

**Fiscal 2018 Financial Meeting**  
**The Group's New Challenges**  
**Lead to Dramatic Growth**

**3rd Stage Report**



January 11, 2019  
Kewpie Corporation

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# Fiscal 2018 Results

# Fiscal 2018 Results

Net sales increased by 11.8 billion yen  
and operating income increased by 1.8 billion yen (year on year)

	11/17	11/18 Results	Change YoY	Increase (Decrease)	Plan Comparison	Medium-term Plan Comparison
Net Sales	561.7 ¥bn	573.5 ¥bn	2.1%	11.8 ¥bn	(6.5) ¥bn	(51.5) ¥bn
Domestic	519.0	525.5	1.3	6.5	(6.4)	(34.9)
Overseas	42.7	48.0	12.4	5.3	(0.1)	(16.5)
Operating Income	31.3 ¥bn	33.1 ¥bn	5.8%	1.8 ¥bn	(0.4) ¥bn	(2.5) ¥bn
Domestic	29.0	29.1	0.5	0.1	(0.7)	0.7
Overseas	2.3	3.9	72.8	1.7	0.3	(3.1)
Operating Income Ratio	5.6%	5.8%	—	0.2%	0.0%	0.1%
Ordinary Income	32.5 ¥bn	34.3 ¥bn	5.7%	1.8 ¥bn	(0.3) ¥bn	(2.0) ¥bn
Profit Attributable to Owners of Parent	18.1 ¥bn	18.3 ¥bn	1.2%	0.2 ¥bn	(0.3) ¥bn	(1.9) ¥bn
ROE (Return on equity)	8.2%	8.1%	—	(0.1)%	(0.1)%	(0.4)%
ROA (Return on assets)	8.1%	8.2%	—	0.1%	0.1%	(0.4)%
EBITDA <small>(Operating income + Depreciation expenses)</small>	48.1 ¥bn	51.3 ¥bn	6.4%	3.2 ¥bn	(0.5) ¥bn	(1.7) ¥bn

\* Overseas figures cover the period from October through September. Exports from Japan are included (exports from Japan cover the period from December through November).

Increase (Decrease) for overseas figures includes the impact of the exchange rate (which gained net sales by 1.2 billion yen and operating income by 0.1 billion yen).

\* The plan comparison indicates a difference compared to the plan announced in July 2018.

The medium-term plan comparison indicates a difference compared to the 2016-2018 Medium-term Business Plan announced in January 2016.

# Fiscal 2018 Summary of Sales

Sales gained due to strong performance of overseas Condiments Products business, Delicatessen Products business and Distribution System business

	11/17	11/18 Results	Change YoY	Increase (Decrease)
Sales Total	561.7 ¥bn	573.5 ¥bn	2.1%	11.8 ¥bn
Condiments Products	150.4	153.4	2.0	3.0
Egg Products	100.5	100.9	0.4	0.4
Delicatessen Products	115.5	118.3	2.4	2.8
Processed Foods	46.6	46.8	0.4	0.2
Fine Chemical Products	10.6	10.0	(5.3)	(0.6)
Distribution System	131.2	138.3	5.4	7.0
Common Business Operations	6.8	5.8	(14.7)	(1.0)

## ■ Sales by Segment

Condiments Products	Overseas demand for mayonnaise and dressings was strong, resulting in higher sales.
Egg Products	Although this business was affected by the decline in the domestic market for hen's eggs, revenue increased, in part due to an upswing in the US's dried egg market.
Delicatessen Products	Revenue grew due to growth in sales of cut vegetables resulting from expansion in the stores handling our products, as well as expansion into new sales channels.
Processed Foods	Revenue was up due to the growth of "Marugotokajitsu," pasta sauce, and Hokkaido corn, among other products.
Fine Chemical Products	Revenue decreased due to a decline in sales of EPA for medical use.
Distribution System	Revenue increased as the result of progress made in the expansion of service areas for existing customers and an increase in consolidated subsidiaries.

# Fiscal 2018 Summary of Operating Income

Income rose due to a recovery in the North American Egg Products business and growth for value-added products

	11/17	11/18 Results	Change YoY	Increase (Decrease)
Operating Income Total	31.3 ¥bn	33.1 ¥bn	5.8%	1.8 ¥bn
Condiments Products	15.3	14.4	(6.1)	(0.9)
Egg Products	4.4	6.0	38.4	1.7
Delicatessen Products	3.8	4.4	14.8	0.6
Processed Foods	0.2	0.6	220.1	0.4
Fine Chemical Products	0.9	1.3	46.9	0.4
Distribution System	5.9	5.6	(5.3)	(0.3)
Common Business Operations	0.8	0.8	(5.3)	(0.0)

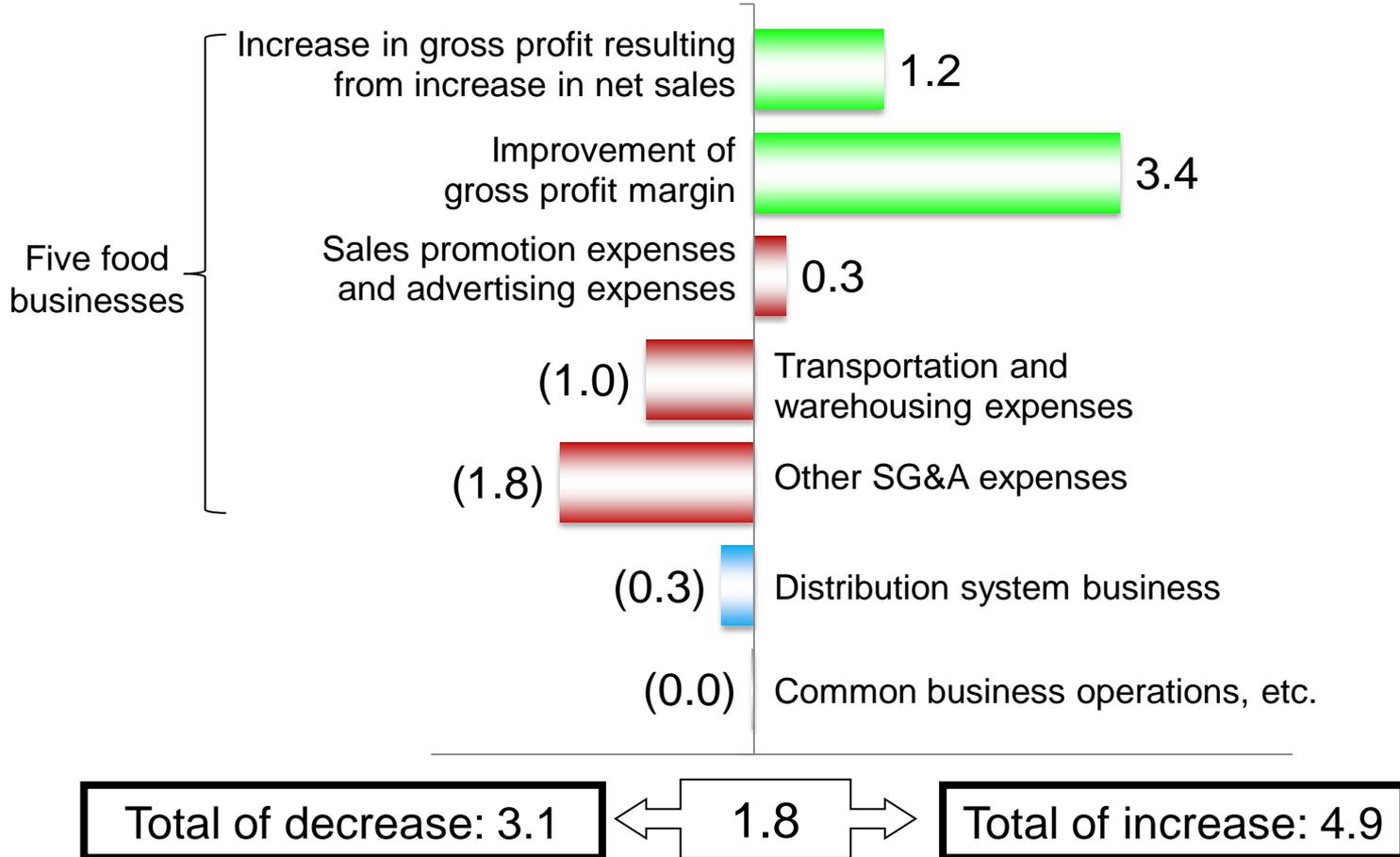
## ■ Operating Income by Segment

Condiments Products	Income decreased due to sluggish domestic sales resulting from the impact of a sharp rise in vegetable prices and an increase in depreciation expenses.
Egg Products	Income increased due to growth in value-added products in domestic market, as well as a recovery in the US.
Delicatessen Products	Income increased due to expansion into new sales channels and cost improvements.
Processed Foods	Income increased due to growth in value-added products and a review of unprofitable products.
Fine Chemical Products	Income increased due to growth in functional hyaluronic acid, primarily in overseas markets.
Distribution System	Income fell due to higher procurement costs for fuel and vehicles, as well as the impact of natural disasters.

# Fiscal 2018 Factors Causing Increase (Decrease) in Operating Income

(¥bn)

	11/17	11/18 Results	Difference
<b>Operating Income</b>	31.3	33.1	1.8



# Fiscal 2018 Main Contents of Factors Causing Increase (Decrease) in Operating Income

## 【Increase in gross profit resulting from increase in net sales】 [1.2] (¥bn)

Impact on net sales	1.2	Higher sales for overseas condiments products, cut vegetables, etc.	1.2
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## 【Improvement of gross profit margin】 [3.4]

Raising added value	1.0	Shifting to value-added products (egg-based products, hyaluronic acid, etc. )	1.0
Improvement of costs	1.4	Improved productivity (streamlining, automation)	1.0
		Improvements to unprofitable categories	0.4
Others	1.1	Effect of major raw material costs (salad condiments)	0.0
		Impact of dried egg market in the US	1.1

## 【Sales promotion expenses and advertising expenses】 [0.3]

Decrease in advertising expenses	0.3	Reduction in advertising such as TV commercials	0.3
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## 【Other SG&A expenses】 [ (1.8) ]

Increase in payroll expenses	(1.2)	Increase due to business expansion	(1.2)
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# Key Points for Non-operating Income (Expenses) and Extraordinary Gains (Losses)

	(¥bn)		
	11/17	11/18 Results	Increase (Decrease)
Operating income	31.3	33.1	1.8
Non-operating income (expenses)	1.3	1.3	0.0
Ordinary income	32.5	34.3	1.8
Extraordinary gains (losses)	(1.7)	(0.8)	1.0
Profit before income taxes	30.8	33.6	2.8
Income taxes, and profit attributable to non-controlling interests	12.7	15.3	2.6
Profit attributable to owners of parent	18.1	18.3	0.2

## <Key Points for Non-operating Income (Expenses)>

Decrease in business commencement expenses	0.1
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## <Key Points for Extraordinary Gains (Losses)>

Increase in gains on sale of investment securities	2.5
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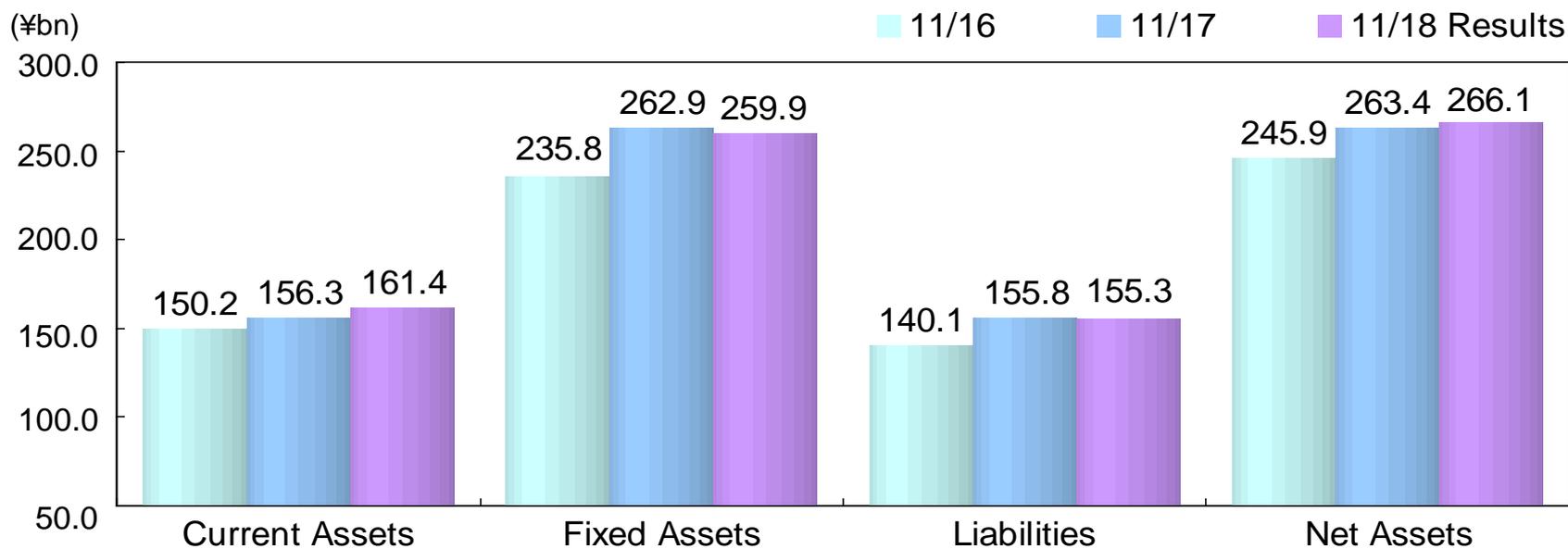
Decrease in losses on abolishment of retirement benefit plans	1.3
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Increase in losses on impairment of fixed assets	(2.4)
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## <Key Points for Income Taxes and Profit Attributable to Non-controlling Interests>

Increase in income taxes	2.5
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# Key Points of Balance Sheet



## Comparison with Fiscal 2017

### Increase in current assets

5.1 ¥bn

- Increase in cash and deposits 8.9
- Decrease in notes and accounts receivable – trade (1.2)
- Decrease in securities (2.5)

### Decrease in liabilities

(0.5) ¥bn

- Decrease in notes and accounts payable – trade (3.5)
- Increase in accrued income taxes 2.8

### Decrease in fixed assets

(2.9) ¥bn

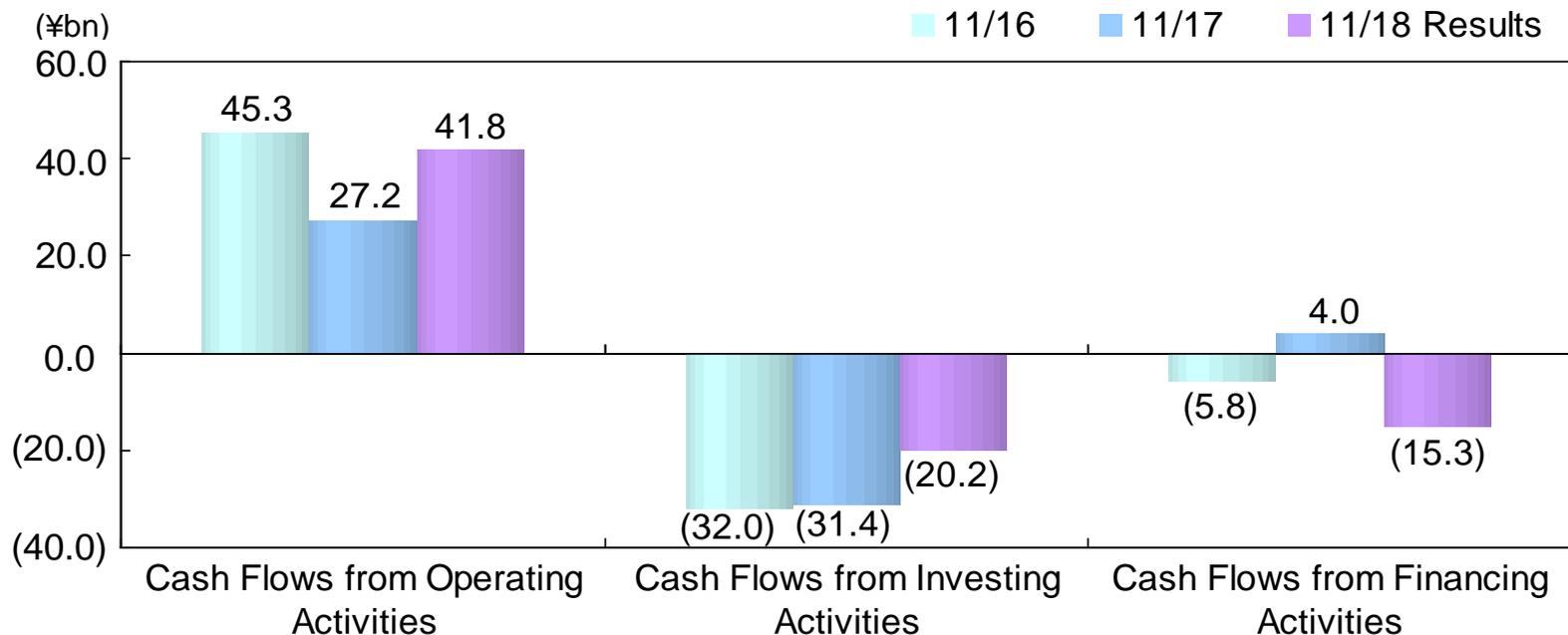
- Increase resulting from purchases of tangible and intangible fixed assets 30.6
- Decrease resulting from depreciation (18.2)
- Decrease resulting from transfer of business (8.3)
- Decrease in investment securities (4.8)

### Increase in net assets

2.7 ¥bn

- Increase in earned surplus 12.8
- Purchase of treasury stock (9.3)

# Key Points of Cash Flows



## Comparison with Fiscal 2017

### Cash Flows from Operating Activities

- Decrease in notes and accounts receivable – trade 3.4
- Increase in accounts payable – other 2.8
- Decrease in income taxes paid 3.2

### Cash Flows from Investing Activities

- Increase in purchases of tangible fixed assets (3.7)
- Decrease in payments for acquisition of business 4.6
- Increase in proceeds from transfer of business 8.3

### Cash Flows from Financing Activities

- Decrease in proceeds from loans payable (20.3)

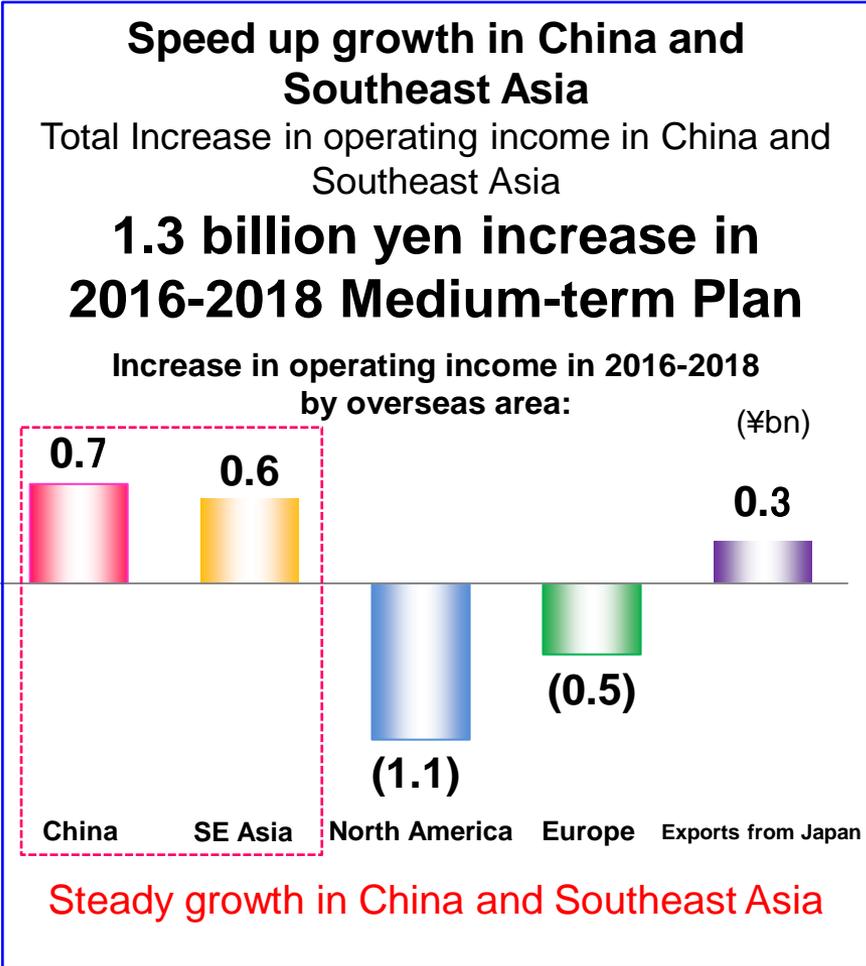
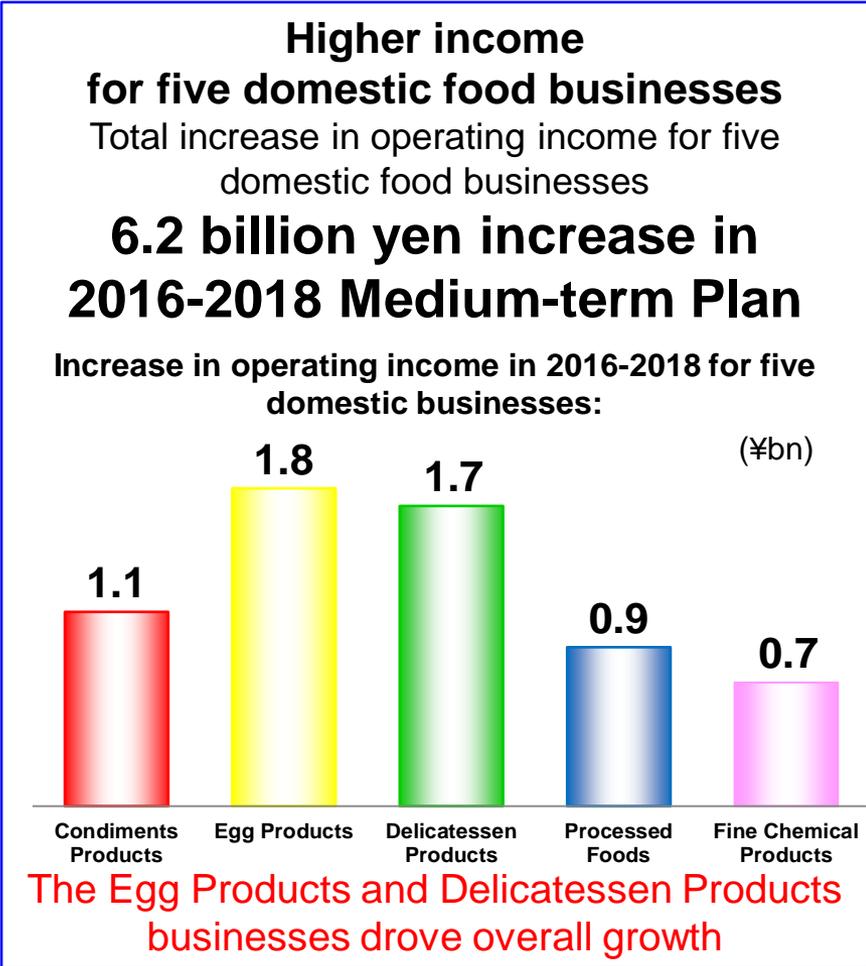
### Status of capital investments

11/16	11/17	11/18 Results
33.0 ¥bn	27.2 ¥bn	32.1 ¥bn

# Review of 2016-2018 Medium-term Business Plan

# Key Themes in 2016-2018 Medium-term Business Plan

## Steady growth in priority areas designated as themes



**In Japan, progress was made in addressing low-revenue categories.**

Transfer of business: EPA for medical use, boiled quail eggs, CVS vendor

Items with enhanced strategies: Pasta sauce, baby food

# Reference Materials

# Reference: 2016-2018 Medium-term Business Plan Results

Net sales increased by 23.8 billion yen  
and operating income increased by 6.7 billion yen compared to fiscal 2015

	11/15 (Corrected)	11/18 Results	% Change (Compared to 11/15)	Increase (Decrease)	Medium-term Plan Comparison
Net Sales	549.8 ¥bn	573.5 ¥bn	4.3%	23.8 ¥bn	(51.5) ¥bn
Domestic	512.1	525.5	2.6	13.4	(34.9)
Overseas	37.7	48.0	27.4	10.3	(16.5)
Operating Income	26.4 ¥bn	33.1 ¥bn	25.5%	6.7 ¥bn	(2.5) ¥bn
Domestic	22.3	29.1	30.4	6.8	0.7
Overseas	4.0	3.9	(2.0)	(0.1)	(3.1)
Operating Income Ratio	4.8%	5.8%	—	1.0%	0.1%
Ordinary Income	27.2 ¥bn	34.3 ¥bn	26.2%	7.1 ¥bn	(2.0) ¥bn
Profit Attributable to Owners of Parent	17.0 ¥bn	18.3 ¥bn	7.9%	1.3 ¥bn	(1.9) ¥bn
ROE (Return on equity)	8.3%	8.1%	—	(0.2)%	(0.4)%
ROA (Return on assets)	7.5%	8.2%	—	0.7%	(0.4)%
EBITDA (Operating income + Depreciation expenses)	45.4 ¥bn	51.3 ¥bn	13.0%	5.8 ¥bn	(1.7) ¥bn

\* The figures for fiscal 2015 have been corrected for the impact of changes in the standards for posting net sales.

\* The medium-term plan comparison indicates a difference compared to the 2016-2018 Medium-term Business Plan announced in January 2016.

\* Overseas figures cover the period from October through September. Exports from Japan are included (exports from Japan cover the period from December through November).

Impact of exchange rate is included in the overseas figures shown above (impact on Increase(Decrease) lowered net sales and operating income by 4.4 billion yen and 0.5 billion yen, respectively; impact on Medium-term Plan Comparison lowered net sales and operating income by 7.0 billion yen and 0.7 billion yen, respectively).

# Reference: 2016-2018 Medium-term Business Plan Results by Segment

	Net Sales by Segment (¥bn)					Operating Income by Segment (¥bn)				
	11/15 (Corrected)	11/18 Results	% Change	Increase (Decrease)	Medium-term Plan Comparison	11/15 (Corrected)	11/18 Results	% Change	Increase (Decrease)	Medium-term Plan Comparison
Total	549.8	573.5	4.3	23.8	(51.5)	26.4	33.1	25.5	6.7	(2.5)
Condiments Products	142.2	153.4	7.9	11.2	(24.6)	12.5	14.4	15.1	1.9	(1.9)
Domestic	113.6	112.8	(0.7)	(0.8)	(14.0)	10.1	11.2	10.6	1.1	0.8
Overseas	28.6	40.6	42.1	12.0	(10.6)	2.4	3.2	34.5	0.8	(2.6)
Egg Products	104.6	100.9	(3.8)	(3.7)	(13.1)	5.4	6.0	12.1	0.7	(0.6)
Domestic	97.2	95.4	(1.8)	(1.8)	(8.2)	3.9	5.7	45.4	1.8	(0.0)
Overseas (North America)	7.5	5.5	(26.7)	(2.0)	(4.9)	1.5	0.3	(77.4)	(1.1)	(0.6)
Delicatessen Products	100.4	118.3	17.8	17.9	(6.7)	2.8	4.4	60.6	1.7	(0.6)
Processed Foods	57.5	46.8	(18.7)	(10.8)	(8.2)	(0.3)	0.6	—	0.9	(0.1)
Fine Chemical Products	11.3	10.0	(11.3)	(1.3)	(2.5)	0.4	1.3	262.6	0.9	0.0
Distribution System	127.7	138.3	8.2	10.5	3.3	4.8	5.6	17.3	0.8	0.1
Common Business Operations	5.9	5.8	(1.6)	(0.1)	0.3	0.9	0.8	(17.8)	(0.2)	0.5

\* The figures for fiscal 2015 have been corrected for the impact of changes in the accounting standards for recording net sales.

\* The medium-term plan comparison indicates a difference compared to the 2016-2018 Medium-term Business Plan.

\* Overseas figures cover the period from October through September. Exports from Japan are included (exports from Japan cover the period from December through November).

# Reference: Fiscal 2018 Results by Segment

	Net Sales by Segment (¥bn)					Operating Income by Segment (¥bn)				
	11/17	11/18 Results	% Change	Increase (Decrease)	Plan Comparison	11/17	11/18 Results	% Change	Increase (Decrease)	Plan Comparison
Total	561.7	573.5	2.1	11.8	(6.5)	31.3	33.1	5.8	1.8	(0.4)
Condiments Products	150.4	153.4	2.0	3.0	(3.6)	15.3	14.4	(6.1)	(0.9)	(0.6)
Domestic	114.0	112.8	(1.1)	(1.3)	(3.5)	12.6	11.2	(11.2)	(1.4)	(0.7)
Overseas	36.4	40.6	11.6	4.2	(0.1)	2.7	3.2	17.4	0.5	0.0
Egg Products	100.5	100.9	0.4	0.4	(0.2)	4.4	6.0	38.4	1.7	0.1
Domestic	96.1	95.4	(0.7)	(0.7)	(0.4)	5.2	5.7	9.5	0.5	(0.1)
Overseas (North America)	4.3	5.5	26.1	1.1	0.2	(0.9)	0.3	—	1.2	0.2
Delicatessen Products	115.5	118.3	2.4	2.8	(4.7)	3.8	4.4	14.8	0.6	0.0
Processed Foods	46.6	46.8	0.4	0.2	(0.2)	0.2	0.6	220.1	0.4	0.0
Fine Chemical Products	10.6	10.0	(5.3)	(0.6)	(0.3)	0.9	1.3	46.9	0.4	0.3
Distribution System	131.2	138.3	5.4	7.0	2.5	5.9	5.6	(5.3)	(0.3)	(0.2)
Common Business Operations	6.8	5.8	(14.7)	(1.0)	0.0	0.8	0.8	(5.3)	(0.0)	(0.0)

\* Overseas figures cover the period from October through September. Exports from Japan are included (exports from Japan cover the period from December through November).

\* The plan comparison indicates a difference compared to the plan announced in July 2018.

# Reference: Performance Trends by Segment

(¥bn)

	11/14	11/15	11/16	11/17	11/18	11/18 Plan	2016-2018 Medium-term Plan Target
«New Accounting Method»							
Condiments Products		142.2	144.1	150.4	153.4	157.0	178.0
		12.5	13.7	15.3	14.4	15.0	16.2
Egg Products		104.6	102.2	100.5	100.9	101.1	114.0
		5.4	5.5	4.4	6.0	5.9	6.6
Delicatessen Products		100.4	111.8	115.5	118.3	123.0	125.0
		2.8	3.5	3.8	4.4	4.4	5.0
Processed Foods		57.5	51.3	46.6	46.8	47.0	55.0
		(0.3)	0.5	0.2	0.6	0.6	0.7
Fine Chemical Products		11.3	10.9	10.6	10.0	10.3	12.5
		0.4	1.0	0.9	1.3	1.0	1.3
Distribution System		127.7	126.9	131.2	138.3	135.8	135.0
		4.8	4.9	5.9	5.6	5.8	5.5
Common Business Operations		5.9	5.2	6.8	5.8	5.8	5.5
		0.9	0.8	0.8	0.8	0.8	0.2
<b>Total</b>		<b>549.8</b>	<b>552.3</b>	<b>561.7</b>	<b>573.5</b>	<b>580.0</b>	<b>625.0</b>
		<b>26.4</b>	<b>29.8</b>	<b>31.3</b>	<b>33.1</b>	<b>33.5</b>	<b>35.5</b>
«Former Accounting Method»							
Condiments Products	151.5	157.1					
	11.5	12.5					
Egg Products	99.5	104.8					
	3.8	5.4					
Delicatessen Products	102.2	109.1					
	3.3	2.7					
Processed Foods	57.2	62.3					
	0.2	(0.3)					
Fine Chemical Products	10.7	11.3					
	1.0	0.4					
Distribution System	126.8	127.7					
	3.6	4.8					
Common Business Operations	5.5	5.9					
	1.0	0.9					
<b>Total</b>	<b>553.4</b>	<b>578.2</b>					
	<b>24.3</b>	<b>26.4</b>					

\* Beginning in fiscal 2016, the accounting standards for recording net sales and the depreciation method for fixed assets were changed.

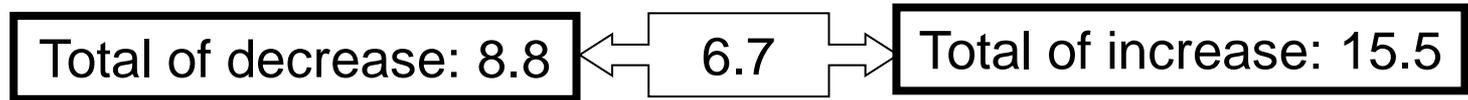
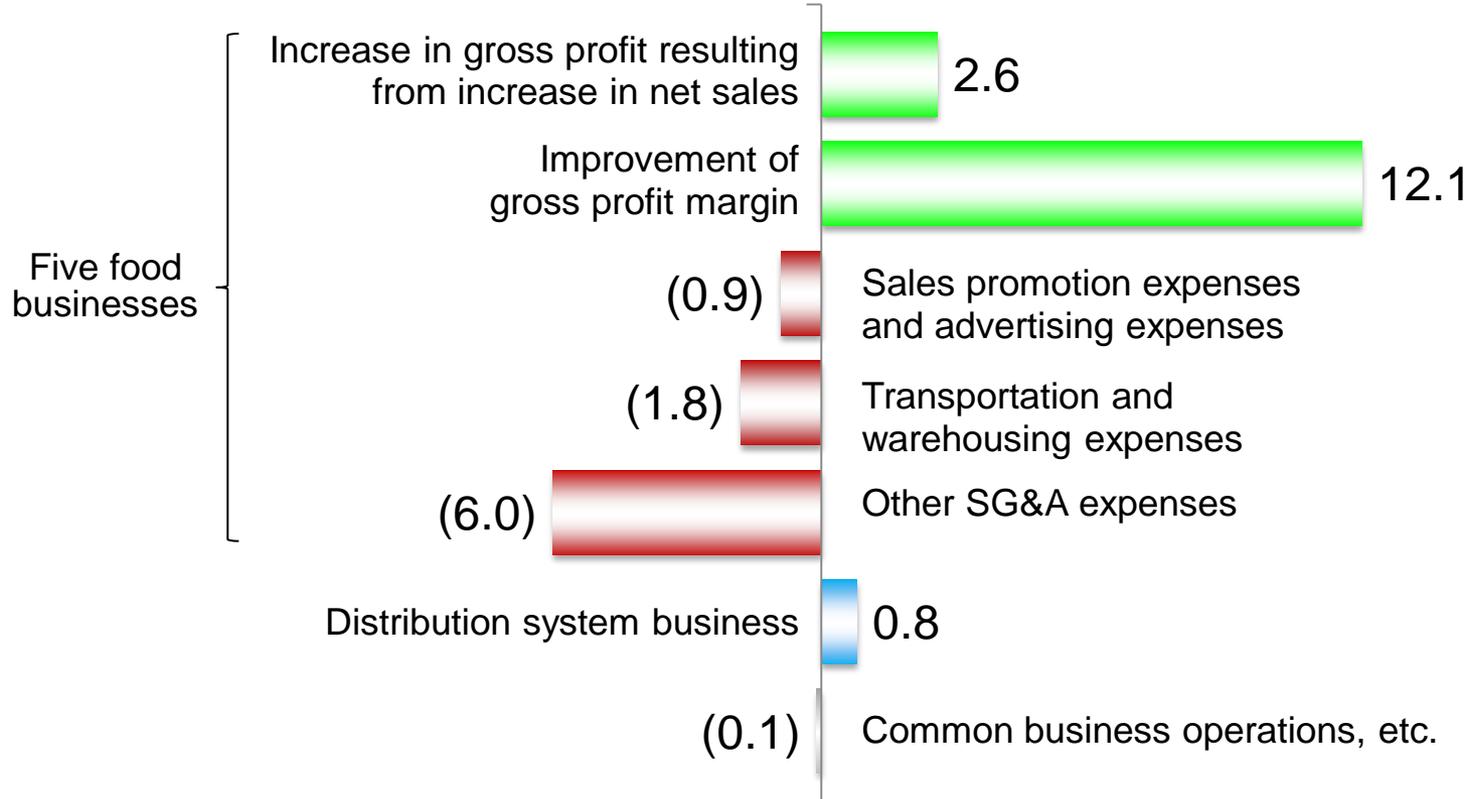
\* Figures for fiscal 2018 plan are those released on July 2, 2018.

\* Figures in upper row are net sales, and those in lower row are operating income.

Reference: 2016-2018 Medium-term Business Plan Factors Causing Increase (Decrease) in Operating Income (Compared to Fiscal 2015)

(¥bn)

	11/15	2016-2018 Medium-term Business Plan	Difference
Operating Income	26.4	33.1	6.7



Reference: 2016-2018 Medium-term Business Plan Factors Causing Increase (Decrease)  
in Operating Income by Business Segment (Compared to Fiscal 2015)

(¥bn)

	Increase (decrease) in gross profit resulting from increase in net sales	Improvement of gross profit margin	Sales promotion expenses and advertising expenses	Transportation and warehousing expenses	Other SG&A expenses	Increase (decrease) in operating income (compared to fiscal 2015)
Condiments Products Business	2.6	2.5	(0.3)	0.1	(3.0)	1.9
Egg Products Business	(0.6)	3.4	(0.2)	(1.0)	(1.0)	0.7
Delicatessen Products Business	3.5	2.0	0.1	(1.7)	(2.2)	1.7
Processed Foods Business	(3.2)	2.7	0.0	1.2	0.1	0.9
Fine Chemical Products Business	0.0	1.6	(0.6)	0.0	(0.1)	0.9
Total of Five Food Businesses	2.6	12.1	(0.9)	(1.8)	(6.0)	6.1

Reference: Factors Causing Increase (Decrease) in Operating Income by Business Segment in Fiscal 2018 (YoY)

(¥bn)

	Increase (decrease) in gross profit resulting from increase in net sales	Changes in gross profit margin	Sales promotion expenses and advertising expenses	Transportation and warehousing expenses	Other SG&A expenses	Increase (decrease) in operating income
Condiments Products Business	0.5	(0.4)	0.1	0.0	(1.0)	(0.9)
Egg Products Business	0.0	2.6	0.0	(0.5)	(0.4)	1.7
Delicatessen Products Business	0.9	0.4	0.2	(0.5)	(0.4)	0.6
Processed Foods Business	(0.1)	0.5	0.1	0.1	(0.2)	0.4
Fine Chemical Products Business	(0.1)	0.4	(0.1)	0.0	0.2	0.4
Total of Five Food Businesses	1.2	3.4	0.3	(1.0)	(1.8)	2.2

Reference: 2016-2018 Medium-term Business Plan Overseas Net Sales and Operating Income  
by Area (Compared to Fiscal 2015)

<b>Net Sales</b>	11/15 (Corrected)	11/18 Results	Increase (Decrease)	% Change (Compared to 11/15)	Local Currency Change (Compared to 11/15)	Medium-term Plan Comparison
Overseas Total	37.7 ¥bn	48.0 ¥bn	10.3 ¥bn	8%	12%	(16.5) ¥bn
China	14.2	19.3	5.1	11	15	(7.3)
Southeast Asia	7.9	10.0	2.1	8	11	(3.9)
North America	12.9	12.3	(0.6)	(2)	1	(6.6)
Condiments Products	5.4	6.8	1.4	8	11	(1.7)
Egg Products	7.5	5.5	(2.0)	(10)	(7)	(4.9)
Exports and New	2.7	6.4	3.7	137	—	1.3
<b>Operating Income</b>	11/15	11/18 Results	Increase (Decrease)	Change (Compared to 11/15)	Local Currency Change (Compared to 11/15)	Medium-term Plan Comparison
Overseas Total	4.0 ¥bn	3.9 ¥bn	(0.1) ¥bn	(1)%	3%	(3.2) ¥bn
China	1.7	2.4	0.7	11	16	(1.8)
Southeast Asia	0.0	0.6	0.6	154	161	(0.2)
North America	1.9	0.8	(1.1)	—	—	(0.6)
Condiments Products	0.5	0.5	0.0	2	5	0.0
Egg Products	1.5	0.3	(1.1)	—	—	(0.6)
Exports and New	0.3	0.1	(0.2)	(67)	—	(0.5)

\* The figures for fiscal 2015 have been corrected for the impact of changes in the accounting standards for recording net sales.

\* The medium-term plan comparison indicates a difference compared to the 2016-2018 Medium-term Business Plan.

\* The exports and new refers primarily to exports from Japan to each European company. Figures other than exports from Japan cover the period from October to September.

\* Impact of exchange rate is included in the overseas figures shown above (impact on Increase(Decrease) lowered net sales and operating income by 4.4 billion yen and 0.5 billion yen, respectively; impact on Medium-term Plan Comparison lowered net sales and operating income by 7.0 billion yen and 0.7 billion yen, respectively).

# Reference: Fiscal 2018 Overseas Net Sales and Operating Income by Area (YoY)

<b>Net Sales</b>	11/17	11/18 Results	Increase (Decrease)	Change YoY	Local Currency Change YoY	Plan Comparison
Overseas Total	42.7 ¥bn	48.0 ¥bn	5.3 ¥bn	12%	— %	(0.1) ¥bn
China	18.1	19.3	1.2	6	3	(0.8)
Southeast Asia	8.5	10.0	1.6	18	13	0.1
North America	11.1	12.3	1.2	11	12	0.6
Condiments Products	6.7	6.8	0.1	1	2	0.4
Egg Products	4.3	5.5	1.1	26	27	0.2
Exports and New	5.0	6.4	1.3	28	—	(0.0)
<b>Operating Income</b>	11/17	11/18 Results	Increase (Decrease)	Change YoY	Local Currency Change YoY	Plan Comparison
Overseas Total	2.3 ¥bn	3.9 ¥bn	1.7 ¥bn	73%	— %	0.3 ¥bn
China	2.2	2.4	0.2	7	4	(0.1)
Southeast Asia	0.3	0.6	0.3	116	102	0.1
North America	(0.4)	0.8	1.2	—	—	0.3
Condiments Products	0.5	0.5	0.0	7	8	0.1
Egg Products	(0.9)	0.3	1.2	—	—	0.2
Exports and New	0.2	0.1	(0.1)	—	—	(0.0)

\* The exports and new refers primarily to exports from Japan to each European company. Figures other than exports from Japan cover the period from October to September.

\* Increase (Decrease) for overseas figures includes the impact of the exchange rate (which gained net sales by 1.2 billion yen and operating income by 0.1 billion yen).

\* The plan comparison indicates a difference compared to the plan announced in July 2018.

# Reference: Capital Investments and Main SG&A Expenses

								(¥bn)
		11/14	11/15	11/16	11/17	11/18 Results	11/18 Plan	2016-2018 Medium-term Plan Target
Capital Investments		30.1	32.4	33.0	27.2	32.1	35.0	22.4
Depreciation Expenses		16.1	19.1	18.3	16.8	18.2	18.3	17.5
Sales Promotion Expenses	New accounting method		3.5	3.7	3.9	3.9	4.3	7.2
	Former accounting method	21.4	23.5					
Advertising Expenses		8.0	8.7	8.7	9.5	9.1	9.2	9.0
Transportation and Warehousing Expenses	New accounting method		25.0	25.0	25.8	26.8	27.2	32.3
	Former accounting method	32.0	33.3					
Payroll Expenses		26.5	28.7	29.8	31.3	32.7	32.7	34.3
R&D Expenses		3.9	4.2	4.0	4.1	4.1	4.2	5.0

\* Beginning in fiscal 2016, the accounting standards for recording net sales and the depreciation method for fixed assets were changed.

\* Depreciation expenses for fiscal 2016 includes negative 2.8 billion yen for one-time write-off of residual book value.

\* The 11/18 plan refers to the plan announced in July 2018.

# Reference: Results of Salad Condiments by Category Type in Japan

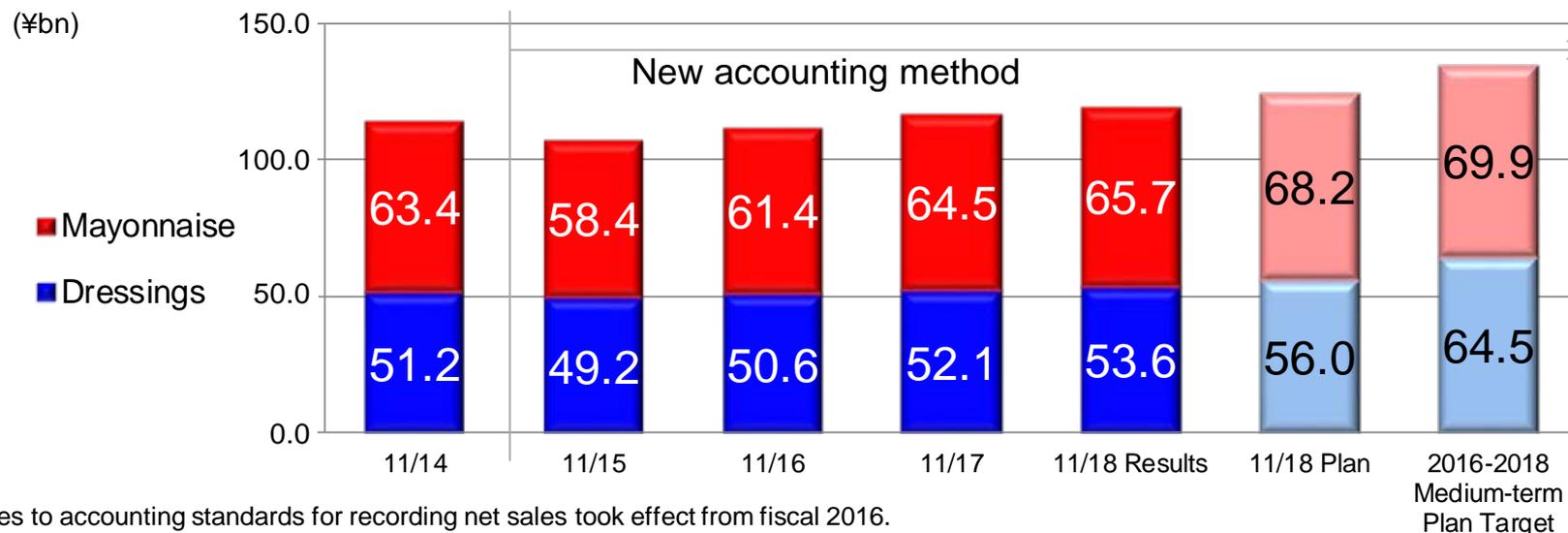
		11/14	11/15	11/16	11/17	11/18 Results	Change YoY	
For household use	Volume (1,000 t)	125	126	126	128	127	(0.9)%	
	Amount (¥bn)	New accounting method		63.8	63.9	65.0	63.5	(2.3)%
		Former accounting method	76.1	77.3				
For commercial use	Volume (1,000 t)	105	106	107	107	107	(0.1)%	
	Amount (¥bn)	New accounting method		41.6	41.3	40.9	41.1	0.5%
		Former accounting method	41.8	42.0				
Total	Volume (1,000 t)	230	232	233	236	234	(0.5)%	
	Amount (¥bn)	New accounting method		105.4	105.2	105.9	104.6	(1.2)%
		Former accounting method	117.9	119.3				

\* Changes to accounting standards for recording net sales took effect from fiscal 2016.

# Reference: Mayonnaise/Dressings Changes in Net Sales (including overseas)

(¥bn)

	11/14	11/15	11/16	11/17	11/18 Results	11/18 Plan	2016-2018 Medium-term Plan Target
«New accounting method»							
Mayonnaise		58.4	61.4	64.5	65.7	68.2	69.9
Dressings		49.2	50.6	52.1	53.6	56.0	64.5
Total		107.6	112.0	116.7	119.3	124.3	134.4
«Former accounting method»							
Mayonnaise	63.4	67.5					
Dressings	51.2	54.0					
Total	114.6	121.5					



\* Changes to accounting standards for recording net sales took effect from fiscal 2016.

\* The 11/18 plan refers to the plan announced in July 2018.

# Reference: Results and Indicators for Main Markets

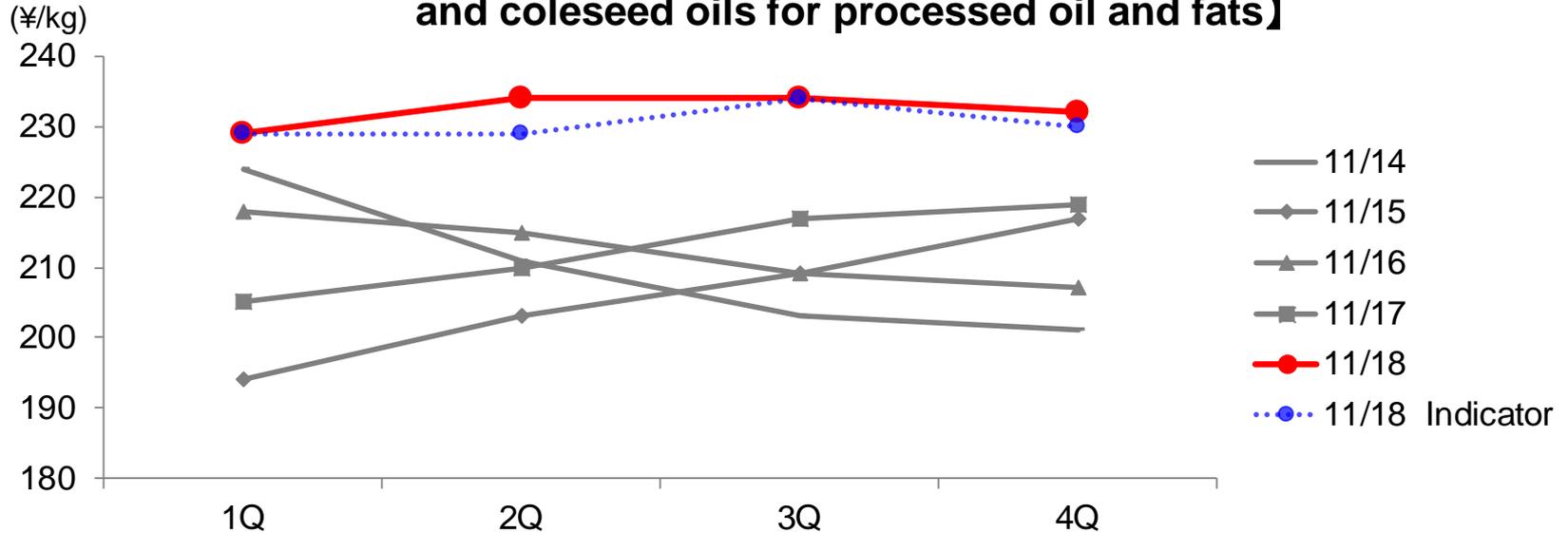
(¥)

	11/14	11/15	11/16	11/17	11/18 Results	11/18 Indicator	2016-2018 Medium-term Plan Indicator
Average Price of Institutional Use (Tank Truck Base) for Processed Oil and Fats (per kg)	209	206	212	213	233	232	215
Medium-Sized Egg, Tokyo Market Average Price (per kg)	224	227	206	207	184	185	205
US\$ Exchange Rates (average over fiscal year) (per 1\$)	102	119	112	111	110	108	130
RMB Exchange Rates (average over fiscal year) (per 1RMB)	17	19	17	16	17	17	20

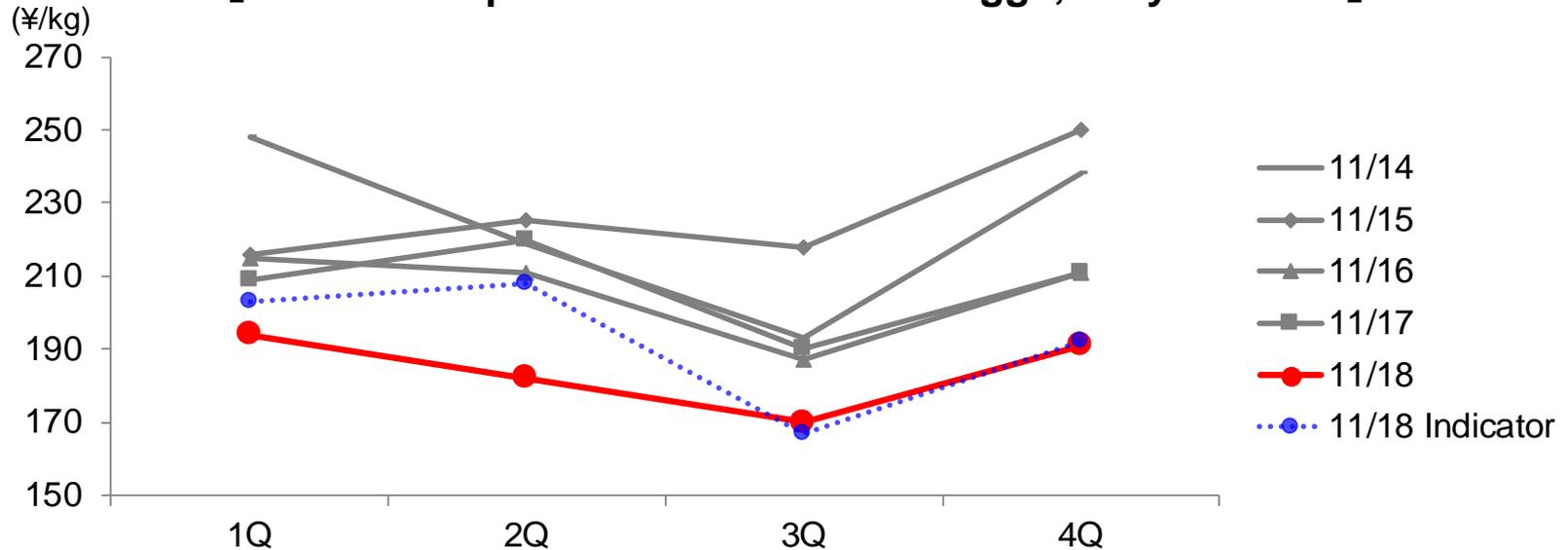
\* Indicators for fiscal 2018 are those released in July 2018.

# Reference: Conditions in Markets for Major Raw Materials

**【Average price of institutional use (tank truck base) for refined soybean and colesed oils for processed oil and fats】**

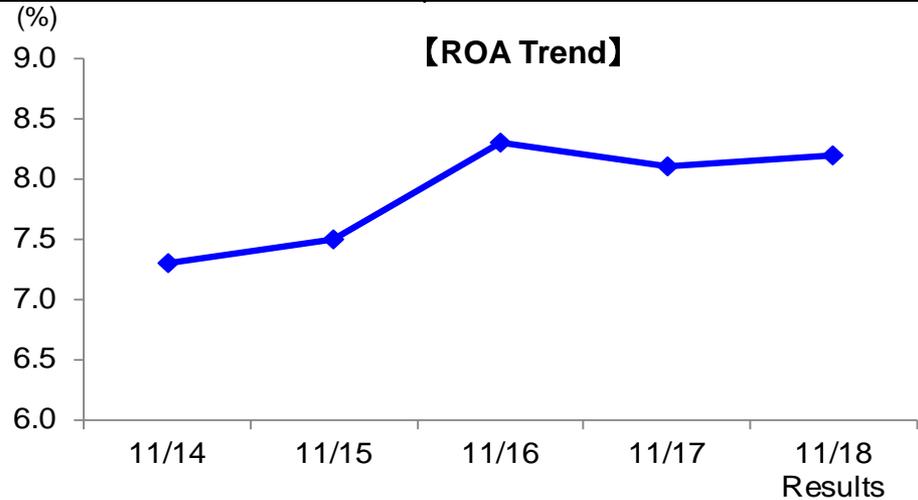
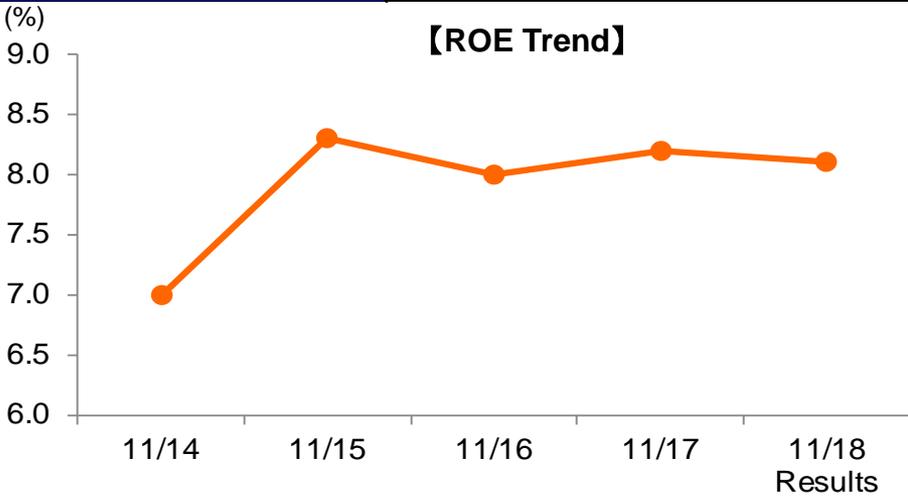


**【Benchmark price for medium-sized eggs, Tokyo market】**



# Reference: ROE/ROA Trends

	11/14	11/15 (Corrected)	11/16	11/17	11/18 Results	11/18 Plan	2016-2018 Medium-term Plan Target
<b>ROE</b> (Return on equity)	7.0	8.3	8.0	8.2	8.1	8.2	8.5
<b>ROA</b> (Return on assets)	7.3	7.5	8.3	8.1	8.2	8.1	8.6



(¥bn)	11/14	11/15 (Corrected)	11/16	11/17	11/18 Results
Net income	13.4	17.0	17.1	18.1	18.3
Shareholders' equity	195.1	212.9	212.6	226.4	226.3

(¥bn)	11/14	11/15 (Corrected)	11/16	11/17	11/18 Results
Ordinary income	25.4	27.2	31.4	32.5	34.3
Total assets	357.0	373.0	385.9	419.2	421.4

\* The accounting standards for recording net sales were changed in fiscal 2016. The figures for fiscal 2015 have been corrected for this impact.  
 \* The net income for fiscal 2016 and after is "profit attributable to owners of parent."  
 \* The 11/18 plan refers to the plan announced in July 2018.

**Note:**

With the exception of historical events, information in Kewpie Corporation's present plan, forecast, strategy, and beliefs reported in this handout refers to forecasts of future performance. It is reported based on judgments made by the management of Kewpie Corporation, referring to available information as of the date hereof. Readers are asked not to rely completely on performance forecasts contained herein.

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