

Kewpie Corporation

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



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

October 1, 2020

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 filing quarterly securities report: October 15, 2020
 Scheduled date for dividend payment: –
 Quarterly supplementary data: Yes
 Quarterly results briefing: None

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

1. Consolidated business results for the third quarter of the fiscal year ending November 30, 2020 (From December 1, 2019 to August 31, 2020)

(1) Consolidated operating results (Cumulative)

(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	%
Nine months ended August 31, 2020	397,791	(2.4)	20,432	(18.3)	20,943	(20.1)	10,961	(25.6)
Nine months ended August 31, 2019	407,467	(6.0)	25,000	(4.3)	26,227	(4.2)	14,737	0.3

(Note) Comprehensive income: Nine months ended August 31, 2020 ¥13,679 million (Decrease of 3.6%)
 Nine months ended August 31, 2019 ¥14,194 million (Decrease of 14.0%)

	Earnings per share	Earnings per share (diluted)
	Yen	Yen
Nine months ended August 31, 2020	76.63	–
Nine months ended August 31, 2019	103.03	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of August 31, 2020	435,554	279,543	54.9
As of November 30, 2019	444,309	276,753	53.0

(Reference) Shareholders' equity: As of August 31, 2020 ¥239,076 million
 As of November 30, 2019 ¥235,552 million

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2. Dividends

	Annual dividend per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Total
Fiscal year 2019	– Yen	20.00 Yen	– Yen	25.00 Yen	45.00 Yen
Fiscal year 2020	–	20.00	–		
Fiscal year 2020 (Forecast)				20.00	40.00

(Note) Revision to the most recently announced forecast of dividends: None

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

(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, 2020	530,000	(2.9)	24,000	(25.1)	24,200	(27.3)	7,700	(58.8)	53.83

(Note) Revision to the most recently announced forecast of consolidated operating results: None

*Notes

- (1) Changes in significant subsidiaries during the nine months (Changes in specified subsidiaries resulting in the change in the scope of consolidation): None
- (2) Application of special accounting treatments for the preparation of quarterly consolidated financial statements: None
- (3) 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
- (4) Number of issued shares (common stock)
 - a) Number of issued shares at the end of the period (including treasury stock):

August 31, 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:

August 31, 2020	6,958,767 shares
November 30, 2019	6,958,050 shares
 - c) Average number of shares during the period (cumulative from the beginning of the fiscal year):

December 1, 2019 to August 31, 2020	143,041,644 shares
December 1, 2018 to August 31, 2019	143,042,617 shares

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

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

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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I. Quarterly consolidated financial statements and major notes

1. Quarterly Consolidated Balance Sheets

(Millions of yen)

	Previous fiscal year (As of November 30, 2019)	Current third quarter (As of August 31, 2020)
Assets		
Current assets		
Cash and deposits	46,777	40,363
Notes and accounts receivable - trade	83,651	74,964
Securities	10,000	10,000
Purchased goods and products	17,392	17,982
Work in process	2,354	1,208
Raw materials and supplies	9,089	10,063
Other	5,951	6,000
Allowances for doubtful accounts	(426)	(411)
Total current assets	174,790	160,170
Fixed assets		
Tangible fixed assets		
Buildings and structures	183,036	191,901
Accumulated depreciation	(108,069)	(111,512)
Net book value	74,966	80,389
Machinery, equipment and vehicles	179,442	185,413
Accumulated depreciation	(123,953)	(123,688)
Net book value	55,488	61,725
Land	52,178	52,614
Construction in progress	15,268	5,842
Other	26,184	27,293
Accumulated depreciation	(16,627)	(17,260)
Net book value	9,557	10,032
Total tangible fixed assets	207,459	210,605
Intangible fixed assets		
Goodwill	989	825
Other	8,931	10,496
Total intangible fixed assets	9,921	11,321
Investments and other assets		
Investment securities	27,225	26,912
Assets for retirement benefits	9,898	10,943
Other	15,192	15,788
Allowances for doubtful accounts	(177)	(188)
Total investments and other assets	52,138	53,457
Total fixed assets	269,519	275,384
Total assets	444,309	435,554

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(Millions of yen)

	Previous fiscal year (As of November 30, 2019)	Current third quarter (As of August 31, 2020)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	53,299	43,199
Short-term loans payable	7,322	11,892
Accounts payable - other	20,406	11,201
Accrued income taxes	4,208	3,916
Reserves for bonuses	2,083	5,358
Other reserves	1,063	2,621
Other	10,622	9,538
Total current liabilities	99,006	87,728
Non-current liabilities		
Bonds	10,000	10,000
Long-term loans payable	42,616	42,210
Liabilities for retirement benefits	3,306	3,345
Asset retirement obligations	1,187	1,199
Other	11,440	11,527
Total non-current liabilities	68,550	68,283
Total liabilities	167,556	156,011
Net assets		
Shareholders' equity		
Paid-in capital	24,104	24,104
Capital surplus	29,483	27,810
Earned surplus	196,551	201,074
Treasury stock	(15,862)	(15,864)
Total shareholders' equity	234,276	237,124
Accumulated other comprehensive income		
Unrealized holding gains (losses) on securities	9,045	8,717
Unrealized gains (losses) on hedges	6	(2)
Foreign currency translation adjustments	(3,241)	(3,275)
Accumulated adjustments for retirement benefits	(4,534)	(3,486)
Total accumulated other comprehensive income	1,275	1,952
Non-controlling interests	41,201	40,466
Total net assets	276,753	279,543
Total liabilities and net assets	444,309	435,554

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2. Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

(Quarterly Consolidated Statements of Income)

(Nine months ended August 31, 2019 and August 31, 2020)

(Millions of yen)

	Previous third quarter (Cumulative) (From December 1, 2018 to August 31, 2019)	Current third quarter (Cumulative) (From December 1, 2019 to August 31, 2020)
Net sales	407,467	397,791
Cost of sales	307,272	304,715
Gross profit	100,195	93,076
Selling, general and administrative expenses	75,195	72,643
Operating income	25,000	20,432
Non-operating income		
Interest income	80	90
Dividends income	426	455
Equity in earnings of affiliates	114	84
Insurance income	450	334
Other	983	601
Total non-operating income	2,055	1,565
Non-operating expenses		
Interest expenses	222	247
Commission expenses	88	301
Other	518	506
Total non-operating expenses	828	1,055
Ordinary income	26,227	20,943
Extraordinary gains		
Gains on sales of fixed assets	98	79
Gains on extinguishment of tie-in shares	-	42
Gains on transfer of business	643	-
Other	154	32
Total extraordinary gains	896	154
Extraordinary losses		
Losses on disposal of fixed assets	729	929
Impairment losses	642	144
Other	180	451
Total extraordinary losses	1,552	1,525
Profit before income taxes	25,570	19,572
Income taxes	8,198	6,607
Profit	17,372	12,965
Profit attributable to non-controlling interests	2,634	2,004
Profit attributable to owners of parent	14,737	10,961

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(Quarterly Consolidated Statements of Comprehensive Income)
(Nine months ended August 31, 2019 and August 31, 2020)

(Millions of yen)

	Previous third quarter (Cumulative) (From December 1, 2018 to August 31, 2019)	Current third quarter (Cumulative) (From December 1, 2019 to August 31, 2020)
Profit	17,372	12,965
Other comprehensive income		
Unrealized holding gains (losses) on securities	(2,648)	(341)
Unrealized gains (losses) on hedges	(3)	(11)
Foreign currency translation adjustments	(1,532)	(55)
Adjustments for retirement benefits	1,006	1,121
Total other comprehensive income	(3,177)	713
Comprehensive income	14,194	13,679
(Breakdown)		
Comprehensive income attributable to owners of parent	11,822	11,638
Comprehensive income attributable to non-controlling interests	2,372	2,040

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3. Notes Regarding Quarterly Consolidated Financial Statements

(Notes regarding assumption of a going concern)

Not applicable.

(Notes regarding the significant changes in the amount of shareholders' equity)

Not applicable.

(Changes in accounting policies)

(Application of IFRS 16 "Leases")

Foreign consolidated subsidiaries that apply IFRS have applied IFRS 16 "Leases" from the first quarter. 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 first quarter in accordance with the transitional treatment under IFRS 16. The effect of applying this accounting standard on quarterly consolidated financial statements is immaterial.

(Additional information)

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.

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, restraint 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

October 30, 2020 (Scheduled closing date of the share acquisition)

(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.

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2. Cost of acquisition and kinds of considerations
 Consideration (Cash) 904.0 billion rupiah
 Cost of acquisition 904.0 billion rupiah
3. Details and amount of principal acquisition-related costs
 Not confirmed at this stage.
4. Amount of goodwill recognized, reason for recognition, and method and period for amortization
 Not confirmed at this stage.
5. Amount and breakdown of acquired assets and assumed liabilities as of the date of the business combination
 Not confirmed at this stage.

(Segment information)

<Segment information>

I. Previous third quarter (Cumulative from December 1, 2018 to August 31, 2019)

1. Information on amounts of net sales and profit or loss by reporting segment

(Millions of yen)

	Condi- ments and Processed Foods	Salad and Delica- tessen	Egg	Fruit Solution	Fine Chemicals	Distribution	Common Business Operations	Total	Adjust- ments (Note 1)	Amount reported on the quarterly consolidated statements of income (Note 2)
Net sales										
Net sales to outside customers	139,461	67,374	73,994	11,821	6,040	105,056	3,718	407,467	-	407,467
Intersegment net sales or transfers	4,925	159	2,571	749	335	23,348	7,257	39,346	(39,346)	-
Total	144,386	67,534	76,565	12,571	6,375	128,404	10,976	446,813	(39,346)	407,467
Segment profit	16,531	2,097	6,173	228	713	3,353	1,114	30,211	(5,210)	25,000

(Notes) 1. "Adjustments" of ¥(5,210) 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. "Segment profit" is adjusted with "Operating income" in the quarterly consolidated statements of income.

2. Information on losses on impairment of fixed assets or goodwill, etc. by reporting segment

(Significant losses on impairment of fixed assets)

Not applicable.

(Significant changes in amount of goodwill)

Not applicable.

(Significant gains on negative goodwill)

Not applicable.

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II. Current third quarter (Cumulative from December 1, 2019 to August 31, 2020)

1. Information on amounts of net sales and profit or loss by reporting segment

(Millions of yen)

	Condi- ments and Processed Foods	Salad and Delica- tessen	Egg	Fruit Solution	Fine Chemicals	Distribution	Common Business Operations	Total	Adjust- ments (Note 1)	Amount reported on the quarterly consolidated statements of income (Note 2)
Net sales										
Net sales to outside customers	134,593	67,711	66,917	12,589	5,973	105,089	4,916	397,791	—	397,791
Intersegment net sales or transfers	5,013	91	2,062	659	312	23,096	7,415	38,651	(38,651)	—
Total	139,607	67,802	68,979	13,248	6,286	128,186	12,332	436,443	(38,651)	397,791
Segment profit	16,129	2,807	1,814	493	908	1,992	1,200	25,347	(4,914)	20,432

(Notes) 1. "Adjustments" of ¥(4,914) 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. "Segment profit" is adjusted with "Operating income" in the quarterly consolidated statements of income.

2. Information on losses on impairment of fixed assets or goodwill, etc. by reporting segment

(Significant losses on impairment of fixed assets)

Not applicable.

(Significant changes in amount of goodwill)

Not applicable.

(Significant gains on negative goodwill)

Not applicable.

(Significant subsequent events)

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.

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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
The Company plans to implement 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).
Losses on sales of investment securities of approximately US\$17,000 thousand (approximately ¥1,800 million) are expected to be recorded as extraordinary losses of the Company in the fourth quarter of the fiscal year ending November 30, 2020.
 3. Name of reportable segment in which the divested business was included
Egg Business
 4. Approximate amounts of profit or loss of the divested business included in quarterly consolidated statement of income for nine months ended August 31, 2020
Net sales ¥3,545 million
Operating loss ¥122 million

**Supplementary Data
for the Third Quarter
of the Fiscal Year Ending
November 30, 2020**

**October 1, 2020
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.
- Figures of "Year forecast" in FY 2020 indicate estimated forecasts announced on July 2, 2020.
- For overseas operations, figures are results for the period from October to June and include exports from Japan. Exports from Japan cover the period from December to August.

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

(Billions of yen)

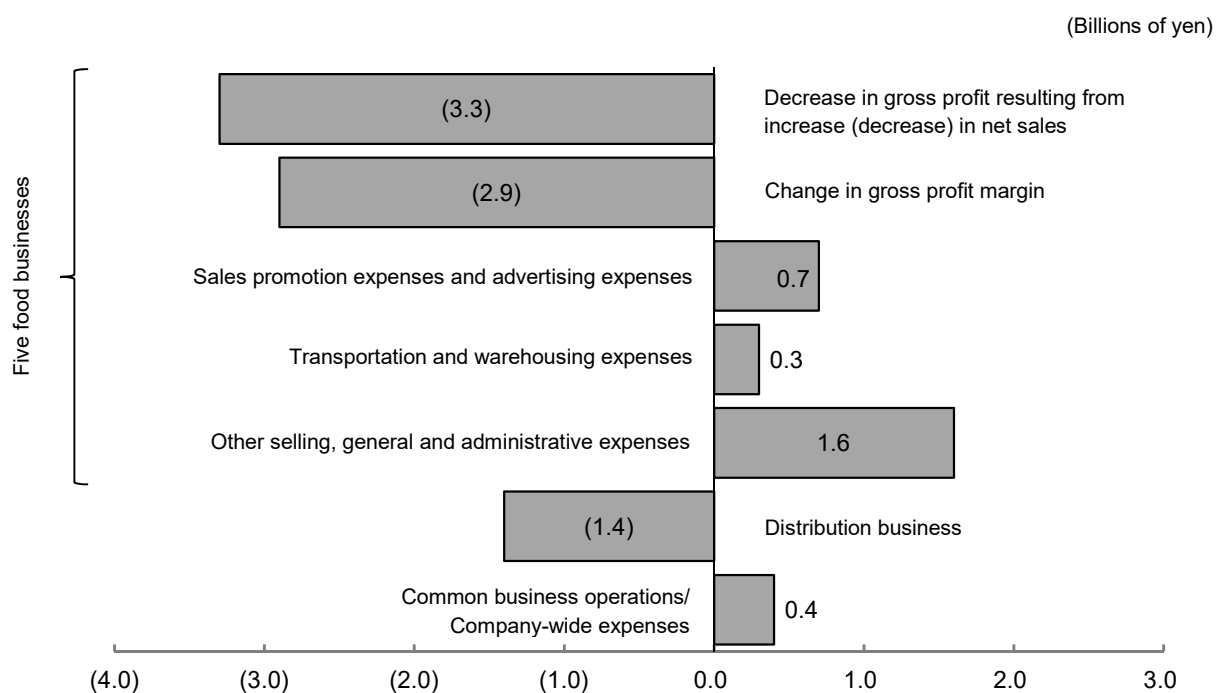
■ Net sales (Upper: Results, Lower: Change)	FY2019						FY2020					
	1Q (Dec.-Feb.)	2Q (Mar.-May)	3Q (Jun.-Aug.)	3Q (Cumulative)	4Q (Sept.-Nov.)	Year	1Q (Dec.-Feb.)	2Q (Mar.-May)	3Q (Jun.-Aug.)	3Q (Cumulative)	4Q (Sept.-Nov.)	Year forecast (Disclosed on Jul. 2)
Condiments and Processed Foods	43.1 (0.1)	48.6 0.6	47.7 (0.5)	139.5 (0.1)	45.8 1.0	185.2 0.9	44.0 0.8	43.6 (5.1)	47.1 (0.6)	134.6 (4.9)		180.9 (4.3)
Japan	33.3 (0.6)	38.1 (0.2)	36.2 (1.3)	107.6 (2.1)	34.4 0.4	142.1 (1.6)	33.2 (0.2)	33.7 (4.4)	36.3 0.1	103.2 (4.5)		138.5 (3.6)
Overseas	9.8 0.5	10.5 0.8	11.5 0.7	31.9 2.0	11.3 0.6	43.2 2.5	10.8 1.0	9.9 (0.6)	10.8 (0.7)	31.4 (0.4)		42.4 (0.8)
Salad and Delicatessen	21.4 (8.6)	22.8 (8.3)	23.1 (8.6)	67.4 (2.6)	22.9 (2.5)	90.3 (28.0)	21.8 0.4	22.4 (0.5)	23.5 0.4	67.7 0.3		90.5 0.2
Egg	23.4 (0.7)	25.6 0.2	25.0 0.1	74.0 (0.5)	26.0 (0.4)	100.0 (0.9)	24.3 0.9	21.1 (4.5)	21.5 (3.5)	66.9 (7.1)		86.5 (13.5)
Japan	22.0 (0.8)	24.4 0.2	23.6 (0.1)	70.0 (0.7)	24.7 (0.0)	94.8 (0.7)	23.0 1.0	19.9 (4.5)	20.4 (3.2)	63.4 (6.6)		83.1 (11.7)
Overseas	1.4 0.0	1.2 0.0	1.4 0.1	4.0 0.1	1.3 (0.4)	5.2 (0.2)	1.3 (0.2)	1.2 0.0	1.1 (0.3)	3.5 (0.4)		3.4 (1.8)
Fruit solution	3.5 (0.1)	4.4 (0.2)	4.0 (0.1)	11.8 (0.4)	3.8 0.2	15.6 (0.2)	3.6 0.1	4.7 0.3	4.2 0.3	12.6 0.8		16.6 1.0
Fine chemicals	2.0 (0.1)	2.2 (0.4)	1.8 (0.9)	6.0 (1.4)	2.3 (0.3)	8.3 (1.7)	1.7 (0.3)	2.2 0.0	2.0 0.2	6.0 (0.1)		7.9 (0.4)
Distribution	33.6 1.1	35.6 1.2	35.8 0.2	105.1 2.4	35.9 0.3	141.0 2.7	35.1 1.5	34.7 (0.9)	35.3 (0.6)	105.1 0.0		141.6 0.6
Common business operations	1.2 (0.3)	1.4 (0.1)	1.1 (0.1)	3.7 (0.4)	1.5 (0.2)	5.3 (0.6)	2.6 1.4	1.2 (0.2)	1.2 0.0	4.9 1.2		6.0 0.7
Total	128.3 (8.9)	140.7 (7.1)	138.5 (10.0)	407.5 (26.0)	138.3 (1.8)	545.7 (27.8)	133.1 4.8	129.9 (10.8)	134.7 (3.7)	397.8 (9.7)		530.0 (15.7)

■ Operating income (Upper: Results, Lower: Change)	FY2019						FY2020					
	1Q (Dec.-Feb.)	2Q (Mar.-May)	3Q (Jun.-Aug.)	3Q (Cumulative)	4Q (Sept.-Nov.)	Year	1Q (Dec.-Feb.)	2Q (Mar.-May)	3Q (Jun.-Aug.)	3Q (Cumulative)	4Q (Sept.-Nov.)	Year forecast (Disclosed on Jul. 2)
Condiments and Processed Foods	4.2 0.4	6.6 0.6	5.7 (0.0)	16.5 1.0	5.1 0.8	21.6 1.8	4.1 (0.2)	5.1 (1.5)	7.0 1.2	16.1 (0.4)		18.9 (2.7)
Japan	3.5 0.1	5.4 0.1	4.6 (0.2)	13.4 (0.0)	4.2 0.7	17.6 0.6	3.1 (0.4)	4.2 (1.2)	5.8 1.2	13.0 (0.4)		15.5 (2.1)
Overseas	0.8 0.4	1.2 0.6	1.2 0.1	3.1 1.0	0.8 0.1	4.0 1.1	1.0 0.2	0.9 (0.3)	1.2 0.1	3.1 (0.0)		3.4 (0.6)
Salad and Delicatessen	0.2 (0.4)	1.0 (0.4)	0.9 (0.4)	2.1 (1.2)	1.1 0.1	3.2 (1.1)	0.6 0.4	1.1 0.1	1.1 0.2	2.8 0.7		3.6 0.4
Egg	2.0 0.3	2.0 (0.1)	2.1 0.1	6.2 0.3	1.3 (0.6)	7.4 (0.4)	1.1 (0.9)	(0.0) (2.1)	0.7 (1.4)	1.8 (4.4)		3.2 (4.2)
Japan	1.8 0.1	2.0 (0.0)	2.1 0.2	5.9 0.3	1.4 (0.4)	7.4 (0.1)	1.1 (0.7)	0.0 (2.0)	0.8 (1.3)	1.9 (4.0)		3.3 (4.1)
Overseas	0.1 0.2	0.0 (0.1)	0.1 (0.1)	0.2 (0.0)	(0.2) (0.2)	0.1 (0.3)	0.0 (0.1)	(0.1) (0.1)	(0.1) (0.1)	(0.1) (0.4)		(0.1) (0.2)
Fruit solution	(0.0) (0.3)	0.2 (0.2)	0.1 (0.1)	0.2 (0.5)	0.1 0.2	0.3 (0.4)	(0.1) (0.0)	0.3 0.1	0.3 0.1	0.5 0.3		0.4 0.1
Fine chemicals	(0.0) (0.0)	0.4 0.0	0.3 (0.2)	0.7 (0.2)	0.5 (0.0)	1.2 (0.2)	(0.0) 0.0	0.4 0.0	0.5 0.2	0.9 0.2		1.2 (0.0)
Distribution	0.7 0.1	1.4 (0.2)	1.2 (0.3)	3.4 (0.3)	0.8 (0.2)	4.1 (0.5)	0.7 (0.1)	0.4 (0.9)	0.9 (0.4)	2.0 (1.4)		2.8 (1.3)
Common business operations	0.4 (0.0)	0.4 0.0	0.3 (0.0)	1.1 (0.0)	0.2 (0.1)	1.3 (0.1)	0.3 (0.1)	0.4 0.0	0.5 0.1	1.2 0.1		1.0 (0.3)
Company-wide expenses	(1.5) 0.2	(1.8) (0.0)	(1.9) (0.2)	(5.2) (0.1)	(2.0) 0.0	(7.2) (0.1)	(1.6) (0.1)	(1.6) 0.2	(1.7) 0.2	(4.9) 0.3		(7.1) 0.1
Total	6.0 0.3	10.1 (0.2)	8.9 (1.2)	25.0 (1.1)	7.0 0.1	32.0 (1.0)	5.1 (0.9)	6.1 (4.0)	9.2 0.3	20.4 (4.6)		24.0 (8.0)

1. (2) Factors behind changes in operating income

(Billions of yen)

	FY2019	FY2020	Change
	3Q (Cumulative)	3Q (Cumulative)	
Operating income	25.0	20.4	(4.6)



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

		FY2018	FY2019	FY2020	Change	Change (%)
		3Q (Cumulative)	3Q (Cumulative)	3Q (Cumulative)		
For household use	Volume (Thousands of tons)	96	99	102	4	4%
	Amount (Billions of yen)	48.4	48.6	50.4	1.9	4%
For commercial use	Volume (Thousands of tons)	80	77	68	(9)	(12)%
	Amount (Billions of yen)	30.2	29.1	25.6	(3.5)	(12)%
Exports	Volume (Thousands of tons)	4	4	4	0	3%
	Amount (Billions of yen)	1.6	1.9	1.9	0.1	3%

* 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 (%)	FY2019	FY2020	Change	Change (%)
		3Q (Cumulative)	3Q (Cumulative)			Year	Year forecast (Disclosed on Jul. 2)		
Condiments and Processed Foods	Net sales	60.1	63.2	3.1	5%	79.1	85.4	6.3	8%
	Operating income	7.9	9.6	1.7	21%	11.0	11.2	0.2	2%
Salad and Delicatessen	Net sales	62.3	63.3	1.0	2%	82.0	83.6	1.6	2%
	Operating income	2.2	2.9	0.8	36%	3.0	3.8	0.9	30%
Egg	Net sales	0.3	0.3	(0.0)	(6)%	0.4	0.4	(0.0)	(5)%
	Operating income	(0.1)	(0.1)	(0.0)	–	(0.1)	(0.0)	0.1	–

■ For commercial use		FY2019	FY2020	Change	Change (%)	FY2019	FY2020	Change	Change (%)
		3Q (Cumulative)	3Q (Cumulative)			Year	Year forecast (Disclosed on Jul. 2)		
Condiments and Processed Foods	Net sales	47.5	40.0	(7.5)	(16)%	63.0	53.1	(9.9)	(16)%
	Operating income	5.5	3.4	(2.0)	(37)%	6.6	4.3	(2.3)	(35)%
Salad and Delicatessen	Net sales	5.1	4.4	(0.7)	(13)%	8.3	6.9	(1.4)	(16)%
	Operating income	(0.1)	(0.1)	(0.1)	–	0.2	(0.2)	(0.5)	–
Egg	Net sales	69.7	63.1	(6.6)	(10)%	94.4	82.7	(11.6)	(12)%
	Operating income	6.1	2.1	(4.0)	(66)%	7.5	3.3	(4.2)	(56)%

3. Overseas: Net sales and operating income by area

(Billions of yen)

■ Net sales by area	FY2018	FY2019	FY2020	Change	Change (%)	Local currency basis Growth rate	FY2020	3Q YoY Change
	3Q (Cumulative)	3Q (Cumulative)	3Q (Cumulative)				3Q (Jun.-Aug.)	
China	14.1	14.8	13.2	(1.6)	(11)%	(6)%	5.0	(0.6)
Southeast Asia	7.4	8.2	8.7	0.6	7%	7%	2.6	(0.3)
U.S.	8.9	9.1	9.6	0.6	6%	9%	3.3	(0.0)
Condiments and Processed Foods	5.1	5.1	6.1	1.0	20%	23%	2.2	0.3
Egg	3.8	4.0	3.5	(0.4)	(11)%	(9)%	1.1	(0.3)
Europe	2.1	2.2	1.8	(0.4)	(17)%	(11)%	0.3	(0.3)
Exports	2.7	3.0	2.7	(0.2)	(8)%	–	1.1	0.2
Total	35.2	37.2	36.1	(1.1)	(3)%	–	12.3	(1.0)

* The total change includes a ¥1.2 billion decrease caused by fluctuations of exchange rates.

(Billions of yen)

■ Operating income by area	FY2018	FY2019	FY2020	Change	Change (%)	Local currency basis Growth rate	FY2020	3Q YoY Change
	3Q (Cumulative)	3Q (Cumulative)	3Q (Cumulative)				3Q (Jun.-Aug.)	
China	1.7	2.2	1.7	(0.6)	(25)%	(21)%	0.7	(0.2)
Southeast Asia	0.5	0.7	0.9	0.3	41%	41%	0.3	0.1
U.S.	0.6	0.7	0.5	(0.2)	(24)%	(22)%	0.2	(0.1)
Condiments and Processed Foods	0.3	0.4	0.6	0.2	51%	54%	0.3	0.1
Egg	0.3	0.3	(0.1)	(0.4)	–	–	(0.1)	(0.1)
Europe	(0.4)	(0.2)	(0.2)	(0.1)	–	–	(0.1)	0.0
Exports	0.5	0.5	0.5	(0.1)	(10)%	–	0.2	0.0
Other expenses	(0.3)	(0.3)	(0.1)	0.1	–	–	(0.0)	0.0
Total	2.7	3.7	3.2	(0.4)	(12)%	–	1.2	(0.1)

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

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

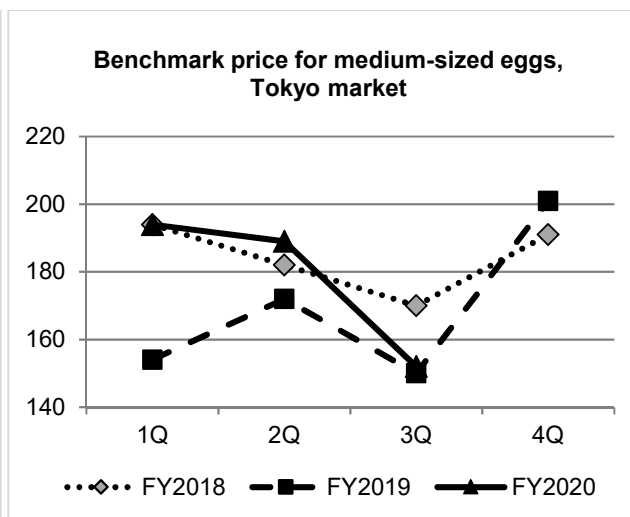
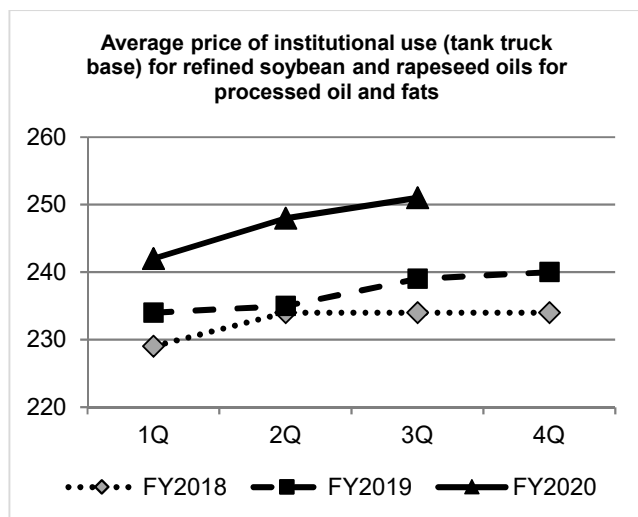
(Yen)

	FY2018	FY2019	FY2020	FY2020
	3Q (Cumulative)	3Q (Cumulative)	3Q (Cumulative)	Plan of the beginning of the year
USD (per \$1)	110	111	108	105
RMB (per RMB1)	17	16	15	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		251
Benchmark price for medium-sized eggs, Tokyo market	194	182	170	191	154	172	150	201	194	189	152		177



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

(Billions of yen)

	FY2018	FY2019	FY2020	Change	FY2020	3Q
	3Q (Cumulative)	3Q (Cumulative)	3Q (Cumulative)		3Q (Jun.-Aug.)	YoY Change
Capital investments	22.7	21.6	21.1	(0.5)	6.0	0.5
Depreciation and amortization	13.5	13.9	15.0	1.1	5.2	0.5
Sales promotion expenses	2.8	2.9	2.8	(0.2)	0.9	(0.3)
Advertising expenses	7.0	7.2	6.7	(0.5)	1.9	(0.2)
Transportation and warehousing expenses	20.3	19.4	19.5	0.1	6.6	(0.0)
Payroll expenses	24.6	25.4	25.0	(0.5)	8.5	(0.3)
Research and development expenses	2.8	2.8	2.7	(0.1)	0.9	(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
	3Q (Cumulative)	3Q (Cumulative)		
Non-operating income (expenses), net	1.2	0.5	(0.7)	Decrease in subsidy income (0.2) Increase in commission expenses (0.2) Decrease in insurance income (0.1)
Extraordinary gains (losses), net	(0.7)	(1.4)	(0.7)	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
		3Q		
Assets				
Current assets	174.8	160.2	(14.6)	Decrease in cash and deposits (6.4) Decrease in notes and accounts receivable - trade (8.7)
Fixed assets				
Tangible and intangible fixed assets	217.4	221.9	4.5	Increase resulting from purchases 18.5 Decrease resulting from depreciation (14.6)
Investments and other assets	52.1	53.5	1.3	Increase in assets for retirement benefits 1.0
Liabilities				
	167.6	156.0	(11.5)	Decrease in notes and accounts payable - trade (10.1) Increase in loans payable 4.2 Decrease in accounts payable - other (9.2) Increase in reserves for bonuses 3.3
Net assets				
	276.8	279.5	2.8	Decrease in capital surplus resulting from the additional contribution for interests in Hangzhou Kewpie Corporation (1.7) Increase in earned surplus resulting from the additional contribution for interests in Hangzhou Kewpie Corporation 4.5

* From the first quarter, 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.