

# FY2021 1H Financial Meeting

July 6, 2021  
Kewpie Corporation

# Agenda

1. Overview of FY2021 1H Results
2. FY2021 Forecasts and Response to Market Prices for Major Raw Materials
3. Reference Materials

## ■ Contents of these materials

- Figures for monetary amounts expressed in billions of yen in this report are rounded to the nearest 100 million yen.  
Ratios in this report are rounded to the nearest whole number.
- From FY2021 the reporting segments have been reclassified as follows:
  - The domestic operations in the "Condiments and Processed Foods," "Salad and Delicatessen" and "Egg" business segments have been reorganized into the "Retail Market" and "Food Service";
  - The overseas operations in the "Condiments and Processed Foods Business" have been split into the new "Overseas Business"; and
  - The "Distribution Business" has been transformed to an affiliated company accounted for by the equity method.
- The financial period overseas is October through September.

# 1. Overview of FY2021 1H Results

## Results overview (including distribution business)

◆ Net sales	Decline in sales (-64.2 ¥bn)	Impact from KRS Corporation becoming an affiliated company accounted for by the equity method (net sales -69.8 ¥bn and operating income -1.1 ¥bn)
◆ Operating income	Increase in income (+3.3 ¥bn)	

## Results overview (after retrospective adjustments for distribution business)

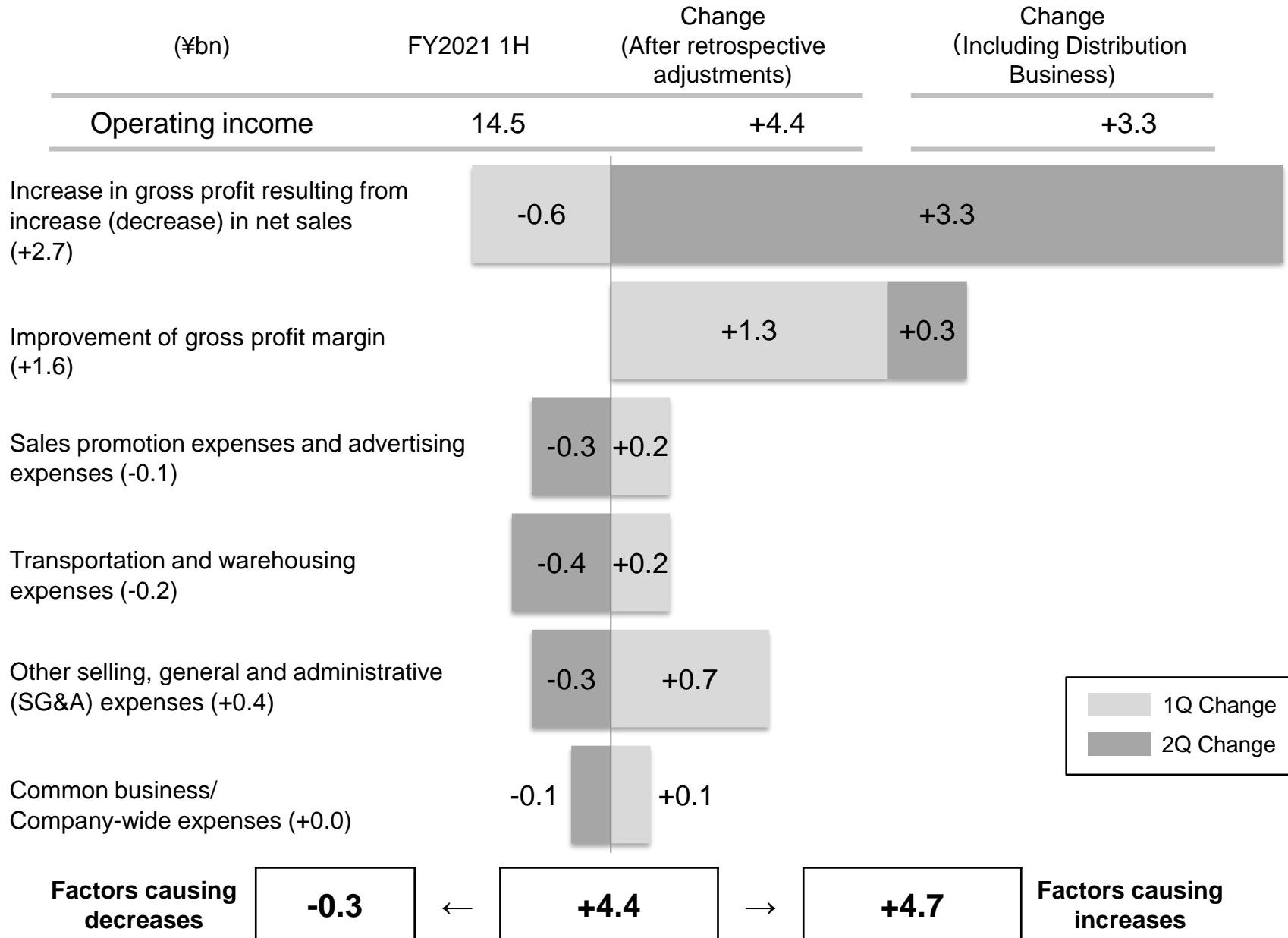
◆ Net sales	Increase in sales (+5.7 ¥bn)	• Sales increased in Retail market products due to higher demand for at-home meals.	(+3.7 ¥bn)
		• Higher sales due to a recovery overseas	(+1.6 ¥bn)
◆ Operating income	Increase in income (+4.4 ¥bn)	• Increase in gross profit	(+4.1 ¥bn)
		• Effect of curbing SG&A costs	(+0.4 ¥bn)
◆ Profit attributable to owners of parent	Increase in income (+4.0 ¥bn)	• Gains on sale of assets and investment securities	(+0.7 ¥bn)
		• Impact of decline in extraordinary losses	(+0.5 ¥bn)

(¥bn)	FY2020 1H	FY2020 1H (After retrospective adjustments)	FY2021 1H	Change (After retrospective adjustments)	YoY Change (After retrospective adjustments)
Net sales	263.1	193.2	198.9	+5.7	+3%
Operating income	11.2	10.1	14.5	+4.4	+44%
Ordinary income	11.4	10.6	15.2	+4.6	+43%
Profit attributable to owners of parent	5.6	5.6	9.6	+4.0	+70%
Operating income ratio	4.3%	5.2%	7.3%	+2.1%	—

\* Results for FY2020 1H (after retrospective adjustments) are the figures after retrospective adjustments, excluding the Distribution Business.

# FY2021 1H Factors behind Changes in Operating Income (Change +4.4)

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# FY2021 1H Net sales and Operating Income by Segment

(¥bn)	Net sales					
	FY2020 1H (After retrospective adjustments)	FY2021 1H	Change (After retrospective adjustments)	YoY Change (After retrospective adjustments)	1Q Change (After retrospective adjustments)	2Q Change (After retrospective adjustments)
Retail Market	82.3	86.0	+3.7	+5%	+1.7	+1.9
Food Service	71.7	72.4	+0.7	+1%	-5.1	+5.8
Overseas	23.1	24.7	+1.6	+7%	+0.1	+1.5
Fruits Solutions	8.3	8.6	+0.3	+3%	+0.2	+0.1
Fine Chemicals	4.0	4.4	+0.4	+10%	+0.2	+0.2
Common Business	3.7	2.7	-1.0	-27%	-1.1	+0.1
<b>Total</b>	<b>193.2</b>	<b>198.9</b>	<b>+5.7</b>	<b>+3%</b>	<b>-3.9</b>	<b>+9.6</b>

(¥bn)	Operating income					
	FY2020 1H (After retrospective adjustments)	FY2021 1H	Change (After retrospective adjustments)	YoY Change (After retrospective adjustments)	1Q Change (After retrospective adjustments)	2Q Change (After retrospective adjustments)
Retail Market	6.9	9.7	+2.8	+41%	+2.0	+0.9
Food Service	2.7	2.7	-0.0	-1%	-0.9	+0.8
Overseas	1.9	3.7	+1.8	+92%	+0.8	+1.0
Fruits Solutions	0.2	0.4	+0.2	+64%	+0.1	+0.1
Fine Chemicals	0.4	0.1	-0.3	-78%	-0.2	-0.1
Common Business	0.7	0.6	-0.1	-12%	-0.0	-0.0
Company-wide Expenses	-2.8	-2.7	+0.1	—	+0.1	-0.0
<b>Total</b>	<b>10.1</b>	<b>14.5</b>	<b>+4.4</b>	<b>+44%</b>	<b>+1.9</b>	<b>+2.5</b>

\* Results for FY2020 1H (after retrospective adjustments) are the figures after retrospective adjustments, excluding the Distribution Business.

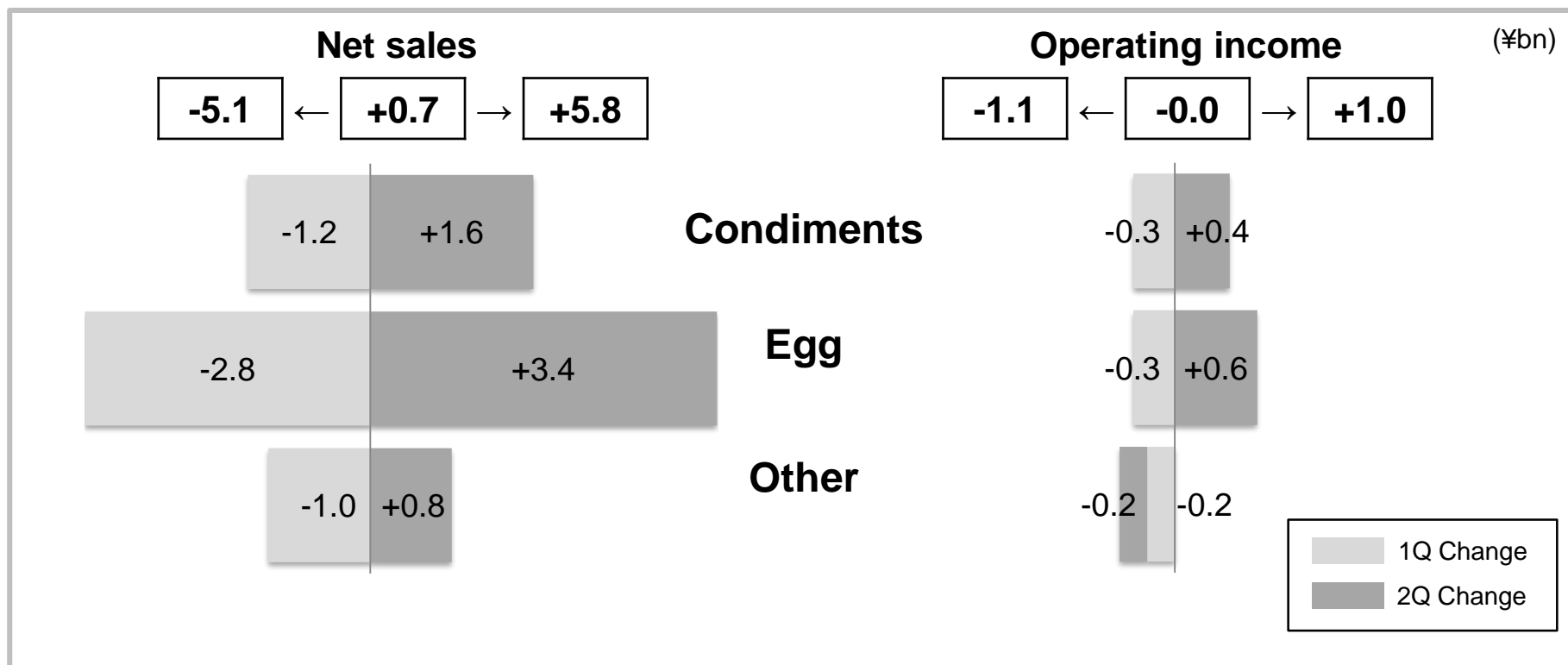
\* Changes overseas include a ¥0.1 billion decrease in net sales and a ¥0.0 billion increase in operating income caused by fluctuations of exchange rates.

## FY2021 1H Changes in Retail Market Segment Financial Results (Change)



(¥bn)	Net sales		Operating income		Main factors
	FY2021 1H	YoY Change	FY2021 1H	YoY Change	
Retail Market	86.0	+4%	9.7	+41%	<ul style="list-style-type: none"> <li>Sales increased due to an increase in at-home meal demand.</li> <li>Higher income due to the impact of an increase in sales</li> </ul>
Condiments	35.4	+7%	6.9	+44%	<ul style="list-style-type: none"> <li>Mainstay products Mayonnaise and Dressing grew and boosted sales and income.</li> </ul>
Delicatessen	29.5	+5%	1.7	+78%	<ul style="list-style-type: none"> <li>Core potato salad and products for home delivery were solid and sales increased.</li> <li>Income increased due to the impact of higher sales and higher productivity.</li> </ul>
Cut Vegetables	13.2	-1%	0.8	-1%	<ul style="list-style-type: none"> <li>Sales and income fell due to the impact of lower prices in the market for vegetables.</li> </ul>

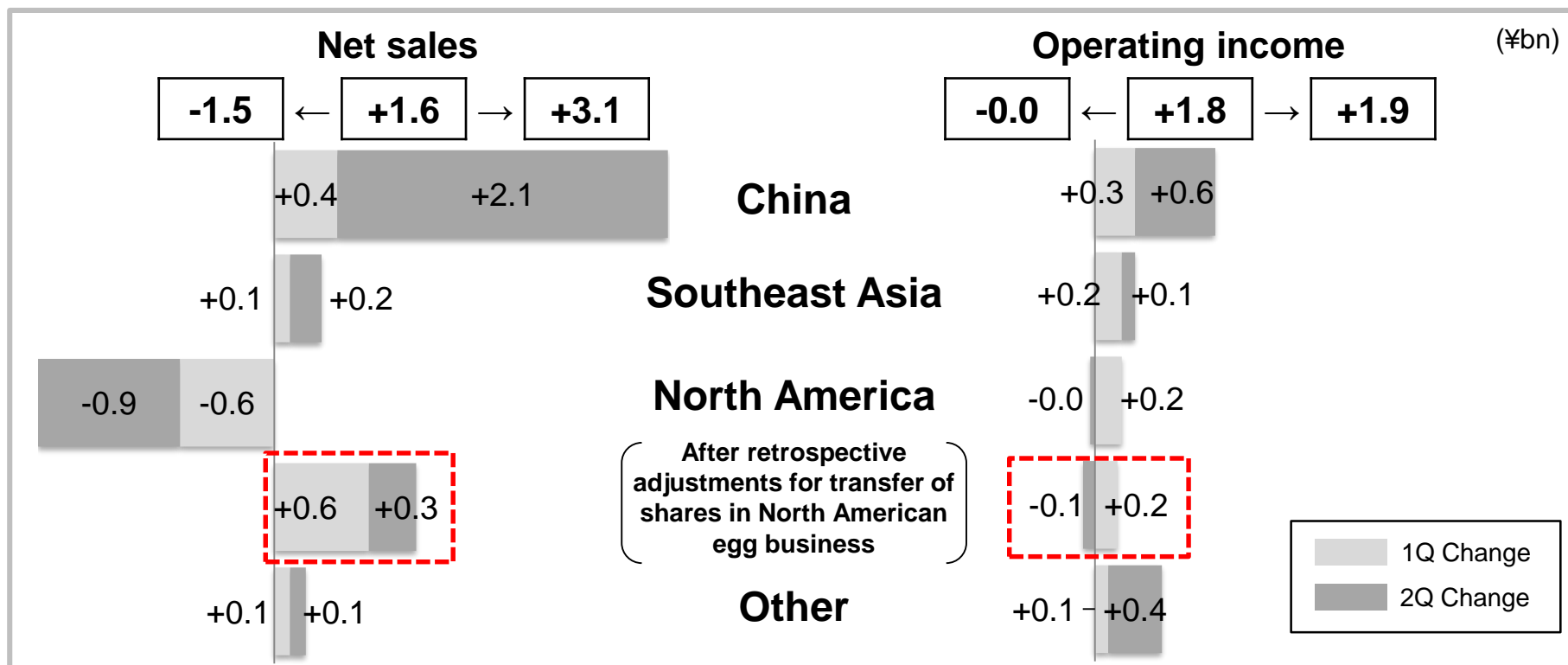
# FY2021 1H Changes in Food Service Segment Financial Results (Change)



(¥bn)	Net sales		Operating income		Main factors
	FY2021 1H	YoY Change	FY2021 1H	YoY Change	
Food Service	72.4	+1%	2.7	-1%	<ul style="list-style-type: none"> <li>Net sales increased due to the impact of higher egg prices.</li> <li>Operating income was down as a result of a decline in capacity utilization following production reorganization.</li> </ul>
Condiments	20.3	+2%	1.5	+5%	<ul style="list-style-type: none"> <li>Net sales and operating income were both up due to the recovery in sales.</li> </ul>
Egg	43.3	+1%	1.5	+26%	<ul style="list-style-type: none"> <li>Net sales rose due to the impact of an increase in egg prices.</li> <li>Operating income increased due to the effect of lower SG&amp;A costs.</li> </ul>



# FY2021 1H Changes in Overseas Segment Financial Results (Change)



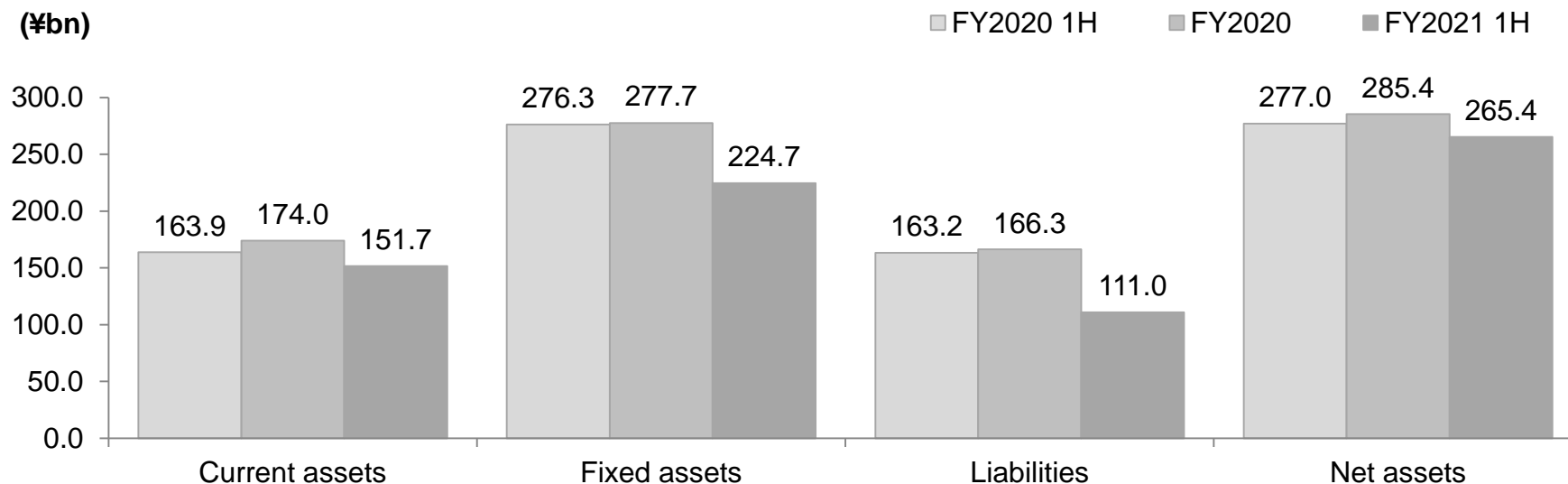
(¥bn)	Net sales		Operating income		Main factors
	FY2021 1H	YoY Change	FY2021 1H	YoY Change	
Overseas	24.7	+7%	3.7	+92%	<ul style="list-style-type: none"> <li>Net sales increased due to the recovery from the COVID-19 pandemic.</li> <li>Operating income rose due to an increase in sales at the overseas base and exports.</li> </ul>
China	10.7	+31%	1.8	+87%	<ul style="list-style-type: none"> <li>Net sales rose due to the recovery from the COVID-19 pandemic.</li> <li>Operating income increased due to growth in added value.</li> </ul>
Southeast Asia	6.5	+5%	0.9	+46%	<ul style="list-style-type: none"> <li>Demand for restaurants declined due to the impact of COVID-19, but net sales and operating income rose due to higher demand for at-home meals.</li> </ul>
North America	4.9	-23%	0.4	+40%	<ul style="list-style-type: none"> <li>Net sales fell due to the impact of the transfer of the North American egg business.</li> <li>Operating income rose due to growth in products for household use.</li> </ul>

# FY2021 1H Overview of Non-operating Income (Expenses) and Extraordinary Gains (Losses)

(¥bn)	FY2020 1H (After retrospective adjustments)	FY2021 1H	Change (After retrospective adjustments)	Main factors
Operating income	10.1	14.5	+4.4	
Non-operating income (expenses), net	0.5	0.7	+0.2	<ul style="list-style-type: none"> <li>• Decrease in commission expenses +0.1</li> <li>• Increase in equity in earnings of affiliates +0.1</li> </ul>
Ordinary income	10.6	15.2	+4.6	
Extraordinary gains (losses), net	-0.9	0.4	+1.3	<ul style="list-style-type: none"> <li>• Increase in gain on sales of fixed assets +0.4</li> <li>• Increase in gain on sales of shares of subsidiaries and associates +0.3</li> <li>• Decrease in losses on disposal of fixed assets +0.1</li> </ul>
Profit before income taxes	9.7	15.5	+5.9	
Income taxes, and profit attributable to non-controlling interests	4.0	5.9	+1.9	
Profit attributable to owners of parent	5.6	9.6	+4.0	

\* Results for FY2020 1H (after retrospective adjustments) are the figures after retrospective adjustments, excluding the Distribution Business.

# FY2021 1H Changes Points of Balance Sheet



## 〈Comparison with FY2020〉

### -22.4 ¥bn in current assets

- Decrease in notes and accounts receivable – trade -15.7
- Decrease in cash and deposits -4.6

### -53.0 ¥bn in fixed assets

- Decrease in tangible and intangible fixed assets -63.2
- Increase in investment securities +16.3

### -55.3 ¥bn in liabilities

- Decrease in long-term loans payable -34.6
- Decrease in notes and accounts payable – trade -12.5

### -20.0 ¥bn in net assets

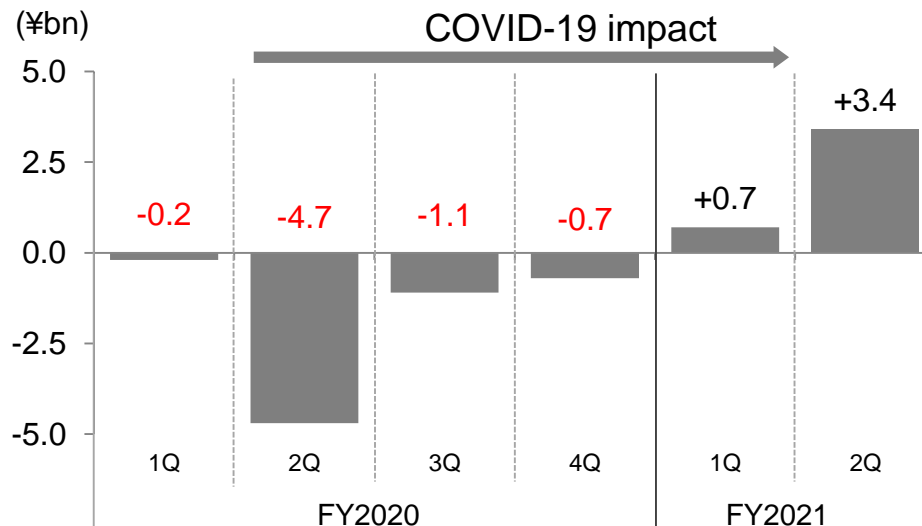
- Purchase of treasury stock -7.0
- Decrease in non-controlling interests -22.2

\* Total assets decreased by 102.7 ¥bn and liabilities decreased by 61.7 ¥bn due to the transition of the distribution business to an affiliate company accounted for by the equity method from FY2021.

## 2. FY2021 Forecasts and Response to Market Prices for Major Raw Materials

## ◆ Changes in gross profit

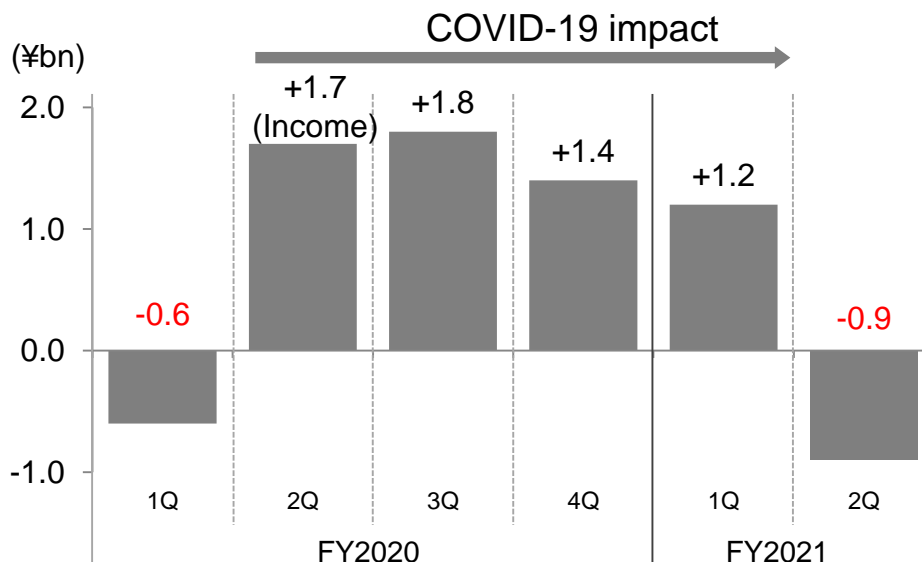
Gross profit decreased due to the impact of sales in 2Q FY2020 and onward, but turned positive in FY2021 driven by growth in Retail Market and Overseas Segment in 2Q FY2021, the impact of COVID-19 dissipated, resulting in a significant increase in gross profit.



## ◆ Fluctuations in SG&A expenses reduction

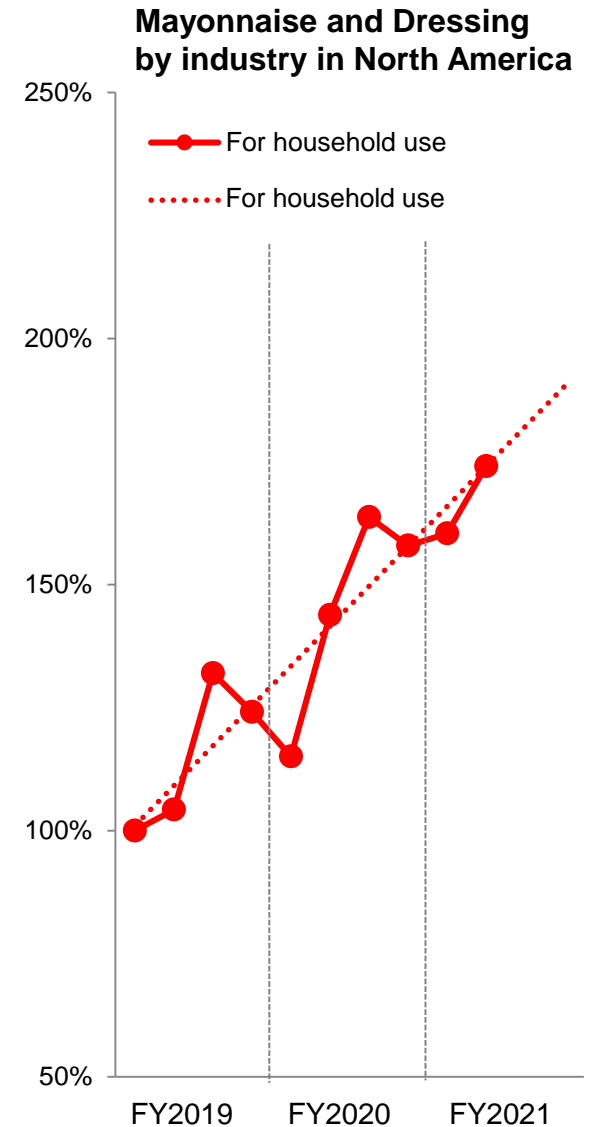
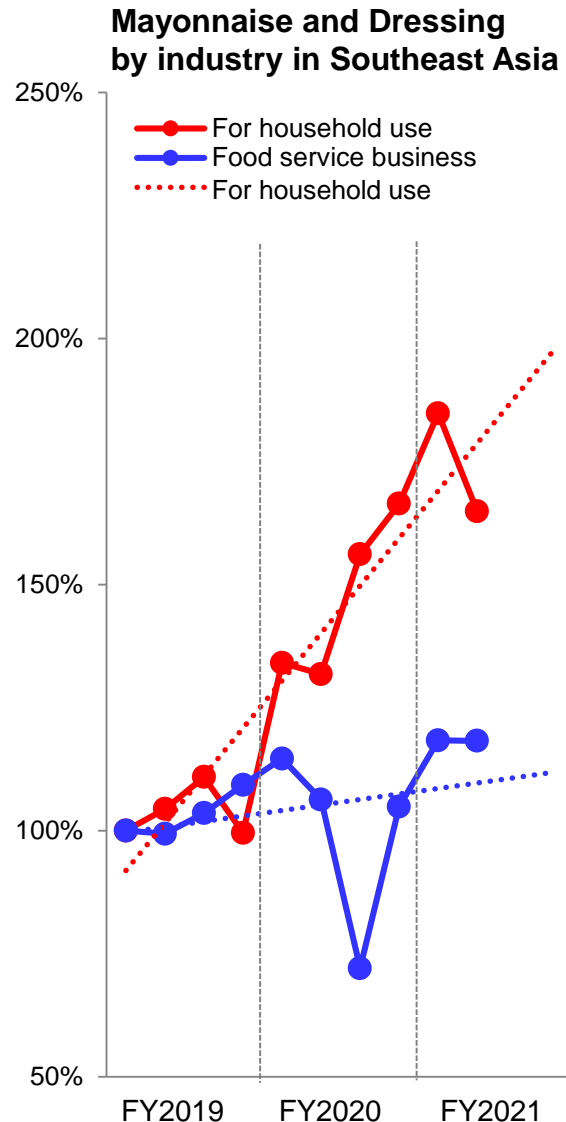
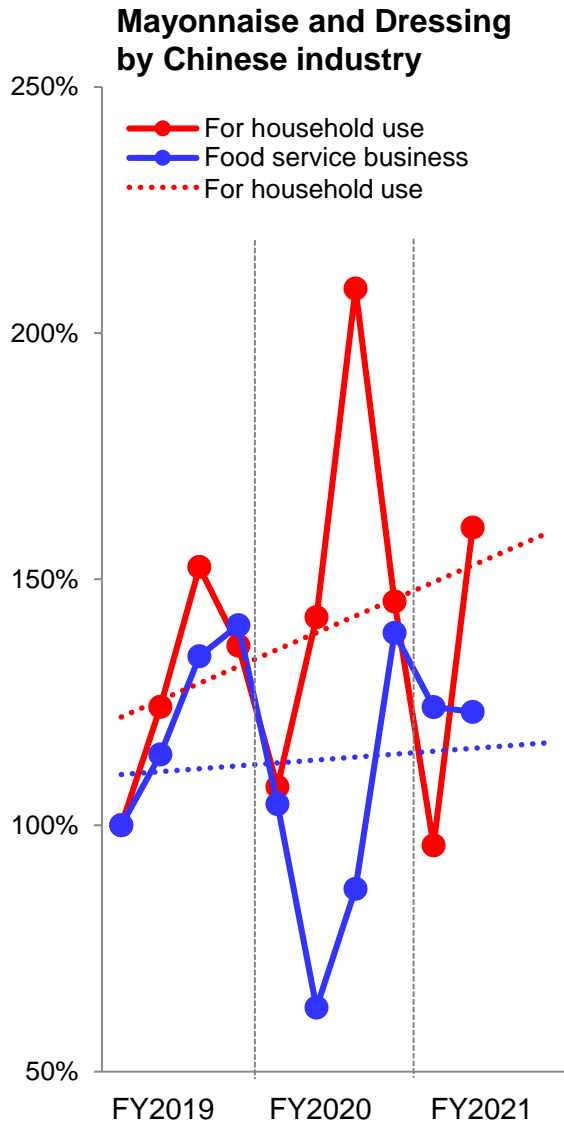
In terms of curbing SG&A expenses, we produced solid results by reinforcing cost control.

COVID-19 lowered income by 0.9 ¥bn in FY2021 2Q, but this was equivalent to the increase in activity costs after the pandemic subsided.



※After retrospective adjustments for distribution business

Fluctuations when sales in 1Q 2019 are set at 100

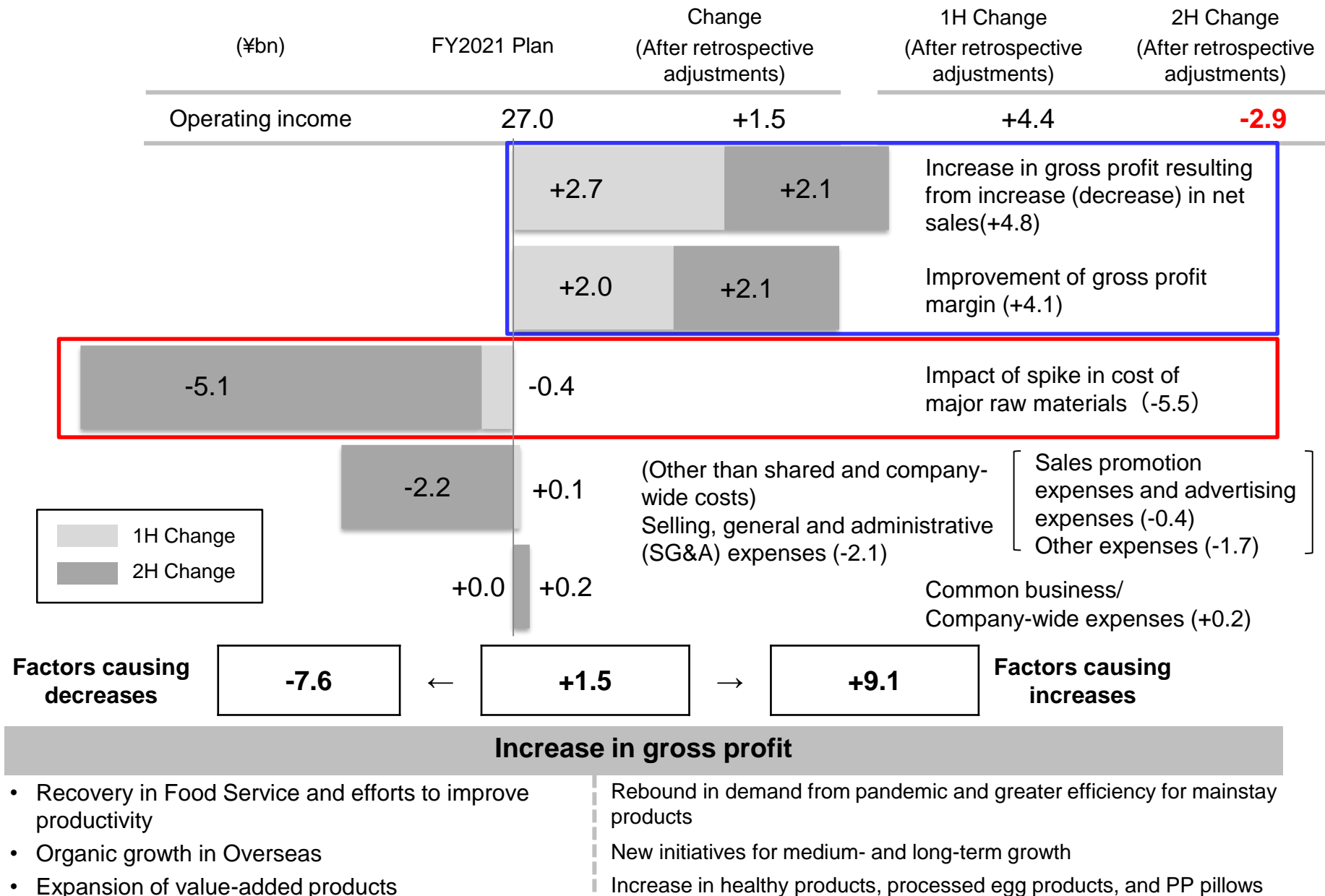


Even in overseas markets, household-use products capitalized on heightened demand for at-home meals, and Food service products are recovering from the impact of COVID-19.



# FY2021 Factors behind Changes in Operating Income (+1.5 Change)

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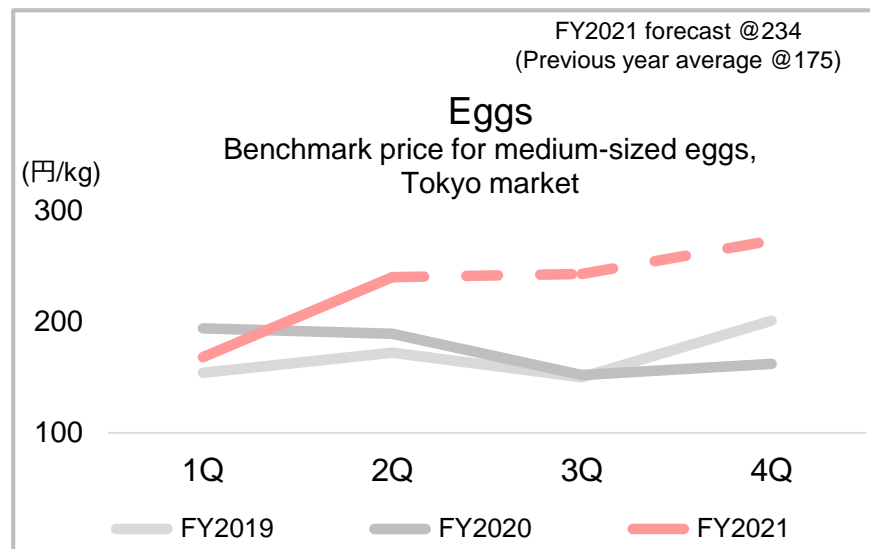
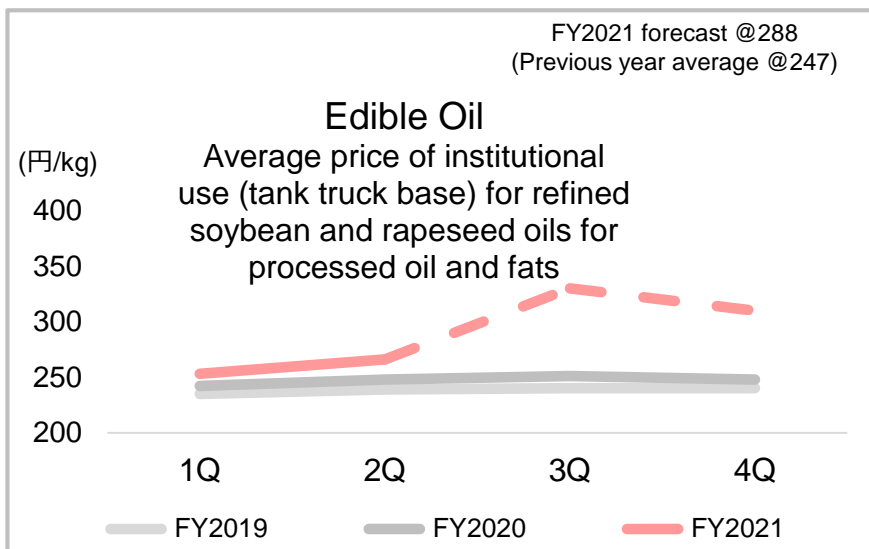


# Impact of Spike in Main Raw Material Prices

## Assumptions for raw material prices

**Edible oil:** Prices have trended in a high range due to significant amounts bought up by China and high demand for bio diesel in the US.

**Eggs:** The recovery from avian flu has been gradual, and the supply/demand balance will be tight until autumn 2022.



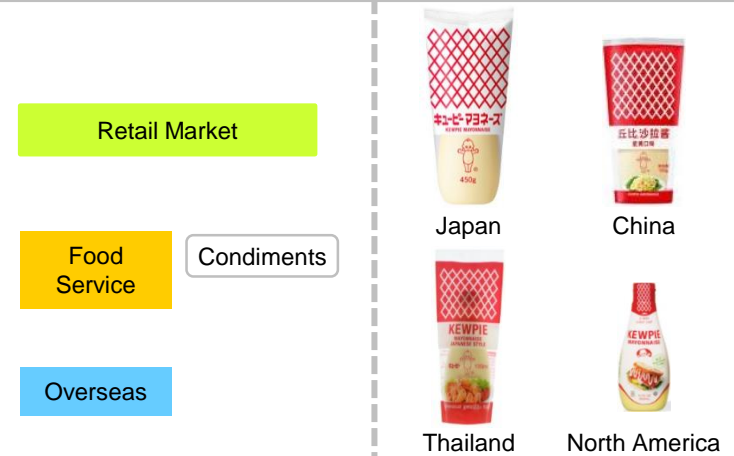
	Major raw materials (Condiments)		Eggs
	-3.2 ¥bn		-2.3 ¥bn
Impact on market	<b>FY2021 -5.5 ¥bn</b>		
	Retail Market	Food Service	Overseas
	-1.1 ¥bn	-2.8 ¥bn	-1.6 ¥bn

(- = loss)



## ◆ Flexible adjustment of prices

- Price of condiments will be flexibly revised.  
 ⇒ Normalization of new prices from July 1
- Revisions to sales conditions  
 ⇒ Redressing sales promotion costs
- Response to high raw material prices globally  
 ⇒ Revise prices at overseas sites



## Shift to strong system for market prices for raw materials





### ◆ Strengthen resilience by optimizing portfolio

- Shift to added-value model in egg products field
- Rebuild condiments product field so that it is not susceptible to prices

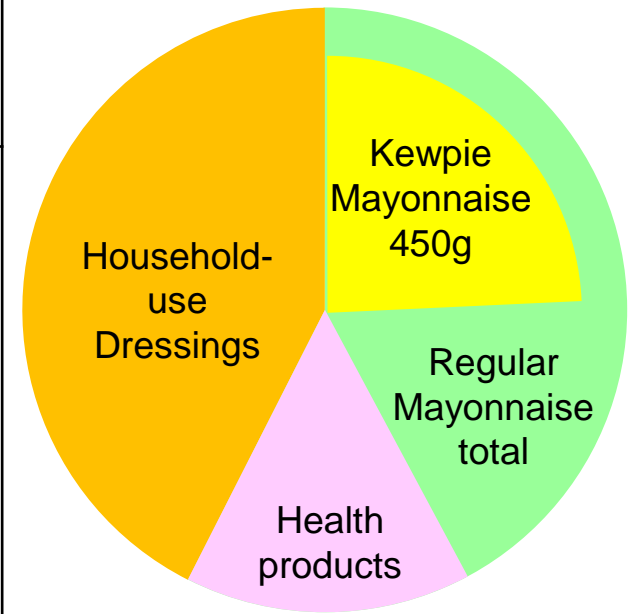
### ◆ Consider medium- and long-term measures

- Build a procurement system through Group collaboration
- Optimal procurement for Group, including globalization

# Shift to added value products and improve ability to generate profit

Deconcentrate risk of high prices	Address growth markets
<p>Standardize risk of spike in raw material prices Reinforce mainstay products</p>  <p>Deep-roasted sesame dressing      Kewpie Half</p>	<p>Develop new categories for sustainable growth</p>  <p>Fresh Stock      HOBOTAMA</p>
<p>Adjust prices flexibly and sustain affordability</p>  <p>450g      350g</p>	<p>Expand and spread high value-added products for diversifying health needs</p>  <p>Fitte      Defe      Flaxseed oil</p>
New value for Mayonnaise	Shift to added-value products

Breakdown of household use salad dressings (current status)



Rebuilding percentage of net sales

Net sales							
(¥bn)	FY2020 (after retrospective adjustment)	FY2021 Previously released target	FY2021 Plan	Difference to previous target	Change (after retrospective adjustment)	Change in 1H (after retrospective adjustment)	Change in 2H (after retrospective adjustment)
Retail Market	168.0	170.0	172.2	+2.2	+4.2	+3.7	+0.5
Food Service	145.0	151.0	154.7	+3.7	+9.7	+0.7	+8.9
Overseas	47.2	50.0	52.0	+2.0	+4.8	+1.6	+3.2
Fruits Solutions	16.5	17.3	17.0	-0.3	+0.5	+0.3	+0.2
Fine Chemicals	7.9	8.4	8.4	+0.0	+0.5	+0.4	+0.1
Common Business	6.0	3.3	5.7	+2.4	-0.3	-1.0	+0.7
<b>Total</b>	<b>390.7</b>	<b>400.0</b>	<b>410.0</b>	<b>+10.0</b>	<b>+19.3</b>	<b>+5.7</b>	<b>+13.7</b>

Operating income							
(¥bn)	FY2020 (after retrospective adjustment)	FY2021 Previously released target	FY2021 Plan	Difference to previous target	Change (after retrospective adjustment)	Change in 1H (after retrospective adjustment)	Change in 2H (after retrospective adjustment)
Retail Market	15.8	14.6	17.2	+2.6	+1.4	+2.8	-1.4
Food Service	7.8	9.7	6.3	-3.4	-1.5	-0.0	-1.5
Overseas	4.9	5.4	6.4	+1.0	+1.5	+1.8	-0.3
Fruits Solutions	0.6	0.8	0.8	+0.0	+0.2	+0.2	+0.1
Fine Chemicals	1.2	1.1	0.9	-0.2	-0.3	-0.3	+0.0
Common Business	1.3	1.0	1.2	+0.2	-0.1	-0.1	-0.0
Company-wide Expenses	-6.1	-6.2	-5.8	+0.4	+0.3	+0.1	+0.3
<b>Total</b>	<b>25.5</b>	<b>26.4</b>	<b>27.0</b>	<b>+0.6</b>	<b>+1.5</b>	<b>+4.4</b>	<b>-2.9</b>

\* Results for FY2020 (after retrospective adjustments) are the figures after retrospective adjustments, excluding the Distribution Business.

## Strengthening our profit structure and creating new dietary lifestyles

The Group will respond to customers' needs with overseas business as a growth driver and by introducing market-based focus domestically.

### Focused Categories

Salads (including condiments) and eggs

### Overseas Regions

Strengthen North America while focusing on China and Southeast Asia

### Key Indicators

ROE of 8% or more  
Operating income ratio of 7.5% or more  
Annual growth rate in overseas net sales of 10% or more

	FY2020 (after retrospective adjustment)	FY2020 1H Results	FY2021 Plan	FY2024 Target
ROE	4.8%	—	6.4%	At least 8%
Operating income ratio	6.5%	7.3%	6.6%	7.5%
Growth rate in overseas net sales	+4%	+20%	+17%	(Annualized rate) At least 10%
Net sales	390.7 ¥bn	198.9 ¥bn	410 ¥bn	410~440 ¥bn
Operating income	25.5 ¥bn	14.5 ¥bn	27 ¥bn	31~33 ¥bn

\* Results for FY2020 (after retrospective adjustments) are the figures after retrospective adjustments, excluding the Distribution Business.

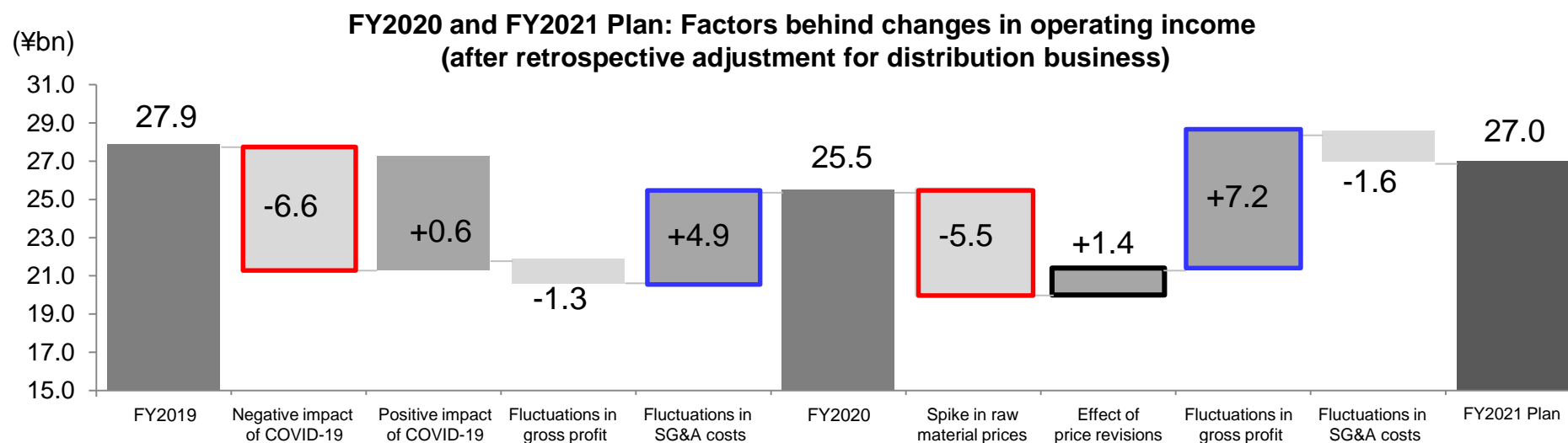
\* Growth rate in overseas net sales is calculated excluding the figures for the Egg business in North America, whose shares were transferred in July 2020.

# 3. Reference Materials

(¥bn)	FY2020	FY2020 (after retrospective adjustment)	FY2021 Previously released target	FY2021 Plan	Change (after retrospective adjustment)	YoY Change (after retrospective adjustment)	Change in 1H (after retrospective adjustment)	Change in 2H (after retrospective adjustment)
Net sales	531.1	390.7	400.0	410.0	+19.3	+4.9%	+5.7	+13.7
Operating income	28.3	25.5	26.4	27.0	+1.5	+6.0%	+4.4	-2.9
Ordinary income	29.0	26.8	27.8	28.6	+1.8	+6.7%	+4.6	-2.9
Profit attributable to owners of parent	11.4	11.4	15.0	15.4	+4.0	+35.3%	+4.0	+0.0
ROE	4.8%	4.8%	6.3%	6.4%	+1.6%	—	—	—
Operating income ratio	5.3%	6.5%	6.6%	6.6%	+0.1%	—	—	—
Growth rate in overseas net sales	+3.8%	+3.8%	+16.6%	+17.1%	+13.3%	—	—	—

\* Results for FY2020 (after retrospective adjustments) are the figures after retrospective adjustments, excluding the Distribution Business.

\* Growth rate in overseas net sales is calculated excluding the figures for the Egg business in North America, whose shares were transferred in July 2020.



# Ref. FY2021 1H Net Sales and Operating Income by Segment

	Net sales				Operating income				
	(¥bn)	FY2020 1H (after retrospective adjustment)	FY2021 1H	Change (after retrospective adjustment)	YoY Change (after retrospective adjustment)	FY2020 1H (after retrospective adjustment)	FY2021 1H	Change (after retrospective adjustment)	YoY Change (after retrospective adjustment)
<b>Retail Market</b>		<b>82.3</b>	<b>86.0</b>	<b>+3.7</b>	<b>+5%</b>	<b>6.9</b>	<b>9.7</b>	<b>+2.8</b>	<b>+41%</b>
Condiments		33.1	35.4	+2.3	+7%	4.8	6.9	+2.1	+44%
Delicatessen		27.9	29.5	+1.5	+6%	1.0	1.7	+0.8	+78%
Cut Vegetables		13.3	13.2	-0.1	-1%	0.8	0.8	-0.0	-1%
Other		8.0	7.9	-0.0	-1%	0.3	0.3	-0.0	-12%
<b>Food Service</b>		<b>71.7</b>	<b>72.4</b>	<b>+0.7</b>	<b>+1%</b>	<b>2.7</b>	<b>2.7</b>	<b>-0.0</b>	<b>-1%</b>
Condiments		20.0	20.3	+0.3	+2%	1.4	1.5	+0.1	+5%
Egg		42.8	43.3	+0.6	+1%	1.2	1.5	+0.3	+26%
Other		9.0	8.8	-0.2	-2%	0.1	-0.3	-0.4	—
<b>Overseas</b>		<b>23.1</b>	<b>24.7</b>	<b>+1.6</b>	<b>+7%</b>	<b>1.9</b>	<b>3.7</b>	<b>+1.8</b>	<b>+92%</b>
China		8.2	10.7	+2.6	+31%	1.0	1.8	+0.8	+87%
Southeast Asia		6.2	6.5	+0.3	+5%	0.6	0.9	+0.3	+46%
North America		6.3	4.9	-1.5	-23%	0.3	0.4	+0.1	+40%
Other		2.4	2.7	+0.2	+9%	0.0	0.6	+0.5	+1,073%
<b>Fruits Solutions</b>		<b>8.3</b>	<b>8.6</b>	<b>+0.3</b>	<b>+3%</b>	<b>0.2</b>	<b>0.4</b>	<b>+0.2</b>	<b>+64%</b>
<b>Fine Chemicals</b>		<b>4.0</b>	<b>4.4</b>	<b>+0.4</b>	<b>+10%</b>	<b>0.4</b>	<b>0.1</b>	<b>-0.3</b>	<b>-78%</b>
<b>Common Business</b>		<b>3.7</b>	<b>2.7</b>	<b>-1.0</b>	<b>-27%</b>	<b>0.7</b>	<b>0.6</b>	<b>-0.1</b>	<b>-12%</b>
<b>Company-wide Expenses</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>-2.8</b>	<b>-2.7</b>	<b>+0.1</b>	<b>—</b>
<b>Total</b>		<b>193.2</b>	<b>198.9</b>	<b>+5.7</b>	<b>+3%</b>	<b>10.1</b>	<b>14.5</b>	<b>+4.4</b>	<b>+44%</b>

\* Results for FY2020 1H (after retrospective adjustments) are the figures after retrospective adjustments, excluding the Distribution Business.

\* Changes overseas include a ¥0.1 billion decrease in net sales and a ¥0.0 billion increase in operating income caused by fluctuations of exchange rates.

(¥bn)	Net sales				Operating income			
	FY2020 (after retrospective adjustment)	FY2021 Plan	Change (after retrospective adjustment)	YoY Change (after retrospective adjustment)	FY2020 (after retrospective adjustment)	FY2021 Plan	Change (after retrospective adjustment)	YoY Change (after retrospective adjustment)
<b>Retail Market</b>	<b>168.0</b>	<b>172.2</b>	<b>+4.2</b>	<b>+2%</b>	<b>15.8</b>	<b>17.2</b>	<b>+1.4</b>	<b>+9%</b>
Condiments	67.1	68.7	+1.6	+2%	11.3	12.2	+0.9	+8%
Delicatessen	57.2	61.0	+3.8	+7%	2.1	3.1	+1.0	+47%
Cut Vegetables	27.7	27.2	-0.5	-2%	1.7	1.6	-0.1	-6%
Other	16.0	15.3	-0.7	-5%	0.7	0.3	-0.4	-58%
<b>Food Service</b>	<b>145.0</b>	<b>154.7</b>	<b>+9.7</b>	<b>+7%</b>	<b>7.8</b>	<b>6.3</b>	<b>-1.5</b>	<b>-19%</b>
Condiments	41.0	42.0	+1.0	+2%	3.7	3.1	-0.6	-17%
Egg	85.1	93.9	+8.8	+10%	3.6	3.4	-0.2	-6%
Other	18.9	18.8	-0.1	+0%	0.4	-0.2	-0.6	—
<b>Overseas</b>	<b>47.2</b>	<b>52.0</b>	<b>+4.8</b>	<b>+10%</b>	<b>4.9</b>	<b>6.4</b>	<b>+1.5</b>	<b>+29%</b>
China	18.8	24.8	+6.0	+32%	2.6	3.2	+0.6	+24%
Southeast Asia	11.8	12.8	+1.0	+8%	1.3	1.5	+0.2	+17%
North America	12.0	9.8	-2.2	-18%	0.8	1.0	+0.2	+31%
Other	4.6	4.6	+0.0	+1%	0.3	0.7	+0.4	+114%
<b>Fruits Solutions</b>	<b>16.5</b>	<b>17.0</b>	<b>+0.5</b>	<b>+3%</b>	<b>0.6</b>	<b>0.8</b>	<b>+0.2</b>	<b>+43%</b>
<b>Fine Chemicals</b>	<b>7.9</b>	<b>8.4</b>	<b>+0.5</b>	<b>+6%</b>	<b>1.2</b>	<b>0.9</b>	<b>-0.3</b>	<b>-22%</b>
<b>Common Business</b>	<b>6.0</b>	<b>5.7</b>	<b>-0.3</b>	<b>-6%</b>	<b>1.3</b>	<b>1.2</b>	<b>-0.1</b>	<b>-10%</b>
<b>Company-wide Expenses</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>-6.1</b>	<b>-5.8</b>	<b>+0.3</b>	<b>—</b>
<b>Total</b>	<b>390.7</b>	<b>410.0</b>	<b>+19.3</b>	<b>+5%</b>	<b>25.5</b>	<b>27.0</b>	<b>+1.5</b>	<b>+6%</b>

\* Results for FY2020 (after retrospective adjustments) are the figures after retrospective adjustments, excluding the Distribution Business.



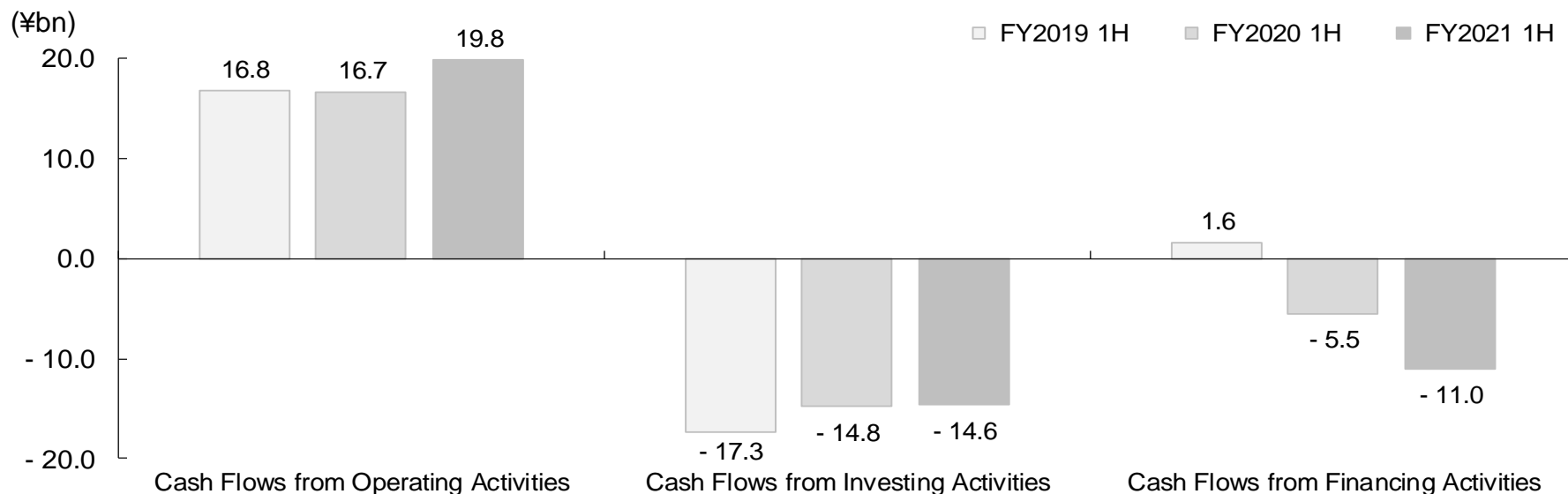
FY2021 1H (¥bn)	FY2021 1H	Change		
Retail Market	Net Sales	86.0	+3.7	• Sales grew for mainstay products in particular, thanks to higher demand for at-home meals, resulting in higher net sales.
	Operating Income	9.7	+2.8	• Operating income rose due to higher sales and an improved gross profit margin, and other factors.
Food Service	Net Sales	72.4	+0.7	• Net sales rose due to the impact of higher egg prices.
	Operating Income	2.7	-0.0	• Operating income declined due to lower utilization rate following the drop in demand caused by the spread of COVID-19.
Overseas	Net Sales	24.7	+1.6	• Net sales rose due to the recovery from COVID-19.
	Operating Income	3.7	+1.8	• Operating income rose due to an increase in sales and exports.
Fruits Solutions	Net Sales	8.6	+0.3	• Net sales were up due to the solid performance of household-use jam and spreads, among other factors.
	Operating Income	0.4	+0.2	• Operating income rose due to higher sales and an improved gross profit margin.
Fine Chemicals	Net Sales	4.4	+0.4	• Net sales increased due to the strong performance of hyaluronic acid supplements and skincare products in the mail-order business.
	Operating Income	0.1	-0.3	• Operating income fell due to an increase in advertising and promotion costs and a drop in production utilization due to the slump in raw material sales.
FY2021 Plan (¥bn)	FY2021 Plan	Change		
Retail Market	Net Sales	172.2	+4.2	• Net sales will increase due to stronger sales of mainstay products and expanded sales of high-price products, among other factors.
	Operating Income	17.2	+1.4	• Despite impact of sharp rise in raw material prices, the gross profit margin will improve, and this and other factors will lead to higher operating income.
Food Service	Net Sales	154.7	+9.7	• Net sales will rise due to higher sales resulting from an increase in egg prices.
	Operating Income	6.3	-1.5	• Operating income will fall due to the impact of a spike in raw material prices.
Overseas	Net sales	52.0	+4.8	• Net sales will rise due to a recovery from the pandemic.
	Operating Income	6.4	+1.5	• Operating income will increase due to higher gross profit.
Fruits Solutions	Net Sales	17.0	+0.5	• Net sales will rise due to initiatives with value-added products.
	Operating Income	0.8	+0.2	• Operating income will increase due to higher sales and improved gross profit margin.
Fine Chemicals	Net Sales	8.4	+0.5	• Net sales will rise, thanks to the development of products with high advertising efficiency in mail-order sales.
	Operating Income	0.9	-0.3	• Operating income will fall due to higher advertising and promotion costs, as well as a drop in production utilization attributable to a slump in raw material sales.

FY2021 1H (¥bn)						Total
	Retail Market	Food Service	Overseas	Fruits Solutions	Fine Chemicals	
Increase in gross profit resulting from increase (decrease) in net sales	+1.1	-0.3	+1.4	+0.1	+0.3	<b>+2.7</b>
Improvement of gross profit margin	+2.0	-0.6	+0.3	-0.0	-0.0	<b>+1.6</b>
Sales promotion expenses and advertising expenses	+0.0	+0.1	+0.2	+0.0	-0.4	<b>-0.1</b>
Transportation and warehousing expenses	-0.3	+0.2	-0.1	-0.0	-0.0	<b>-0.2</b>
Other selling, general and administrative (SG&A) expenses	-0.1	+0.5	-0.0	+0.0	-0.1	<b>+0.4</b>
<b>Change</b>	<b>+2.8</b>	<b>-0.0</b>	<b>+1.8</b>	<b>+0.2</b>	<b>-0.3</b>	<b>+4.4</b>

FY2021 Plan (¥bn)						Total
	Retail Market	Food Service	Overseas	Fruits Solutions	Fine Chemicals	
Increase in gross profit resulting from increase (decrease) in net sales	+1.2	+0.3	+2.7	+0.1	+0.5	<b>+4.8</b>
Improvement of gross profit margin	+0.6	-1.8	-0.3	+0.1	-0.1	<b>-1.4</b>
Sales promotion expenses and advertising expenses	-0.2	-0.1	+0.2	-0.0	-0.3	<b>-0.4</b>
Transportation and warehousing expenses	+0.1	+0.2	-0.4	-0.0	-0.1	<b>-0.2</b>
Other selling, general and administrative (SG&A) expenses	-0.4	-0.2	-0.7	+0.0	-0.2	<b>-1.5</b>
<b>Change</b>	<b>+1.4</b>	<b>-1.5</b>	<b>+1.5</b>	<b>+0.2</b>	<b>-0.3</b>	<b>+1.3</b>

# Ref. FY2021 Breakdown of Factors Causing Fluctuations in Operating Income

(¥bn)	1H		FY2021 Plan	
<b>Increase in gross profit resulting from increase (decrease) in net sales</b>	<b>+2.7</b>		<b>+4.8</b>	
Impact from net sales	+2.7	Sales growth Overseas +1.4	+4.8	Sales growth Overseas +2.7
		Increase in sales of Retail Market +1.1		Increase in sales of Retail Market +1.2
				Recovery in sales of Food Service +0.3
<b>Improvement of gross profit margin</b>	<b>+1.6</b>		<b>-1.4</b>	
Improvements to added value	+0.6	Growth in Overseas and added value products +0.4	+0.9	Growth in Overseas and added value products +0.7
Impact of manufacturing costs	+1.2	Improved productivity for Retail Market +1.1	+1.7	Improved productivity for Retail Market +0.7
				Recovery in egg utilization rate +0.5
Impact of raw material costs	-0.2	Main raw materials in condiments -0.2	-3.2	Main raw materials in condiments -3.2
Other	+0.0	Impact of Japanese egg market -0.2	-0.8	Impact of Japanese egg market -2.3
		Impact of vegetable prices +0.1		Effect of price revisions +1.4
<b>Sales promotion expenses and advertising expenses</b>	<b>-0.1</b>		<b>-0.4</b>	
Sales promotion expenses and advertising expenses	-0.1	Holding down sales promotion and advertising costs +0.5	-0.4	Resumption of sales promotion activities for Retail Market +0.0
		Increase in advertising expenses -0.6		Increase in advertising expenses -0.4
<b>Transportation and warehousing expenses</b>	<b>-0.2</b>		<b>-0.2</b>	
Transportation and warehousing expenses	-0.2	Increase in distribution costs due to higher sales -0.2	-0.2	Increase in distribution costs Overseas -0.4
<b>Other selling, general and administrative expenses</b>	<b>+0.4</b>		<b>-1.5</b>	
Other selling, general and administrative expenses	+0.4	Travel and transportation costs and training costs curbed, etc. +0.4	-1.5	Higher costs resulting from resumption of economic activity -1.5



### 〈Comparison with FY2020 1H〉

#### Cash Flows from Operating Activities

- Increase (decrease) in notes and accounts payable – trade **+6.8**
- Profit before income taxes **+5.1**
- Decrease (increase) in notes and accounts receivable – trade **-9.6**

#### Cash Flows from Investing Activities

- Decrease in purchases of tangible fixed assets **+8.7**
- Payments for sales of shares of subsidiaries resulting in change in scope of consolidation **-8.8**

#### Cash Flows from Financing Activities

- Increase in purchase of own stock **-7.0**

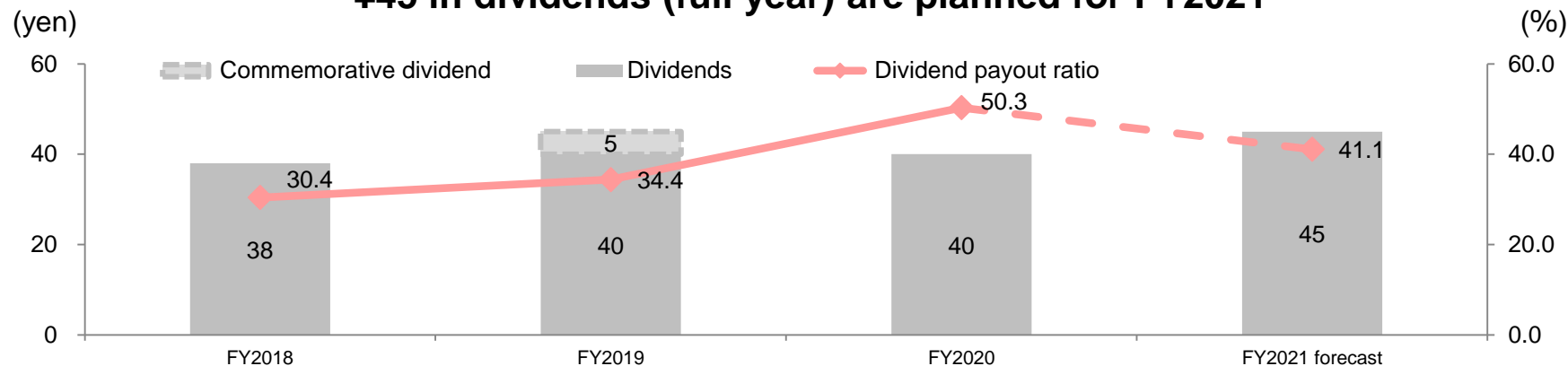
#### Status of capital investments (¥bn)

FY2020 1H (after retrospective adjustment)	FY2021 1H	FY2021 Plan
11.3	6.3	14.8

(¥bn)	FY2020 (Retroactive)	FY2021 Plan	Change (Retroactive)	Main factors
Operating income	25.5	27.0	+1.5	
Non-operating income (expenses)	1.3	1.6	+0.3	• Increase in equity in earnings of affiliates +0.3
Ordinary income	26.8	28.6	+1.8	
Extraordinary gains (losses)	-6.1	-2.4	+3.7	• Decrease in losses on sales of shares of subsidiaries and associates +1.9 • Increase in gain on sales of shares of subsidiaries and associates +0.3 • Decrease in losses on sale of fixed assets +0.9
Profit before income taxes	20.8	26.2	+5.4	
Income taxes, and profit attributable to non- controlling interests	9.4	10.8	+1.4	• Increase in income taxes, etc. +1.2
Profit attributable to owners of parent	11.4	15.4	+4.0	

\* Results for FY2020 (after retrospective adjustments) are the figures after retrospective adjustments, excluding the Distribution Business.

### ¥45 in dividends (full year) are planned for FY2021



(¥bn)		FY2019 1H	FY2020 1H	FY2021 1H
Mayonnaise	Japan	23.1	22.4	23.4
	Overseas	10.3	10.6	12.7
Dressings	Japan	20.5	18.8	19.6
	Overseas	4.6	4.8	6.6
<b>Total</b>	Japan	43.6	41.2	43.0
	Overseas	14.9	15.4	19.3
	<b>Total</b>	<b>58.5</b>	<b>56.7</b>	<b>62.3</b>

## 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.

Although this handout is made with extreme care, we assume no responsibility whatsoever for any damages resulting from possible errors in the contents.

Also, this handout is not intended to solicit investment. Please make any investment decisions according to your own judgment.