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

(Translation)

Matters to be disclosed on the Internet
pursuant to laws and ordinances and the Articles of Incorporation

Consolidated Notes
Non-Consolidated Notes

For the 100th Fiscal Year
(December 1, 2011 to November 30, 2012)

Kewpie Corporation

These matters are made available by publication on the Internet website of the Company pursuant to laws and ordinances and its Articles of Incorporation.
(http://www.kewpie.co.jp/company/ir/stocks_information03.html)

Consolidated notes

I. Notes on the matters forming the basis of preparation of consolidated financial statements

1. Consolidated subsidiaries

The Group has fifty-two consolidated subsidiaries in the current fiscal year. The significant consolidated subsidiaries are K.R.S. Corporation, Kewpie Egg Corporation, Deria Foods Co., Ltd., Kanae Foods Co., Ltd. and Zenno Kewpie Egg Station Co., Ltd. In the current fiscal year, the number of consolidated subsidiaries increased by one because Saika Co., Ltd., a consolidated subsidiary, split part of its business into Enshu Delica Co., Ltd. through an incorporation-type company split.

Among the fourteen non-consolidated subsidiaries, the principal one is Asato Logistics Corporation. These companies are excluded from the consolidation, because their total amounts of total assets, net sales, net income (equal to the equity share) and earned surplus (equal to the equity share) do not have a significant effect on the total consolidated amounts of total assets, net sales, net income and earned surplus.

2. Application of the equity method

The equity method is applied to the investments in six affiliated companies. The significant equity-method affiliates are Aohata Corporation and Summit Oil Mill Co., Ltd. The investments in Asato Logistics Corporation and 13 other non-consolidated subsidiaries, as well as Tohoku Aohata Co., Ltd. and three other affiliated companies, which are not accounted for by the equity method, are stated at cost, because the aggregate amounts of net income or loss and earned surplus, equal to the equity share, do not have a significant effect on the consolidated net income or loss and earned surplus.

3. Fiscal years of consolidated subsidiaries

The date of the closing of accounts of Kewpie (Thailand) Co., Ltd., Beijing Kewpie Foods Co., Ltd. and Hangzhou Kewpie Foods Co., Ltd. is December 31 of each year. The date of the closing of accounts of Kifuki U.S.A. Co., Inc., Q&B Foods Inc., Henningsen Foods, Inc., Henningsen Foods, Netherlands Inc., Kewpie Malaysia Sdn. Bhd. and Kewpie Vietnam Co., Ltd. is September 30 of each year.

For the purpose of preparation of consolidated financial statements, Kewpie (Thailand) Co., Ltd., Beijing Kewpie Foods Co., Ltd. and Hangzhou Kewpie Foods Co., Ltd. are consolidated based on their temporary financial statements as at September 30 and Kifuki U.S.A. Co., Inc., Q&B Foods Inc., Henningsen Foods, Inc., Henningsen Foods, Netherlands Inc., Kewpie Malaysia Sdn. Bhd. and Kewpie Vietnam Co., Ltd. are consolidated based on their financial statements at their balance sheet date. Significant transactions for the period from October 1 up to November 30, if any, are reflected in the consolidated financial statements.

4. Accounting policies

(1) Basis and method of valuation of significant assets

(a) Securities

i) Held-to-maturity bonds are stated at amortized cost (by the straight-line method).

ii) Capital stocks of subsidiaries and affiliated companies not subject to the equity method are stated at cost, determined by the moving average method.

iii) Other securities with market value are stated at market value, determined by market prices, etc. as of the closing of the fiscal year (Revaluation differences are all transferred directly to capital. Selling costs are determined by the moving average method.). Those without market value are stated at cost, determined by the moving average method.

(b) Derivatives

Stated at market value.

Hedge accounting is applicable to hedge transactions that meet the requirements thereof.

(c) Inventories

Products and purchased goods, work in process, raw materials and supplies are principally stated at monthly moving average cost (the value method to devaluate a book value for decreasing profitability). Some joint products are stated at retail periodic average cost (the value method to devaluate a book value for decreasing profitability).

(2) Depreciation of significant depreciable assets

(a) Tangible fixed assets (excluding lease assets)

Tangible fixed assets, other than those described below, are depreciated using the declining-balance method, principally.

The buildings (excluding the improvements thereof) acquired on or after April 1, 1998 are depreciated using the straight-line method.

The bases for periods of useful life and residual values are mostly identical with those stipulated in the Corporate Tax Law of Japan.

(b) Intangible fixed assets (excluding lease assets)

Intangible fixed assets are depreciated using the straight-line method.

The bases for periods of useful life are mostly identical with those stipulated in the Corporate Tax Law of Japan.

Software for internal use is amortized by the straight-line method on the estimated useful life of internal use (five years).

(c) Lease assets

Finance lease transactions other than those which are deemed to transfer the ownership of leased assets to lessees are calculated by the straight-line method by considering the lease period to be useful life and the scrap value to be zero.

Finance lease transactions other than those which are deemed to transfer the ownership of leased assets to lessees, which started on or before November 30, 2008, are accounted for by the same method as that applied to ordinary operating leases.

(d) Long-term prepaid expenses

Long-term prepaid expenses are depreciated using the straight-line method.

(3) Method of treatment of significant deferred assets

All costs for issuing bonds are recognized as bond issuance cost when a payment is made.

(4) Accounting standards for significant allowances

(a) Allowance for doubtful accounts

To provide for losses on bad debts, the Company sets aside an estimated uncollectable amount, by taking into consideration the possible credit loss rate in the future based on the actual loss rate in respect of general credits, and the individual possibilities of collection in respect of possible non-performing credits and other specific claims.

(b) Reserve for sales rebates

To provide for payments for sales rebates to be incurred during the current fiscal year, a reserve for sales rebates is provided based on an accrual basis in accordance with each company's policy (rate of the estimated payments for sales rebates to sales).

(c) Reserve for bonuses

To provide for the payment of bonuses to employees, the reserves for bonuses are provided according to the expected amount of the payment for employees based on the applicable period.

(d) Reserve for officers' bonuses

To provide for the payment of bonuses to officers, a reserve for officers' bonuses is provided according to the estimated amounts payable at the end of the fiscal year under review.

(e) Reserve for employee retirement benefits

To meet the payment of retirement benefits to employees, the Company provides an amount accruing for the current fiscal year, based on estimated retirement benefit obligations and plan assets as of the close of the said fiscal year. A simplified method is applicable to some subsidiaries. Prior year service liabilities for each fiscal year are treated as expenses from the relevant fiscal year, based on the straight-line method for a specific period of years (12 years, but 10 to 13 years applicable only to K.R.S. Corporation) not exceeding the average remaining years of service of employees when such liabilities occur.

Actuarial differences for each fiscal year are treated as expenses from the next fiscal year, based on the straight-line method for a specific period of years (12 years, but 10 to 13 years applicable only to K.R.S. Corporation) not exceeding the average remaining years of service of employees when such differences occur. The employee retirement benefits systems of the Company and subsidiaries consist of a defined benefit pension plan (fund type and bylaw type) and a retirement lump-sum grants system.

(f) Reserves for losses on disaster

To provide for the payment of costs required for restoring buildings and equipment damaged by the Great East Japan Earthquake to the original state, reserves for losses on disaster are provided according to the expected amount of losses.

There is no such reserve left at the end of the current fiscal year.

(5) Significant methods of hedge accounting

(a) Deferral hedge is adopted in hedge accounting. Appropriation processing is adopted for transactions that meet the requirements for that method. Special processing is adopted for interest-rate swap transactions that meet the requirements for special processing.

(b) Hedging instruments are forward exchange contracts and interest-rate swap transactions.

(c) Hedged items are purchase transactions in foreign currencies and interest of loans.

(d) The Company enters into forward exchange contracts to hedge risks from fluctuations in foreign exchange rates, and interest swap agreements to hedge risks from fluctuations in interest rates in the future.

In addition, the Company never makes use of them for the purpose of speculative transactions.

(e) Assessment of the effectiveness of hedge accounting

Control procedures of hedge transactions are executed according to each company's bylaw. The effectiveness of the hedge is analyzed by comparing movements in the fair value of hedged items with those of hedging instruments, assessed and strictly controlled.

However, the measurement of the effectiveness of interest swap agreements that conform to the special regulated terms is omitted.

(6) Other important matters forming the basis of preparation of consolidated financial statements

Consumption taxes are treated on a net-of-tax basis.

5. Amortization of goodwill

Goodwill is amortized over five years using the straight-line method. Trivial goodwill is fully amortized in the fiscal year in which it is incurred.

6. Additional information

(Application of Accounting Standard for Accounting Changes and Error Corrections)

For accounting changes and corrections of past errors made on or after the first day of the fiscal year under review, the Company has applied the "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No. 24 of December 4, 2009) and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24 of December 4, 2009).

(Adjustment of deferred tax assets and deferred tax liabilities pursuant to the change in the corporate tax rates)

Following the promulgation on December 2, 2011 of the "Act for Partial Revision of the Income Tax Act, etc. for the Purpose of Creating Taxation System Responding to Changes in Economic and Social Structures" (Act No. 114 of 2011) and the "Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake" (Act No. 117 of 2011), corporate tax rates will be changed for the fiscal years beginning on or after April 1, 2012. In line with this change, the statutory effective tax rate used to measure deferred tax assets and deferred tax liabilities will be changed in stages from 40.70% to 35.64%.

As a result, the net amount of deferred tax assets (current assets) and the net amount of deferred tax liabilities (long-term liabilities) decreased by ¥156 million and ¥863 million, respectively, while income taxes-deferred increased by ¥525 million.

II. Notes to consolidated balance sheet

1. Pledged assets and secured obligations

Amount of pledged assets (book value):	Tangible fixed assets	¥2,154 million
	Total	¥2,154 million
Obligations secured by such pledged assets:	Short-term borrowings	¥800 million
	Long-term borrowings	¥529 million
	Total	¥1,329 million

2. Contingent liabilities

Guarantee obligations ¥1,848 million

III. Notes to consolidated statement of changes in shareholders' equity, etc.

1. Classes and total numbers of shares issued and outstanding and shares of treasury stock

	Class of shares issued and outstanding	Class of shares of treasury stock
	Shares of common stock	Shares of common stock
Number of shares as of December 1, 2011	153,000,000 shares	3,274,000 shares
Increase in the number of shares during the year	-	2,258 shares
Decrease in the number of shares during the year	-	-
Number of shares as of November 30, 2012	153,000,000 shares	3,276,258 shares

(Note) The number of shares of treasury stock (common stock) increased during the fiscal year under review as a result of the acquisition of less-than-one-unit shares.

2. Distribution of surplus

(1) Amount of dividends paid

(a) At the meeting of the Board of Directors held on January 24, 2012, a resolution was adopted as follows:

- Matters concerning dividends on shares of common stock
    1) Total amount of dividends ¥1,347,682,032
    2) Amount of dividend per share ¥9.00
    3) Record date November 30, 2011
    4) Effective date February 29, 2012

(b) At the meeting of the Board of Directors held on June 25, 2012, a resolution was adopted as follows:

・ Matters concerning dividends on shares of common stock

1)	Total amount of dividends	¥1,422,543,343
2)	Amount of dividend per share	¥9.50
3)	Record date	May 31, 2012
4)	Effective date	August 6, 2012

(2) Dividends the record date of which fell during the fiscal year under review but the effective date of which will fall during the next fiscal year

A proposition is planned to be submitted to the meeting of the Board of Directors to be held on January 24, 2013 as follows:

・ Matters concerning dividends on shares of common stock

1)	Total amount of dividends	¥1,572,271,995
2)	Fund of dividends	Earned surplus
3)	Amount of dividend per share	¥10.50
4)	Record date	November 30, 2012
5)	Effective date	February 27, 2013

IV. Notes to financial instruments

1. Matters relating to the status of financial instruments

(1) Policy in relation to financial instruments:

The Group raises required funds through bank loans and bond issues according to its equipment investment plan. Floating money is invested in high-security financial assets and short-term operating funds are provided by bank loans. The Group uses derivatives to hedge risks, as described below, and has a policy not to conduct speculative trading.

(2) Details of financial instruments and related risks:

Trade receivables – trade notes and accounts receivable – are exposed to clients' credit risks. Securities and investment securities, which principally consist of shares in the client companies related with the Group's business, are exposed to market risk.

Substantially all of trade payables – trade notes and accounts payable – have payment due dates within one year. Some trade payables in relation to import of raw materials are denominated in foreign currencies and exposed to foreign currency risk, which is hedged by using forward exchange contracts when necessary. Short-term borrowings are funds raised principally in relation to business transactions and long-term borrowings and bonds are funds raised principally for equipment investment requirements. Certain funds so raised bear floating interest rates and are exposed to interest volatility risk, which is hedged by using interest swap agreements, among others.

Derivatives are forward exchange contracts to hedge foreign currency risk involving payables in foreign currencies, interest swap agreements to hedge interest volatility risk relating to borrowings and oil swaps to hedge market risk relating to prices of light oil and heavy oil. With regard to hedging instruments, hedged items, hedge policies, the method of assessment of the effectiveness of hedges, etc., please refer to the above "Basis of preparation of consolidated financial statements", "4. Accounting policies", "(5) Signification methods of hedge accounting".

(3) Risk management system relating to financial instruments:

(i) Management of credit risk:

The Company, through its operation management division and accounting and financing division, periodically monitor the conditions of its major clients and manages the due dates and balances of its trade receivables by client to early detect or reduce credits that may become uncollectable due to the deterioration of its financial position or other reasons. Likewise, its consolidated subsidiaries manage their trade receivables.

With regard to derivatives, the Company perceives very little credit risk as it enters into transactions solely with financial institutions with high ratings.

(ii) Management of market risk:

The Group uses forward exchange contracts to hedge foreign currency risk involving payables in foreign currencies, interest swap agreements to hedge interest volatility risk relating to borrowings and oil swaps to hedge market risk relating to prices of light oil and heavy oil. The Company's risk management relating to such derivatives is conducted by its Division of Production and Financial Department pursuant to its internal rules and all of the trading results are reported to the General Manager of the Financial Department. With regard to its consolidated subsidiaries, such risk management is conducted principally by their respective administration divisions and all of the trading results are reported to the respective directors of the subsidiaries responsible therefor.

With regard to securities and investment securities, the Company periodically gains information on the market values and financial standings of the issuers (client companies) and review the holding of securities other than those held to maturity on a continuous basis by taking into consideration the market conditions and the relationships with the client companies.

(iii) Management of liquidity risk relating to fund-raising:

The Group prepares and revises cash flow projections on a timely basis and keep current cash flow at a specified level through overdraft agreements with several banks and a cash management system to manage liquidity risk.

(4) Supplementary explanation of matters relating to the fair values, etc.:

The fair values of financial instruments include market prices and reasonably estimated values if there are no market prices. As the estimation of fair values incorporates variable factors, adopting different assumptions may change the values.

2. Matters concerning fair values, etc. of financial instruments

The following table shows amounts for items recorded in the consolidated balance sheet as of November 30, 2012, along with their fair values and the variances. Items for which determining the fair values is recognized as being extremely difficult are not included in the table. (See Note 2)

(millions of yen)

		Balance sheet amount	Fair value	Variance
(1)	Cash and deposits	33,394	33,394	-
(2)	Trade notes and accounts receivable	66,684		
	Allowances for doubtful accounts (*1)	(149)		
		66,534	66,534	-
(3)	Securities and investment securities:	25,972	26,195	223
	Total assets	125,901	126,125	223
(4)	Trade notes and accounts payable	41,715	41,715	-
(5)	Short-term borrowings	7,245	7,245	-
(6)	Accounts payable - other	15,299	15,299	-
(7)	Accrued income taxes	6,692	6,692	-
(8)	Bonds	10,500	10,500	-
(9)	Long-term borrowings	1,750	1,749	(1)
	Total liabilities	83,204	83,202	(1)
	Derivatives (*2)	10	10	-

(*1) Allowances for doubtful accounts of trade notes and accounts receivable are excluded from the trade notes and accounts receivable.

(*2) Net receivables and payables resulting from derivatives are presented in net amounts and items of total net payables are indicated in the parentheses.

(Note 1) Matters concerning the calculation method of the fair values of financial instruments, as well as marketable securities and derivatives:

Assets

(1) Cash and deposits, (2) Trade notes and accounts receivable:

The book value is used for these items, as the fair value is nearly equal to the book value as a result of their short settlement periods.

(3) Securities and investment securities:

The fair value of stocks is determined by the price thereof traded on an exchange. For bonds, the value is determined by the price on an exchange or the price announced by the Company's financial institutions. For money in trust or otherwise, the book value is used, as the fair value is nearly equal to the book value as a result of its short settlement periods.

Liabilities

(4) Trade notes and accounts payable, (5) Short-term borrowings, (6) Accounts payable - other and (7) Accrued income taxes:

The book value is used for these items, as the fair value is nearly equal to the book value as a result of their short settlement periods.

(8) Bonds:

The fair value of bonds with fixed interest rates is calculated from the present value of the total principal and interest discounted at a rate supposing newly conducted similar borrowings.

(9) Long-term borrowings:

The fair value of long-term borrowings with fixed interest rates is calculated from the present value of the total principal and interest discounted at a rate supposing newly conducted similar borrowings. For long-term borrowings with floating interest rates, the book value is used, as the fair value is nearly equal to the book value as a result of the revision of interest rates based on the market interest rates in short periods. With regard to some long-term borrowings with floating interest rates subject to special processing of interest rate swaps, the fair value is calculated by discounting the total principal and interest to be processed together with such interest swaps, at a reasonably estimated rate supposing conducted similar borrowings.

Derivatives

With regard to derivatives subject to special processing of interest rate swaps, the fair value is indicated by inclusion in the fair value of long-term borrowings to be hedged, as they are processed together with such long-term borrowings.

(Note 2) Financial instruments for which determining the market values is recognized as being extremely difficult:

Category	Balance sheet amount (millions of yen)
Unlisted shares	4,079

The item has no market price and it is anticipated to cost dearly to estimate its future cash flow. Accordingly, as determining the market value is recognized as being extremely difficult, it is not included in "(3) Securities and investment securities".

V. Notes to leased and other real estate properties

Notes to leased and other real estate properties are omitted as the total amount thereof is insignificant.

VI. Notes on information per share

Amount of net assets per share	¥1,141.68
Net income per share (basic)	¥82.09

VII. Notes on material subsequent events

Establishment of an important subsidiary

The Company, at the meeting of its Board of Directors held on December 21, 2012, resolved to establish a joint venture in Indonesia with its consolidated subsidiary Kewpie Egg Corporation.

(1) Purpose of the establishment:

The Company intends to expand business in the growing Asian market, as its overseas strategy.

(2) Outline of the company to be established:

(i)	Company name:	PT. KEWPIE INDONESIA
(ii)	Business:	Production and sale of foods
(iii)	Capital:	176,470 million rupiah (approx. 1,500 million yen)

(3) Date of establishment:

Late January 2013 (scheduled)

(4) Shareholding ratio after the acquisition:

Kewpie Corporation: 95%
Kewpie Egg Corporation: 5%

(Note) Figures are stated by discarding fractions of one million yen.

Non-consolidated notes

I. Notes on matters concerning significant accounting policies:

1. Basis and method of valuation of marketable securities:

(1) Held-to-maturity bonds: Stated at amortized cost (by the straight-line method)

(2) Capital stocks of subsidiaries and affiliated companies:

At cost, determined by the moving average method

(3) Other securities:

Those with market value: At market value, determined by market prices, etc. as of the closing of the fiscal year (Revaluation differences are all transferred directly to capital. Selling costs are determined by the moving average method.)

Those without market value: At cost, determined by the moving average method

2. Basis and method of valuation of derivatives:

At market value.

Hedge accounting is applicable to hedge transactions.

3. Inventories:

(1) Basis of valuation:

Merchandise and products, work-in-process and materials and stocks are valued at cost (the value method to devaluate a book value for decreasing profitability).

(2) Method of valuation:

Merchandise and products, work-in-process and materials and stocks are valued by the monthly moving average method.

4. Method of depreciation of fixed assets:

(1) Tangible fixed assets (excluding lease assets):

Tangible fixed assets, other than those described below, are depreciated using the declining-balance method.

The buildings (excluding the improvements thereof) acquired on or after April 1, 1998 are depreciated using the straight-line method.

The bases for periods of useful life and residual values are identical with those stipulated in the Corporate Tax Law of Japan.

(2) Intangible fixed assets (excluding lease assets):

Intangible fixed assets are depreciated using the straight-line method.

The bases for periods of useful life are identical with those stipulated in the Corporate Tax Law of Japan.

Software for internal use is amortized by the straight-line method based on the estimated useful life of internal use (five years).

(3) Lease assets:

Finance lease transactions other than those which are deemed to transfer the ownership of leased assets to lessees are calculated by the straight-line method by considering the lease period to be useful life and the scrap value to be zero.

Finance lease transactions other than those which are deemed to transfer the ownership of leased assets to lessees, which started on or before November 30, 2008, are accounted for by the same method as that applied to ordinary operating leases.

(4) Long-term prepaid expenses:

Long-term prepaid expenses are depreciated using the straight-line method.

5. Method of treatment of significant deferred assets

All costs for issuing bonds are recognized as bond issuance cost when a payment is made.

6. Accounting for allowances:

(1) Allowance for doubtful accounts:

To provide for losses on bad debts, the Company sets aside an estimated uncollectable amount, by taking into consideration the possible credit loss rate in the future based on the actual loss rate in respect of general credits, and the individual possibilities of collection in respect of possible non-performing credits and other specific claims.

(2) Reserve for sales rebates:

To provide for payments for sales rebates to be incurred during the current fiscal year, a reserve for sales rebates is provided based on an accrual basis in accordance with the Company's policy (rate of the estimated payments for sales rebates to sales).

(3) Reserve for bonuses:

To provide for the payment of bonuses to employees, the reserves for bonuses are provided according to the expected amount of the payment for employees based on the applicable period.

(4) Reserve for officers' bonuses:

To provide for the payment of bonuses to officers, a reserve for officers' bonuses is provided according to the estimated amounts payable at the end of the fiscal year under review.

(5) Reserve for employee retirement benefits:

To meet the payment of retirement benefits to employees, the Company provides an amount accruing for the current fiscal year, based on estimated retirement benefit obligations and plan assets as of the close of the said fiscal year.

Prior year service liabilities for each fiscal year are treated as expenses from the relevant fiscal year, based on the straight-line method for a specific period of years (12 years) not exceeding the average remaining years of service of employees when such liabilities occur.

Actuarial differences for each fiscal year are treated as expenses from the next fiscal year, based on the straight-line method for a specific period of years (12 years) not exceeding the average remaining years of service of employees when such differences occur. For the fiscal year under review, such actuarial differences are treated as prepaid pension expense.

The Company has adopted a defined benefit pension plan (fund type and bylaw type) as its employee retirement benefits system.

7. Method of hedge accounting:

(1) Methods of hedge accounting

Deferral hedge is adopted in hedge accounting.

Appropriation processing is adopted for transactions that meet the requirements for that method.

(2) Hedging instruments and hedged items:

Hedging instruments:	Forward exchange contracts
Hedged items:	Purchase transactions in foreign currencies

(3) Hedging policy:

The Company enters into forward exchange contracts to hedge risks from fluctuations in foreign exchange rates. In addition, the Company never makes use of them for the purpose of speculative transactions.

(4) Assessment of the effectiveness of hedge accounting

Control procedures of hedge transactions are executed according to the Company's bylaw. The effectiveness of the hedge is analyzed by comparing movements in the fair value of hedged items with those of hedging instruments, assessed and strictly controlled.

8. Other important matters forming the basis of preparation of consolidated financial statements:

Consumption taxes are treated on a net-of-tax basis.

9. Additional information

(Application of Accounting Standard for Accounting Changes and Error Corrections)

For accounting changes and corrections of past errors made on or after the first day of the fiscal year under review, the Company has applied the "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No. 24 of December 4, 2009) and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24 of December 4, 2009).

(Adjustment of deferred tax assets and deferred tax liabilities pursuant to the change in the corporate tax rates)

Following the promulgation on December 2, 2011 of the "Act for Partial Revision of the Income Tax Act, etc. for the Purpose of Creating Taxation System Responding to Changes in Economic and Social Structures" (Act No. 114 of 2011) and the "Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake" (Act No. 117 of 2011), corporate tax rates will be changed for the fiscal years beginning on or after April 1, 2012. In line with this change, the statutory effective tax rate used to measure deferred tax assets and deferred tax liabilities will be changed in stages from 40.70% to 35.64%.

As a result, the net amount of deferred tax assets (current assets) and the net amount of deferred tax liabilities (long-term liabilities) decreased by ¥71 million and ¥746 million, respectively, while income taxes-deferred increased by ¥500 million.

II. Notes to the balance sheet:

(millions of yen)

1.	Accumulated depreciation of tangible fixed assets:		108,908
2.	Contingent liabilities		
	Guarantee obligations:		639
3.	Accounts receivable from related companies:	Current assets	12,287
		Fixed assets	295
4.	Accounts payable to related companies:	Current liabilities	24,299
		Long-term liabilities	0

5. Accounts payable to Directors and Corporate Auditors: Long-term liabilities 146

III. Notes to the statement of income

(millions of yen)

1. Operating income from related companies:	18,924
2. Operating expenses to related companies:	99,961
3. Amount of transactions other than operating transactions with related companies:	2,152

IV. Notes to statements of changes in shareholders' equity, etc.

Class and total numbers of shares of treasury stock

	Class of shares of treasury stock
	Shares of common stock
Number of shares as of December 1, 2011	3,257,552 shares
Increase in the number of shares during the year	2,258 shares
Decrease in the number of shares during the year	-
Number of shares as of November 30, 2012	3,259,810 shares

(Note) The number of shares of treasury stock increased during the fiscal year under review as a result of the acquisition of less-than-one-unit shares.

V. Notes on tax effect accounting

The principal details of deferred tax assets and liabilities are as follows:

	(millions of yen)
Deferred tax assets (current)	
Reserve for sales rebates	333
Reserve for bonuses	77
Accrued social security premiums	120
Others	1,168
Subtotal of deferred tax assets (current)	1,700
Valuation reserve	(702)
Total deferred tax assets (current)	998
Deferred tax assets (fixed)	
Trust of employee retirement benefits	1,262
Write-off of golf club membership	95
Others	1,148
Subtotal of deferred tax assets (fixed)	2,506
Valuation reserve	(693)
Total deferred tax assets (fixed)	1,813
Total deferred tax assets	2,812
Deferred tax liabilities (current)	
Forward exchange contracts	(4)
Total deferred tax liabilities (current)	(4)
Deferred tax liabilities (long-term)	
Prepaid pension expenses	(4,687)
Reserve for deferred tax on replacement assets	(1,286)
Revaluation difference of other securities, etc.	(1,226)
Others	(5)
Total of deferred tax liabilities (long-term)	(7,206)
Total deferred tax liabilities	(7,210)
Net deferred tax income (liabilities)	(4,398)

VI. Notes on fixed assets used on lease

Financial lease transactions other than those in which ownership of leased property is considered to be transferred to borrowers

(1) Amounts equivalent to the acquisition prices, accumulated depreciation and balance at the end of the year, of leased property:

(millions of yen)

	Amount equivalent to acquisition prices	Amount equivalent to accumulated depreciation	Amount equivalent to balance at the end of the year
Machinery and equipment	215	175	40
Vehicles and transportation equipment	172	168	4
Tools, furniture and fixtures	210	206	4
Total	599	550	49

(2) Amount equivalent to the balance of unearned rent at the end of the year:

Lease within one year:	¥42 million
Lease exceeding one year:	¥12 million
Total:	¥54 million

(3) Rent paid, the amount equivalent to depreciation costs and the amount of interest paid:

Rent paid:	¥108 million
Amount equivalent to depreciation costs:	¥99 million
Amount of interest paid:	¥4 million

(4) Calculation method of the amount equivalent to depreciation costs:

Depreciation costs are calculated by the straight-line method by considering the lease period to be useful life and the scrap value to be zero.

(5) Calculation method of the amount equivalent to interest:

The difference between the aggregate lease amounts on contracts and the amount equivalent to acquisition prices of leased property is considered to be an amount equivalent to interest. Such calculated interest is allocated to the respective years by the interest-method.

VII. Notes on transactions with related parties

1. Parent company, leading corporate shareholders, etc.:

(millions of yen)

Category	Corporate name	Address	Capital stock	Principal business	Ratio of voting rights owned by the Company (owned in the Company)	Relationship		Transaction	Amount	Account	End of year
						Number of interlocking officers	Business relationship				
Company whose director(s) and his/her close relative(s) own a majority of the voting rights (including the subsidiary of the company)	Nakashimato Co., Ltd. (Note 3)	Shibuya-ku, Tokyo	50	Sales of various processed foods	Direct: 11.6% (Direct: 17.6% Indirect: 3.3%)	Director: 3 persons	Purchase of products, sales of products, expense transaction, etc.	Purchase of products Sales of products Expense	402 187 844	Accounts payable - trade Accounts receivable - trade Accounts payable - other Other current assets	70 46 0 32
Company whose director(s) and his/her close relative(s) own a majority of the voting rights (including the subsidiary of the company)	Touka Co., Ltd. (Note 4)	Shibuya-ku, Tokyo	1,800	Business of renting property/ Leasing business	(Direct: 3.3%)	Director: 1 person	Rent of the office, etc.	Rental expense, etc. Purchase of lease assets Purchase of share of associated companies	478 2 188	Guarantee money deposited Accounts payable - other Other current liabilities Other long-term liabilities	409 4 7 14
Company whose director(s) and his/her close relative(s) own a majority of the voting rights (including the subsidiary of the company)	Tou Kewpie Co., Ltd. (Note 5)	Shibuya-ku, Tokyo	10	Mail-order business	Direct: 40.0%	Employee: 3 persons	Expense transaction, sales of products, etc.	Sale of products Expense Rental fee	761 41 16	Accounts receivable - trade Accounts payable - other Other current assets Guarantee money received	172 6 4 10

Category	Corporate name	Address	Capital stock	Principal business	Ratio of voting rights owned by the Company (owned in the Company)	Relationship		Transaction	Amount	Account	End of year
						Number of interlocking officers	Business relationship				
Company whose director(s) and his/her close relative(s) own a majority of the voting rights (including the subsidiary of the company)	Tou Ad Kewpie Co., Ltd. (Note 4)	Shibuya-ku, Tokyo	4	Service business	None	Employee: 1 person	Expense transaction and sales of products	Expense Sale of products	7,350 105	Accounts payable - trade Other current assets Accounts receivable - trade	1,428 2 17
Company whose director(s) and his/her close relative(s) own a majority of the voting rights (including the subsidiary of the company)	Minato Shokai, Co., Ltd. (Note 4)	Minato-ku, Tokyo	10	Wholesale of liquors and foods	None	None	Sales of products, etc.	Sale of products	125	Accounts receivable - trade	26
Company whose director(s) and his/her close relative(s) own a majority of the voting rights (including the subsidiary of the company)	Tou Solutions Co., Ltd. (Note 6)	Shinjuku-ku, Tokyo	90	Plan, development, sale, maintenance and operations support of computer systems	Direct: 20.0%	Employee: 1 person	Outsourcing of computing work	Expense Purchase of software Purchase of tangible fixed assets	1,741 419 13	Accounts payable - other	311
Company whose director(s) and his/her close relative(s) own a majority of the voting rights (including the subsidiary of the company)	Yu Shokai Co., Ltd. (Note 7)	Shibuya-ku, Tokyo	10	Nonlife insurance agent and business of renting property	None	None	Rent of the office and expense transaction	Rental expense Expense	83 84	Guarantee money deposited Accounts payable - other	117 -
Company whose director(s) and his/her close relative(s) own a majority of the voting rights (including the subsidiary of the company)	T&A Co., Ltd. (Note 8)	Shibuya-ku, Tokyo	100	Business of renting property	[Direct: 1.4%]	Director: 1 person	Rent of the dormitory	Welfare expenses	65	Accounts payable - other	-

Terms of transactions and the policy on determination thereof:

(Note 1) The terms of all transactions are determined in similar manners to those of general transactions, in consideration of market prices.
(Note 2) With regard to the above-listed transaction amounts, the amount of ending balance includes consumption taxes but the transaction amount does not include consumption taxes.
(Note 3) Amane Nakashima, Executive Managing Director of the Company, and his close relatives and the company in which they own a majority of voting rights directly own 82.9% of the voting rights of the relevant company.
(Note 4) The company in which Amane Nakashima, Executive Managing Director of the Company, and his close relatives own a majority of voting rights directly owns 100.0% of the voting rights of the relevant company.
(Note 5) The company in which Amane Nakashima, Executive Managing Director of the Company, and his close relatives own a majority of voting rights directly owns 60.0% of the voting rights of the relevant company.
(Note 6) The company in which Amane Nakashima, Executive Managing Director of the Company, and his close relatives own a majority of voting rights directly owns 80.0% of the voting rights of the relevant company.
(Note 7) Amane Nakashima, Executive Managing Director of the Company, and his close relatives directly own 100.0% of the voting rights of the relevant company.
(Note 8) Amane Nakashima, Executive Managing Director of the Company, and his close relatives directly own 89.5% of the voting rights of the relevant company.

Kewpie Corporation

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

2. Subsidiaries, etc.:

(millions of yen)

Category	Trade name	Address	Capital stock	Principal business	Ratio of voting rights owned by the Company (owned in the Company)	Interlocking directors	Operating transactions	Transactions	Amount	Account	End of year
Subsidiary	Kewpie Egg Corporation	Chofu, Tokyo	350	Production and sale of liquid eggs, frozen eggs, etc.	Direct: 88.0%	Director: 2 persons Employee: 7 persons	Purchase of products and materials, etc.	Borrowing of fund Interest received	2,871 20	Short-term borrowings	3,640
Subsidiary	Kanae Foods Co., Ltd.	Fuchu, Tokyo	50	Production and sale of processed egg, including egg spread, *atsuyak-itamago* and *kinshi-tamago*	Direct: 88.0%	Director: 2 persons Employee: 5 persons	Purchase of products	Purchase of products	15,735	Accounts payable - Trade	2,808
Subsidiary	Saika Co., Ltd.	Shuchi-gun, Shizuoka	50	Processing and sale of fresh vegetables	Direct: 100.0%	Employee: 1 person	Purchase of products	Loan of fund Interest received	2,150 20	Short-term loans	1,923
Affiliated company	Aohata Corporation	Takehara, Hiroshima	644	Production and sale of canned foods	Direct: 15.8% Indirect: 0.4% [Direct: 0.1%]	Director: 2 persons	Purchase of products	Purchase of products	13,092	Accounts payable - trade	2,361

Terms of transactions and the policy on determination thereof:

(Note 1) The terms of purchases of products are determined in similar manners to those of general transactions, in consideration of market prices. Interest on loans and borrowings are determined reasonably in consideration of market interest rates.

(Note 2) Loans and borrowings are associated with fund management under the cash management system. The transaction amounts thereof are shown by the average outstanding loans and borrowings.

(Note 3) With regard to the above-listed transaction amounts, the amount of ending balance includes consumption taxes but the transaction amount does not include consumption taxes.

VIII. Note on information per share

Net assets per share:	¥894.99
Net income per share:	¥55.37

IX. Notes on material subsequent events

Establishment of an important subsidiary

The Company, at the meeting of its Board of Directors held on December 21, 2012, resolved to establish a joint venture in Indonesia with its consolidated subsidiary Kewpie Egg Corporation.

(1) Purpose of the establishment:

The Company intends to expand business in the growing Asian market, as its overseas strategy.

(2) Outline of the company to be established:

(i)	Company name:	PT. KEWPIE INDONESIA
(ii)	Business:	Production and sale of foods
(iii)	Capital:	176,470 million rupiah (approx. 1,500 million yen)

(3) Date of establishment:

Late January 2013 (scheduled)

(4) Shareholding ratio after the acquisition:

Kewpie Corporation:	95%
Kewpie Egg Corporation:	5%

X. Note on company adopting consolidated dividend rules

The Company is a company adopting consolidated dividend rules.

(Note) Figures are stated by discarding fractions of one million yen. The ratios of voting rights held by (in) the Company are stated by counting fractions of 1/2 or more of their units as one and discarding the rest.