

Kewpie Corporation

1-4-13 Shibuya, Shibuya-ku, Tokyo 150-0002, Japan Tel:03-3486-3331



Summary of Consolidated Financial Statements for the Fiscal Year Ended November 30, 2020 [JAPAN GAAP]

January 7, 2021

Listed company name: Kewpie Corporation
Listed exchange: Tokyo Stock Exchange
Securities code: 2809
URL: <https://www.kewpie.com/en/>
Representative: Osamu Chonan,
Representative Director, President and Chief Executive Corporate Officer
Contact: Nobuo Inoue,
Director, Executive Corporate Officer

Scheduled date for ordinary general meeting of shareholders: February 25, 2021

Scheduled date for dividend payment: February 5, 2021

Scheduled date for filing annual securities report: February 26, 2021

Supplementary data: Yes

Results briefing: Yes (for corporate investors and investment analysts)

(Amounts are rounded down to the nearest million yen.)

1. Consolidated business results for the fiscal year ended November 30, 2020

(From December 1, 2019 to November 30, 2020)

(1) Consolidated operating results

(Percentage figures show changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year 2020	531,103	(2.7)	28,303	(11.7)	28,989	(12.9)	11,378	(39.1)
Fiscal year 2019	545,723	(4.8)	32,048	(3.1)	33,275	(3.1)	18,698	2.1

(Note) Comprehensive income: Fiscal year 2020 ¥13,879 million (Decrease of 21.3%)
Fiscal year 2019 ¥17,646 million (Decrease of 0.8%)

	Earnings per share	Earnings per share (diluted)	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year 2020	79.55	—	4.8	6.5	5.3
Fiscal year 2019	130.72	—	8.1	7.7	5.9

(Reference) Equity in earnings or losses of affiliates: Fiscal year 2020 ¥116 million
Fiscal year 2019 ¥168 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of November 30, 2020	451,723	285,377	53.0	1,674.58
As of November 30, 2019	444,309	276,753	53.0	1,646.73

(Reference) Shareholders' equity: As of November 30, 2020 ¥239,532 million
As of November 30, 2019 ¥235,552 million

(3) Consolidated cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at the end of the fiscal year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year 2020	34,955	(26,039)	5	65,777
Fiscal year 2019	43,916	(29,720)	(4,602)	56,777

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2. Dividends

	Annual dividend per share					Total amount of dividends	Dividend payout ratio (Consolidated)	Dividend on equity ratio (Consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Total			
Fiscal year 2019	Yen —	Yen 20.00	Yen —	Yen 25.00	Yen 45.00	Millions of yen 5,578	% 34.4	% 2.8
Fiscal year 2020	—	20.00	—	20.00	40.00	6,436	50.3	2.4
Fiscal year 2021 (Forecast)	—	20.00	—	25.00	45.00		42.8	

(Note) The amount of year-end dividend for fiscal year 2020 is a forecast and it will be determined at the meeting of the Board of Directors to be held on January 20, 2021.

The year-end dividend for fiscal year 2019 includes a dividend of ¥5 to commemorate the 100th anniversary.

3. Forecasts of consolidated operating results for the fiscal year ending November 30, 2021 (From December 1, 2020 to November 30, 2021)

(Percentage figures show changes from the previous year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending November 30, 2021	400,000	(24.7)	26,400	(6.7)	27,800	(4.1)	15,000	31.8	104.87

*Notes

- (1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries resulting in the change in the scope of consolidation): None
- (2) Changes in accounting policies and estimates, and restatements
 - a) Changes in accounting policies due to revision of accounting standards: Yes
 - b) Changes in accounting policies due to reasons other than "a)" (above): None
 - c) Changes in accounting estimates: None
 - d) Restatements: None
- (3) Number of issued shares (common stock)
 - a) Number of issued shares at the end of the period (including treasury stock):

November 30, 2020	150,000,000 shares
November 30, 2019	150,000,000 shares
 - b) Number of shares of treasury stock at the end of the period:

November 30, 2020	6,959,200 shares
November 30, 2019	6,958,050 shares
 - c) Average number of shares during the period:

December 1, 2019 to November 30, 2020	143,041,482 shares
December 1, 2018 to November 30, 2019	143,042,490 shares

*The summary of consolidated financial statements is outside the scope of audit by certified public accountants or an audit corporation.

*Statement for an appropriate usage of the forecasts of operating results and other special notes

(Caution regarding forward-looking statements, etc.)

The forecasts and other forward looking statements contained in this summary are based on the information currently available to the Company and certain assumptions considered reasonable by the Company. Therefore, they are not guaranteed to be achieved by the Company. As a result, the forecasts of operating results may differ significantly from the actual operating results due to various factors.

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*Cash flow index

	Fiscal year 2016	Fiscal year 2017	Fiscal year 2018	Fiscal year 2019	Fiscal year 2020
Equity ratio (%)	55.3	54.2	53.9	53.0	53.0
Equity ratio based on market value (%)	105.3	101.6	93.9	78.3	68.8
Interest-bearing debt to cash flows ratio (year)	0.8	2.2	1.5	1.5	2.3
Interest coverage ratio (times)	146.4	75.8	122.5	144.7	103.7

(Notes) Equity ratio = Shareholders' equity / Total assets

Equity ratio based on market value = Total market value of the stock / Total assets

Interest-bearing debt to cash flows ratio = Interest-bearing debt / Cash flows

Interest coverage ratio = Cash flows / Interest paid

* Each index is calculated based on consolidated financial figures.

* Total market value of the stock is calculated by multiplying the final market price by the number of issued shares at the end of the fiscal year (excluding treasury stock).

* Interest-bearing debt includes all consolidated balance sheet-reported liabilities on which interest is paid.

* Cash flows and Interest paid are the same figures as found under "Net cash provided by (used in) operating activities" and "Interest paid" reported in the consolidated statements of cash flows, respectively.

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I. Basic policy on earnings distributions, and dividends for the current and next fiscal years

The Company considers the provision of returns to its shareholders with top priority on dividend distributions to be fundamental, and provides returns to shareholders based on the policy set forth in each Medium-term Business Plan. While aiming to continue providing stable dividends, the Company also reviews options for repurchasing and retiring treasury stock as necessary, giving consideration to factors such as stock price trends and financial conditions.

As for retained earnings, the Company endeavors to adequately secure them to strengthen its financial position and provide funds for future business developments. The Company will take a medium- to long-term view to allocate funds for capital expenditure, research and development, and rationalization of operations to enhance its competitiveness. The Articles of Incorporation of the Company stipulate that the Company can distribute dividends from surplus twice a year, comprising of interim and year-end dividends by the resolutions of the Board of Directors in accordance with the provisions of Article 459, Paragraph 1 and Article 454, Paragraph 5 of the Companies Act.

For the fiscal year ended November 30, 2020, the Company intends to distribute a year-end dividend of ¥20 per share, maintaining a consolidated dividend payout ratio of 30% or more in principle with target consolidated dividend on equity (DOE) ratio of 2.2%. The annual dividends will be ¥40 per share, which includes the interim dividend of ¥20 per share distributed in August (representing consolidated dividend payout ratio of 50.3% and consolidated DOE ratio of 2.4%).

With respect to the shareholder returns from FY2021 to FY2024, on an assumption that the annual dividend per share would be ¥45 or more, the Company aims to set targets for dividend payout ratio of 35% or more and accumulated total return ratio over four fiscal years of 50% or more.

In regard to dividends for the fiscal year ending November 30, 2021, the Company is forecasting annual dividends of ¥45 per share, which is comprised of an interim dividend of ¥20 per share and a year-end dividend of ¥25 per share (representing consolidated dividend payout ratio of 42.8%).

The Company is a company to which consolidated dividend regulations apply, meaning that it calculates the distributable amount for dividends on a consolidated basis (if the amount calculated on a consolidated basis is smaller than the amount calculated on a non-consolidated basis).

II. Medium- to long-term business strategies of the Company, and challenges ahead

The Group has established the "Kewpie Group 2030 Vision" as its long-term vision underpinned by its desire to become an indispensable company that makes people smile through food. We aim to serve as a group that contributes to the food culture and health of the world.

We have been enlisting an approach that entails sustainable growth in Japan and accelerating growth overseas as the first stage of our "2030 Vision" under our FY2019-FY2021 Medium-Term Business Plan.

In recent years, the family composition has been undergoing transformation amid new trends that include a declining birthrate in conjunction with an aging population, along with growing numbers of dual-income family and one-person households. Such changes have given rise to needs for time savings and convenience for cooking at home. We are also seeing an expanding options for food purchase channels, including e-commerce and drugstores. Meanwhile, global proliferation of the COVID-19 pandemic has greatly affected the Group's business performance and has also given rise to new normal lifestyle amid further acceleration of such new trends. Among such lifestyle changes, people are increasingly rethinking the notion of cooking at home as they are spending more time in their residences; people pay attention for volume buying and product life of foods given lower frequency and less time for food shopping; and people's needs also change reflecting concerns on hygiene and health particularly preventing disease and developing immunity. These transformative changes now underway are likely to persist even after COVID-19 subsides.

Given such major transformation in our business environment, we have concluded that it would be difficult to attain sustainable growth with our traditional business structure and terminated our FY2019-FY2021 Medium-Term Business Plan at the end of two years after its commencement. We have newly drawn up our FY2021-FY2024 Medium-Term Business Plan, which covers the four-year period commencing from the fiscal year ending November 30, 2021.

Under our FY2021-FY2024 Medium-Term Business Plan, we will deal with customer and market diversity. With the conceptual theme of "transition to a structure that realizes sustainable growth", we have drawn up three management policies of "strengthening our profit structure and creating new dietary lifestyles", "redoubling efforts involving society and the global environment", and "developing a framework for empowering a diverse range of talent". Under these management policies, we are establishing a new business structure transforming from the product-based business allocation to more market-oriented business initiatives, enabling our Group as a whole to take swift and flexible actions in response to diversifying market needs.



[Management policies and key initiatives]

Our Ideal 2030 VISION

Theme of FY2021-FY2024 Medium-Term Business Plan Transition to a structure that realizes sustainable growth

<p>Strengthening our profit structure and creating new dietary lifestyles</p> <p>The Group will respond to customers' needs with overseas business as a growth driver and by introducing market-based focus domestically.</p> <ul style="list-style-type: none"> • <u>Focused Categories:</u> Salads (including condiments) and eggs • <u>Overseas Regions:</u> Strengthen North America while focusing on China and Southeast Asia • <u>Key indicators:</u> ROE of 8% or more, operating income ratio of 7.5% or more, annual growth rate in overseas net sales of 10% or more 	
<p>Redoubling efforts involving society and the global environment</p> <p>• <u>Major initiatives</u></p> <ul style="list-style-type: none"> - Contribution to extending healthy life expectancy and mental and physical health support for children - Effective use of resources and realization of a circular economy - Deal with climate change 	<p>Developing a framework for empowering a diverse range of talent</p> <p>• <u>Major initiatives</u></p> <ul style="list-style-type: none"> - Promotion of mobilization of the Group's human resources - Increasing opportunities to take part in initiatives from other departments - Expansion of places to learn

◇ **Strengthening our profit structure and creating new dietary lifestyles**

The Group will expand overseas business as a growth driver. In so doing, we will furthermore seek expansion into North America, while also focusing management resources particularly in China and Southeast Asia with the aim of strengthening our business foundations in areas that include human resources, product development, marketing and governance. Meanwhile, we will expand our marketing focus toward the upper-middle class demographic from the affluent demographic which serves as the Group's current customer base. This initiative will involve achieving greater rates of brand recognition and use by integrating traditional sales promotion campaigns at stores with promotions that utilize digital marketing. In China, our primary overseas market, we will launch operations of our Guangzhou Plant in January 2021, as our fourth production site in China. Given that the Guangzhou Plant is to be equipped with state-of-the-art equipment and approaches, it is bound to deliver substantially greater productivity and will act as a foothold that makes it possible for us to facilitate expansion of marketing areas and demands.

In Japan, with the transformation to a market-oriented business structure, we will shift to a market-based focus, which will entail transforming to a customer-oriented perspective based on the market needs, and away from a product-oriented perspective. This will enable us to swiftly propose ideas for food products and services that address customer concerns about dietary lifestyles and create new dietary scenes. We will be more dedicated to salads and eggs, particularly to mayonnaise and salad dressings. We will furthermore utilize digital technologies as a means of connecting with our customers from various angles and opening up new possibilities.

In the Retail Market Business, we have been developing products that serve as daily necessities still in the changing lifestyles. We have been proposing uses of mayonnaise in serving as an all-purpose condiment that can be used in various cooking scenes beyond its traditional use with salads. Also in the realm of other core products, we will develop the notion of product versatility by strengthening our efforts to propose such items for use across a wide range of cooking scenes. Moreover, we will take steps to enhance our brand and product recognitions as we supply products that bring solutions for customers mainly through our fresh stock business launched in 2020.

In the Food Service Business, we will strive to increase profitability and efficiency by rebuilding our business portfolio, which will involve utilizing the Group's sales channels effectively and focusing management resources on business formats catering to home-cooked meals and ready-made foods. We will also help to activate the commercial-use market by creating new value through great taste and technologies, and by proposing new options to cultivate potential customer needs.

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◇ Redoubling efforts involving society and the global environment

Appreciating the blessings of nature, the Group has been engaged in environmental activities for many years with the idea of making the most of the world's precious resources. Amid the global-scale issues, including the risks from climate change, food loss, and marine plastic pollution, that are becoming obvious one after another, the Group aims to contribute to achieve a sustainable society and sustainable growth of the Group, and is working on material issues associated with Sustainable Development Goals (SDGs).

We have added a new initiative for the reduction and reuse of plastics to our existing targets, and are working to enhance our brand value by fulfilling our corporate responsibilities to society and the global environment, and striving through coordinated efforts across the entire value chain to deal with increasingly complex social issues.

Material Issues	Initiative Theme	Indicators	FY2021 Target	FY2024 Target	FY2030 Target	Related SDGs
Contributing to food culture and health	Contribution to extending healthy life expectancy	As a food partner for every person: <ul style="list-style-type: none"> Contribute to achieving a vegetable intake target of 350 grams per day Promote a boost in egg consumption in order to contribute to increasing protein intake 				
	Mental and physical health support for children	Number of children's smiles via our activities (Cumulative since FY2019)	At least 200 thousand	At least 400 thousand	At least 1 million	
Effective use and recycling of resources	Unused portions of vegetables (cabbage, etc.)	Effective utilization rate	At least 30% effectively used	At least 50%	At least 90%	
	Curtailed food loss (Reduction of product waste)	Reduction rate in volume of product waste (compared to FY2015)	At least 25%	At least 35%	At least 50%	
	Reduction and reuse of plastic waste	Reduction rate in volume of plastic waste (compared to FY2018)	—	At least 8%	At least 30%	
Deal with climate change	Reduction of CO ₂ emissions	Reduction rate in CO ₂ emissions (compared to FY2013)	At least 7.5%	At least 20%	At least 35%	

To contribute to food culture and health, in addition to developing food products and menu suggestions in order to enjoy eating vegetables, we are actively working to extend healthy life expectancy by disseminating correct health information and providing solutions for food-related issues within local communities. In addition, through factory tours, lectures, and other food education activities, we are supporting the mental and physical health of children.

We will address effective use of resources and realization of recycling-oriented economy by pursuing utilization of unused portions of major materials such as of outer leaves or cores of cabbage and skins of potato, as well as by reducing food loss and food waste through elaboration of matching between demands and supplies and through strict selection of products. We will also work to cut back on our use of plastics by researching means of making packaging lighter, thinner and resorting to alternative materials.

To address the climate change, we will also proceed with overhauling manufacturing processes, drawing up plans regarding renewable energy, achieving modal shifts, and coordinating efforts for procuring farm products by way of contribution to mitigating the climate crisis and implementation of adaptation measures.

◇ Developing a framework for empowering a diverse range of talent

The Group will develop a framework for empowering a diverse range of talent in order to foster motivated human resources who will be able to play an active role for our sustainable growth.

In the process of overseas expansion and the transformation to a market-oriented business structure, it is necessary to analyze things and events from a variety of viewpoints and to develop new business opportunities. In order to see the point of change in the market from a bird's-eye view, it is essential to develop human resources who are well versed in the market and have various background and skills. We will work to develop human resources that have diversified skills by further promoting the mobilization of human resources.

Moreover, we will create a culture where we can acknowledge diversity and have a connection by actively participating in projects and meetings with other departments, and through internships within the Company and the Group.

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Furthermore, we will build an environment where employees can acquire new experiences and knowledge, and demonstrate their own abilities by providing a place to learn while utilizing outside resources.

We have set targets for the proportion of women in management positions, as a key indicator regarding diversified use of human resources, to reach 18% in FY2024 and 30% in FY2030 (in Kewpie Corporation).

[Cash flow allocation and management indexes]

◇ Cash flow allocation

We will establish sound business foundations while adequately undertaking investment and providing returns to our shareholders with the aim of achieving sustainable growth.

In terms of cash flow allocation, we are targeting a cumulative amount of ¥140 billion in operating cash flow over four years, and essentially intend to keep operating cash flow within that range. We plan to make capital expenditure amounting to approximately ¥70 billion with a focus on efficiency of assets and investment. As for retained earnings, we will increase shareholder returns upon having secured funds for new expansion looking toward generating future growth, and accordingly aim to achieve an equity ratio of at least 60%.

◇ Management indexes

	FY2020 (After retrospective adjustments)	FY2024 Targets
ROE	4.8%	At least 8%
Operating income ratio	6.5%	7.5%
Growth ratio in overseas net sales (Local currency basis)	(Year to Year) 3.8%	(Annualized rate) At least 10%

(Notes) 1. FY2020 (after retrospective adjustments) are the figures after retrospective adjustments, excluding the distribution business.

2. Growth ratio in overseas net sales does not include results of Egg Business in North America.

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III. Consolidated financial statements and major notes

1. Consolidated Balance Sheets

	Previous fiscal year (As of November 30, 2019)	Current fiscal year (As of November 30, 2020)
(Millions of yen)		
Assets		
Current assets		
Cash and deposits	46,777	56,835
Notes and accounts receivable - trade	83,651	73,783
Securities	10,000	10,000
Purchased goods and products	17,392	16,214
Work in process	2,354	1,398
Raw materials and supplies	9,089	9,609
Other	5,951	6,696
Allowances for doubtful accounts	(426)	(523)
Total current assets	174,790	174,012
Fixed assets		
Tangible fixed assets		
Buildings and structures	183,036	191,496
Accumulated depreciation	(108,069)	(110,485)
Net book value	74,966	81,011
Machinery, equipment and vehicles	179,442	183,338
Accumulated depreciation	(123,953)	(121,934)
Net book value	55,488	61,403
Land	52,178	52,503
Lease assets	9,768	12,106
Accumulated depreciation	(4,340)	(4,638)
Net book value	5,427	7,467
Construction in progress	15,268	5,352
Other	16,415	17,247
Accumulated depreciation	(12,286)	(13,184)
Net book value	4,129	4,062
Total tangible fixed assets	207,459	211,802
Intangible fixed assets		
Goodwill	989	2,014
Software	6,399	9,383
Other	2,531	2,114
Total intangible fixed assets	9,921	13,512
Investments and other assets		
Investment securities	27,225	27,110
Long-term loans receivable	901	1,497
Assets for retirement benefits	9,898	9,601
Deferred tax assets	3,625	3,870
Other	10,664	10,504
Allowances for doubtful accounts	(177)	(188)
Total investments and other assets	52,138	52,396
Total fixed assets	269,519	277,710
Total assets	444,309	451,723

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(Millions of yen)

	Previous fiscal year (As of November 30, 2019)	Current fiscal year (As of November 30, 2020)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	53,299	41,828
Short-term loans payable	7,322	12,153
Accounts payable - other	20,406	14,480
Accrued expenses	6,769	6,986
Accrued income taxes	4,208	3,901
Reserves for sales rebates	861	747
Reserves for bonuses	2,083	1,817
Reserves for directors' bonuses	151	163
Other reserves	50	52
Other	3,852	4,242
Total current liabilities	99,006	86,373
Non-current liabilities		
Bonds	10,000	10,000
Long-term loans payable	42,616	51,861
Lease obligations	4,631	6,084
Deferred tax liabilities	5,344	5,650
Liabilities for retirement benefits	3,306	3,619
Asset retirement obligations	1,187	1,218
Other	1,463	1,539
Total non-current liabilities	68,550	79,973
Total liabilities	167,556	166,346
Net assets		
Shareholders' equity		
Paid-in capital	24,104	24,104
Capital surplus	29,483	28,647
Earned surplus	196,551	201,492
Treasury stock	(15,862)	(15,865)
Total shareholders' equity	234,276	238,379
Accumulated other comprehensive income		
Unrealized holding gains (losses) on securities	9,045	8,882
Unrealized gains (losses) on hedges	6	(4)
Foreign currency translation adjustments	(3,241)	(3,408)
Accumulated adjustments for retirement benefits	(4,534)	(4,315)
Total accumulated other comprehensive income	1,275	1,153
Non-controlling interests	41,201	45,844
Total net assets	276,753	285,377
Total liabilities and net assets	444,309	451,723

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2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income (Consolidated Statements of Income)

	(Millions of yen)	
	Previous fiscal year (From December 1, 2018 to November 30, 2019)	Current fiscal year (From December 1, 2019 to November 30, 2020)
Net sales	545,723	531,103
Cost of sales	412,741	405,790
Gross profit	132,981	125,313
Selling, general and administrative expenses	100,933	97,009
Operating income	32,048	28,303
Non-operating income		
Interest income	103	122
Dividends income	461	482
Equity in earnings of affiliates	168	116
Insurance income	470	428
Subsidy income	354	132
Other	892	741
Total non-operating income	2,451	2,024
Non-operating expenses		
Interest expenses	294	337
Commission expenses	92	310
Business commencement expenses	131	159
Foreign exchange losses	131	75
Other	574	455
Total non-operating expenses	1,224	1,338
Ordinary income	33,275	28,989
Extraordinary gains		
Gains on sales of fixed assets	137	102
Gains on extinguishment of tie-in shares	-	42
Gains on sales of investment securities	370	37
Gains on transfer of business	643	-
Other	75	28
Total extraordinary gains	1,226	211
Extraordinary losses		
Impairment losses	729	1,950
Losses on disposal of fixed assets	988	1,880
Losses on sales of shares of subsidiaries and associates	-	1,856
Other	295	689
Total extraordinary losses	2,013	6,376
Profit before income taxes	32,487	22,825
Income taxes	10,203	8,664
Income taxes - deferred	368	159
Total income taxes	10,572	8,824
Profit	21,915	14,000
Profit attributable to non-controlling interests	3,216	2,622
Profit attributable to owners of parent	18,698	11,378

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(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Previous fiscal year (From December 1, 2018 to November 30, 2019)	Current fiscal year (From December 1, 2019 to November 30, 2020)
Profit	21,915	14,000
Other comprehensive income		
Unrealized holding gains (losses) on securities	(1,611)	(198)
Unrealized gains (losses) on hedges	38	(15)
Foreign currency translation adjustments	(2,117)	(192)
Adjustments for retirement benefits	(578)	285
Total other comprehensive income	(4,268)	(121)
Comprehensive income	17,646	13,879
(Breakdown)		
Comprehensive income attributable to owners of parent	14,861	11,256
Comprehensive income attributable to non-controlling interests	2,784	2,622

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3. Consolidated Statements of Changes in Net Assets

Previous fiscal year (From December 1, 2018 to November 30, 2019)

(Millions of yen)

	Shareholders' equity				
	Paid-in capital	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Balance at the beginning of the current fiscal year	24,104	29,543	183,431	(15,859)	221,219
Cumulative effects of changes in accounting policies					
Balance after reflecting the above cumulative effects	24,104	29,543	183,431	(15,859)	221,219
Changes of items during the fiscal year					
Dividends from surplus			(5,578)		(5,578)
Profit attributable to owners of parent			18,698		18,698
Purchase of treasury stock				(2)	(2)
Capital increase of consolidated subsidiaries		(10)			(10)
Sales of shares of consolidated subsidiaries		(49)			(49)
Payments for investments in capital of subsidiaries and affiliates					
Sales of investments in capital of subsidiaries and affiliates					
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	—	(59)	13,119	(2)	13,056
Balance at the end of the current fiscal year	24,104	29,483	196,551	(15,862)	234,276

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	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Unrealized holding gains (losses) on securities	Unrealized gains (losses) on hedges	Foreign currency translation adjustments	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income		
Balance at the beginning of the current fiscal year	10,618	(28)	(1,459)	(4,018)	5,112	39,768	266,100
Cumulative effects of changes in accounting policies							—
Balance after reflecting the above cumulative effects	10,618	(28)	(1,459)	(4,018)	5,112	39,768	266,100
Changes of items during the fiscal year							
Dividends from surplus							(5,578)
Profit attributable to owners of parent							18,698
Purchase of treasury stock							(2)
Capital increase of consolidated subsidiaries							(10)
Sales of shares of consolidated subsidiaries							(49)
Payments for investments in capital of subsidiaries and affiliates							—
Sales of investments in capital of subsidiaries and affiliates							—
Net changes of items other than shareholders' equity	(1,572)	34	(1,782)	(516)	(3,836)	1,433	(2,403)
Total changes of items during the fiscal year	(1,572)	34	(1,782)	(516)	(3,836)	1,433	10,653
Balance at the end of the current fiscal year	9,045	6	(3,241)	(4,534)	1,275	41,201	276,753

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Current fiscal year (From December 1, 2019 to November 30, 2020)

(Millions of yen)

	Shareholders' equity				
	Paid-in capital	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Balance at the beginning of the current fiscal year	24,104	29,483	196,551	(15,862)	234,276
Cumulative effects of changes in accounting policies			(0)		(0)
Balance after reflecting the above cumulative effects	24,104	29,483	196,550	(15,862)	234,276
Changes of items during the fiscal year					
Dividends from surplus			(6,436)		(6,436)
Profit attributable to owners of parent			11,378		11,378
Purchase of treasury stock				(2)	(2)
Capital increase of consolidated subsidiaries		(267)			(267)
Sales of shares of consolidated subsidiaries					
Payments for investments in capital of subsidiaries and affiliates		(1,844)			(1,844)
Sales of investments in capital of subsidiaries and affiliates		1,275			1,275
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	—	(836)	4,941	(2)	4,102
Balance at the end of the current fiscal year	24,104	28,647	201,492	(15,865)	238,379

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	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Unrealized holding gains (losses) on securities	Unrealized gains (losses) on hedges	Foreign currency translation adjustments	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income		
Balance at the beginning of the current fiscal year	9,045	6	(3,241)	(4,534)	1,275	41,201	276,753
Cumulative effects of changes in accounting policies							(0)
Balance after reflecting the above cumulative effects	9,045	6	(3,241)	(4,534)	1,275	41,201	276,753
Changes of items during the fiscal year							
Dividends from surplus							(6,436)
Profit attributable to owners of parent							11,378
Purchase of treasury stock							(2)
Capital increase of consolidated subsidiaries							(267)
Sales of shares of consolidated subsidiaries							-
Payments for investments in capital of subsidiaries and affiliates							(1,844)
Sales of investments in capital of subsidiaries and affiliates							1,275
Net changes of items other than shareholders' equity	(162)	(11)	(166)	218	(121)	4,643	4,521
Total changes of items during the fiscal year	(162)	(11)	(166)	218	(121)	4,643	8,624
Balance at the end of the current fiscal year	8,882	(4)	(3,408)	(4,315)	1,153	45,844	285,377

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4. Consolidated Statements of Cash Flows

	(Millions of yen)	
	Previous fiscal year (From December 1, 2018 to November 30, 2019)	Current fiscal year (From December 1, 2019 to November 30, 2020)
Cash flows from operating activities		
Profit before income taxes	32,487	22,825
Depreciation and amortization	18,649	20,073
Impairment losses	729	1,950
Amortization of goodwill	244	218
Retirement benefit expenses	1,997	2,134
Equity in losses (earnings) of affiliates	(168)	(116)
Losses (gains) on extinguishment of tie-in shares	-	(42)
Losses (gains) on valuation of investment securities	16	13
Increase (decrease) in liabilities for retirement benefits	(200)	417
Decrease (increase) in assets for retirement benefits	(1,058)	(1,368)
Increase (decrease) in reserves for sales rebates	30	(113)
Increase (decrease) in reserves for directors' bonuses	35	0
Increase (decrease) in reserves for bonuses	185	(302)
Increase (decrease) in allowances for doubtful accounts	(17)	21
Interest and dividends income	(565)	(605)
Interest expenses	294	337
Losses (gains) on sales of investment securities	(369)	(37)
Losses on sales of shares of subsidiaries and associates	-	1,856
Losses (gains) on sales and disposal of fixed assets	933	1,827
Losses (gains) on transfer of business	(643)	-
Decrease (increase) in notes and accounts receivable - trade	(6,983)	10,041
Decrease (increase) in inventories	(925)	(250)
Increase (decrease) in notes and accounts payable - trade	9,078	(11,409)
Increase (decrease) in accounts payable - other	3,166	(3,055)
Increase (decrease) in accrued consumption taxes	(825)	(1,627)
Increase (decrease) in long-term accounts payable	(71)	(92)
Other	(272)	1,025
Sub-total	55,748	43,721
Interest and dividends income received	643	650
Interest paid	(303)	(337)
Income taxes paid	(12,171)	(9,079)
Net cash provided by (used in) operating activities	43,916	34,955

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(Millions of yen)

	Previous fiscal year (From December 1, 2018 to November 30, 2019)	Current fiscal year (From December 1, 2019 to November 30, 2020)
Cash flows from investing activities		
Purchases of tangible fixed assets	(24,952)	(20,707)
Purchases of intangible fixed assets	(5,074)	(4,746)
Purchases of investment securities	(42)	(99)
Proceeds from sales of investment securities	637	232
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	–	2,033
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(492)
Net decrease (increase) in short-term loans receivable	(357)	(0)
Payments of long-term loans receivable	(593)	(353)
Collection of long-term loans receivable	75	58
Payments into time deposits	(0)	(2,157)
Proceeds from withdrawal of time deposits	–	1,078
Proceeds from transfer of business	643	–
Other	(55)	(885)
Net cash provided by (used in) investing activities	(29,720)	(26,039)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(3,135)	2,269
Repayment of lease obligations	(1,499)	(1,513)
Proceeds from long-term loans payable	10,039	9,800
Repayment of long-term loans payable	(3,014)	(3,236)
Proceeds from issuance of bonds	10,000	–
Redemption of bonds	(10,000)	–
Cash dividends paid	(5,578)	(6,436)
Cash dividends paid to non-controlling interests	(1,470)	(1,535)
Purchase of treasury stock	(2)	(2)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	–	(2,913)
Proceeds from sales of investments in capital of subsidiaries that do not result in change in scope of consolidation	–	2,875
Proceeds from investments in capital of subsidiaries that do not result in change in scope of consolidation	–	1,238
Payments into deposits with withdrawal restrictions	–	(539)
Other	59	–
Net cash provided by (used in) financing activities	(4,602)	5
Effects of exchange rate changes on cash and cash equivalents	(785)	78
Increase (decrease) in cash and cash equivalents	8,806	9,000
Cash and cash equivalents at the beginning of the fiscal year	47,970	56,777
Cash and cash equivalents at the end of the fiscal year	56,777	65,777

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5. Notes regarding consolidated financial statements

(Notes regarding assumption of a going concern)

Not applicable

(Changes in accounting policies)

(Application of IFRS 16 "Leases")

Foreign consolidated subsidiaries that apply IFRS have applied IFRS 16 "Leases" from the current fiscal year. Due to this application, lessees, in principle, record all leases as assets and liabilities on the balance sheets. The Company reflects the cumulative effect of applying this accounting standard as an adjustment in earned surplus as of the beginning of the current fiscal year in accordance with the transitional treatment under IFRS 16.

The effect of applying this accounting standard on consolidated financial statements is immaterial.

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(Business combination)

Divestiture of Business

Pursuant to the resolution of its Board of Directors' meeting held on March 26, 2020, as of April 27, 2020, (i) the Company agreed with POST HOLDINGS, INC. ("POST") to transfer all shares of HENNINGSEN FOODS, INC. ("HENNINGSEN FOODS") owned by the Company's consolidated subsidiary KIFUKI U.S.A. CO., INC. ("KIFUKI") to Michael Foods of Delaware, Inc. ("MFI") which was a subsidiary of POST, and (ii) KIFUKI and MFI have entered into a share transfer agreement. Accordingly, the share transfer transaction was implemented on July 1, 2020. As a result of this transaction, HENNINGSEN FOODS was removed from the scope of consolidation of the Group.

1. Outline of the business divestiture

(1) Name of successor company

Michael Foods of Delaware, Inc.

(2) Content of the divested business

Production and sale of egg products and dried meats

(3) Main reason for business divestiture

Pursuant to the "2019-2021 Kewpie Group's Medium-term Business Plan" announced on January 11, 2019, the Company aims to accelerate overseas development particularly in the markets of China and Southeast Asia, and promotes to reorganize and streamline production facilities in order to build an optimized business system for its Egg Businesses. After considering various options under such circumstances for the future of our U.S. subsidiary, HENNINGSEN FOODS, the Company determined that the best option for the Company and HENNINGSEN FOODS would be to transfer it to a third party which can support its sustainable growth, and explored discussions for the possibility of the share transfer.

After careful consideration, the Company thought MFI's robust business network and operating bases in and outside the United States would contribute to the sustainable growth and improvement of corporate value of HENNINGSEN FOODS, and decided to transfer all shares of HENNINGSEN FOODS in order to strengthen its business under MFI. Accordingly, the Company implemented the share transfer transaction on July 1, 2020.

*MFI is a food manufacturing and distributing company based in Minnesota, U.S.A.

(4) Date of business divestiture

July 1, 2020

(5) Outline of business divestiture including its legal form

Share transfer whereby the consideration is specific assets such as cash

2. Outline of the accounting treatment implemented

(1) Amount of gain or loss on the transfer

Losses on sales of shares of subsidiaries and associates ¥1,856 million

(2) Book values and major breakdown of the assets and liabilities of the business transferred

Current assets ¥3,080 million

Fixed assets ¥1,901 million

Total assets ¥4,982 million

Current liabilities ¥644 million

Non-current liabilities ¥225 million

Total liabilities ¥869 million

(3) Accounting treatments

The Company implements accounting treatment based on the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013) and the "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019).

3. Name of reportable segment in which the divested business was included

Egg Business

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4. Approximate amounts of profit or loss of the divested business included in consolidated statement of income for the current fiscal year

Net sales	¥3,527 million
Operating loss	¥122 million

Business combination through acquisition

K.R.S. Corporation, the Company's consolidated subsidiary, resolved at its Board of Directors' meeting held on August 27, 2020 to acquire shares of KIAT ANANDA Group companies listed below through third party allotments in order to make them its subsidiaries. These four Indonesian companies, PT Kiat Ananda Cold Storage, PT Ananda Solusindo, PT Manggala Kiat Ananda and PT Trans Kontainer Solusindo, engage in low temperature logistics (cold supply chain management) services. Accordingly, K.R.S. Corporation has entered into a share subscription agreement as of August 28, 2020.

Thereafter, the share subscription was completed on November 2, 2020 and the four companies became consolidated subsidiaries of K.R.S. Corporation.

1. Outline of the business combination

(1) Names and businesses of acquired companies

Names	Description of business
PT Kiat Ananda Cold Storage	Warehouse business, etc. in Indonesia
PT Ananda Solusindo	Warehouse business, etc. in Indonesia
PT Manggala Kiat Ananda	Domestic transportation business, etc. in Indonesia
PT Trans Kontainer Solusindo	Forwarding, ship transportation business, etc.

(2) Primary reason for the business combination

KIAT ANANDA Group is a logistics company group that owns five refrigerated and cold storage warehouses as well as 590 vehicles in Indonesia, and has particular strengths in low temperature logistics (cold supply chain management) services. Their major customers consist of not only local companies but also foreign companies which are engaging in food manufacturing, restaurant business, and the like, and they operate a wide range of logistics businesses including warehousing, transportation, delivery, and forwarding. Acquiring the four companies of KIAT ANANDA Group, the Group aims to establish a logistics base and transportation network in Indonesia, and intends to provide high quality low temperature logistics services in the Indonesian market, expecting its further growth and expansion.

(3) Date of the business combination

November 2, 2020 (Share acquisition date)
September 30, 2020 (Deemed acquisition date)

(4) Legal form of the business combination

Acquisition of shares through a third party allotment

(5) Name of the company after the business combination

No change.

(6) Percentage of voting rights after the acquisition

PT Kiat Ananda Cold Storage	51.0%
PT Ananda Solusindo	51.0%
PT Manggala Kiat Ananda	51.0%
PT Trans Kontainer Solusindo	67.3%

(7) Primary basis for determining the acquiring company

The group acquires the shares in exchange for cash.

2. Period of operating results of acquired company included in consolidated financial statements

Since the deemed acquisition date was September 30, 2020 and only the balance sheet has been consolidated, the operating results of the acquired company have not been included.

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3. Cost of acquisition and kinds of considerations

Consideration (Cash)	¥7,006 million
Cost of acquisition	¥7,006 million

4. Details and amount of principal acquisition-related costs

Remuneration and commissions to advisors	¥81 million
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5. Amount of goodwill recognized, reason for recognition, and method and period for amortization
 - (1) Amount of goodwill recognized

PT Kiat Ananda Cold Storage	Goodwill	¥755 million
PT Ananda Solusindo	Goodwill	¥445 million
PT Manggala Kiat Ananda	Goodwill	¥41 million
PT Trans Kontainer Solusindo	Negative goodwill	¥3 million

The above amounts were calculated on a provisional basis because the allocation of cost of acquisition was not completed as of the end of current fiscal year (November 30, 2020).

 - (2) Reason for recognition

Goodwill	The goodwill arose from future excess earnings power that is expected from future business development.
Negative goodwill	When the fair value of the net assets of acquired company exceeded the cost of acquisition at the time of business combination, that difference is recognized as a gain on negative goodwill.

 - (3) Method and period for amortization

Goodwill	The goodwill is amortized by the straight-line method over 10 years.
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6. Amount and breakdown of acquired assets and assumed liabilities as of the date of the business combination
 - (1) PT Kiat Ananda Cold Storage

Current assets	¥3,953 million
Fixed assets	¥3,539 million
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Total assets	¥7,493 million
Current liabilities	¥746 million
Non-current liabilities	¥3,197 million
<hr/>	
Total liabilities	¥3,943 million

 - (2) PT Ananda Solusindo

Current assets	¥2,425 million
Fixed assets	¥1,046 million
<hr/>	
Total assets	¥3,472 million
Current liabilities	¥369 million
Non-current liabilities	¥690 million
<hr/>	
Total liabilities	¥1,060 million

 - (3) PT Manggala Kiat Ananda

Current assets	¥1,636 million
Fixed assets	¥1,041 million
<hr/>	
Total assets	¥2,677 million
Current liabilities	¥844 million
Non-current liabilities	¥617 million
<hr/>	
Total liabilities	¥1,462 million

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(4) PT Trans Kontainer Solusindo

Current assets	¥297 million
Fixed assets	¥344 million
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Total assets	¥642 million
Current liabilities	¥342 million
Non-current liabilities	¥181 million
<hr/>	
Total liabilities	¥523 million

7. Allocation of cost of acquisition

The process of specifying the identifiable assets and liabilities and calculating their fair values as of the date of the business combination, and the allocation of cost of acquisition were not completed as of the end of the current fiscal year (November 30, 2020). Therefore, a provisional accounting treatment was performed based on reasonable information available at the fiscal year end.

8. Approximate amount of impact of the business combination on the consolidated statements of income for the current fiscal year (ended November 30, 2020) on the assumption that the business combination was completed at the beginning of the fiscal year, and the method of calculation thereof

The approximate amount of impact is not presented because it is difficult to make a rational calculation.

(Segment information)

[Segment information]

1. Outline of reporting segments

The reporting segments of the Company are "Condiments and Processed Foods", "Salad and Delicatessen", "Egg", "Fruit Solution", "Fine Chemicals", "Distribution" and "Common Business Operations". Each of these constituent units of the Group, categorized in terms of products and services, has separately available financial statements and is subject to periodic reviews from which the Board of Directors may make decisions on the allocation of management resources and evaluate business performance.

The following is the overview of each segment:

Condiments and Processed Foods:	Mayonnaise, dressings, vinegar, pasta sauces, baby foods and nursing care foods
Salad and Delicatessen:	Salad, delicatessen and packaged salads
Egg:	Liquid egg, frozen egg, dried egg and egg processed foods
Fruit Solution:	Jams and fruit processed foods
Fine Chemicals:	Hyaluronic acid and others
Distribution:	Transportation and warehousing of food products
Common Business Operations:	Sale of food products and food production equipment

2. Method used to calculate amounts of net sales, profit or loss, assets, liabilities and others by reporting segment

Accounting treatment applied to the reporting segments is generally the same with what is described in "Material Matters that Serve as the Basis for Preparation of Consolidated Financial Statements".

Profit of the reporting segments is based on operating income. Intersegment net sales and transfers are based on prevailing market price.

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3. Information on amounts of net sales, profit or loss, assets, liabilities and others by reporting segment Previous Fiscal Year (From December 1, 2018 to November 30, 2019)

(Millions of yen)

	Condi-ments and Processed Foods	Salad and Delica-tessen	Egg	Fruit Solution	Fine Chemicals	Distribution	Common Business Operations	Total	Adjust-ments	Amount reported on the consolidated financial statements (Note)
Net sales										
Net sales to outside customers	185,213	90,291	99,991	15,648	8,348	140,976	5,253	545,723	-	545,723
Intersegment net sales or transfers	6,447	124	3,329	934	448	31,250	9,589	52,124	(52,124)	-
Total	191,661	90,415	103,321	16,582	8,797	172,226	14,843	597,847	(52,124)	545,723
Segment profit	21,587	3,185	7,438	312	1,236	4,133	1,349	39,243	(7,194)	32,048
Segment assets	140,830	37,127	73,380	19,841	8,464	86,606	24,403	390,653	53,655	444,309
Others										
Depreciation and amortization	7,036	1,775	3,175	879	498	4,050	932	18,348	300	18,649
Investment in affiliates accounted for by equity method	1,529	-	-	-	-	-	248	1,777	-	1,777
Increase in tangible and intangible fixed assets	6,925	2,092	7,701	3,670	272	7,672	294	28,629	2,049	30,678

(Notes) 1. Adjustments are as follows:

- (1) "Adjustments" of ¥(7,194) million in "Segment profit" includes Company-wide expenses unallocated to the respective reporting segments. The Company-wide expenses mainly consist of expenditures pertaining to general and administrative expenses not attributable to particular reporting segments.
 - (2) "Adjustments" of ¥53,655 million in "Segment assets" mainly includes company-wide assets of ¥60,300 million and elimination of intersegment receivables and payables of ¥(5,554) million. Major items in company-wide assets are surplus funds managed by the Company (cash and deposits and securities) and long-term investment funds (investment securities).
 - (3) "Adjustments" of ¥300 million in "Depreciation and amortization" is mainly related to company-wide assets unallocated to the reporting segments.
 - (4) "Adjustments" of ¥2,049 million in "Increase in tangible and intangible fixed assets" mainly represents the investments in the Kewpie Group core systems before allocation to the reporting segments.
2. Adjustments are made between "Segment profit" and "Operating income" reported in the consolidated statements of income.
3. "Depreciation and amortization" and "Increase in tangible and intangible fixed assets" include "Long-term prepaid expenses".

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Current Fiscal Year (From December 1, 2019 to November 30, 2020)

(Millions of yen)

	Condi- ments and Processed Foods	Salad and Delica- tessen	Egg	Fruit Solution	Fine Chemicals	Distribution	Common Business Operations	Total	Adjust- ments	Amount reported on the consolidated financial statements (Note)
Net sales										
Net sales to outside customers	180,239	90,897	89,091	16,473	7,942	140,423	6,034	531,103	-	531,103
Intersegment net sales or transfers	6,766	118	2,785	782	415	30,858	9,993	51,720	(51,720)	-
Total	187,006	91,016	91,877	17,255	8,357	171,281	16,028	582,823	(51,720)	531,103
Segment profit	22,353	3,655	3,291	561	1,156	2,837	1,329	35,185	(6,881)	28,303
Segment assets	142,143	33,173	60,827	18,850	7,962	102,711	25,448	391,115	60,607	451,723
Others										
Depreciation and amortization	7,199	1,780	3,751	956	524	4,647	895	19,756	317	20,073
Investment in affiliates accounted for by equity method	1,845	-	-	-	-	-	177	2,023	-	2,023
Increase in tangible and intangible fixed assets	6,471	1,308	5,615	562	698	7,515	340	22,512	3,590	26,102

(Notes) 1. Adjustments are as follows:

- (1) "Adjustments" of ¥(6,881) million in "Segment profit" includes Company-wide expenses unallocated to the respective reporting segments. The Company-wide expenses mainly consist of expenditures pertaining to general and administrative expenses not attributable to particular reporting segments.
 - (2) "Adjustments" of ¥60,607 million in "Segment assets" mainly includes company-wide assets of ¥66,317 million and elimination of intersegment receivables and payables of ¥(4,490) million. Major items in company-wide assets are surplus funds managed by the Company (cash and deposits and securities) and long-term investment funds (investment securities).
 - (3) "Adjustments" of ¥317 million in "Depreciation and amortization" is mainly related to company-wide assets unallocated to the reporting segments.
 - (4) "Adjustments" of ¥3,590 million in "Increase in tangible and intangible fixed assets" mainly represents the investments in the Kewpie Group core systems before allocation to the reporting segments.
2. Adjustments are made between "Segment profit" and "Operating income" reported in the consolidated statements of income.
3. "Depreciation and amortization" and "Increase in tangible and intangible fixed assets" include "Long-term prepaid expenses".

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[Related information]

Previous Fiscal Year (From December 1, 2018 to November 30, 2019)

1. Information by product and service

It is omitted here since similar information is disclosed in "Segment information".

2. Information by region

(1) Net sales

It is omitted here since net sales to outside customers in Japan is more than 90% of net sales reported in the consolidated statements of income.

(2) Tangible fixed assets

It is omitted here since the amount of tangible fixed assets located in Japan is more than 90% of tangible fixed assets reported in the consolidated balance sheets.

3. Information by major customer

It is omitted here since there is no customer occupying 10% or more of net sales reported in the consolidated statements of income.

Current Fiscal Year (From December 1, 2019 to November 30, 2020)

1. Information by product and service

It is omitted here since similar information is disclosed in "Segment information".

2. Information by region

(1) Net sales

It is omitted here since net sales to outside customers in Japan is more than 90% of net sales reported in the consolidated statements of income.

(2) Tangible fixed assets

It is omitted here since the amount of tangible fixed assets located in Japan is more than 90% of tangible fixed assets reported in the consolidated balance sheets.

3. Information by major customer

It is omitted here since there is no customer occupying 10% or more of net sales reported in the consolidated statements of income.

[Information on losses on impairment of fixed assets by reporting segment]

Previous Fiscal Year (From December 1, 2018 to November 30, 2019)

(Millions of yen)

	Condi- ments and Processed Foods	Salad and Delica- tessen	Egg	Fruit Solution	Fine Chemicals	Distribution	Common Business Operations	Total	Adjust- ments	Total
Impairment losses	550	–	92	50	–	36	–	729	–	729

Current Fiscal Year (From December 1, 2019 to November 30, 2020)

(Millions of yen)

	Condi- ments and Processed Foods	Salad and Delica- tessen	Egg	Fruit Solution	Fine Chemicals	Distribution	Common Business Operations	Total	Adjust- ments	Total
Impairment losses	331	1,237	94	286	–	–	–	1,950	–	1,950

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[Information on amortization of goodwill and unamortized balance by reporting segment]

Previous Fiscal Year (From December 1, 2018 to November 30, 2019)

(Millions of yen)

	Condi-ments and Processed Foods	Salad and Delica-tessen	Egg	Fruit Solution	Fine Chemicals	Distribution	Common Business Operations	Total	Adjust-ments	Total
Amortization in the current fiscal year	16	–	–	182	22	23	–	244	–	244
Unamortized balance at the end of the current fiscal year	37	–	–	911	–	40	–	989	–	989

Current Fiscal Year (From December 1, 2019 to November 30, 2020)

(Millions of yen)

	Condi-ments and Processed Foods	Salad and Delica-tessen	Egg	Fruit Solution	Fine Chemicals	Distribution	Common Business Operations	Total	Adjust-ments	Total
Amortization in the current fiscal year	16	–	–	182	–	20	–	218	–	218
Unamortized balance at the end of the current fiscal year	21	–	–	729	–	1,263	–	2,014	–	2,014

[Information on gains on negative goodwill by reporting segment]

Previous Fiscal Year (From December 1, 2018 to November 30, 2019)

Not applicable.

Current Fiscal Year (From December 1, 2019 to November 30, 2020)

(Millions of yen)

	Condi-ments and Processed Foods	Salad and Delica-tessen	Egg	Fruit Solution	Fine Chemicals	Distribution	Common Business Operations	Total	Adjust-ments	Total
Gains on negative goodwill	15	–	–	–	–	3	–	18	–	18

Kewpie Corporation

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(Per share information)

	Previous Fiscal Year (From December 1, 2018 to November 30, 2019)	Current Fiscal Year (From December 1, 2019 to November 30, 2020)
Net assets per share (yen)	1,646.73	1,674.58
Earnings per share (yen)	130.72	79.55

(Notes) 1. "Earnings per share (diluted)" is not presented because of no issue of potential shares.
2. Calculation basis of net assets per share is as follows.

	Previous fiscal year (As of November 30, 2019)	Current fiscal year (As of November 30, 2020)
Total net assets (millions of yen)	276,753	285,377
Amount subtracted from total net assets (millions of yen)	41,201	45,844
[Non-controlling interests (millions of yen)]	[41,201]	[45,844]
Net assets attributable to common stock at the end of the fiscal year (millions of yen)	235,552	239,532
Number of shares of common stock at the end of the fiscal year (thousand shares)	143,041	143,040

3. Calculation basis of earnings per share is as follows.

	Previous Fiscal Year (From December 1, 2018 to November 30, 2019)	Current Fiscal Year (From December 1, 2019 to November 30, 2020)
Profit attributable to owners of parent (millions of yen)	18,698	11,378
Amounts not attributable to common shareholders (millions of yen)	–	–
Profit attributable to owners of parent attributable to common stock (millions of yen)	18,698	11,378
Average number of shares of common stock during the fiscal year (thousand shares)	143,042	143,041

(Significant subsequent events)

(Acquisition by the Company of its own shares)

The Company, at the meeting of its Board of Directors held on January 7, 2021, adopted a resolution for the acquisition by the Company of its own shares pursuant to Article 156, Paragraph 1 of the Companies Act applied with certain replacement of terms pursuant to Article 165, Paragraph 3 of the Companies Act.

1. Reasons for acquiring its own shares

The Company maintains a basic policy of providing returns to its shareholders with top priority on dividend distributions, and aims to provide returns to shareholders according to the policy set forth in each Medium-term Business Plan.

Under the shareholder return policy for the period of fiscal years from 2021 to 2024, on an assumption that the annual dividend per share would be ¥45 or more, the Company sets targets for dividend payout ratio of 35% or more and accumulated total return ratio over four fiscal years of 50% or more.

This acquisition of the Company's own shares will be carried out in line with its shareholders return policy of the Medium-Term Business Plan with the aim to implement its capital policy in a flexible manner and increase its corporate value in response to the changing business environment.

2. Details of the acquisition of its own shares

- | | |
|---|--|
| (1) Type of shares to be acquired: | Shares of common stock of the Company |
| (2) Total number of shares to be acquired: | (Not exceeding) 6,000,000 shares
(Ratio to the total number of issued shares (excluding treasury stock): 4.19%) |
| (3) Aggregate amount of acquisition prices: | (Not exceeding) ¥10,000 million |
| (4) Acquisition period: | From January 8, 2021 to November 30, 2021 |
| (5) Method of acquisition: | Market purchase on the Tokyo Stock Exchange |

Kewpie Corporation

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(6) Others:

With the aim for providing returns to shareholders, the Company is scheduled to cancel a certain portion of shares of treasury stock to the extent where the total number of shares of treasury stock (including the existing treasury stocks before the acquisition) exceeds approximately 5 % of the total number of outstanding shares.

(Reference) Shares of treasury stock as of November 30, 2020

Total number of outstanding shares (excluding treasury stock):143,040,800 shares

Number of shares of treasury stock: 6,959,200 shares

Kewpie Corporation

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IV. Other

Changes in officers (as of February 25, 2021)
Changes in Directors

i) New candidate for Director

Name	New title	Old title
Ryota Watanabe	Director, Senior Corporate Officer in charge of Production and Quality	Corporate Officer, Senior General Manager, Division of Production
Hitoshi Kashiwaki	Director (Part-time)	Retired CEO, President, and Representative Director of the Board of Recruit Co., Ltd. (currently, Recruit Holdings Co., Ltd.)

(Note) Mr. Hitoshi Kashiwaki is a candidate for outside Director.

ii) Officers retiring from Director positions

Name	New title	Old title
Kengo Saito	–	Director, Senior Executive Corporate Officer in charge of Egg Business
Tadaaki Katsuyama	–	Director, Executive Corporate Officer in charge of Group Production in general and Quality Assurance Division
Minoru Himeno	–	Director, Senior Corporate Officer in charge of Salad and Delicatessen Business
Masato Shinohara	–	Director, Senior Corporate Officer in charge of Overseas Business in general and Overseas Division

(Reference) Changes in positions and allocated professional duties

On February 25, 2021, the allocated professional duties of Directors shall be changed as follows. Amendments are underlined.

Name	New title	Old title
Osamu Chonan	Representative Director, President and Chief Executive Corporate Officer in charge of <u>Overseas and Marketing</u>	Representative Director, President and Chief Executive Corporate Officer in charge of <u>Customer Marketing Office</u>
Nobuo Inoue	Director, Executive Corporate Officer in charge of <u>Corporate (including Medium-term Business Plan Promotion, Group Governance, Risk Management and Sustainability)</u>	Director, Executive Corporate Officer in charge of <u>Management Promotion Division, Division of Personnel Affairs, Public Relations and Group Communications Office, Risk Management and Sustainability and Senior General Manager of Management Promotion Division</u>
Seiya Sato	Director, Executive Corporate Officer in charge of <u>Retail Market Business</u>	Director, Executive Corporate Officer in charge of <u>Condiments and Processed Foods Business and Group Sales in general</u>
Yoshinori Hamachiyo	Director, Senior Corporate Officer in charge of <u>Research Development, Fine Chemicals and Intellectual Property</u> , Food Culture and Health Promotion Project and Senior General Manager of Division of Research Development	Director, Senior Corporate Officer in charge of <u>Fine Chemicals Business, Fine Chemical Division, Division of Research Development and Intellectual Property Office</u> , Food Culture and Health Promotion Project and Senior General Manager of Division of Research Development

**Supplementary Data
for the Fiscal Year Ended
November 30, 2020**

**January 7, 2021
Kewpie Corporation
Securities code: 2809**

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■ Notes regarding the information in this document

- The amounts stated in this document are rounded to the nearest 100 million yen when figures are presented in billions of yen.
- For overseas operations, figures are results for the period from October to September and include exports from Japan. Exports from Japan cover the period from December to November.
- Results for FY2020 (after retrospective adjustments) are the figures after retrospective adjustments, excluding the Distribution Business.

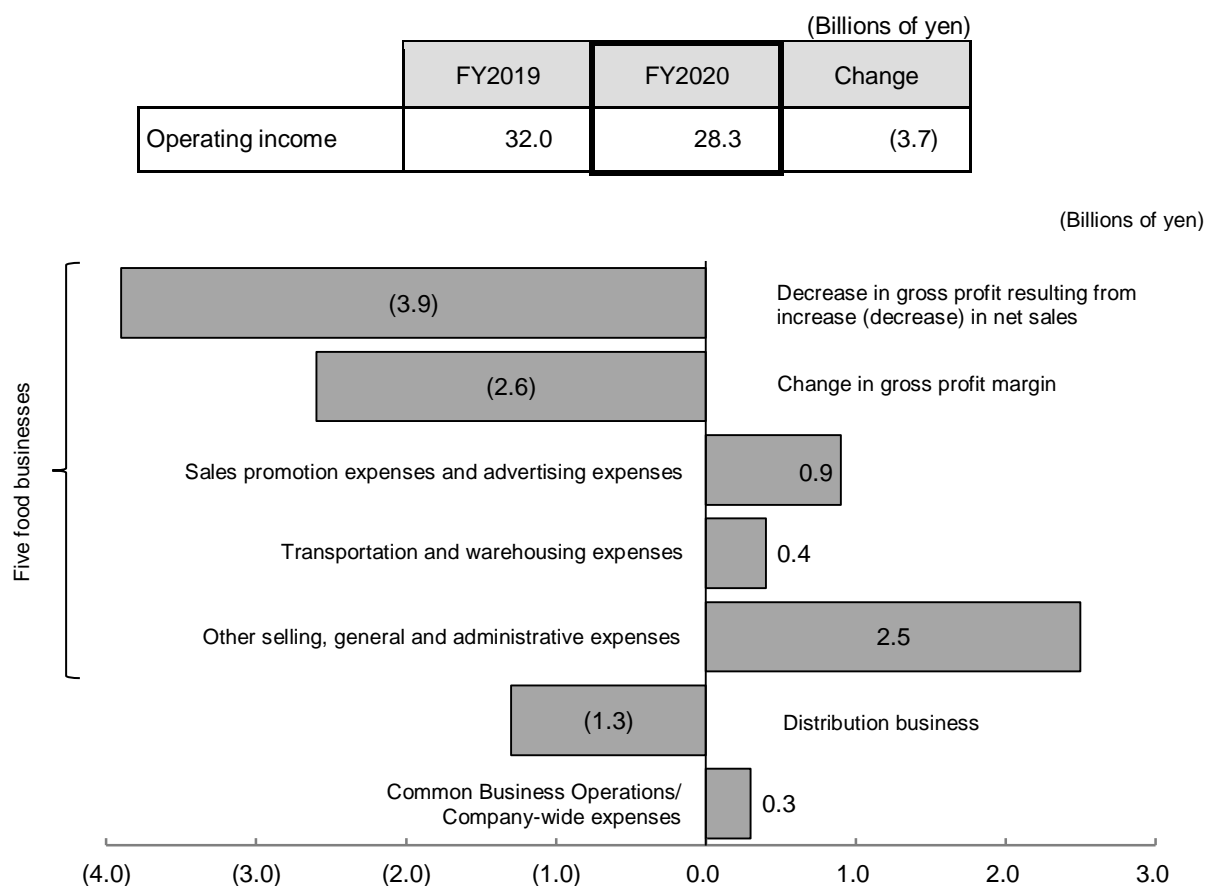
1. (1) Net sales and operating income for each quarter by segment

(Billions of yen)

■ Net sales (Upper: Results, Lower: Change)	FY2019					FY2020				
	1Q (Dec.-Feb.)	2Q (Mar.-May)	3Q (Jun.-Aug.)	4Q (Sept.-Nov.)	Year	1Q (Dec.-Feb.)	2Q (Mar.-May)	3Q (Jun.-Aug.)	4Q (Sept.-Nov.)	Year
	Condiments and Processed Foods	43.1 (0.1)	48.6 0.6	47.7 (0.5)	45.8 1.0	185.2 0.9	44.0 0.8	43.6 (5.1)	47.1 (0.6)	45.6 (0.1)
Japan	33.3 (0.6)	38.1 (0.2)	36.2 (1.3)	34.4 0.4	142.1 (1.6)	33.2 (0.2)	33.7 (4.4)	36.3 0.1	33.4 (1.0)	136.6 (5.4)
Overseas	9.8 0.5	10.5 0.8	11.5 0.7	11.3 0.6	43.2 2.5	10.8 1.0	9.9 (0.6)	10.8 (0.7)	12.2 0.9	43.6 0.5
Salad and Delicatessen	21.4 (8.6)	22.8 (8.3)	23.1 (8.6)	22.9 (2.5)	90.3 (28.0)	21.8 0.4	22.4 (0.5)	23.5 0.4	23.2 0.3	90.9 0.6
Egg	23.4 (0.7)	25.6 0.2	25.0 0.1	26.0 (0.4)	100.0 (0.9)	24.3 0.9	21.1 (4.5)	21.5 (3.5)	22.2 (3.8)	89.1 (10.9)
Japan	22.0 (0.8)	24.4 0.2	23.6 (0.1)	24.7 (0.0)	94.8 (0.7)	23.0 1.0	19.9 (4.5)	20.4 (3.2)	22.2 (2.6)	85.6 (9.2)
Overseas	1.4 0.0	1.2 0.0	1.4 0.1	1.3 (0.4)	5.2 (0.2)	1.3 (0.2)	1.2 0.0	1.1 (0.3)	(0.0) (1.2)	3.5 (1.7)
Fruit Solution	3.5 (0.1)	4.4 (0.2)	4.0 (0.1)	3.8 0.2	15.6 (0.2)	3.6 0.1	4.7 0.3	4.2 0.3	3.9 0.1	16.5 0.8
Fine Chemicals	2.0 (0.1)	2.2 (0.4)	1.8 (0.9)	2.3 (0.3)	8.3 (1.7)	1.7 (0.3)	2.2 0.0	2.0 0.2	2.0 (0.3)	7.9 (0.4)
Distribution	33.6 1.1	35.6 1.2	35.8 0.2	35.9 0.3	141.0 2.7	35.1 1.5	34.7 (0.9)	35.3 (0.6)	35.3 (0.6)	140.4 (0.6)
Common Business Operations	1.2 (0.3)	1.4 (0.1)	1.1 (0.1)	1.5 (0.2)	5.3 (0.6)	2.6 1.4	1.2 (0.2)	1.2 0.0	1.1 (0.4)	6.0 0.8
Total	128.3 (8.9)	140.7 (7.1)	138.5 (10.0)	138.3 (1.8)	545.7 (27.8)	133.1 4.8	129.9 (10.8)	134.7 (3.7)	133.3 (4.9)	531.1 (14.6)

■ Operating income (Upper: Results, Lower: Change)	FY2019					FY2020				
	1Q (Dec.-Feb.)	2Q (Mar.-May)	3Q (Jun.-Aug.)	4Q (Sept.-Nov.)	Year	1Q (Dec.-Feb.)	2Q (Mar.-May)	3Q (Jun.-Aug.)	4Q (Sept.-Nov.)	Year
	Condiments and Processed Foods	4.2 0.4	6.6 0.6	5.7 (0.0)	5.1 0.8	21.6 1.8	4.1 (0.2)	5.1 (1.5)	7.0 1.2	6.2 1.2
Japan	3.5 0.1	5.4 0.1	4.6 (0.2)	4.2 0.7	17.6 0.6	3.1 (0.4)	4.2 (1.2)	5.8 1.2	4.7 0.5	17.8 0.1
Overseas	0.8 0.4	1.2 0.6	1.2 0.1	0.8 0.1	4.0 1.1	1.0 0.2	0.9 (0.3)	1.2 0.1	1.5 0.7	4.6 0.6
Salad and Delicatessen	0.2 (0.4)	1.0 (0.4)	0.9 (0.4)	1.1 0.1	3.2 (1.1)	0.6 0.4	1.1 0.1	1.1 0.2	0.8 (0.2)	3.7 0.5
Egg	2.0 0.3	2.0 (0.1)	2.1 0.1	1.3 (0.6)	7.4 (0.4)	1.1 (0.9)	(0.0) (2.1)	0.7 (1.4)	1.5 0.2	3.3 (4.1)
Japan	1.8 0.1	2.0 (0.0)	2.1 0.2	1.4 (0.4)	7.4 (0.1)	1.1 (0.7)	0.0 (2.0)	0.8 (1.3)	1.5 0.0	3.4 (4.0)
Overseas	0.1 0.2	0.0 (0.1)	0.1 (0.1)	(0.2) (0.2)	0.1 (0.3)	0.0 (0.1)	(0.1) (0.1)	(0.1) (0.1)	0.0 0.2	(0.1) (0.2)
Fruit Solution	(0.0) (0.3)	0.2 (0.2)	0.1 (0.1)	0.1 0.2	0.3 (0.4)	(0.1) (0.0)	0.3 0.1	0.3 0.1	0.1 (0.0)	0.6 0.2
Fine Chemicals	(0.0) (0.0)	0.4 0.0	0.3 (0.2)	0.5 (0.0)	1.2 (0.2)	(0.0) 0.0	0.4 0.0	0.5 0.2	0.2 (0.3)	1.2 (0.1)
Distribution	0.7 0.1	1.4 (0.2)	1.2 (0.3)	0.8 (0.2)	4.1 (0.5)	0.7 (0.1)	0.4 (0.9)	0.9 (0.4)	0.8 0.1	2.8 (1.3)
Common Business Operations	0.4 (0.0)	0.4 0.0	0.3 (0.0)	0.2 (0.1)	1.3 (0.1)	0.3 (0.1)	0.4 0.0	0.5 0.1	0.1 (0.1)	1.3 (0.0)
Company-wide expenses	(1.5) 0.2	(1.8) (0.0)	(1.9) (0.2)	(2.0) 0.0	(7.2) (0.1)	(1.6) (0.1)	(1.6) 0.2	(1.7) 0.2	(2.0) 0.0	(6.9) 0.3
Total	6.0 0.3	10.1 (0.2)	8.9 (1.2)	7.0 0.1	32.0 (1.0)	5.1 (0.9)	6.1 (4.0)	9.2 0.3	7.9 0.8	28.3 (3.7)

1. (2) Factors behind changes in operating income



1. (3) Domestic sales volume and amount of salad condiments by business category (Kewpie Corporation)

		FY2018	FY2019	FY2020	Change	Change (%)
For household use	Volume (Thousands of tons)	124	128	133	5	4%
	Amount (Billions of yen)	62.4	63.5	65.7	2.3	4%
For commercial use	Volume (Thousands of tons)	105	102	90	(12)	(12)%
	Amount (Billions of yen)	40.0	39.0	34.5	(4.4)	(11)%
Exports	Volume (Thousands of tons)	5	6	7	1	19%
	Amount (Billions of yen)	2.2	2.5	3.0	0.5	18%

* Exports includes figures for household use and for commercial use.

2. The three main businesses in Japan: Net sales and operating income by business category

(Billions of yen)

■ For household use		FY2019	FY2020	Change	Change (%)
Condiments and Processed Foods	Net sales	79.1	82.8	3.7	5%
	Operating income	11.0	12.6	1.6	14%
Salad and Delicatessen	Net sales	82.0	84.1	2.1	3%
	Operating income	3.0	3.8	0.8	28%
Egg	Net sales	0.4	0.4	(0.0)	(11)%
	Operating income	(0.1)	(0.2)	(0.1)	–
Total	Net sales	161.5	167.3	5.8	4%
	Operating income	13.9	16.2	2.3	17%

■ For commercial use		FY2019	FY2020	Change	Change (%)
Condiments and Processed Foods	Net sales	63.0	53.8	(9.2)	(15)%
	Operating income	6.6	5.2	(1.4)	(21)%
Salad and Delicatessen	Net sales	8.3	6.8	(1.5)	(18)%
	Operating income	0.2	(0.1)	(0.3)	–
Egg	Net sales	94.4	85.2	(9.2)	(10)%
	Operating income	7.5	3.6	(3.9)	(52)%
Total	Net sales	165.6	145.8	(19.8)	(12)%
	Operating income	14.3	8.7	(5.7)	(39)%

3. Overseas: Net sales and operating income by region

(Billions of yen)

■ Net sales by region	FY2018	FY2019	FY2020	Change	Change (%)	Local currency basis Growth rate	FY2020	4Q
							(Jul.-Sept.)	YoY Change
China	19.3	20.3	18.8	(1.4)	(7)%	(3)%	5.6	0.2
Southeast Asia	10.0	11.1	11.8	0.7	7%	4%	3.1	0.2
U.S.	12.3	12.2	12.0	(0.2)	(2)%	0%	2.3	(0.8)
Condiments and Processed Foods	6.8	6.9	8.4	1.5	21%	24%	2.3	0.5
Egg	5.5	5.2	3.5	(1.7)	(33)%	(31)%	(0.0)	(1.3)
Europe	2.8	2.8	2.2	(0.6)	(21)%	(17)%	0.4	(0.2)
Exports	3.6	4.1	3.8	(0.4)	(9)%	–	1.0	(0.1)
Total	48.0	50.5	48.6	(1.9)	(4)%	–	12.4	(0.8)

* The total change includes a ¥1.3 billion decrease caused by fluctuations of exchange rates.

(Billions of yen)

■ Operating income by region	FY2018	FY2019	FY2020	Change	Change (%)	Local currency basis Growth rate	FY2020	4Q
							(Jul.-Sept.)	YoY Change
China	2.4	3.0	2.6	(0.4)	(13)%	(9)%	0.9	0.2
Southeast Asia	0.6	0.8	1.3	0.5	67%	65%	0.4	0.2
U.S.	0.8	0.6	0.8	0.1	17%	20%	0.3	0.3
Condiments and Processed Foods	0.5	0.5	0.9	0.3	59%	63%	0.3	0.1
Egg	0.3	0.1	(0.1)	(0.2)	–	–	0.0	0.2
Europe	(0.5)	(0.3)	(0.3)	0.0	–	–	(0.1)	0.1
Exports	0.6	0.8	0.6	(0.1)	(16)%	–	0.2	(0.1)
Other expenses	(0.4)	(0.3)	(0.2)	0.1	–	–	(0.0)	0.0
Total	3.6	4.5	4.8	0.3	6%	–	1.6	0.7

* The total change includes a ¥0.1 billion decrease caused by fluctuations of exchange rates.

4. Exchange rates (average exchange rates during the period)

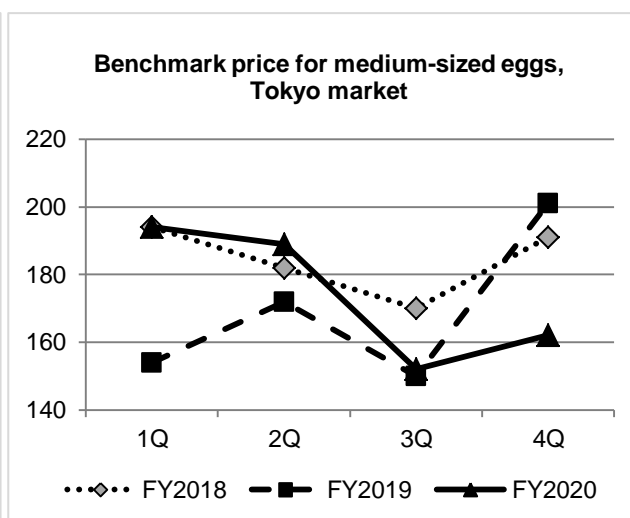
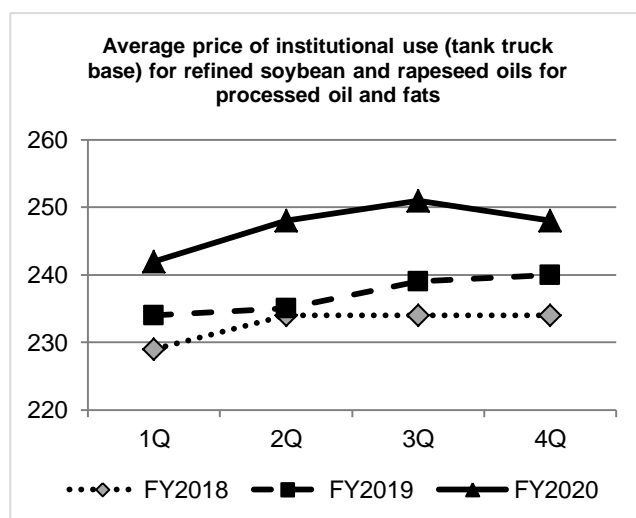
(Yen)

	FY2018	FY2019	FY2020
USD (per \$1)	110	110	108
RMB (per RMB1)	17	16	15

5. Changes in market prices for major raw materials

(¥/kg)

	FY2018				FY2019				FY2020				Annual indicator
	1Q (Dec.-Feb.)	2Q (Mar.-May)	3Q (Jun.-Aug.)	4Q (Sept.-Nov.)	1Q (Dec.-Feb.)	2Q (Mar.-May)	3Q (Jun.-Aug.)	4Q (Sept.-Nov.)	1Q (Dec.-Feb.)	2Q (Mar.-May)	3Q (Jun.-Aug.)	4Q (Sept.-Nov.)	
Average price of institutional use (tank truck base) for refined soybean and rapeseed oils for processed oil and fats	229	234	234	234	235	239	240	240	242	248	251	248	247
Benchmark price for medium-sized eggs, Tokyo market	194	182	170	191	154	172	150	201	194	189	152	162	175



6. Capital investments and main components of selling, general and administrative expenses

(Billions of yen)

	FY2018	FY2019	FY2020	Change	FY2020	4Q YoY Change
					4Q (Sept.-Nov.)	
Capital investments	32.1	28.6	26.1	(2.5)	5.0	(2.0)
Depreciation and amortization	18.2	18.6	20.1	1.4	5.1	0.3
Sales promotion expenses	3.9	4.0	3.6	(0.5)	0.8	(0.3)
Advertising expenses	9.1	9.5	9.0	(0.5)	2.4	0.1
Transportation and warehousing expenses	26.8	26.0	26.1	0.0	6.6	(0.1)
Payroll expenses	32.7	33.7	32.8	(0.9)	7.8	(0.4)
Research and development expenses	4.1	4.2	4.0	(0.2)	1.2	(0.1)

7. Principal items of changes in non-operating income (expenses) and extraordinary gains (losses)

(Billions of yen)

	FY2019	FY2020	Change	Factors behind changes
Non-operating income (expenses), net	1.2	0.7	(0.5)	Decrease in subsidy income (0.2) Increase in commission expenses (0.2)
Extraordinary gains (losses), net	(0.8)	(6.2)	(5.4)	Increase in losses on sales of shares of subsidiaries and associates (1.9) Increase in impairment losses (1.2) Increase in losses on disposal of fixed assets (0.9) Decrease in gains on transfer of business (0.6)

8. Summary and items of changes in balance sheets

(Billions of yen)

	FY2019	FY2020	Change	Factors behind changes
Assets				
Current assets	174.8	174.0	(0.8)	Increase in cash and deposits 10.1 Decrease in notes and accounts receivable - trade (9.9)
Fixed assets				
Tangible and intangible fixed assets	217.4	225.3	7.9	Increase resulting from purchases 23.0 Decrease resulting from depreciation (19.6) Increase resulting from companies becoming consolidated subsidiaries 7.2 Decrease resulting from transfer of shares of HENNINGSEN FOODS, INC. (2.0)
Investments and other assets	52.1	52.4	0.3	Increase in long-term loans receivable 0.6
Liabilities				
	167.6	166.3	(1.2)	Decrease in notes and accounts payable - trade (11.5) Increase in loans payable 14.1 Decrease in accounts payable - other (5.9)
Net assets				
	276.8	285.4	8.6	Increase in earned surplus 4.9 Increase in non-controlling interests 4.6

* From the current fiscal year, foreign consolidated subsidiaries that apply IFRS have applied IFRS 16 "Leases". Due to this application, lessees, in principle, record all leases as assets and liabilities on the balance sheets.

9. Principal items of changes in cash flows

(Billions of yen)

	FY2019	FY2020	Change	Factors behind changes	
Cash flows from operating activities	43.9	35.0	(9.0)	Decrease (increase) in notes and accounts receivable - trade	17.0
				Increase (decrease) in notes and accounts payable - trade	(20.5)
				Increase (decrease) in accounts payable - other	(6.2)
				Decrease in income taxes paid	3.1
Cash flows from investing activities	(29.7)	(26.0)	3.7	Decrease in purchases of tangible fixed assets	4.2
Cash flows from financing activities	(4.6)	0.0	4.6	Increase in proceeds from loans payable	4.9

10. Sustainability targets

Material Issues	Indicators	FY2020	FY2021	FY2030
			Targets	Targets
Contribution to extending healthy life expectancy	As a food partner for every person: <ul style="list-style-type: none"> Contribute to achieving a vegetable intake target of 350 grams per day. Promote a boost in egg consumption in order to contribute to increasing protein intake. 			
Mental and physical health support for children	Number of children's smiles via our activities (Cumulative since FY2019)	180 thousand	At least 200 thousand	At least 1 million
Effective use of resources and sustainable procurement	Effective utilization rate of unused portions of vegetables	40%	At least 30%	At least 90%
	Reduction rate in volume of product waste (compared to FY2015)	11.6%	At least 25%	At least 50%
Reduction of CO ₂ emissions	Reduction rate in CO ₂ emissions (compared to FY2013)	10.5%	At least 7.5%	At least 35%
Promotion of diversity	Proportion of women in management position (in Kewpie Corporation)	10.2%	At least 12%	At least 30%

* Some of the sustainability targets were reviewed under the FY2021-FY2024 Medium-Term Business Plan.

11. FY2021-FY2024 Medium-Term Business Plan

■ Management indexes	FY2020 (After retrospective adjustments)	FY2024 Targets
ROE	4.8%	At least 8%
Operating income ratio	6.5%	7.5%
Growth ratio in overseas net sales (Local currency basis)	(Year to Year) 3.8%	(Annualized rate) At least 10%

In the business environment surrounding the Group, there are risks that are difficult to predict, such as the impact of the spread of the novel coronavirus disease (COVID-19) on markets, and the outlook is expected to remain uncertain.

Therefore, because it is difficult to make reasonable calculations for the forecasts of consolidated operating results for the fiscal year ending November 30, 2024 at this point in time, the forecasts for net sales and operating income have been given certain ranges.

(Net sales: ¥410.0 billion to ¥440.0 billion; operating income: ¥31.0 billion to ¥33.0 billion)

In the Overseas Business, the Group aims to return to double-digit growth with net sales of ¥80.0 billion and operating income of ¥8.0 billion.

In the Retail Market Business in Japan, the Group assumes that net sales will be ¥160.0 billion to ¥180.0 billion and operating income will be ¥16.0 billion to ¥18.0 billion due to the development of new businesses, etc. In the Food Service Business, the Group assumes that net sales will be ¥130.0 billion to ¥150.0 billion and operating income will be ¥9.0 billion to ¥11.0 billion by concentrating management resources on key categories and increasing earning efficiency.

Based on these assumptions, the Group is promoting FY2021-FY2024 Medium-Term Business Plan in order to achieve an ROE of at least 8.0%, operating income ratio of 7.5% and growth rate in overseas net sales of at least 10%.

* FY2020 (after retrospective adjustments) are the figures after retrospective adjustments, excluding the distribution business.

* Growth ratio in overseas net sales does not include results of Egg Business in North America.

12. Plan for FY2021

■ Forecasts of consolidated operating results	(Billions of yen)			
	FY2020 (After retrospective adjustments)	FY2021 (Plan)	Change	Change (%)
Net sales	390.7	400.0	9.3	2%
Operating income	25.5	26.4	0.9	4%
Profit attributable to owners of parent	11.4	15.0	3.6	32%
ROA	–	6.7%	–	–
ROE	4.8%	6.3%	1.5%	–
Operating income ratio	6.5%	6.6%	0.1%	–
Growth rate in overseas net sales (Local currency basis)	3.8%	16.6%	12.8%	–

* FY2020 (after retrospective adjustments) are the figures after retrospective adjustments, excluding the distribution business.

* Growth ratio in overseas net sales does not include results of Egg Business in North America.

■ By segment

From the fiscal year ending November 30, 2021, the Group will reclassify the business segments to shift to more market-focused business structure away from product-based business allocation and to respond to the customer and market needs as well as the faster changing environment, as follows.

- The domestic operations in the "Condiments and Processed Foods", "Salad and Delicatessen" and "Egg" business segments will be reorganized into the "Retail Market Business" and "Food Service Business".
- The overseas operations in the "Condiments and Processed Foods Business" will be split into the new "Overseas Business".
- The "Distribution Business" is scheduled to be transformed to an affiliated company accounted for by the equity-method.

(Billions of yen)

	Net sales				Operating income			
	FY2020 (After retro- spective adjust- ments)	FY2021 (Plan)	Change	Change (%)	FY2020 (After retro- spective adjust- ments)	FY2021 (Plan)	Change	Change (%)
Retail Market Business	168.1	170.0	1.9	1%	15.8	14.6	(1.2)	(8)%
Condiments	67.1	67.9	0.8	1%	11.3	10.4	(0.9)	(8)%
Delicatessen	57.2	58.4	1.2	2%	2.1	2.3	0.2	9%
Cut vegetables	27.7	28.6	0.9	3%	1.7	1.8	0.1	6%
Other	16.1	15.1	(1.0)	(6)%	0.7	0.1	(0.6)	(86)%
Food Service Business	145.1	151.0	5.9	4%	7.8	9.7	1.9	25%
Condiments	41.1	41.7	0.6	2%	3.7	3.9	0.2	4%
Egg	85.2	89.0	3.8	5%	3.6	5.5	1.9	53%
Other	18.9	20.3	1.4	8%	0.4	0.3	(0.1)	(31)%
Overseas Business	47.2	50.0	2.8	6%	4.9	5.4	0.5	9%
China	18.8	23.0	4.2	22%	2.6	3.2	0.6	24%
Southeast Asia	11.8	12.6	0.8	7%	1.3	1.3	0.0	2%
North America	12.0	8.9	(3.1)	(26)%	0.8	0.9	0.1	18%
Other	4.6	5.5	0.9	20%	0.3	0.0	(0.3)	(100)%
Fruit Solutions Business	16.5	17.3	0.8	5%	0.6	0.8	0.2	43%
Fine Chemicals Business	7.8	8.4	0.6	7%	1.2	1.1	(0.1)	(6)%
Common Business	6.0	3.3	(2.7)	(45)%	1.4	1.0	(0.4)	(26)%
Company-wide expenses	–	–	–	–	(6.1)	(6.2)	–	–
Total	390.7	400.0	9.3	2%	25.5	26.4	0.9	4%

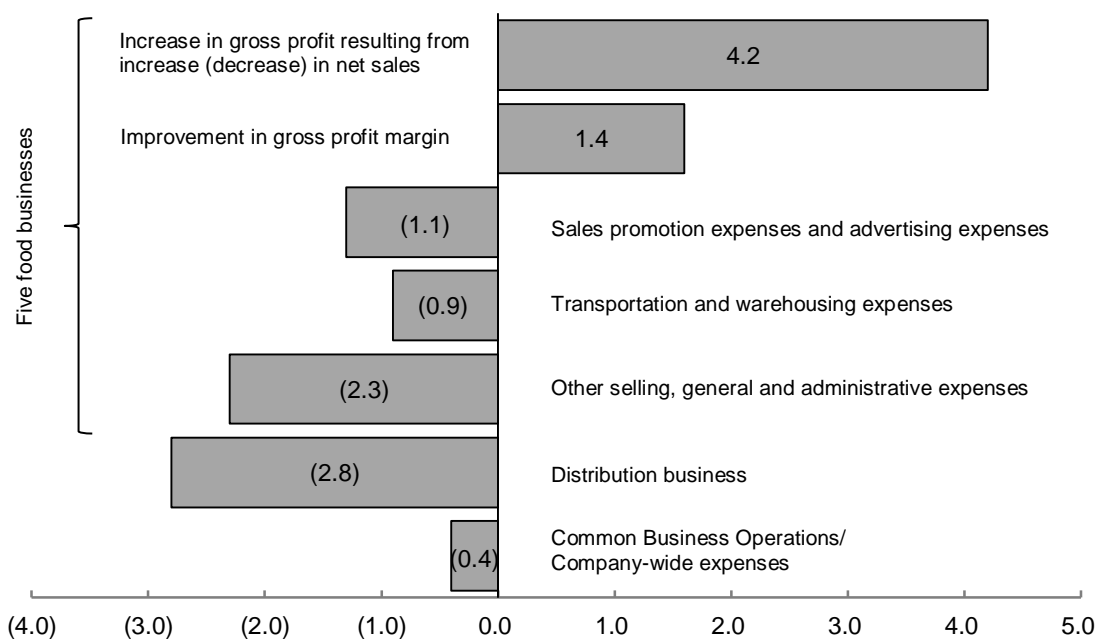
* The change for the Overseas Business includes a ¥0.9 billion decrease in net sales and a ¥0.1 billion decrease in operating income caused by fluctuations of exchange rates.

(Billions of yen)

■ Factors behind changes in operating income

	FY2020	FY2021 (Plan)	Change
Operating income	28.3	26.4	(1.9)

(Billions of yen)



(Yen)

■ Exchange rates	FY2020	FY2021 (Plan)
USD (per \$1)	108	106
RMB (per RMB1)	15	15

(¥/kg)

■ Market prices for major raw materials	FY2020	FY2021 (Plan)
Average price of institutional use (tank truck base) for refined soybean and rapeseed oils for processed oil and fats	247	263
Benchmark price for medium-sized eggs, Tokyo market	175	181

(Billions of yen)

■ Capital investments and main components of selling, general and administrative expenses	FY2020 (After retrospective adjustments)	FY2021 (Plan)	Change
Capital investments	18.6	14.8	(3.8)
Depreciation and amortization	15.4	15.6	0.2
Sales promotion expenses	3.6	4.2	0.6
Advertising expenses	9.0	9.5	0.5
Transportation and warehousing expenses	27.1	28.0	0.9
Payroll expenses	30.5	30.9	0.5
Research and development expenses	4.0	3.9	(0.1)

13. Principal management indexes

		FY2018	FY2019	FY2020
Net sales	millions of yen	573,525	545,723	531,103
Operating income	millions of yen	33,067	32,048	28,303
Operating income ratio	%	5.8	5.9	5.3
Ordinary income	millions of yen	34,349	33,275	28,989
Ordinary income ratio	%	6.0	6.1	5.5
Profit attributable to owners of parent	millions of yen	18,320	18,698	11,378
Profit to net sales	%	3.2	3.4	2.1
Net assets	millions of yen	266,100	276,753	285,377
Total assets	millions of yen	419,736	444,309	451,723
Equity	millions of yen	226,332	235,552	239,532
Equity ratio	%	53.9	53.0	53.0
Cash flows from operating activities	millions of yen	41,778	43,916	34,955
Cash flows from investing activities	millions of yen	(20,199)	(29,720)	(26,039)
Cash flows from financing activities	millions of yen	(15,293)	(4,602)	5
Free cash flow *	millions of yen	21,579	14,195	8,916
Cash and cash equivalents at the end of the fiscal year	millions of yen	47,970	56,777	65,777
Interest-bearing debt	millions of yen	61,414	65,962	81,999
Net assets per share	yen	1,582.27	1,646.73	1,674.58
Earnings per share	yen	124.85	130.72	79.55
Free cash flow per share	yen	147.06	99.24	62.33
ROE (Return on equity)	%	8.1	8.1	4.8
ROA (Return on assets)	%	8.2	7.7	6.5
Annual dividend per share	yen	38.0	45.0	40.0
Dividend payout ratio	%	30.4	34.4	50.3
Stock price at the end of the fiscal year	yen	2,756	2,433	2,174

* Free cash flow = Operating cash flows + Financing cash flows