for managers.

Training programs

Kikkoman offers tier-based training for groups such as new employees and employees in management positions. In order to enhance the Group's synergy, collective training programs with affiliates have been taken place.

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

●Human resource development chart (Kikkoman)



●Number of participants in major self-improvement training programs in FY2013

Training Program	Number of Participants
Correspondence courses	1,045
Business school scholarships	23
Scholarships for business management courses at universities	8
My Challenge Training	63

Safe and healthy work environment

Kikkoman believes that providing a safe and pleasant work environment for employees is a fundamental principle of corporate management. Accordingly, the Company's 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).

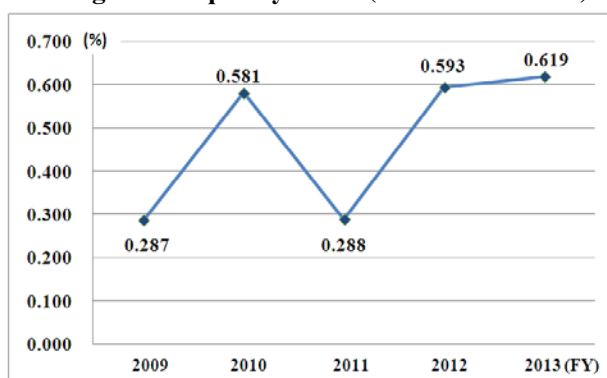
Promoting safety and health activities

Kikkoman has set up the Central Safety and Health Committee to review and determines policies and key objectives for companywide safety and health initiatives, and its decisions are made known throughout the Company. Daily safety and health activities are undertaken through local safety and health committees. In addition, monitoring teams consisting of labor and management representatives conduct periodic monitoring inspections at both the central and local levels, and the Company works to assess the causes of safety and health risks and take corrective action.

There were 7 minor accidents and 2 accidents resulting in work stoppages during FY2013. We remain committed to strengthening efforts to eliminate accidents by applying risk assessment practices companywide.

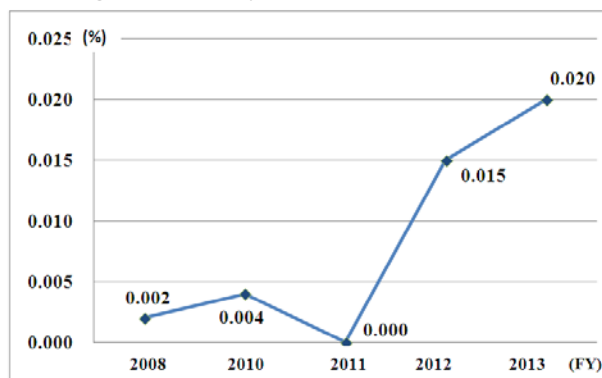
In order to further improve the Group's Safety and Health standards, the Group held two joint meetings that the domestic affiliates discuss and share safety and health issues. Through these efforts, the Group is working to prevent future accidents.

●Changes in frequency rate^{*1} (non-consolidated)



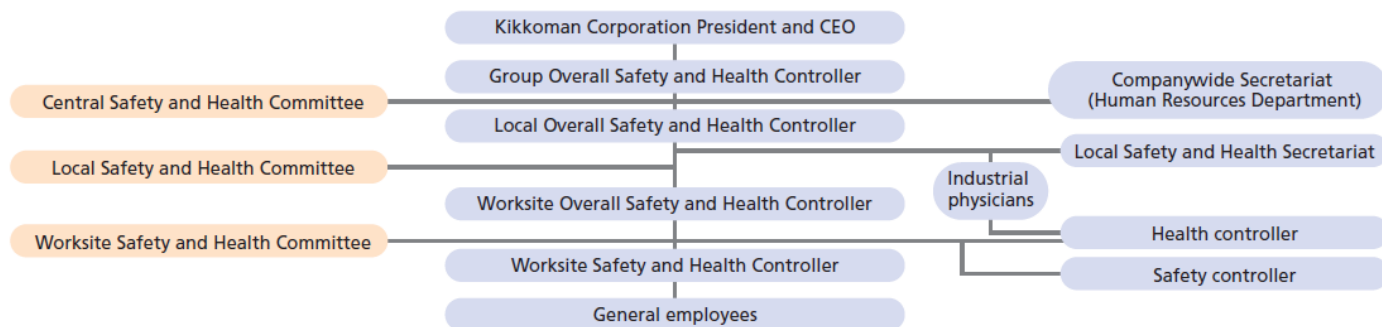
^{*1} Frequency rate: An indicator of the frequency of disasters/accidents, represented by the number of casualties resulting from occupational accidents per 1 million work hours.

●Changes in severity rate^{*2} (non-consolidated)



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

● **Safety and Health Management Organization (Kikkoman)**



Efforts by the affiliates overseas

The Group is working on improving safety and health system at our affiliates overseas. At KFI, KFE, and KSP, each company forms their Safety and Health Committee and strives to improve effectiveness of the safety and health system.

All of our affiliates overseas provide with the lectures and/or trainings regarding safety and health as well as using proper protections while performing job functions. The affiliates share accident reports with the Foreign Operations Department at Kikkoman Corp. to avoid repeating the similar accidents.

Encouraging Employee Physical and Mental Well-being

Kikkoman provides medical supports to employees. Employees who need re-examination following their medical check-ups can receive advice from medical nurse. The employees can also access a health databank to check their records of health checkup.

Kikkoman has opened a 24-hour telephone hotline for health and medical questions in partnership with an outside institution as part of its ongoing commitment to helping employees maintain good physical and mental health. In 2011, in addition to regular medical checkups, Kikkoman offered dental checkups, VDT check, and immunization against influenza by Kikkoman General Hospital.

Kikkoman works with professional institutions to run our mental health program for our employees and their families. By introducing the Kikkoman Mental Health Manual, we strive to create an environment to prevent mental health problems. Kikkoman also developed a guideline that describes how to treat employees when they return to work from a leave for mental health reasons.

Future Subject

The Group's employees are becoming more and more diversified as we expand our business fields and countries of operation. Recognizing our business environment is changing rapidly, the Group strives to create better work environment based on the respect of human rights as well as developing diversified human resources.

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

In FY2013, for analysts and institutional investors, Kikkoman Corporation held 4 meetings with the management, a soy milk business seminar, and 4 factory tours.

Going forward, we remain committed to pursuing activities designed to promote a better understanding of our businesses while receiving feedbacks from shareholders and investors.

Promoting open general shareholders' meetings

To encourage higher attendance, Kikkoman Corporation schedules the annual general shareholders' meeting to avoid clashing with the most common dates for other companies' meetings. Moreover, we deliver the convocation notice and related documents to shareholders three weeks in advance in order to allow careful review of the agenda. We also send an English-language convocation notice to overseas shareholders.

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

Shareholder Return and Internal Reserve

Kikkoman Corporation considers the dividend policy as one of our key management issues. In this area, our basic policy is to reward shareholders through consistent distribution of profits backed by strong consolidated financial performance, while using funds to invest in strengthening its corporate foundation and future businesses. As a result of this approach, the dividend for FY2013 is JPY 20 per share including a common dividend of JPY 18.00 per share and a commemorative dividend of JPY 2.00 per share for the 40th anniversary of Kikkoman Foods, Inc. In addition, we have a special benefit plan for shareholders aimed at deepening their understanding of the Kikkoman Group's products and encouraging their ongoing support. From a long-range perspective, we intend to deploy internal reserves in ways that create robust corporate value. Future plans include investments in expanding our international operations, streamlining production facilities, conducting research and development for new businesses, opening and expanding markets to cultivate new demand, and pursuing strategic investment activities.

●Composition of shareholders (as of March 30, 2013)

By Shareholder Type		
	1,000 shares	%
Financial institutions	59,718	28.39
Securities Company	7,626	3.62
Others	50,007	23.77
Foreign Investors	29,231	13.89
Individual investors, etc	63,799	30.33

By Number of Shares Held		
	1,000 shares	%
1,000,000 or more	120,485	57.27
100,000 to 999,999	45,011	21.40
10,000 to 99,999	15,409	7.32
1,000 to 9,999	27,296	12.97
Less than 1,000	2,180	1.04

Credit Rating

Credit ratings provided by rating agencies serve as a means of better understanding Kikkoman's financial soundness. Kikkoman gives credit ratings an important role in financial strategy out of recognition that they reflect the manner in which capital markets evaluate the Company's performance and creditworthiness. Kikkoman Corporation was given a rating of A (single A stable) by Rating and Investment Information, Inc., in Japan as of March 30, 2013. 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 reevaluating existing suppliers on a regular basis. Both of these measures ensure fair evaluation and provide opportunities for new suppliers. To help minimize potential risks, we procure ingredients and raw materials from multiple suppliers.

Developing Good Working Partnerships with Suppliers

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

Integrated Purchasing by the Group

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

Ensuring Ingredient Quality

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

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 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 FY2013, we made these requests of some 175 suppliers.

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

As a Member of Local Communities

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

Basic Approach

Under the management principle of “becoming a company whose existence is meaningful to global society,” the Kikkoman Group promotes a management that places a great value on our relationship with local communities. We hope to contribute to build a society that corporations and communities build mutual-beneficial relationships. The Group undertakes activities designed to support society at large, primarily in the field of food and health. We are also working to foster an appreciation and a preservation of Japanese food culture as well as maintaining harmony with world food cultures.

Major Social Activities

Supporting employees’ volunteer activities

Kikkoman encourage our employees to engage in volunteer activities. We have introduced programs, such as the matching donation program, the community service program, and the volunteer leave programs, Kikkoman also facilitates nationwide volunteer activities in which employees can easily participate. They include 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

Kikkoman provides hands-on programs for elementary school children and their parents. These programs are designed to stimulate interests in food and nature. Some of our programs are held in conjunction with NGOs and NPOs. Employee volunteers take parts in these programs.

Education and fostering of youth

Kikkoman provides 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 develop safe communities

Kikkoman works to help communities develop safer environments by supporting firefighting operations and disaster-prevention activities as well as conducting traffic safety campaigns.

Community outreach programs

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

Donations

Kikkoman makes donations to organizations whose activities are related to our businesses. That includes providing products to NGOs, offering educational supports, and practicing environmental preservations. We also donate to relief funds when large-scale disasters occur.

Social Activities in FY2013

Donating products to Food Bank organizations

The Kikkoman Group began donating its products to Food Bank organizations* in FY2010 both in Japan and U.S. The products are distributed to people who need food assistance for free.

*Food Bank organizations receive food products from food companies and distribute them to welfare service facilities that need support.

Cooking experience programs for families

Since FY2004, the Kikkoman Group has held cooking experience programs for parents and children in communities where factories are located. The theme of these programs is “food,” and they are designed for families to stimulate their interests in good diet and local communities.

During FY 2013, we held programs such as: the Soy Sauce Experience Program in Hokkaido and in Takasago. Kikkoman will continue 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.

Sponsoring English education in Noda

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

Supporting the YFU exchange student program

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 FY2013, the program brought 17 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 exchanges.

Promoting and Developing Food Culture

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

Research on food cultures and transmission of information

The Kikkoman Institute of International Food Culture, located at the Noda Head Office, conducts research on food culture with a focus on fermented seasonings and soy sauce, collects information related to food, and holds forums and seminars on related subjects.

The Center also contributes to international exchange and amalgamation of food culture by making research findings and collected information and materials available to the general public at libraries and exhibitions and on its website.

Cooking seminars at the Tokyo Head Office

At Kikkoman's Tokyo Head Office's KCC Hall, Kikkoman holds seminars in the form of lectures, demonstrations, and tastings featuring culinary experts, chefs, and other food professionals as instructors. Content spans multiple genres such as Japanese food culture and cuisine, world food culture and cuisine, and food and health. During FY2013, we held 50 seminars with 2,429 participants.

the Kikkoman General Hospital

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

In order to further contribute to the society and the local community through providing medical services, Kikkoman Corp. began construction of a new hospital in March, 2011. The construction has completed in June, 2012, and began operation in August, 2012. In addition to installing new medical devices, the new hospital re-opened the maternity department to create better environments for expecting mothers in a local community. The new hospital also has new features such as relaxing spaces and countermeasures against disasters.

Major Social Activities outside Japan

North America :

Kikkoman Foods Foundation Inc.

Kikkoman Foods Inc.(KFI), our soy sauce manufacturer in the United States, established a charitable foundation, Kikkoman Foods Foundation Inc. KFI has donated to organizations such as local educational institutions and disaster relief activities.

Food bank initiatives in the United States

Kikkoman Sales U.S.A. (KSU), a marketing company in the United States, conducts a social activity called "Kikkoman Kares." Since 2010, as part of this initiative, KSU has donated food products to the food bank organizations in the United States, contributing an equivalent of about 154 tons in 2012.

Shokuiku(Food Education) in the United States

In January 2012, KFI Wisconsin Plant invited local elementary school students and held a *Senbei-yaki* (rice cookie cooking) experience program. The students also enjoyed moving jelly beans from one dish to another by using chopsticks. In July, 2012, KFI invited Japanese students in Chicago and held *Shokuiku* experience program. The students learned how to make soy sauce and joined a soy sauce making program.

Asia :

Water purification project in Singapore

KIKKOMAN (S) PTE. LTD. (KSP), a soy sauce manufacturing company in Singapore, supports the construction of Kingfisher Lake, located inside “Gardens by the Bay,” a garden in Singapore. Kingfisher Lake has an environmentally friendly water purification system that utilizes the nature within the park, such as aquatic plants. The lake is expected to contribute to solve water problems in Singapore.

Contributions to local communities by the Del Monte Thai plant

In order to support agricultural promotions in the Trat Province of Thailand, where the plant is located, and in the northeastern region of Thailand, Siam Del Monte Company Ltd. (SDM), a manufacturing company of processed vegetable and fruit products, has provided seeds for corn harvests, which serve as a stable source of income for farming households. Farming trainings were also provided to encourage more households to participate in this program.

When a serious flood occurred in 2011, more than 2,000 cases of our products were donated through local governments for people who were affected by the disaster.

Essay Contest in Shanghai

The Kikkoman Group opened an authentic Japanese restaurant, “Murasaki,” in the Japanese industry pavilion at Expo 2010 Shanghai China. Students from Shanghai University participated in operating this restaurant; eight students worked as service staff, and five students served as cooking assistants. These students significantly contributed our smooth operation. In October 2010, the Kikkoman “Murasaki” fund was established between the College of Foreign Languages at Shanghai University and the Kikkoman Group. This fund provides scholarships and training programs in Japan for students of high scholastic standing.

In 2012, Kikkoman conducted Essay Contests at 5 Universities in Shanghai. 10 contest winners were invited to a learning program in Japan and experienced cooking Japanese food.

Europe :

Water quality improvement project in the Netherlands

Since 1997, Kikkoman Foods Europe B.V. (KFE), our soy sauce manufacturer in the Netherlands, has supported a water quality improvement project for Zuidlaardermeer (Lake of Zuidlaren) in Groningen, the Netherlands.

A unique aspect of this project is that the water purification mechanism utilizes natural resources. A vast water purification area is located next to the lake, and water from the lake is pumped to the designated area by a windmill. After the water in the area becomes purified by aquatic organisms and microbes, the water gradually returns to the lake. The windmill, which was installed by the Kikkoman’s support, was named “Kikkoman Windmill.”

Other regions:

The Kikkoman Group has conducted social activities in the regions where we don’t have our subsidiaries or facilities. Those activities include supporting an establishment of elementary schools in Cambodia or supporting activities to prevent AIDS in South Africa.

Support for recovery from the Great East Japan Earthquake

The Kikkoman Group supports people and communities affected by the East Japan Earthquake

Basic Approach

The Great East Japan Earthquake was an unprecedented disaster. The people affected by the earthquake were hurt physically and mentally. Due to the great impact, it requires a great investment of time for reconstruction. The Group is supporting the restoration efforts over the mid to long term especially in the field of Food and Health.

Supporting People in the Affected Regions

Cooking classes at temporary housing facilities

The Kikkoman Group is supporting Team Omusubi, a project organized by a NGO, the Soul of Tohoku. The Group supports the project financially as well as offering Kikkoman products.

The project invites professional cooks to the temporary housing facilities and holds cooking classes. Participants can enjoy cooking and delicious dishes that they cook together. The purpose of this project is to help people in the temporary housing facilities have lively communication and develop better communities within the facilities. Volunteers from Kikkoman join the cooking class programs as cooking assistants.

This project started in October, 2011 and 20 classes were held in FY2013.



The IPPO IPPO NIPPON Project

The Kikkoman Group participates in IPPO IPPO NIPPON Project, a 5-year project from 2011 to 2016, by Keizai Doyukai. This project collects donations from project members and makes donations to schools and other organizations in the affected regions.

Programs in Fukushima Pref.

Kikkoman participate in activities in Fukushima Pref. because one of Nippon Del Monte's plants had operated in Minami-Soma city, Fukushima, until 2011.

In FY2013, Kikkoman supported projects by an international NGO, AAR Japan, which conducted programs in areas such as Miyagi, Iwate, and Fukushima Pref. Kikkoman supported programs such as camp programs for children in Fukushima Pref. and recreational meetings at temporary housing by providing products and helping operations.



Continuing Efforts to Support the Affected Areas

As conditions in the affected areas change, our programs have to shift to expected activities. The Kikkoman Group will communicate with the people in the affected areas and support them in ways that Kikkoman can do best.

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

Kikkoman Group provides programs to stimulate interests in learning food and dietary balance

Hands-on soy sauce-making program

Soy Sauce Factories at Kikkoman Food Products offer tours for elementary school students to learn and experience how soy sauce is made. In FY 2013, we conducted 316 tours for 18,041 visitors.

The Kikkoman Soy Sauce Academy

Kikkoman staff visits elementary schools to teach students about food and diet as part of the Kikkoman Soy Sauce Academy. Schools use this program as part of their integrated study time to provide an opportunity for students to think about the importance of food and what it means to enjoy eating while simultaneously learning about the ingredients and techniques used to make soy sauce. During FY 2013, 6,674 students participated in 211 sessions at 93 schools.

The Kikkoman Academy

This is a program that Kikkoman staff visits schools and other organizations to give lectures about a wide range of food related topics. During FY2013, 33 presentations were given to 1,416 participants.

The Kikkoman Soy Milk Lecture

This is a program that Kikkoman staff visits school and other organizations on demand and give lectures about basic understandings and nutritional aspect of soy milk as well as dietary balance in general. In FY 2013, 3 lectures were given to 78 participants.

Del Monte Tomato School

These is a program that Kikkoman staff visits schools and provide lectures to second grade elementary students, with the purchase of tomato seedlings provided in the Del Monte Teaching Materials. The employees of Del Monte Japan play a role as Dr. Tomato and his assistants and provide students with information about tomatoes and how to grow them. In FY 2013, lectures were given in 6 schools to 277 students.



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

Factory tours to experience the soy sauce brewing process

Kikkoman offers tours of soy sauce factories in Japan and Manns Wine Co., Ltd.'s wineries. We offered hands-on soy sauce-making programs for elementary schools and other organizations a total of 209 times during FY 2013, accommodating 299,116 visitors.

Website featuring food- and health-related information

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

Kikkoman Group
Corporate Citizenship Report 2013

Management Report

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.

Basic Approach

The Kikkoman Group believes the concept of “compliance” does not only mean legal responsibility but also company rules and social norms. In other words, we have to respond to the trust and expectations of society to ensure compliance.

As our business grows and operations become more globalized, we are striving to strengthen our compliance framework.

The Kikkoman Group Code of Conduct and Compliance System

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

The Kikkoman Group Code of Conduct, which commits Kikkoman employees to contribute to the development of society by fulfilling their work responsibilities with a sense of ethics and mission, consists of six principles: Securing of safety and symbiosis with global environment, Business activities with fair and free competition, Business information disclosure and promotion of communication, Respect for human rights and establishment of happy working environment, Observation of laws and regulations in Japan and abroad and maintenance of social orders, an Positive social action program. In an effort to ensure that the Code is well understood and thoroughly practiced throughout the Group, Kikkoman has created English, Chinese, German and French versions of the text.



Pocket reference card

Compliance Framework

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

In addition to handing out pocket reference cards outlining the Code of Conduct to all Group employees in Japan and requiring the cards to be carried by employees at all times, Kikkoman is working to ensure that employee conduct throughout the Group accords with corporate ethics and a law-abiding spirit by requiring all managerial employees holding positions of director, corporate officer, or manager/supervisor within Kikkoman as well as the presidents of Group companies to submit an annual promissory letters to the CEO pledging their compliance with the Kikkoman Group Code of Conduct. During FY2013, 408 employees signed.

【Scope】

Japan:

Kikkoman Corp.; Kikkoman Food Products; Kikkoman Beverage; Kikkoman Business Service; Kikkoman Biochemifa; Nippon Del Monte; Manns Wine; JFC Japan; Heisei Foods; Edogawa Foods; Hokkaido Kikkoman; Nagareyama Kikkoman; Terra Vert; Takara Shoyu; Kikkoman Soyfoods; Sobu Logistics; Sobu Service Center; KMC; Kikkoman Restaurant; Nihon Shoyu; and Kikkoman Nutricare

Overseas:

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

The Corporate Ethics Committee

The Kikkoman Group Corporate Ethics Committee was formed to ensure that the Kikkoman Group Code of Conduct is put into practice. With a total of six members including two outside experts such as attorneys as well as directors and officers from Kikkoman Corporation, the Committee has overall responsibility for studying and implementing policies related to compliance.

During FY2013, the Committee met a total of 12 times. Additionally, Committee members met with standing auditors to exchange information once in each half of the fiscal year.

In FY2013, the Corporate Ethics Committee conducted Corporate Ethics Survey to check compliance levels and whether there are any issues.

The Group Corporate Ethics Hotline

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

The Group Corporate Ethics Hotline consists of an external hotline that is managed by an outside lawyer, a shared Group hotline that is managed by Kikkoman Corporation's Legal & Compliance Department, and hotlines at individual companies that are set up as needed. Reports are received via dedicated phone line, fax, email, and dedicated post office box. When the office receives a report, an internal investigation is conducted, corrective measures taken, and feedback provided to the individual who initiated the report. The Corporate Ethics Committee Regulations stipulate protection for whistleblowers against any backlash or disadvantage that might result from submission of a report. In order to further raise awareness, an article about the hotline was posted on the Group Communication Magazine in FY 2013. During FY 2013, the Group Corporate Ethics Hotline received 10 calls and dealt with them.

●Group Corporate Ethics Hotline



Conducting compliance audits

The Kikkoman Group conducts compliance audits by the Internal Auditing Department and the Legal and Compliance Department of Kikkoman Corp.. Kikkoman Group legal affairs officers and other personnel also conduct compliance fact-finding missions to overseas Group companies. In FY 2013, the mission visited KFI California Plant, KSU, JFC, and KMS. This mission will be held in FY 2014 and work to strengthen compliance awareness throughout the Group.

The Liaison Conference of the Kikkoman Group Compliance Promotion

Compliance promotion has become an important issue as the number of group companies of the Kikkoman Group increases and its business fields diversifies. In order to promote compliance throughout the Group, the Kikkoman Group launched the Liaison Conference of the Kikkoman Group Compliance Promotion in FY 2012.

In FY2013, members are assigned from 22 group companies in Japan. The members attend the Liaison Conference of the Kikkoman Group Compliance Promotion organized by staff members of the Corporate Ethics Committee consisting of Legal & Compliance Department, Kikkoman Corp. The members work on projects such as developing compliance education programs, lectures to deepen understandings of legal issues, sharing information about good practices of the group companies.

Compliance Survey

The Kikkoman Group conducted a compliance survey with the goal of making a comprehensive assessment of, and improving, the state of domestic Group companies' compliance. The survey elicited responses from each company to a total of 94 questions addressing topics such as management, general affairs and accounting, manufacturing and products, environmental responsibility, and labor management. No serious compliance infractions were discovered at the target Group companies as a result of the survey. Going forward, Kikkoman will work to enhance the Group compliance system, including by conducting surveys linked to its compliance audit efforts.

【Scope】

Kikkoman Food Products; Kikkoman Beverage; Kikkoman Business Service; Kikkoman Biochemifa; Nippon Del Monte; Manns Wine; JFC Japan; Heisei Foods; Edogawa Foods; Hokkaido Kikkoman; Nagareyama Kikkoman; Saitama Kikkoman; Terra Vert; Takara Shoyu; Kikkoman Soyfoods; Sobu Logistics; Sobu Service Center; KMC; Kikkoman Restaurant; Nihon Shoyu; Kikkoman Nutricare; and Higeta Shoyu

United Nations Global Compact Self Assessment Tool

In FY2012, the Kikkoman Group conducted a self assessment based on the United Nations Global Compact (UNGC) Self Assessment Tool. The tool was developed a group of institutes in Denmark and the UNGC Office introduces the tool on their website. <http://www.globalcompactselfassessment.org/>

This tool has 45 questions, which are based on the ten principles of the UNGC with several indicators attached to each question. This tool was designed to help the UNGC signatories measure their performances.

In FY2012, the Group began translating the tool to Japanese and introduced to 21 subsidiaries in Japan and 13 subsidiaries overseas. Based on the result, the Group will improve our performance.

【Scope】

Japan :

Kikkoman Biochemifa; Nippon Del Monte; Kikkoman Soyfoods; Higeta Shoyu; Manns Wine; Sobu Logistics; and Takara Shoyu

Overseas :

KFI, KSU, JFC, KFE, KTE, JFCEU, KAP and others

Compliance Education and Awareness Programs

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

In addition to these efforts, Legal & Compliance Department at Kikkoman Corp. visits subsidiaries and holds compliance lectures. In FY2013, the 41 lectures in total were held at 22 subsidiaries in Japan and 4 subsidiaries overseas and about 800 employees attended. During the Compliance Month in FY2013, self-learning programs based on case studies were held at each department of 22 subsidiaries in Japan.

【Scope】

Japan :

Kikkoman Corp.; Kikkoman Food Products; Kikkoman Beverage; Kikkoman Business Service; Kikkoman Biochemifa; Nippon Del Monte; Manns Wine; JFC Japan; Heisei Foods; Edogawa Foods; Hokkaido Kikkoman; Nagareyama Kikkoman; Saitama Kikkoman; Terra Vert; Takara Shoyu; Kikkoman Soyfoods; Sobu Logistics; Sobu Service Center; KMC; Kikkoman Restaurant; Nihon Shoyu; Kikkoman Nutricare; and Higeta Shoyu

Overseas:

KFI, KSU, JFC, and KMS

The Kikkoman Group Compliance Handbook

In order to develop a firm understanding of compliance, Kikkoman Corp. issues the Kikkoman Group Compliance Handbook in October, 2011 and distributed to employees in Japan.

This handbook describes specific examples of non-compliance. By giving visible examples, we are trying to raise awareness as well as practice at workplace.



The Kikkoman Group Compliance Handbook

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.

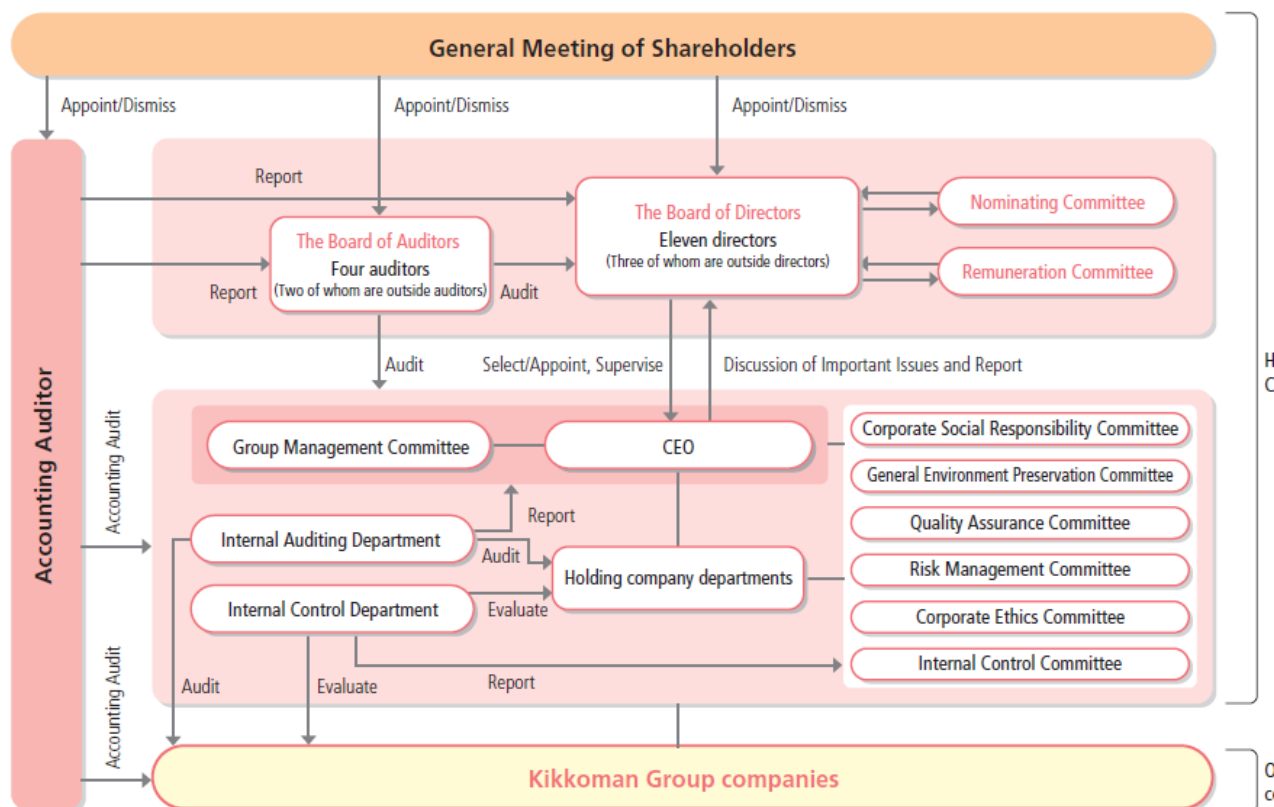
Basic Approach

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

The Kikkoman Corporation employs a corporate auditor system. We strive to improve and enhance our corporate governance framework with the aim of achieving greater management transparency, clearly defined management responsibility, speedy decision-making, and stronger management oversight. In March 2001, we introduced a corporate officer system and transferred authority for business execution to corporate officers in an effort to streamline operational responsibilities and speed decision-making and business execution. In October 2009, we shifted the Group's management system to a holding company structure. Individual operational companies will enhance their ability to create value in line with their own areas of authority and responsibility based on a Group management strategy determined by the holding company, thereby maximizing the Group's overall corporate value.

●The Corporate Governance System (As of July, 2012)



Enhancing the Corporate Governance System

Kikkoman Group's decision making standard is specified in the Authorization Guidelines. Through strict control of decision making based on the guidelines, the Group ensures proper decision makings.

In addition, through the Administrative Rules and Regulations for Affiliated Companies, Kikkoman Corp. monitors financial and management conditions of its subsidiaries.

In order to ensure these systems are effectively working, the Group conducts internal audits. In FY 2013, 12 subsidiaries, 73 departments, and 141 offices were audited.

Independent Outside Directors and Independent Corporate Auditors

Appointment of Outside Directors and Outside Corporate Auditors In June 2002, the Kikkoman Corporation appointed outside directors and established the Nominating Committee and Remuneration Committee to achieve greater management transparency and strengthen management oversight.

In FY2013, three of eleven directors were outside directors, and two of four corporate auditors were outside auditors.

The role of the outside directors and outside corporate auditors is to strengthen management oversight from an objective perspective on the basis of their wide-ranging experience and deep insight. In addition, the outside directors strive to increase management transparency by participating in the Nominating Committee and Remuneration Committee.

Directors:

Noriaki Horikiri*

Kenichi Saito*

Koji Negishi

Toshihiko Shigeyama

Katsumi Amano

Koichi Yamazaki

Tsunao Hashimoto**

Toshihiko Fukui**

Mamoru Ozaki**

* Representative Director

** Independent Outside Director

Corporate Auditors:

Takaharu Nakamura

Koichi Mori

Takeo Inokuchi***

Motohiko Kogo***

*** Independent Corporate Auditor

Internal Control Systems

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

Framework to Promote Corporate Social Responsibility

Kikkoman is working actively to promote activities related to corporate social responsibility based on our framework.

Framework to Promote Corporate Social Responsibility

The Kikkoman Group believes that, in order to promote corporate social responsibility, each employee must understand the Group's policies and do their tasks at their workplaces. Through such efforts, we work to fulfill our responsibilities to stakeholders by practicing "what we can do for society" through our business operations.

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

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

In FY 2012, based on the discussions of this committee, Kikkoman Corp. developed and announced the Kikkoman Corporate Citizenship Framework. The committee requested the major subsidiaries in Japan to submit their targets to achieve the three themes of the Framework. We will work to follow up the implementations and improve our activities.

●The framework to promote corporate Social responsibility



Risk Management

The Group is moving to strengthen its management systems for preventing the manifestation of various risks.

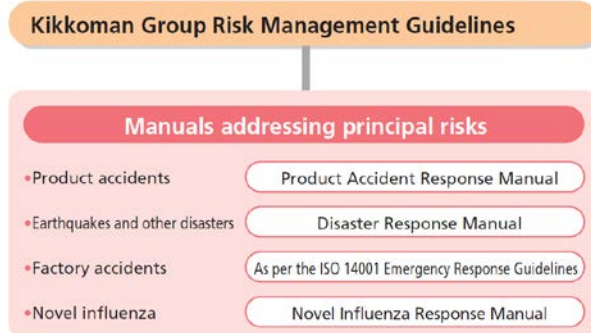
Risk Management System

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

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

Systematizing and sharing risk management

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



BCP (Business Continuity Plan)

Business Continuity Plan is a set of procedures and preparations to ensure, or recover, continuity of key operations when disasters and serious occur. This plan involves identifying key operations and documenting in advance. The comprehensive efforts to maintain and/or improve the BCP to respond to the disasters and accidents are referred as the Business Continuity Management (BCM).

At the Kikkoman Groups, the Corporate Planning Department, Kikkoman Corp., is developing the BCP, which consists of the Immediate Action Plan headed by a task force headquarters and the Operations Recovery Plan to continue and restore key operations. In FY2013, major 22 units such as offices, branches, plants, and facilities in Japan developed BCP.



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