

# 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, 2017 [JAPAN GAAP]

October 2, 2017

Listed company name: Kewpie Corporation  
 Listed exchange: Tokyo Stock Exchange  
 Securities code: 2809  
 URL: <http://www.kewpie.co.jp/english/>  
 Representative: Osamu Chonan,  
 Representative Director, President and Chief Executive Corporate Officer  
 Contact: Masato Shinohara,  
 Corporate Officer and General Manager of Operation Promote Department  
 Scheduled date for filing quarterly securities report: October 13, 2017  
 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, 2017 (From December 1, 2016 to August 31, 2017)

#### (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, 2017	421,013	1.7	24,390	4.1	25,264	4.1	14,343	5.5
Nine months ended August 31, 2016	413,915	0.9	23,431	12.0	24,279	12.3	13,592	(2.1)

(Note) Comprehensive income: Nine months ended August 31, 2017 ¥23,404 million (Increase of 113.0%)  
 Nine months ended August 31, 2016 ¥10,987 million (Decrease of 45.8%)

	Earnings per share	Earnings per share (diluted)
	Yen	Yen
Nine months ended August 31, 2017	95.46	–
Nine months ended August 31, 2016	90.06	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of August 31, 2017	418,904	262,934	54.2
As of November 30, 2016	385,914	245,861	55.1

(Reference) Shareholders' equity: As of August 31, 2017 ¥227,198 million  
 As of November 30, 2016 ¥212,620 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 2016	– Yen	15.00 Yen	– Yen	19.50 Yen	34.50 Yen
Fiscal year 2017	–	18.00	–		
Fiscal year 2017 (Forecast)				18.00	36.00

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

## 3. Forecasts of consolidated operating results for the fiscal year ending November 30, 2017 (From December 1, 2016 to November 30, 2017)

(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, 2017	560,000	1.4	31,000	4.0	32,000	2.0	17,400	1.8	115.64

(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: None
  - 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, 2017	153,000,000 shares
November 30, 2016	153,000,000 shares
  - b) Number of shares of treasury stock at the end of the period:
 

August 31, 2017	1,835,343 shares
November 30, 2016	3,333,991 shares
  - c) Average number of shares during the period:
 

December 1, 2016 to August 31, 2017	150,265,371 shares
December 1, 2015 to August 31, 2016	150,927,072 shares

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**\*Quarterly financial statements are not subject to quarterly review procedures under the Financial Instruments and Exchange Act.**

**\*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, 2016)	Current third quarter (As of August 31, 2017)
<b>Assets</b>		
Current assets		
Cash and deposits	35,794	39,450
Notes and accounts receivable - trade	75,134	80,545
Securities	5,000	10,000
Purchased goods and products	15,669	16,129
Work in process	972	904
Raw materials and supplies	9,229	10,740
Other	8,533	10,125
Allowances for doubtful accounts	(173)	(183)
Total current assets	150,160	167,713
Fixed assets		
Tangible fixed assets		
Buildings and structures	179,789	184,473
Accumulated depreciation	(99,764)	(103,431)
Net book value	80,024	81,041
Machinery, equipment and vehicles	161,169	168,418
Accumulated depreciation	(122,204)	(120,994)
Net book value	38,965	47,424
Land	48,099	49,811
Construction in progress	7,238	2,980
Other	22,922	24,410
Accumulated depreciation	(13,871)	(15,206)
Net book value	9,050	9,203
Total tangible fixed assets	183,378	190,461
Intangible fixed assets		
Goodwill	1,563	4,621
Other	4,112	4,065
Total intangible fixed assets	5,675	8,687
Investments and other assets		
Investment securities	27,408	31,471
Assets for retirement benefits	7,413	8,766
Other	12,092	11,995
Allowances for doubtful accounts	(213)	(190)
Total investments and other assets	46,700	52,042
Total fixed assets	235,754	251,191
<b>Total assets</b>	<b>385,914</b>	<b>418,904</b>

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(Millions of yen)

	Previous fiscal year (As of November 30, 2016)	Current third quarter (As of August 31, 2017)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	47,050	49,105
Short-term loans payable	8,301	8,230
Accrued income taxes	7,016	3,788
Reserves for bonuses	1,826	5,349
Other reserves	1,001	2,901
Other	37,048	23,260
<b>Total current liabilities</b>	<b>102,245</b>	<b>92,636</b>
Non-current liabilities		
Bonds	10,000	10,000
Long-term loans payable	12,498	36,468
Liabilities for retirement benefits	3,893	3,847
Asset retirement obligations	1,112	1,118
Other	10,303	11,899
<b>Total non-current liabilities</b>	<b>37,807</b>	<b>63,334</b>
<b>Total liabilities</b>	<b>140,053</b>	<b>155,970</b>
<b>Net assets</b>		
Shareholders' equity		
Paid-in capital	24,104	24,104
Capital surplus	30,300	29,425
Earned surplus	166,765	173,572
Treasury stock	(6,123)	(3,353)
<b>Total shareholders' equity</b>	<b>215,047</b>	<b>223,749</b>
Accumulated other comprehensive income		
Unrealized holding gains (losses) on securities	8,916	11,380
Unrealized gains (losses) on hedges	79	(4)
Foreign currency translation adjustments	(3,947)	(1,598)
Accumulated adjustments for retirement benefits	(7,474)	(6,328)
<b>Total accumulated other comprehensive income</b>	<b>(2,426)</b>	<b>3,449</b>
<b>Non-controlling interests</b>	<b>33,240</b>	<b>35,735</b>
<b>Total net assets</b>	<b>245,861</b>	<b>262,934</b>
<b>Total liabilities and net assets</b>	<b>385,914</b>	<b>418,904</b>

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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, 2016 and August 31, 2017)

(Millions of yen)

	Previous third quarter (From December 1, 2015 to August 31, 2016)	Current third quarter (From December 1, 2016 to August 31, 2017)
Net sales	413,915	421,013
Cost of sales	321,159	323,789
Gross profit	92,756	97,223
Selling, general and administrative expenses	69,324	72,833
Operating income	23,431	24,390
Non-operating income		
Interest income	58	52
Dividends income	416	472
Equity in earnings of affiliates	268	64
Other	763	949
Total non-operating income	1,508	1,539
Non-operating expenses		
Interest expenses	235	267
Business commencement expenses	28	137
Other	396	260
Total non-operating expenses	660	665
Ordinary income	24,279	25,264
Extraordinary gains		
Gains on sales of investment securities	330	1,134
Gains on sales of fixed assets	101	62
Other	14	63
Total extraordinary gains	446	1,260
Extraordinary losses		
Losses on disposal of fixed assets	685	820
Losses on abolishment of retirement benefit plans	-	659
Losses on impairment of fixed assets	49	222
Other	376	81
Total extraordinary losses	1,110	1,784
Profit before income taxes	23,614	24,740
Income taxes	7,905	7,732
Profit	15,709	17,008
Profit attributable to non-controlling interests	2,116	2,664
Profit attributable to owners of parent	13,592	14,343

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(Quarterly Consolidated Statements of Comprehensive Income)  
(Nine months ended August 31, 2016 and August 31, 2017)

(Millions of yen)

	Previous third quarter (From December 1, 2015 to August 31, 2016)	Current third quarter (From December 1, 2016 to August 31, 2017)
Profit	15,709	17,008
Other comprehensive income		
Unrealized holding gains (losses) on securities	(1,475)	2,463
Unrealized gains (losses) on hedges	(17)	(104)
Foreign currency translation adjustments	(3,751)	2,788
Adjustments for retirement benefits	523	1,248
Total other comprehensive income	(4,721)	6,395
Comprehensive income	10,987	23,404
(Breakdown)		
Comprehensive income attributable to owners of parent	9,523	20,219
Comprehensive income attributable to non-controlling interests	1,464	3,184



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## 3. Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Previous third quarter (From December 1, 2015 to August 31, 2016)	Current third quarter (From December 1, 2016 to August 31, 2017)
<b>Cash flows from operating activities</b>		
Profit before income taxes	23,614	24,740
Depreciation and amortization	14,186	12,351
Losses on impairment of fixed assets	49	222
Losses on abolishment of retirement benefit plans	-	659
Equity in losses (earnings) of affiliates	(268)	(64)
Losses (gains) on valuation of investment securities	166	-
Increase (decrease) in reserves	5,250	5,355
Increase (decrease) in liabilities for retirement benefits	4	(118)
Decrease (increase) in assets for retirement benefits	(1,367)	(1,353)
Interest and dividends income	(475)	(525)
Interest expenses	235	267
Losses (gains) on sales and disposal of fixed assets	592	765
Decrease (increase) in notes and accounts receivable - trade	(2,754)	(4,548)
Decrease (increase) in inventories	371	(712)
Increase (decrease) in notes and accounts payable - trade	1,160	135
Other	(7,392)	(6,683)
Sub-total	33,373	30,492
Interest and dividends income received	609	563
Interest paid	(251)	(282)
Income taxes paid	(8,427)	(12,737)
Net cash provided by (used in) operating activities	25,303	18,036
<b>Cash flows from investing activities</b>		
Purchases of tangible fixed assets	(22,233)	(20,311)
Purchases of intangible fixed assets	(585)	(628)
Acquisition of subsidiaries' shares resulting in change in scope of consolidation	-	(82)
Purchases of investment securities	(96)	(892)
Net decrease (increase) in short-term loans receivable	45	(196)
Payments of long-term loans receivable	(37)	(256)
Collection of long-term loans receivable	15	117
Payments into time deposits	(3)	(218)
Payments for acquisition of business	-	(4,462)
Other	350	1,503
Net cash provided by (used in) investing activities	(22,544)	(25,426)

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(Millions of yen)

	Previous third quarter (From December 1, 2015 to August 31, 2016)	Current third quarter (From December 1, 2016 to August 31, 2017)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(1,303)	(1,048)
Proceeds from long-term loans payable	6,440	25,700
Repayment of long-term loans payable	(1,382)	(1,677)
Cash dividends paid	(4,749)	(5,639)
Cash dividends paid to non-controlling interests	(610)	(767)
Repurchase of shares	(4,732)	(3)
Proceeds from sales of shares	-	1
Proceeds from share issuance to non-controlling interests	254	-
Other	(980)	(1,346)
<b>Net cash provided by (used in) financing activities</b>	<b>(7,064)</b>	<b>15,216</b>
Effects of exchange rate changes on cash and cash equivalents	(1,356)	631
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(5,662)</b>	<b>8,457</b>
Cash and cash equivalents at the beginning of the period	34,841	40,790
<b>Cash and cash equivalents at the end of the period</b>	<b>29,178</b>	<b>49,248</b>

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## 4. 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.

(Additional information)

Application of Guidance on Recoverability of Deferred Tax Assets

From the first quarter, the Company has applied "Guidance on Recoverability of Deferred Tax Assets" (ASBJ Guidance No. 26, March 28, 2016).

(Segment information)

### [Segment information]

#### I. Previous third quarter (From December 1, 2015 to August 31, 2016)

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

(Millions of yen)

	Condi- ments Products	Egg Products	Delica- tessen Products	Processed Foods	Fine Chemical Products	Distri- bution System	Common Business Operations	Total	Adjust- ments	Amount reported on the quarterly consolidated statement of income (Note)
Net sales										
Net sales to outside customers	109,575	76,707	82,887	38,138	8,074	94,714	3,817	413,915	—	413,915
Intersegment net sales or transfers	5,547	4,440	211	1,584	223	18,779	7,751	38,538	(38,538)	—
Total	115,123	81,147	83,098	39,722	8,297	113,494	11,569	452,454	(38,538)	413,915
Segment profit	10,853	4,555	2,606	567	894	3,513	440	23,431	—	23,431

(Note) Adjustments are made between "Segment profit" and "Operating income" reported on the quarterly consolidated statement of income.

##### 2. Information on losses on impairment of fixed assets or goodwill, etc. by reported 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 (From December 1, 2016 to August 31, 2017)

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

(Millions of yen)

	Condi- ments Products	Egg Products	Delica- tessen Products	Processed Foods	Fine Chemical Products	Distri- bution System	Common Business Operations	Total	Adjust- ments	Amount reported on the quarterly consolidated statement of income (Note)
Net sales										
Net sales to outside customers	113,246	74,695	86,662	35,244	7,806	97,699	5,658	421,013	-	421,013
Intersegment net sales or transfers	5,443	4,521	160	1,572	269	20,954	8,630	41,552	(41,552)	-
Total	118,690	79,216	86,823	36,817	8,075	118,654	14,288	462,566	(41,552)	421,013
Segment profit	11,922	3,316	2,913	553	551	4,477	654	24,390	-	24,390

(Note) Adjustments are made between "Segment profit" and "Operating income" reported on the quarterly consolidated statement of income.

### 2. Information on losses on impairment of fixed assets or goodwill, etc. by reported 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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(Significant subsequent events)

## 1. Abolishment of a consolidated subsidiary's retirement benefit plan

HENNINGSEN FOODS, INC. ("HFI"), a consolidated subsidiary of the Company, is proceeding with the abolishment of its defined benefit pension plan, and made a lump-sum payment of the remainder to the employees of HFI for the period from June 30, 2017, the closing date of HFI's third quarter, until August 11, 2017, and made pension payments to an external insurance company by September 1, 2017.

Accordingly, losses on abolishment of retirement benefit plans of US\$5,700 thousand (¥629 million) are expected to be recorded as extraordinary losses of the Company in the fourth quarter of the fiscal year ending November 30, 2017.

(Note) The amount of losses in yen was obtained using the exchange rate as of August 31, 2017 (1US\$ = ¥110.42).

## 2. Acquisition by the Company of its own shares

At its Board of Directors' meeting held on July 26, 2017, the Company resolved to acquire its own shares and conduct a tender offer for its own shares as a specific method for acquiring the shares, pursuant to the provisions of Article 156, Paragraph 1 of the Companies Act as applied by replacing the terms pursuant to Article 459, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation, and implemented the repurchase of its own shares as follows:

### (1) Reasons for acquiring its own shares

In order to improve its capital efficiency and to provide more returns to its shareholders

### (2) Method of acquiring its own shares

Tender offer

### (3) Board of Directors' resolution regarding the acquisition of its own shares

(i) Type of shares to be acquired: Shares of common stock of the Company

(ii) Total number of shares to be acquired: (Not exceeding) 4,530,100 shares  
(Ratio to the total number of issued shares: 2.96%)

(iii) Total prices of shares to be acquired: (Not exceeding) ¥10,990,022,600

(iv) Acquisition period: From July 27, 2017 to September 29, 2017

### (4) Outline of the tender offer for its own shares

(i) Number of shares being tendered: 4,530,000 shares

(ii) Price for the purchases, etc.: ¥2,426 per share

(iii) Period of the purchases, etc.: From July 27, 2017 to August 24, 2017

(iv) Date of the public notice for the commencement of the tender offer: July 27, 2017

(v) Commencement date of settlement: September 15, 2017

### (5) Result of the acquisition of its own shares

(i) Type of shares acquired: Shares of common stock of the Company

(ii) Total number of shares acquired: 4,120,000 shares

(iii) Total prices of shares acquired: ¥9,995,120,000

(iv) Acquisition date: September 15, 2017

## 3. Retirement of treasury stock

At its Board of Directors' meeting held on September 27, 2017, the Company resolved to retire its treasury stock, pursuant to the provisions of Article 178 of the Companies Act.

### (1) Reasons for retiring its treasury stock

In order to improve its capital efficiency and to provide more returns to its shareholders

### (2) Board of Directors' resolution regarding the retirement of its treasury stock

(i) Type of shares to be retired: Shares of common stock of the Company  
(Ratio to the total number of issued shares before retirement: 1.96%)

(ii) Total number of shares to be retired: 3,000,000 shares

(iii) Scheduled date of retirement: October 13, 2017

(3) Total number of issued shares after above retirement will be 150,000,000 shares.

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## II. Supplementary data

- (Notes) 1. Fraction errors may occur due to rounding figures less than 100 million.  
 2. Planned figures in this supplementary data are figures disclosed on July 3, 2017.  
 3. The following changes took effect at the beginning of fiscal year 2016.  
 ◇ Certain sales promotion expenses and transportation and warehousing expenses were deducted from net sales.  
 The figures presented for fiscal year 2015 have been adjusted in accordance with the new accounting method applied in fiscal year 2016.  
 ◇ The domestic consolidated subsidiaries have changed the depreciation method from the declining balance basis to the straight-line basis.  
 The figures for fiscal year 2015 have not been retroactively adjusted for the change in the depreciation method.

### 1. Summary of net sales and operating income and factors behind changes in operating income

<Net sales>

(Billions of yen)

	Segment	1st quarter	2nd quarter	2nd quarter (Cumulative)	3rd quarter	3rd quarter (Cumulative)	4th quarter	Year
Fiscal Year 2015 (Adjusted)	Condiments Products	33.2	36.8	70.0	37.3	107.3	34.9	142.2
	Egg Products	24.6	26.2	50.7	25.9	76.6	28.0	104.6
	Delicatessen Products	23.2	25.2	48.4	26.5	74.9	25.6	100.4
	Processed Foods	13.1	15.5	28.6	14.5	43.1	14.4	57.5
	Fine Chemical Products	2.4	3.1	5.5	2.8	8.3	3.0	11.3
	Distribution System	31.2	31.9	63.1	32.7	95.8	32.0	127.7
	Common Business Operations	1.5	1.4	2.9	1.4	4.3	1.7	5.9
	Total	129.2	140.0	269.2	141.1	410.3	139.5	549.8
Fiscal Year 2016 (A)	Condiments Products	34.0	37.8	71.8	37.8	109.6	34.5	144.1
	Egg Products	25.7	26.1	51.9	24.8	76.7	25.5	102.2
	Delicatessen Products	26.0	28.1	54.1	28.8	82.9	28.9	111.8
	Processed Foods	12.0	13.6	25.7	12.5	38.1	13.1	51.3
	Fine Chemical Products	2.7	2.6	5.3	2.8	8.1	2.8	10.9
	Distribution System	30.4	31.8	62.3	32.4	94.7	32.2	126.9
	Common Business Operations	1.3	1.2	2.5	1.4	3.8	1.3	5.2
	Total	132.1	141.3	273.4	140.5	413.9	138.4	552.3
Fiscal Year 2017 (B)	Condiments Products	34.3	39.7	74.0	39.3	113.2		149.6
	Egg Products	24.0	25.9	49.9	24.8	74.7		102.2
	Delicatessen Products	27.5	29.3	56.8	29.8	86.7		116.4
	Processed Foods	11.0	12.3	23.2	12.0	35.2		46.1
	Fine Chemical Products	2.3	2.8	5.1	2.7	7.8		10.4
	Distribution System	31.0	33.2	64.2	33.5	97.7		129.6
	Common Business Operations	2.0	2.0	3.9	1.7	5.7		5.7
	Total	132.1	145.1	277.2	143.8	421.0		560.0
Change (B) - (A)	Condiments Products	0.3	1.9	2.2	1.5	3.7		5.5
	Egg Products	(1.7)	(0.2)	(1.9)	(0.1)	(2.0)		(0.0)
	Delicatessen Products	1.6	1.2	2.8	1.0	3.8		4.6
	Processed Foods	(1.1)	(1.4)	(2.5)	(0.4)	(2.9)		(5.2)
	Fine Chemical Products	(0.4)	0.2	(0.2)	(0.1)	(0.3)		(0.5)
	Distribution System	0.6	1.4	1.9	1.1	3.0		2.7
	Common Business Operations	0.7	0.8	1.5	0.4	1.8		0.5
	Total	(0.1)	3.8	3.8	3.3	7.1		7.7

- (Notes) 1. Figures of "Year" in Fiscal Year 2017 indicate planned figures disclosed on July 3, 2017.  
 2. Figures of "2nd quarter" are differences between "2nd quarter (Cumulative)" and "1st quarter."  
 3. Figures of "3rd quarter" are differences between "3rd quarter (Cumulative)" and "2nd quarter (Cumulative)."  
 4. Figures of "4th quarter" are differences between "Year" and "3rd quarter (Cumulative)."

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## <Operating income>

(Billions of yen)

	Segment	1st quarter	2nd quarter	2nd quarter (Cumulative)	3rd quarter	3rd quarter (Cumulative)	4th quarter	Year
Fiscal Year 2015 (Adjusted)	Condiments Products	2.5	3.8	6.3	3.8	10.1	2.4	12.5
	Egg Products	1.5	1.3	2.7	1.3	4.0	1.4	5.4
	Delicatessen Products	0.3	0.8	1.1	1.0	2.0	0.7	2.8
	Processed Foods	(0.2)	0.3	0.1	0.0	0.1	(0.4)	(0.3)
	Fine Chemical Products	0.0	0.1	0.1	0.1	0.2	0.2	0.4
	Distribution System	1.0	1.2	2.2	1.4	3.6	1.1	4.8
	Common Business Operations	0.3	0.3	0.6	0.2	0.9	0.0	0.9
	Total	5.4	7.8	13.1	7.8	20.9	5.4	26.4
Fiscal Year 2016 (A)	Condiments Products	1.6	4.6	6.2	4.7	10.9	2.8	13.7
	Egg Products	1.5	1.7	3.2	1.4	4.6	0.9	5.5
	Delicatessen Products	0.3	1.1	1.5	1.1	2.6	0.9	3.5
	Processed Foods	(0.2)	0.5	0.3	0.3	0.6	(0.1)	0.5
	Fine Chemical Products	0.2	0.4	0.6	0.3	0.9	0.1	1.0
	Distribution System	0.9	1.2	2.1	1.4	3.5	1.4	4.9
	Common Business Operations	0.0	0.2	0.3	0.2	0.4	0.3	0.8
	Total	4.4	9.8	14.2	9.3	23.4	6.4	29.8
Fiscal Year 2017 (B)	Condiments Products	2.6	4.8	7.3	4.6	11.9		15.0
	Egg Products	1.0	1.0	2.0	1.3	3.3		4.2
	Delicatessen Products	0.6	1.1	1.7	1.3	2.9		4.1
	Processed Foods	(0.1)	0.3	0.3	0.3	0.6		0.3
	Fine Chemical Products	(0.0)	0.1	0.1	0.4	0.6		0.8
	Distribution System	1.3	1.6	2.9	1.6	4.5		5.8
	Common Business Operations	0.2	0.3	0.5	0.2	0.7		0.8
	Total	5.6	9.2	14.8	9.6	24.4		31.0
Change (B) - (A)	Condiments Products	1.0	0.2	1.1	(0.1)	1.1		1.3
	Egg Products	(0.4)	(0.7)	(1.1)	(0.1)	(1.2)		(1.3)
	Delicatessen Products	0.2	(0.1)	0.2	0.1	0.3		0.6
	Processed Foods	0.2	(0.2)	(0.0)	0.0	(0.0)		(0.2)
	Fine Chemical Products	(0.2)	(0.2)	(0.5)	0.1	(0.3)		(0.2)
	Distribution System	0.4	0.4	0.8	0.2	1.0		0.9
	Common Business Operations	0.2	0.0	0.2	0.0	0.2		0.0
	Total	1.2	(0.6)	0.6	0.3	1.0		1.2

(Notes) 1. Figures of "Year" in Fiscal Year 2017 indicate planned figures disclosed on July 3, 2017.

2. Figures of "2nd quarter" are differences between "2nd quarter (Cumulative)" and "1st quarter."

3. Figures of "3rd quarter" are differences between "3rd quarter (Cumulative)" and "2nd quarter (Cumulative)."

4. Figures of "4th quarter" are differences between "Year" and "3rd quarter (Cumulative)."

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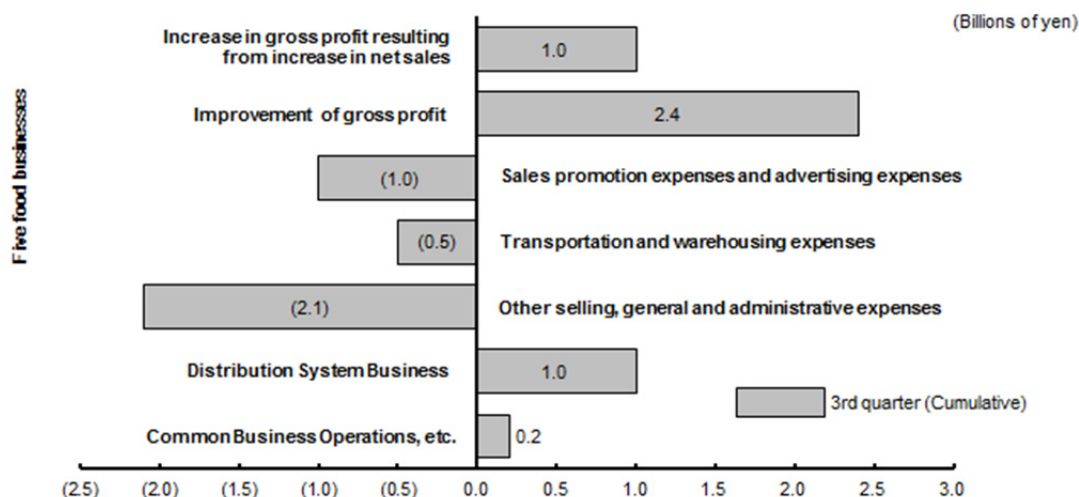
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<Factors behind changes in operating income (comparison with the previous fiscal year)>

(Billions of yen)

	Fiscal year 2016 (A)	Fiscal year 2017 (B)	Change (B) - (A)
3rd quarter (Cumulative)	23.4	24.4	1.0
Year	29.8	31.0	1.2



\* The Company recognized a one-time write-off of residual book value amounting to negative ¥2.8 billion that occurred in the first quarter of fiscal year 2016 as a result of the change to the depreciation method applied in fiscal year 2016. The above had the effect of increasing operating income by ¥2.8 billion, which is reflected in the above graph.

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

(Billions of yen)

	3rd quarter 2015 (Cumulative) (Adjusted)	3rd quarter 2016 (Cumulative) (A)	3rd quarter 2017 (Cumulative) (B)	Change (B) - (A)	Fiscal year 2015 (Adjusted)	Fiscal year 2016	Fiscal year 2017 (Plan)
Capital investments	26.5	23.3	21.3	(1.9)	32.4	33.0	31.4
Depreciation expenses	14.0	14.2	12.4	(1.8)	19.1	18.3	16.8
Sales promotion expenses	2.6	2.5	2.9	0.3	3.5	3.7	4.1
Advertising expenses	6.5	6.5	7.2	0.7	8.7	8.7	9.7
Transportation and warehousing expenses	18.6	18.8	19.2	0.5	25.0	25.0	25.7
Payroll expenses	21.4	22.3	23.6	1.3	28.7	29.8	31.3
Research and development expenses	2.9	2.7	2.8	0.1	4.2	4.0	4.3



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## 3. Domestic sales volume and amount of salads condiments by category type (Kewpie Corporation)

		3rd quarter 2015 (Cumulative) (Adjusted)	3rd quarter 2016 (Cumulative) (A)	3rd quarter 2017 (Cumulative) (B)	Change (B) - (A)	Fiscal year 2015 (Adjusted)	Fiscal year 2016
For household use	Volume (Thousands of ton)	97	98	99	1	126	126
	Amount (Billions of yen)	49.3	49.6	50.1	0.5	63.8	63.9
For commercial use	Volume (Thousands of ton)	80	80	81	1	106	107
	Amount (Billions of yen)	31.0	31.0	30.8	(0.2)	41.6	41.3

## 4. Summary of net sales and operating income in overseas operations

<Net sales>

(Billions of yen)

		3rd quarter 2015 (Cumulative) (Adjusted)	3rd quarter 2016 (Cumulative) (A)	3rd quarter 2017 (Cumulative) (B)	Change (B) - (A)	Fiscal year 2015 (Adjusted)	Fiscal year 2016	Fiscal year 2017 (Plan)
Net sales in overseas operations		27.3	28.8	30.6	1.8	37.7	37.8	41.7
China		10.2	11.6	13.1	1.5	14.2	15.7	18.2
Southeast Asia		6.0	5.7	6.2	0.5	7.9	7.6	8.5
North America	Condiments Products	3.9	4.7	4.9	0.2	5.4	6.3	6.2
	Egg Products	5.2	4.6	3.1	(1.5)	7.5	5.5	4.0
Export from Japan		2.0	2.2	3.3	1.1	2.7	2.7	4.8

\* For overseas subsidiaries, figures of "3rd quarter (Cumulative)" are results from October to June, while figures of "fiscal year" are results from October to September.

\* The change of "Net sales in overseas operations" includes a 1.6 billion yen reduction caused by the impact of the exchange rate fluctuations.

<Operating income>

(Billions of yen)

		3rd quarter 2015 (Cumulative)	3rd quarter 2016 (Cumulative) (A)	3rd quarter 2017 (Cumulative) (B)	Change (B) - (A)	Fiscal year 2015	Fiscal year 2016	Fiscal year 2017 (Plan)
Operating income in overseas operations		2.9	2.9	1.5	(1.4)	4.0	3.3	2.2
China		1.3	1.5	1.5	0.0	1.7	2.2	2.5
Southeast Asia		0.1	0.2	0.2	0.1	0.0	0.2	0.3
North America	Condiments Products	0.3	0.4	0.4	(0.0)	0.5	0.5	0.4
	Egg Products	1.0	0.5	(0.7)	(1.1)	1.5	0.1	(1.2)
Export from Japan		0.2	0.4	0.1	(0.3)	0.3	0.4	0.3

\* For overseas subsidiaries, figures of "3rd quarter (Cumulative)" are results from October to June, while figures of "fiscal year" are results from October to September.

\* The change of "Operating income in overseas operations" includes a 0.1 billion yen reduction caused by the impact of the exchange rate fluctuations.

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## 5. Summary of and principal items of changes in non-operating income (expenses) and extraordinary gains (losses)

(Billions of yen)

	3rd quarter 2015 (Cumulative)	3rd quarter 2016 (Cumulative) (A)	3rd quarter 2017 (Cumulative) (B)	Items of changes [Comparison with 3rd quarter 2016 (cumulative)] (B) - (A)	Fiscal year 2015	Fiscal year 2016	Fiscal year 2017 (Plan)
Non-operating income (expenses), net	0.7	0.8	0.9	Increase in dividends income 0.1 Decrease in equity in earnings of affiliates (0.2) Decrease in foreign exchange losses 0.1	0.9	1.5	1.0
Extraordinary gains (losses), net	1.1	(0.7)	(0.5)	Increase in gains on sales of investment securities 0.8 Increase in losses on abolishment of retirement benefit plans (0.7)	1.4	(1.1)	(0.9)

## 6. Summary of and principal items of changes in balance sheets

(Billions of yen)

	Fiscal year 2015	Fiscal year 2016 (A)	3rd quarter 2017 (B)	Change (B) - (A)	Items of changes [Comparison with fiscal year 2016]
(Assets)					
Current assets	148.5	150.2	167.7	17.6	Increase in cash and deposits 3.7 Increase in notes and accounts receivable - trade 5.4 Increase in securities 5.0
Fixed assets					
Tangible and intangible fixed assets	172.5	189.1	199.1	10.1	Increase resulting from purchases 18.6 Decrease resulting from depreciation (12.4) Increase in goodwill 3.1
Investments and other assets	52.0	46.7	52.0	5.3	Increase in investment securities 4.1
(Liabilities)					
	128.3	140.1	156.0	15.9	Decrease in accounts payable - other (4.5) Decrease in accrued expenses (5.7) Increase in loans payable 23.9
(Net assets)					
	244.7	245.9	262.9	17.1	Increase in earned surplus 6.8 Decrease in treasury stock 2.8 Increase in unrealized holding gains (losses) on securities 2.5 Increase in non-controlling interests 2.5

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## 7. Summary of and principal items of changes in cash flows

(Billions of yen)

	3rd quarter 2015 (Cumulative)	3rd quarter 2016 (Cumulative) (A)	3rd quarter 2017 (Cumulative) (B)	Items of changes [Comparison with 3rd quarter 2016 (cumulative)] (B) - (A)	Fiscal year 2015	Fiscal year 2016
Cash flows from operating activities	13.2	25.3	18.0	Decrease in depreciation and amortization (1.8) Increase in notes and accounts receivable - trade (1.8) Increase in Income taxes paid (4.3)	28.1	45.3
Cash flows from investing activities	(31.5)	(22.5)	(25.4)	Decrease in purchases of tangible fixed assets 1.9 Increase in payments for acquisition of business (4.5)	(31.2)	(32.0)
Cash flows from financing activities	(6.4)	(7.1)	15.2	Increase in loans payable 19.2 Decrease in repurchase of shares 4.7	(7.1)	(5.8)