

PROCTER & GAMBLE Co  
Form 11-K  
September 26, 2014

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 11-K

\X\ ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED] FOR THE FISCAL YEAR ENDED JUNE 30, 2014, OR  
\ \ TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED] for the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-00434

A. Full title of the plan and the address of the plan, if different from that of the issuer named below: Employee Stock Purchase Plan (Japan), 17, Koyo-cho Naka 1-chome, Higashinada-ku Kobe, Hyogo 658-0032, Japan.

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office: The Procter & Gamble Company, One Procter & Gamble Plaza, Cincinnati, Ohio 45202.

#### REQUIRED INFORMATION

- Item Audited statements of financial condition as of the end of the latest two fiscal years of the plan (or such lesser period as the plan has been in existence).
- 1.
- Item Audited statements of income and changes in plan equity for each of the latest three fiscal years of the plan (or such lesser period as the plan has been in existence).
- 2.



EMPLOYEE STOCK  
PURCHASE PLAN (JAPAN)

Statements of Net Assets Available for Plan Benefits as of June 30, 2014 and 2013,  
Statements of Changes in Net Assets Available for Plan Benefits for the  
Periods Ended June 30, 2014, 2013 and 2012; and  
Report of Independent Registered Public Accounting Firm

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of the Employee Stock Purchase Plan (Japan)

We have audited the accompanying statements of net assets available for plan benefits of the Employee Stock Purchase Plan (Japan) (the "Plan") as of June 30, 2014 and 2013, and the related statements of changes in net assets available for plan benefits for the periods ended June 30, 2014, 2013 and 2012. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of June 30, 2014 and 2013 and the changes in net assets available for plan benefits for the periods ended June 30, 2014, 2013 and 2012, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. Our audits also comprehended the translation of Japanese Yen amounts into U.S. Dollar amounts and, in our opinion; such translation has been made in conformity with the basis stated in Note 11. The translation of the financial statement amounts into U.S. Dollars has been made solely for the convenience of the readers of these financial statements.

/s/Navarro Amper & Company  
Navarro Amper & Company

Taguig City, Philippines  
September 22, 2014

EMPLOYEE STOCK PURCHASE PLAN (JAPAN)  
 STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS  
 AS OF JUNE 30, 2014 AND 2013

	Japanese Yen		U.S. Dollars
	2014	2013	2014
ASSETS, At fair value:			
Cash	¥ 305,925	¥ 286,771	\$ 3,019
The Procter & Gamble Company common stock			
2014: 1,565,673 shares, cost ¥ 9.10 billion (\$89.74 million)	12,471,966,994	12,675,032,117	123,094,819
2013: 1,669,867 shares, cost ¥ 9.34 billion (\$94.50 million)			
Total Assets	12,472,272,919	12,675,318,888	123,097,838
LIABILITIES			
Accrued professional fees	4,485,510	-	44,271
NET ASSETS AVAILABLE FOR PLAN BENEFITS	¥12,467,787,409	¥12,675,318,888	\$123,053,567

See Notes to Financial Statements.

EMPLOYEE STOCK PURCHASE PLAN (JAPAN)  
 STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS  
 FOR THE PERIODS ENDED JUNE 30, 2014, 2013 AND 2012

	Japanese Yen 2014	2013	2012	U.S. Dollars 2014
<b>ADDITIONS:</b>				
Investment income (loss):				
Unrealized fair value gain (loss) on investments	¥192,088,478	¥2,353,704,160	¥ (347,853,489 )	\$ 1,895,858
Realized fair value gain on investments	93,494,008	367,855,130	7,867,546	922,760
Unrealized foreign exchange gain (loss) - net	290,695,654	1,874,110,887	(133,835,792 )	2,869,085
Realized foreign exchange gain (loss) - net	50,584,694	207,514,352	(28,986,309 )	499,257
Dividend income	300,838,323	291,119,190	244,975,291	2,969,190
Total investment income (loss)	927,701,157	5,094,303,719	(257,832,753 )	9,156,150
<b>Contributions:</b>				
Participant contributions	921,902,000	957,783,000	1,056,978,000	9,098,914
Employer contributions	186,250,957	200,753,639	216,290,152	1,838,245
Total contributions	1,108,152,957	1,158,536,639	1,273,268,152	10,937,159
Total additions	2,035,854,114	6,252,840,358	1,015,435,399	20,093,309
<b>DEDUCTIONS:</b>				
Withdrawals from participants	(2,234,359,970 )	(2,324,479,575 )	(1,559,192,099 )	(22,052,507 )
Bank and administrative charges	(9,025,623 )	(7,287,625 )	(4,135,152 )	(89,080 )
Total deductions	(2,243,385,593 )	(2,331,767,200 )	(1,563,327,251 )	(22,141,587 )
<b>NET INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR PLAN BENEFITS</b>				
	(207,531,479 )	3,921,073,158	(547,891,852 )	(2,048,278 )
<b>NET ASSETS AVAILABLE FOR PLAN BENEFITS:</b>				
Beginning of year	12,675,318,888	8,754,245,730	9,302,137,582	125,101,845
End of year	¥12,467,787,409	¥12,675,318,888	¥ 8,754,245,730	\$ 123,053,567

See Notes to Financial Statements.





EMPLOYEE STOCK PURCHASE PLAN (JAPAN)

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2014 AND 2013, AND FOR THE PERIODS ENDED JUNE 30, 2014, 2013 AND 2012

1. DESCRIPTION OF THE PLAN

The following brief description of the Employee Stock Purchase Plan (Japan) (the "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for more information.

General

The Plan included the Employees' Shareholding Association of P&G Group for employees and executives of all P&G affiliates in Japan. The Plan covers the employees of Procter & Gamble Japan KK and P&G Max Factor GK (collectively the "Companies").

The purpose of the Plan is to contribute to the formation of assets by its participants by facilitating their acquisition of ordinary shares of The Procter & Gamble Company (the "Stock"), the Companies' parent company. The Plan is administered by IBM Business Services (IBM) as a subcontractor for Human Resources Service & Solutions (HRSS). Daiwa Securities Co. Ltd., on the other hand, is in charge of purchasing, selling and safekeeping of the stocks.

Eligibility

Regular employees hired by the Companies may, at any time, apply for the membership in the plan.

Contributions

Participants may contribute a portion of their base pay in units of 1,000 yen, up to 100 units monthly, and three times the monthly base pay contributions limit from bonus pay. The Companies match 20% of participants' contributions up to 30 units monthly (90 units of bonus pay contributions). All contributions are invested in the Stock.

Members' monthly contributions derived from salary deductions shall be in units of 1,000 yen, and the maximum monthly contribution from a Member's salary shall be 100,000 yen per Member who gets paid semi-annual bonuses, and 150,000 yen per Member who does not get paid semi-annual bonuses. Member Contributions derived from semi-annual bonuses shall be 3 times the monthly Member Contributions: in units of 3,000 yen, and the maximum contribution from a Member's bonus shall be 300,000 yen per Member. Subject to the monthly and annual limits, there is no limit on the total amount of Member Contributions that a Member can make during his or her participation in the Plan.

Participant accounts

Individual accounts are maintained for each Plan participant. Each participant's account is credited with the participant's contribution and allocations of: (a) the Companies' contributions, and (b) realized earnings or losses of the Plan. Allocations are based on participant earnings or account balances, as defined by the Plan. The benefit to which a participant is entitled to is the benefit that can be provided from the participant's vested account.

Investments

Participants are only permitted to invest in Stock. Any dividends on shares of Stock are invested to additional shares of Stock.

Vesting

Participants are immediately vested in their contributions, the Companies' matching contributions and earnings.

#### Withdrawal

Participants may withdraw the allotted shares of Stock in multiples of 100 shares at any time. In the event that participants withdraw from the Plan either on termination of service or by their request, the allotted shares of Stock in multiples of one share plus cash at the amount of the residual share at fair value shall be returned to them.

#### Plan termination

Although it has not expressed any intent to do so, the Companies have the right under the Plan to discontinue their contributions to the Plan at any time and to terminate the Plan subject to the provisions set forth in the Plan agreement.

## FINANCIAL REPORTING FRAMEWORK

### 2. Statement of Compliance

The accompanying financial statements of the Plan have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

#### Basis of Preparation and Presentation

The financial statements have been prepared on the historical cost basis, except for the Plan's investment in stock which is measured at fair value.

These financial statements are presented in Japanese Yen, the currency of the primary economic environment in which the Plan operates. The U.S. Dollar amounts presented in these financial statements are included solely for the convenience of the reader and should not be construed as the Plan's presentation currency.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Cash in bank

Amounts shown as cash in bank are uninvested funds held by the Plan that are to be invested in Stock the following month.

#### Investment in stock

Investment is recognized and derecognized on trade date accounting when the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

At the end of each reporting period, investment in stock is stated at fair value, with any resultant gain or loss recognized in the statements of changes in net assets available for plan benefits. Fair value is determined using quoted market prices.

The Plan derecognizes its investment in stock when the contractual rights to the cash flows from that investment expire; or when the Plan transfers all the risks and rewards of ownership of the asset to another entity. The difference between the carrying amount of the financial asset derecognized and the consideration received or receivable is recognized in the statements of changes in net assets available for plan benefits.

#### Dividend income

Dividend income from investments is recognized when the shareholders' rights to receive payment have been established. Dividends are recorded on the ex-dividend date, net of any U.S. withholding taxes.

#### Expenses of the plan

Investment administrative expenses and all other fees and expenses are recognized in the statements of changes in net assets available for plan benefits when incurred.

Foreign currency transactions and translation

Transactions in currencies other than Japanese Yen are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets that are denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary assets carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date the fair value was determined.

## CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Plan's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### Critical Judgments in Applying Accounting Policies

Below is a critical judgment, apart from those involving estimations, that management have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognized in financial statements.

#### Functional currency

4. Based on the economic substance of the underlying circumstances relevant to the Plan, the functional currency of Plan has been determined to be the Japanese Yen. The Japanese Yen is the currency of the primary economic environment in which the Plan operates. The Japanese Yen is the currency of the contributions received from the Plan participants and the Companies.

### Key Sources of Estimation Uncertainty

Below is a key assumption concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### Fair value of investment in stock

The Plan carries its investment in stock at fair value, which requires extensive use of accounting estimates and judgment. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Plan utilized different valuation methodology. Any changes in fair value of these financial assets and liabilities would affect directly through profit or loss.

As of June 30, 2014 and 2013, carrying amounts of financial assets carried at fair value subsequent to initial recognition amounted to ¥12.47 billion and ¥12.68 billion, respectively.

## RISKS AND UNCERTAINTIES

**5. The Plan invests in The Procter and Gamble Company common stock which represents a concentration in investments. Investment securities are exposed to market volatility. Due to the level of risk associated with the Stock, it is reasonably possible that changes in the value of the Stock will occur in the near term and those changes could materially affect the amounts reported in the financial statements.**

## FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements assume that the transaction occurs in the principal market for the asset or liability (the market with the most volume and activity for the asset or liability from the perspective of the reporting entity), or in the absence of a principal market, the most advantageous market for the asset or liability (the market in which the reporting entity would be able to maximize the amount received or minimize the amount paid). The Plan applies fair value measurements to the Plan's  
**6. investments in accordance with the requirements described above.**

The fair value of Plan's investment in stocks of The Procter and Gamble Company as disclosed in the statements of net assets available for plan benefits are determined based on the quoted market price in an active market, which is Level 1 under fair value hierarchy.

There were no transfers between different levels of fair value hierarchy in 2014 and 2013.

## DISTRIBUTIONS PAYABLE

**7. There are no distributions payable to participants who have elected to withdraw from the Plan at June 30, 2014 and 2013.**

## FOREIGN EXCHANGE TRANSACTIONS AND TRANSLATIONS

**8. Contributions to the Plan are denominated in Japanese Yen; however, purchases and sales of Stock are measured in U.S. Dollars resulting in net unrealized foreign exchange gain of ¥290.70 million in 2014 and ¥1.87 billion in 2013. Net realized foreign exchange gain in 2014 amounted to ¥50.58 million and ¥207.51 million in 2013, as disclosed in the statements of changes in net assets available for plan benefits.**

## RELATED PARTY TRANSACTIONS

**9. The Plan held 1,565,673 and 1,669,867 ordinary shares of The Procter & Gamble Company, the sponsoring employer, with a cost of ¥9.10 billion (\$89.74 million) and ¥9.34 billion (\$94.50 million), at June 30, 2014 and 2013, respectively. For the periods ended June 30, 2014, 2013 and 2012, the Plan recorded dividend income of ¥300.84 million, ¥291.12 million and ¥244.98 million, respectively.**

#### 10. TAX STATUS

The Plan is not subject to taxation in the United States, nor the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). Companies' contributions and administrative charges paid by the Companies on behalf of participants in the Plan are taxable to the participants.

#### 11. U.S. DOLLAR AMOUNTS

U.S. Dollar amounts presented in these financial statements are included solely for the convenience of the reader. These translations should not be construed as representations that the Japanese Yen amounts have been, could have been or could in the future be, converted into U.S. Dollars. As the amounts shown in U.S. Dollars are for convenience only, the rate of ¥101.32 = US\$1, the approximate current rate at June 30, 2014, has been used for the purpose of presentation of the U.S. Dollar amounts in the accompanying statements of net assets available for plan benefits and changes in net assets available for plan benefits.



THE PLAN. Pursuant to the requirements of the Securities Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused the Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized, on September 22, 2014.

EMPLOYEE STOCK PURCHASE PLAN (JAPAN)

By: P&G GROUP EMPLOYEE'S SHAREHOLDING ASSOCIATION

By: /s/MikiUsuda  
Miki Usuda  
Chairman

EXHIBIT INDEX

Exhibit No.

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Navarro Amper & Co.

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