

Fiscal 2012 Financial Meeting
(Period ended November 30, 2012)

Strengthening Operating Base and Taking up Challenge of New Developments

3rd Stage



January 11, 2013

Kewpie Corporation

[\(http://www.kewpie.co.jp/english/ir/\)](http://www.kewpie.co.jp/english/ir/)

* Figures less than the units indicated have been rounded off.

Fiscal 2012 Results





Fiscal 2012 Results

Net Sales top 500 billion yen and net sales and operating income set record high

	11/11	11/12 Results	Change YoY	Increase (Decrease)	Plan Comparison
Net Sales	486.4 ¥bn	505.0 ¥bn	3.8 %	18.6 ¥bn	5.0 ¥bn
Foods	369.3	389.3	5.4	20.0	3.8
Distribution	117.1	115.7	(1.2)	(1.4)	(1.2)
Operating Income	20.8 ¥bn	23.4 ¥bn	12.3 %	2.6 ¥bn	(0.1) ¥bn
Foods	22.6	25.3	12.4	2.8	0.1
Distribution	3.0	3.2	5.4	0.2	0
Adjustments (Elimination/Corporate)	(4.8)	(5.2)	—	(0.4)	(0.3)
Ordinary Income	21.9 ¥bn	24.5 ¥bn	11.7 %	2.6 ¥bn	0.5 ¥bn
Net Income	9.4 ¥bn	12.3 ¥bn	30.1 %	2.8 ¥bn	0 ¥bn

*Plan comparison indicates difference for figures announced in July 2012

Fiscal 2012 Sales by Segment

Sales were up on the strong performance of Salads and Prepared Foods segment and Condiments and Processed Foods segment

	11/11	11/12 Results	Change YoY	Increase (Decrease)
Sales	486.4 ¥bn	505.0 ¥bn	3.8 %	18.6 ¥bn
Condiments and Processed Foods	173.5	181.4	4.5	7.9
Health Function Products	18.5	18.4	(0.3)	0
Egg Products	85.7	85.6	(0.2)	(0.2)
Salads and Prepared Foods	85.8	97.7	13.9	11.9
Common Business Operations	5.8	6.2	6.6	0.4
Distribution System	117.1	115.7	(1.2)	(1.4)

■ Sales by Segment

Condiments and Processed Foods	Sales of dressings in the domestic market and sales in east Asia expanded steadily
Health Function Products	Sales were down due to disappointing sales of hyaluronic acid, but sales of foods for the elderly grew
Egg Products	Sales fell as the chicken egg market stabilized after skyrocketing in the previous year, but sales of products for the ready-made foods market were strong
Salads and Prepared Foods	Thanks to measures aimed at bolstering demand, sales of packaged salads grew substantially, and sales of cooked rice and prepared foods also expanded
Distribution System	Decline in transactions resulting from customers' efforts to optimize their distribution standards

Fiscal 2012 Operating Income by Segment

Higher income due to effect of sales gains, reforms to Group's cost structure and stability in the chicken egg market

	11/11	11/12 Results	Change YoY	Increase (Decrease)
Operating Income	20.8 ¥bn	23.4 ¥bn	12.3 %	2.6 ¥bn
Condiments and Processed Foods	14.4	15.0	4.1	0.6
Health Function Products	1.5	0.8	(45.6)	(0.7)
Egg Products	3.8	5.7	49.6	1.9
Salads and Prepared Foods	2.2	3.1	38.1	0.8
Common Business Operations	0.7	0.8	24.9	0.2
Distribution System	3.0	3.2	5.4	0.2
Adjustments (Elimination/Corporate)	(4.8)	(5.2)	—	(0.4)

■ Operating Income by Segment

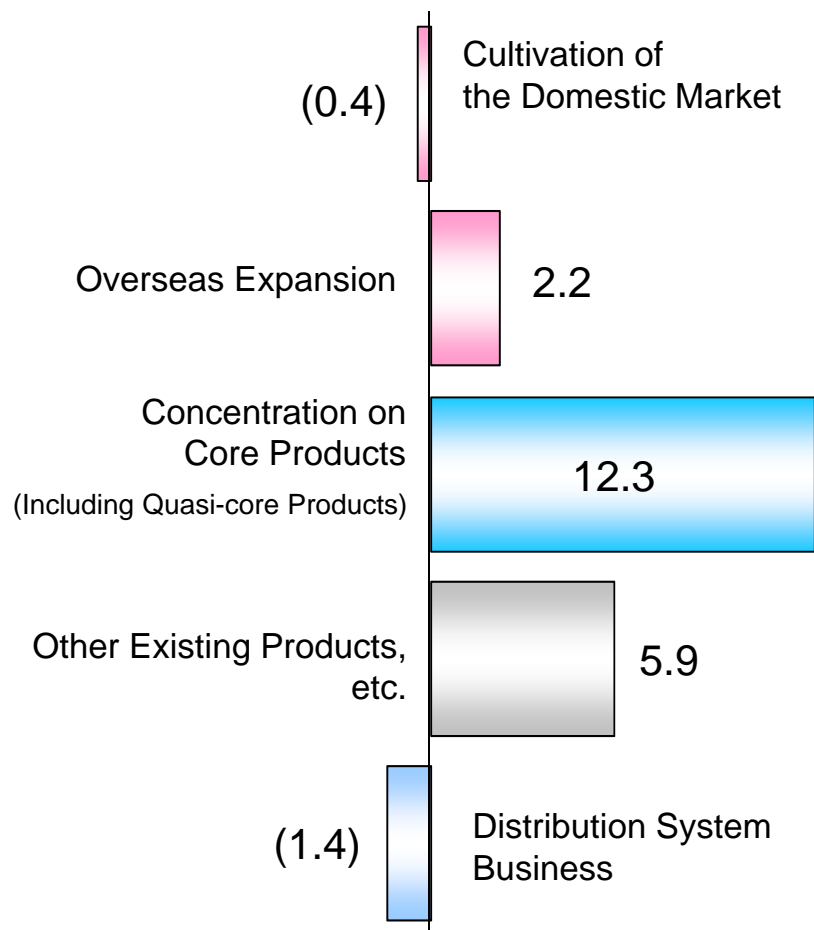
Condiments and Processed Foods	Profit increased as higher sales offset the increase in raw material costs and marketing costs
Health Function Products	Profit on hyaluronic acid was down, but progress was made in improving the cost structure
Egg Products	Profit increased due to higher sales on value-added prepared food products and the stable chicken egg market
Salads and Prepared Foods	In addition to the effect of efforts to reinforce the business foundation thus far, higher sales contributed to the increased profit in this segment
Distribution System	Profit increased due to the streamlining of storage and transport functions, such as a reduction in fixed costs achieved with the consolidation of distribution centers

Fiscal 2012 Factors Causing Increase (Decrease) in Net Sales and Operating Income

Factors causing increase (decrease) in net sales

(¥bn)

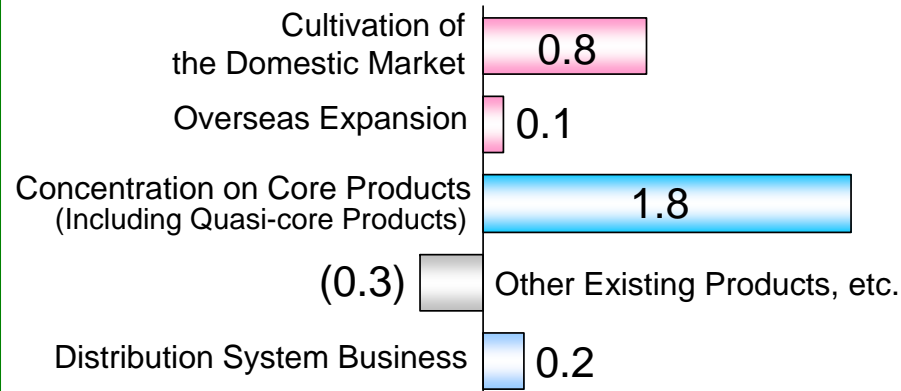
	11/11	11/12 Results	Increase
Net Sales	486.4	505.0	18.6



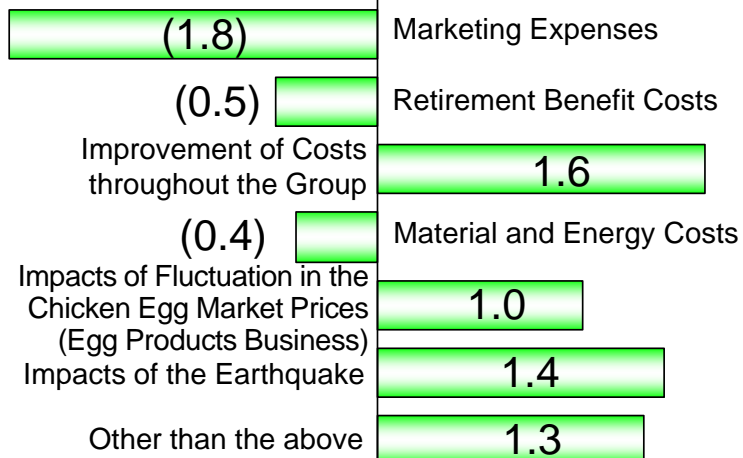
Factors causing increase (decrease) in operating income

(¥bn)

	11/11	11/12 Results	Increase
Operating Income	20.8	23.4	2.6



Impact of cost and other



Fiscal 2012 Key Points of Non-operating and Extraordinary Income (Expenses)

	(¥bn)		
	11/11	11/12 Results	Increase (Decrease)
Operating Income	20.8	23.4	2.6
Non-operating Income (Expenses)	1.1	1.1	0
Ordinary Income	21.9	24.5	2.6
Extraordinary Income (Expenses)	(4.3)	(1.1)	3.2
Income before Income Taxes	17.6	23.4	5.7
Income Taxes and Minority Interests	8.2	11.1	2.9
Net Income	9.4	12.3	2.8

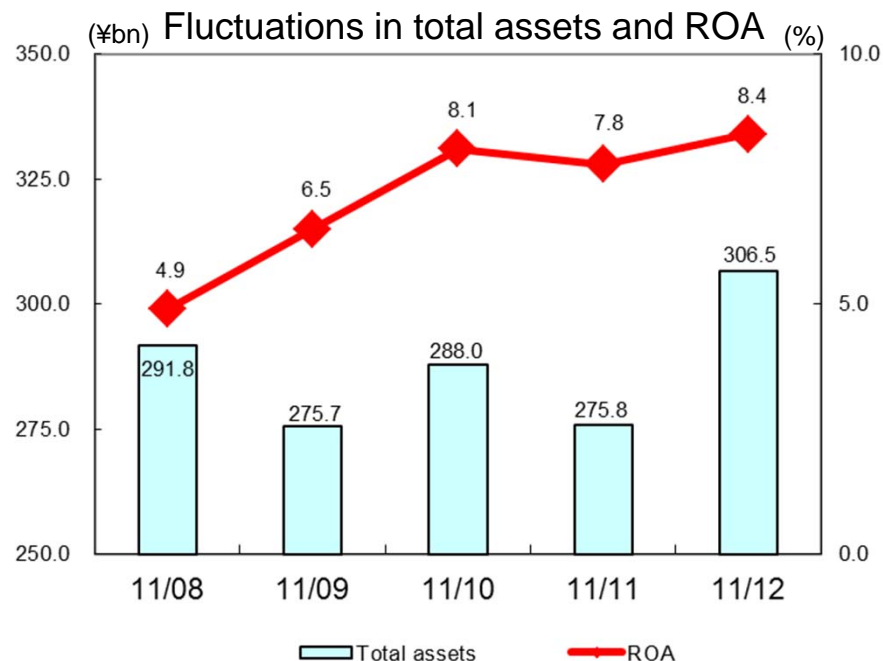
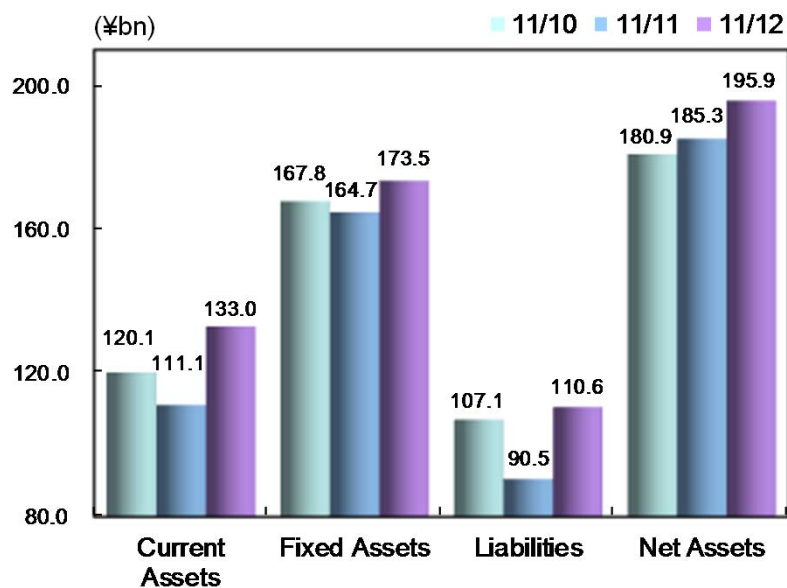
<Factors behind Extraordinary Income (Expenses)>

Resulting from earthquake disaster	
Decline in previous year's losses	1.6
Receipt of insurance proceeds and compensation	1.0
Decrease in valuation losses of investments in capital of subsidiaries and affiliates	0.5
Gain on negative goodwill resulting from additional acquisition of subsidiaries' shares	0.4
Increase in impairment losses	(0.9)

<Factors behind Income Taxes and Minority Interests>

Increase in income taxes as a result of increased profit	2.9
Decline in deferred income taxes resulting from tax rate changes	(1.2)
Increase in minority interests in K.R.S. Corporation and other subsidiaries	1.2

Fiscal 2012 Key Points of Balance Sheet



Comparison with FY2011

Increase in current assets 21.9 ¥bn

- Increase in cash and deposits and investment securities 18.8 ¥bn
- Increase in notes and accounts receivable-trade 1.8 ¥bn

Increase in tangible and intangible fixed assets 8.6 ¥bn

- Increase in purchases 23.3 ¥bn
- Decrease in depreciation (14.1) ¥bn

Increase in liabilities 20.1 ¥bn

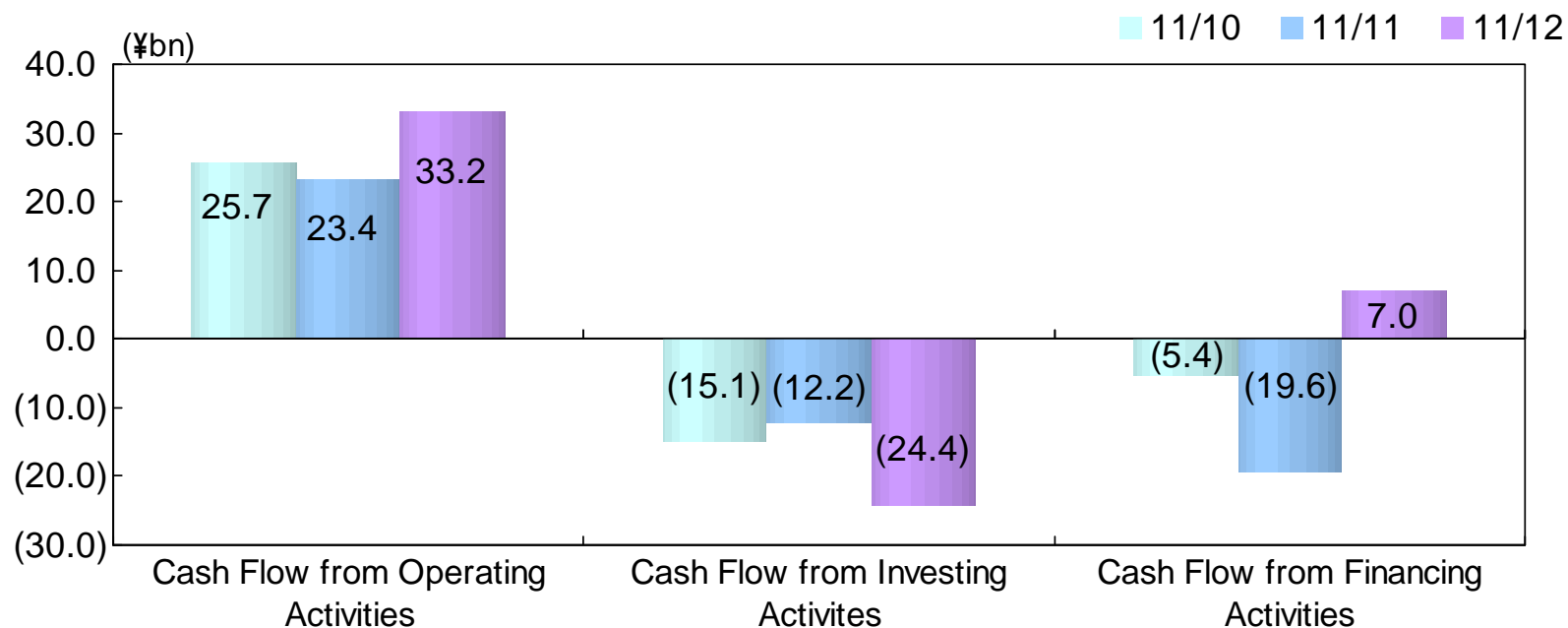
- Increase in loans payable 2.5 ¥bn
- Increase in accrued income taxes 3.5 ¥bn
- Increase in bonds 10.0 ¥bn

Increase in net assets 10.6 ¥bn

- Increase in earned surplus 9.5 ¥bn
- Increase in net unrealized gains on investment securities 1.4 ¥bn



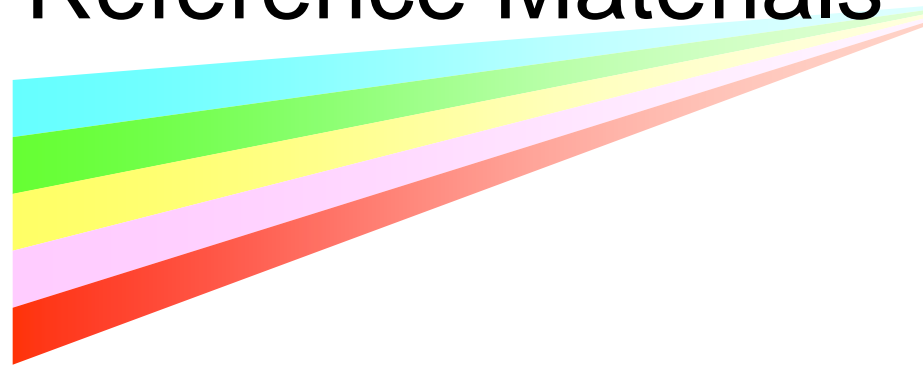
Fiscal 2012 Key Points of Cash Flows



Comparison with FY2011

Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities
<ul style="list-style-type: none"> Increase in net income 5.7 Decrease in income taxes paid 3.4 	<ul style="list-style-type: none"> Increase in purchase of tangible fixed assets (7.4) Acquisition of subsidiaries' shares (1.9) Deposits into time deposits with a period of over three months (3.0) 	<ul style="list-style-type: none"> Decrease in repayment of loans payable and increase in loans 14.6 Increase resulting from issuance of bonds 9.9 Decrease in acquisition of treasury shares 2.1

Reference Materials





Reference: Performance Trends

	(¥bn)			
	11/09	11/10	11/11	11/12
Condiments and Processed Foods	175.7	171.7	173.5	181.4
	13.8	16.6	14.4	15.0
Health Function Products	17.3	17.8	18.5	18.4
	0.6	1.4	1.5	0.8
Egg Products	79.5	83.1	85.7	85.6
	3.6	3.9	3.8	5.7
Salads and Prepared Foods	80.7	78.1	85.8	97.7
	1.3	1.6	2.2	3.1
Common Business Operations	7.1	6.7	5.8	6.2
	0.4	0.5	0.7	0.8
Distribution System	92.0	113.7	117.1	115.7
	2.2	2.8	3.0	3.2
Adjustments (Elimination/Corporate)	(4.3)	(4.6)	(4.8)	(5.2)
Total	452.2	471.0	486.4	505.0
	17.7	22.1	20.8	23.4

Note: Figures in the upper column are net sales, and those in the lower column are operating income



Reference: Major Expenses, etc.

	(¥bn)			
	11/09	11/10	11/11	11/12
Sales Promotion Expenses	17.6	18.2	18.2	19.5
Advertising Expenses	7.7	7.8	7.4	7.9
Distribution Costs	25.1	25.8	27.0	28.9
Labor Costs	21.7	22.8	23.6	24.3
R&D Costs	3.2	3.2	3.2	3.4
Capital Investments	11.9	12.6	13.4	20.9
Depreciation Expenses	13.0	13.1	13.6	14.1



Note:

Except for the historical events, information in the present plan, strategy, and beliefs reported in this handout is the forecast of future performance. It is reported based on judgments made by the manager of the company, 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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