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Securities Code of Japan: 2809

## **Kewpie Corporation**

### **NOTICE OF THE 108TH ORDINARY GENERAL MEETING**

Date and hour of meeting:

Thursday, February 25, 2021, at 10:00 a.m.  
(Reception to start at 9:00 a.m.)

Place of meeting:

Hall A, Tokyo International Forum

Matters to be resolved:

Proposition No. 1: Partial amendment to the Articles of Incorporation

Proposition No. 2: Election of nine (9) Directors

Proposition No. 3: Payment of bonuses to Directors

Proposition No. 4: Revision of amount of Directors compensation

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# Kewpie Corporation

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



February 4, 2021

To the Shareholders:

## NOTICE OF THE 108TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

Please take notice that the 108th Ordinary General Meeting of Shareholders of Kewpie Corporation (the "Company") will be held as described below.

Due to the continuing concern regarding the spread of the novel coronavirus disease (COVID-19), we ask that shareholders consider exercising voting rights via the Internet or in writing (by mail). (please refer to pages 3 to 4)

Yours very truly,

Osamu Chonan  
Representative Director  
President and Chief Executive  
Corporate Officer

Kewpie Corporation  
4-13, Shibuya 1-chome,  
Shibuya-ku, Tokyo

### Description

1. Date and hour of meeting:

Thursday, February 25, 2021, at 10:00 a.m.

2. Place of meeting:

Hall A, Tokyo International Forum  
5-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo

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## 3. Agenda of the meeting:

### Matters to be reported:

1. Report on the Business Report and Consolidated Financial Statements for the fiscal year 2020 (from December 1, 2019 to November 30, 2020) and the results of audit of the Consolidated Financial Statements by the accounting auditors and the Board of Corporate Auditors
2. Report on the Non-consolidated Financial Statements for the fiscal year 2020 (from December 1, 2019 to November 30, 2020)

### Matters to be resolved:

- Proposition No. 1: Partial amendment to the Articles of Incorporation
- Proposition No. 2: Election of nine (9) Directors
- Proposition No. 3: Payment of bonuses to Directors
- Proposition No. 4: Revision of amount of Directors compensation

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#### Information Available on our Website

- If any amendment is made to the Reference Document for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements, it will be publicized on the Internet website of the Company.

Internet website of the Company:  
<https://www.kewpie.com/en/ir/>

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## Procedures for Exercise of Voting Rights

### Exercise of voting rights via the Internet

Time frame: No later than **5:30 p.m., Wednesday, February 24, 2021**

Please enter your approval or disapproval for each proposition.

### Via the "website for the exercise of voting rights"

1. Access the website for the exercise of voting rights

**<https://www.web54.net>**

Click on "次へすすむ" ("NEXT").

2. Enter the code for the exercise of voting rights

Enter the "code for the exercise of voting rights" (議決権行使コード) indicated at the bottom left of the voting form and click on "ログイン" ("Log in").

3. Enter the password

Enter the "password" (パスワード) indicated at the bottom left of the voting form and click on "次へ" ("NEXT").

\* The next screen will prompt you to change a password.  
Please manage the updated password in a secure way.

4. Enter your approval or disapproval for each proposition by following the instructions displayed on the screen.

### Contact for inquires:

Sumitomo Mitsui Trust Bank, Limited  
Stock Transfer Agency Business Planning Dept.  
Web Support Dedicated Dial:  
Phone No: 0120-652-031 (available at 9:00 a.m. through 9:00 p.m.)

\*Institutional investors may use the "ICJ Platform", a platform for electronic exercise of voting rights for institutional investors operated by ICJ Inc. as long as applications are made to that effect in advance.

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## **Exercise of voting rights in writing (by mail)**

Time frame: Must reach us no later than **5:30 p.m., Wednesday, February 24, 2021**

Please return by mail the enclosed voting form after filling out your approval or disapproval for each proposition.

- If no approval or disapproval of each proposition is indicated, you will be deemed to have approved it.
- To disapprove a particular candidate(s) in Propositions No. 2:  
Put  in the column of "Approve" and specify the candidate number(s) you wish to reject.

## Treatment of multiple exercise of voting rights

- (1) If voting rights are exercised both in writing (by mail) and via the Internet, the voting rights exercised via the Internet shall be treated as valid.
- (2) If voting rights are exercised twice or more times via the Internet, the latest exercise thereof shall be treated as valid.

## **Attendance at the General Meeting of Shareholders**

Date and hour of meeting: **Thursday, February 25, 2021, at 10:00 a.m.**  
Place of meeting: **Hall A, Tokyo International Forum**

Please present the enclosed voting form to the receptionists.

Any major changes to administration of the General Meeting of Shareholders in the course of future developments will be published on the Internet website of the Company.

Internet website of the Company:  
<https://www.kewpie.com/en/ir/>

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## **REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS**

### **Proposition No. 1: Partial amendment to the Articles of Incorporation**

1. Reason for the proposition

The Company proposes to make necessary amendments to Article 18 (Number of Directors) of the current Articles of Incorporation in order to have the provisions more consistent with the actual number of Directors, as well as to respond flexibly to a changing business environment and to make prompt and appropriate decisions.

2. Particulars of the amendment

The particulars of the amendment are as follows:

(The **underline** shows an amendment.)

Existing Articles of Incorporation	Proposed Amendment
(Number of Directors) Article 18 The Company shall have no more than <b>twenty (20)</b> Directors.	(Number of Directors) Article 18 The Company shall have no more than <b>twelve (12)</b> Directors.

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## Proposition No. 2: Election of nine (9) Directors

The term of office of all Directors currently in office (Messrs. Amane Nakashima, Osamu Chonan, Kengo Saito, Tadaaki Katsuyama, Nobuo Inoue, Seiya Sato, Yoshinori Hamachiyo, Minoru Himeno, Masato Shinohara, Kazunari Uchida and Ms. Shihoko Urushi (11 in all)) will expire at the close of this General Meeting of Shareholders. In that regard, it is proposed that nine (9) Directors be elected.

The candidates for Director are as follows:

Please refer to "Regarding the Board of Directors and Board of Corporate Auditors System (Planned) After the Closing of the General Meeting of Shareholders" on page 21 for the titles and assignments of the candidates, which shall come into effect upon the closing of this General Meeting of Shareholders.

For independence criteria for outside Directors, please refer to page 20.

(Outside): Outside Director  
(Independent): Independent Officer

○: Member of Nominating and Remuneration Committee (●: Chair)

Candidate Number	Name	Title	Assignment			Number of Board of Directors' meetings attended for the fiscal year 2020
1	Amane Nakashima	Chairman and Director	Chairman of the Board of Directors In charge of Compliance and Brand	Reelection	○	11/11
2	Osamu Chonan	Representative Director	President and Chief Executive Corporate Officer in charge of Customer Marketing Office	Reelection	○	11/11
3	Nobuo Inoue	Director	Executive Corporate Officer in charge of Management Promotion Division, Personnel Affairs Division, Public Relations and Group Communications Office, Risk Management and Sustainability	Reelection	○	11/11
4	Seiya Sato	Director	Executive Corporate Officer in charge of Condiments and Processed Foods Business and Group Sales in general	Reelection		11/11
5	Yoshinori Hamachiyo	Director	Senior Corporate Officer in charge of Fine Chemical Division, R&D Division, Intellectual Property Division, Food Culture and Health Promotion Project	Reelection		11/11
6	Ryota Watanabe		Corporate Officer Senior General Manager, Division of Production	New election		

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Candidate Number	Name	Title	Assignment			Number of Board of Directors' meetings attended for the fiscal year 2020
7	Kazunari Uchida	Outside Director		Reelection (Outside) (Independent)	<input checked="" type="radio"/>	10/11
8	Shihoko Urushi	Outside Director		Reelection (Outside) (Independent)	<input type="radio"/>	10/11
9	Hitoshi Kashiwaki			New election (Outside) (Independent)		


(Note) The titles and assignments are those in the Kewpie Group (the "Group") at the time of the sending of this notice.



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<p>Candidate Number <b>1</b> (Reelection)</p>	<p><b>Reason for nomination for Director</b></p>
<p>Member of Nominating and Remuneration Committee <b>Amane Nakashima</b> (Date of birth: September 26, 1959)</p>	<p>As Chairman of the Board of Directors, Mr. Nakashima has conducted the management of board meetings in an objective manner, and based on the Company's "spirit of foundation", he has fulfilled a vital role of education and guidance in matters related to compliance and brand. We judge that, having fulfilled his duties as Director of the Company appropriately, he meets the Company's nomination policy and nominate him once again as a candidate for Director. In the event that he is reelected as Director, it is planned that he will also take on the duties of Chairman and Director.</p>
	
<p>Number of shares of the Company held by Candidate</p>	<p>267,681 shares</p>
<p>Number of Board of Directors' meetings attended for the fiscal year 2020</p>	<p>11/11</p>
<p>Number of years in office as a Director</p>	<p>24 years</p>
<p><b>Brief history, title, assignment and important concurrent office</b></p>	
<p>April 1983</p>	<p>Joined The Industrial Bank of Japan, Limited (currently, Mizuho Bank, Ltd.)</p>
<p>October 1993</p>	<p>Joined NAKASHIMATO CO., LTD. General Manager, Accounting Department of NAKASHIMATO CO., LTD.</p>
<p>February 1995</p>	<p>Director of NAKASHIMATO CO., LTD.</p>
<p>February 1997</p>	<p>Director of the Company</p>
<p>July 2000</p>	<p>General Manager, Legal Department of the Company</p>
<p>February 2003</p>	<p>Vice President and Director of NAKASHIMATO CO., LTD.</p>
<p>February 2005</p>	<p>Director of NAKASHIMATO CO., LTD. Executive Corporate Officer of the Company General Manager, Environment Office of the Company</p>
<p>July 2005</p>	<p>General Manager, Social and Environment Promotion Office of the Company</p>
<p>October 2009</p>	<p>Senior General Manager, CSR Promotion Department of the Company</p>
<p>February 2010</p>	<p><b>President and Director of NAKASHIMATO CO., LTD., to this date</b></p>
<p>February 2014</p>	<p>Senior Executive Corporate Officer of the Company</p>
<p>February 2016</p>	<p><b>Chairman and Director of the Company, to this date</b></p>
<p>Special interest with the Company</p> <p>The Company has business relationships, including purchase of products, sales of goods and products and expense transactions, with NAKASHIMATO CO., LTD., for which Mr. Amane Nakashima is servicing as President and Director. All transactions are determined individually upon consultation by reference to market prices, etc., as with other transactions in general.</p>	

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	Candidate Number <b>2</b> (Reelection) Member of Nominating and Remuneration Committee	<b>Reason for nomination for Director</b> Mr. Chonan has worked to improve corporate value by advancing Group management as Representative Director of the Company. We judge that he meets the Company's nomination policy and nominate him once again as a candidate for Director. In the event that he is reelected as Director, it is planned that he will also take on the duties of Representative Director, President and Chief Executive Corporate Officer.
	<b>Osamu Chonan</b> (Date of birth: May 16, 1956)	
Number of shares of the Company held by Candidate		25,900 shares
Number of Board of Directors' meetings attended for the fiscal year 2020		11/11
Number of years in office as a Director		7 years
<b>Brief history, title, assignment and important concurrent office</b>		
April 1980	Joined the Company	
July 2001	Branch Manager, Sendai Branch Office of the Company	
November 2006	General Manager, Wide-Area Retail Sales Dept. of the Company	
September 2008	Branch Manager, Osaka Branch Office of the Company	
July 2012	Branch Manager, Tokyo Branch Office of the Company	
February 2013	Corporate Officer of the Company	
February 2014	Director of the Company	
	Senior General Manager, Wide-Area Sales Division of the Company	
February 2016	Executive Corporate Officer of the Company	
	In charge of Salad and Delicatessen Business of the Company	
February 2017	<b>Representative Director of the Company</b> , to this date <b>President and Chief Executive Corporate Officer of the Company</b> , to this date In charge of Division of Marketing of the Company	
October 2018	<b>In charge of Customer Marketing Office of the Company</b> , to this date	
Special interest with the Company None		

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	Candidate Number <b>3</b> (Reelection)	<b>Reason for nomination for Director</b>
	Member of Nominating and Remuneration Committee <b>Nobuo Inoue</b> (Date of birth: May 16, 1960)	In addition to promoting the Group's management reforms and the medium-term business plan as Director, Mr. Inoue has participated in management from a broad ranging perspective as the person in charge of Public Relations and Group Communications Office and Personnel Affairs Division. We judge that, having carried out company management from a broad standpoint, he meets the Company's nomination policy and nominate him once again as a candidate for Director. In the event that he is reelected as Director, it is planned that he will also take on the duties of Executive Corporate Officer.
Number of shares of the Company held by Candidate		14,300 shares
Number of Board of Directors' meetings attended for the fiscal year 2020		11/11
Number of years in office as a Director		11 years
<b>Brief history, title, assignment and important concurrent office</b>		
April 1983	Joined the Company	
July 2004	General Manager, Corporate Planning Office of the Company	
October 2009	Deputy Senior General Manager, Management Promotion Division of the Company	
December 2009	Senior General Manager, Management Promotion Division of the Company	
February 2010	<b>Director of the Company</b> , to this date	
February 2016	<b>Executive Corporate Officer of the Company</b> , to this date	
February 2020	<b>Senior General Manager, Management Promotion Division of the Company</b> , to this date	
Special interest with the Company		
None		

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	Candidate Number	<b>Reason for nomination for Director</b>
	<p style="text-align: center;"><b>4</b></p> <p>(Reelection)</p> <p><b>Seiya Sato</b> (Date of birth: August 2, 1959)</p>	<p>As Director in charge of the Condiments and Processed Foods Business, Mr. Sato has worked to improve business value by pursuing selection and concentration. For these reasons, we judge that he meets the Company's nomination policy and nominate him once again as a candidate for Director. In the event that he is reelected as Director, it is planned that he will also take on the duties of Executive Corporate Officer.</p>
Number of shares of the Company held by Candidate		7,600 shares
Number of Board of Directors' meetings attended for the fiscal year 2020		11/11
Number of years in office as a Director		4 years
<b>Brief history, title, assignment and important concurrent office</b>		
April 1982	Joined the Company	
July 2004	Branch Manager, Kanto Branch Office of the Company	
October 2008	General Manager, Household Sales Dept., Wide-Area Sales Division of the Company	
December 2009	Senior General Manager, Wide-Area Sales Division of the Company	
July 2012	Branch Manager, Osaka Branch Office of the Company	
February 2013	Corporate Officer of the Company	
February 2015	Branch Manager, Tokyo Branch Office of the Company	
February 2017	<p><b>Director of the Company</b>, to this date</p> <p>Senior Corporate Officer of the Company</p> <p>In charge of Salad and Delicatessen Business of the Company</p>	
February 2019	<p><b>Executive Corporate Officer of the Company</b>, to this date</p> <p><b>In charge of Condiments and Processed Foods Business of the Company</b>, to this date</p> <p><b>In charge of Group Sales in general of the Company</b>, to this date</p>	
Special interest with the Company		
None		

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	Candidate Number	<b>Reason for nomination for Director</b>
	<b>5</b> (Reelection) <b>Yoshinori Hamachiyo</b> (Date of birth: February 13, 1961)	As Director, Mr. Hamachiyo has promoted initiatives to protect brand value and create new value through the use of the Group's technology. For these reasons, we judge that he meets the Company's nomination policy and nominate him once again as a candidate for Director. In the event that he is reelected as Director, it is planned that he will also take on the duties of Senior Corporate Officer.
Number of shares of the Company held by Candidate		21,000 shares
Number of Board of Directors' meetings attended for the fiscal year 2020		11/11
Number of years in office as a Director		4 years
<b>Brief history, title, assignment and important concurrent office</b>		
April 1984	Joined the Company	
July 2010	General Manager, Intellectual Property Division of the Company	
February 2012	General Manager, Intellectual Property Office of the Company	
February 2014	Corporate Officer of the Company	
February 2015	<b>Senior General Manager, R&amp;D Division of the Company, to this date</b>	
February 2017	<b>Director of the Company, to this date</b> <b>Senior Corporate Officer of the Company, to this date</b>	
February 2020	<b>In charge of Fine Chemicals Division of the Company, to this date</b>	
Special interest with the Company		
None		

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	Candidate Number <b>6</b> (New election)	<b>Reason for nomination for Director</b> Mr. Watanabe has experience in manufacturing operations at plants, and has actively led the Group's Production Department as Senior General Manager of Division of Production. Due to his abundant experience, expertise and broad ranging insights that he has acquired thus far, we judge that he meets the Company's nomination policy and nominate him as a candidate for Director. In the event that he is elected as Director, it is planned that he will take on the duties of Senior Corporate Officer.
	<b>Ryota Watanabe</b> (Date of birth: July 17, 1964)	
Number of shares of the Company held by Candidate		3,100 shares
<b>Brief history, title, assignment and important concurrent office</b>		
April 1987	Joined the Company	
February 2012	General Manager, Production Administration Department, Division of Production of the Company	
October 2012	General Manager, Production Planning Department, Division of Production of the Company	
February 2015	Deputy Senior General Manager, Division of Production of the Company	
February 2016	<b>Corporate Officer of the Company</b> , to this date <b>Senior General Manager, Division of Production of the Company</b> , to this date	
Special interest with the Company		
None		

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	Candidate Number <b>7</b>	<b>Reason for nomination for outside Director</b> Mr. Uchida possesses a high level of expertise and broad ranging insights regarding corporate management and provides useful opinions and suggestions with a view to raising corporate values in medium and long term. For these reasons, we deem that he meets the Company's nomination policy and nominate him once again as a candidate for outside Director.
	(Reelection) (Outside) (Independent) Chair of Nominating and Remuneration Committee	<b>Kazunari Uchida</b> (Date of birth: October 31, 1951) (Notes 1, 2, 5 and 7)
Number of shares of the Company held by Candidate		3,400 shares
Number of Board of Directors' meetings attended for the fiscal year 2020		10/11
Number of years in office as a Director		6 years
<b>Brief history, title, assignment and important concurrent office</b>		
January 1985	Joined Boston Consulting Group	
November 1999	Senior Vice President of Boston Consulting Group	
June 2000	Japan Representative and President of Boston Consulting Group	
March 2006	External Auditor of Suntory, Ltd. (currently, Suntory Holdings Limited)	
April 2006	<b>Professor of Graduate School of Commerce at Waseda University</b> , to this date	
February 2012	Outside Corporate Auditor of the Company	
June 2012	Outside Director of MITSUI-SOKO Co., Ltd. (currently, MITSUI-SOKO HOLDINGS Co., Ltd.)	
June 2012	Outside Director of LIFENET INSURANCE COMPANY	
August 2012	Outside Director of Japan ERI Co., Ltd.	
December 2013	Outside Director of ERI Holdings Co., Ltd.	
February 2015	<b>Outside Director of the Company</b> , to this date	
March 2016	<b>External Director of Lion Corporation</b> , to this date	
June 2020	<b>Outside Director of BROTHER INDUSTRIES, LTD.</b> , to this date	
Special interest with the Company		
None		

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	Candidate Number <b>8</b> (Reelection) (Outside) (Independent) Member of Nominating and Remuneration Committee	<b>Reason for nomination for outside Director</b> Ms. Urushi not only has abundant experience as an educator, but is also full of drive and passion as a corporate executive, and provides useful opinions and suggestions from the perspectives of both human resource training and corporate management. For these reasons, we deem that she meets the Company's nomination policy and nominate her once again as a candidate for outside Director.
	<b>Shihoko Urushi</b> (Date of birth: April 4, 1961) (Notes 1, 3, 6 and 7)	
Number of shares of the Company held by Candidate	0 shares	
Number of Board of Directors' meetings attended for the fiscal year 2020	10/11	
Number of years in office as a Director	5 years	
<b>Brief history, title, assignment and important concurrent office</b>		
April 1986	Worked at a combined private junior high and high school for girls in Tokyo	
April 1989	Worked at Shinagawa Joshi Gakuin	
April 2006	Principal of Shinagawa Joshi Gakuin	
September 2014	<b>Member of the Education Rebuilding Implementation Council (Cabinet Office)</b> , to this date	
February 2016	<b>Outside Director of the Company</b> , to this date	
April 2017	<b>President of Shinagawa Joshi Gakuin</b> , to this date Principal of Shinagawa Joshi Gakuin Junior High School	
April 2018	<b>Outside Director of Culture Convenience Club Co., Ltd.</b> , to this date	
June 2019	<b>Outside Director of Nisshin Fire &amp; Marine Insurance Co., Ltd.</b> , to this date	
Special interest with the Company	None	



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	Candidate Number <b>9</b> (New election) (Outside) (Independent) Expected to assume position of Member of Nominating and Remuneration Committee	<b>Reason for nomination for outside Director</b> Mr. Kashiwaki has abundant experience and a high level of insight as a manager of a business company. On that basis, we judge that he is capable for providing useful opinions and suggestions for the Company from an objective viewpoint. For these reasons, we deem that he meets the Company's nomination policy and nominate him as a candidate for outside Director.
<b>Hitoshi Kashiwaki</b> (Date of birth: September 6, 1957) (Notes 1, 4 and 8)		
Number of shares of the Company held by Candidate		0 shares
<b>Brief history, title, assignment and important concurrent office</b>		
April 1981	Joined of Japan Recruit Center Co., Ltd. (currently, Recruit Holdings Co., Ltd.)	
April 1994	General Manager of Finance Division of Recruit Holdings Co., Ltd.	
June 1997	Director of the Board of Recruit Holdings Co., Ltd.	
June 2001	Director of the Board and Managing Corporate Executive of Recruit Holdings Co., Ltd.	
April 2003	Representative Director of the Board and Managing Corporate Executive (COO) of Recruit Holdings Co., Ltd.	
June 2003	COO, President, and Representative Director of the Board of Recruit Holdings Co., Ltd.	
April 2004	CEO, President, and Representative Director of the Board of Recruit Holdings Co., Ltd.	
April 2012	Director of the Board and Advisor of Recruit Holdings Co., Ltd.	
December 2012	Outside Director of Suntory Beverage & Food Limited	
March 2016	<b>Outside Director of ASICS Corporation</b> , to this date	
May 2016	<b>Outside Director of Matsuya Co., Ltd.</b> , to this date	
June 2018	<b>Outside Director of Tokyo Broadcasting System Holdings, Inc. (currently, TBS HOLDINGS, INC.)</b> , to this date	
Special interest with the Company		
None		

- (Notes) 1. Mr. Kazunari Uchida, Ms. Shihoko Urushi and Mr. Hitoshi Kashiwaki are candidates for outside Director. Should the election to the position of outside Director be approved for the three (3) candidates, the Company plans for them to become independent officers in accordance with the provisions of Tokyo Stock Exchange, Inc.
2. Mr. Kazunari Uchida is an External Director of Lion Corporation and Outside Director of BROTHER INDUSTRIES, LTD. There is no special interest between the Company and the said companies. He satisfies the Company's "Independence Criteria for Outside Corporate Officers" as well. Consequently, there is no risk of this having an impact on his independence.
3. Ms. Shihoko Urushi is Outside Director of Culture Convenience Club Co., Ltd and Nisshin Fire & Marine Insurance Co., Ltd. There is no special interest between the Company and the said companies. She satisfies the Company's "Independence Criteria for Outside Corporate Officers" as well. Consequently, there is no risk of this having an impact on her independence.
4. Mr. Hitoshi Kashiwaki is an Outside Director of ASICS Corporation, Matsuya Co., Ltd. and TBS HOLDINGS, INC. There is no special interest between the Company and the

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said companies. He satisfies the Company's "Independence Criteria for Outside Corporate Officers" as well. Consequently, there is no risk of this having an impact on his independence.

5. The current term of service as an outside Director of the Company of Mr. Kazunari Uchida shall be six (6) years as of the closing of this General Meeting of Shareholders. For a period of three (3) years from February 28, 2012 to February 26, 2015, he served as an outside Corporate Auditor of the Company.
6. The current term of service as an outside Director of the Company of Ms. Shihoko Urushi shall be five (5) years as of the closing of this General Meeting of Shareholders. Although she served as an outside member of the Management Advisory Board of the Company from December 1, 2014 to November 30, 2015, she satisfies the Company's "Independence Criteria for Outside Corporate Officers". Consequently, there is no risk of this having an impact on her independence.
7. The Company has entered into an agreement to limit liability for damages with Mr. Kazunari Uchida and Ms. Shihoko Urushi pursuant to Article 427, paragraph 1 of the Companies Act of Japan (the "Companies Act") and Article 28 of the Articles of Incorporation of the Company. If their election as outside Directors is approved and adopted as proposed, the Company intends to continue such agreements. The amount of maximum liability stipulated in the agreement is determined by each of the respective items under Article 425, paragraph 1 of the Companies Act, and this limitation of liability shall apply only when the above outside Directors have acted in good faith and without gross negligence in performing the duties giving rise to the liability.
8. The Company plans to enter into an agreement to limit liability for damages with Mr. Hitoshi Kashiwaki pursuant to Article 427, paragraph 1 of the Companies Act and Article 28 of the Articles of Incorporation of the Company should his election to the position of outside Director be approved. The amount of maximum liability stipulated in the agreement shall be determined by each of the respective items under Article 425, paragraph 1 of the Companies Act, and this limitation of liability shall apply only when the above outside Director has acted in good faith and without gross negligence in performing the duties giving rise to the liability.

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## Policies and Procedures for Election of Directors and Corporate Auditor

### <Policy for nomination of Director candidates>

The Board of Directors of the Company, in working to follow the mandate of the shareholders, shall have responsibilities to respect corporate philosophy, promote sustainable corporate growth and the improvement of corporate value over the medium to long term, and enhance earnings power and capital efficiency. Concerning the election of Directors, the Board of Directors has set forth the following criteria through which the persons deemed capable of fulfilling these responsibilities are nominated as candidates.

#### *Inside Director*

- 1) Must respect the corporate philosophy of the Company and embody these values.
- 2) Must possess abundant knowledge on domestic and international market trends concerning the Group business.
- 3) Must possess excellent competency in objective managerial judgment and business execution that contributes beneficially to the Group's management direction.

#### *Outside Director*

- 1) Must provide a guiding role in particular fields, such as legal affairs, corporate management, overseas, human resource development, and CSR and possess abundant experience and expertise in such fields.
- 2) Must have high affinity with the corporate philosophy and business of the Company, and possess the ability to express opinions, provide guidance and advice, and carry out supervision with respect to the inside Directors when deemed timely and appropriate to do so.
- 3) Must secure sufficient time to perform duties as an outside Director of the Company.

### <Policy for nomination of Corporate Auditor candidates>

The Corporate Auditors, in working to follow the mandate of the shareholders, shall have responsibilities to strive to prevent occurrences of infringements of laws and regulations and the Articles of Incorporation and maintain and improve the soundness of the Group's management and its trust from society. Concerning the election of Corporate Auditors, the Board of Directors has set forth the following criteria through which the persons deemed capable of fulfilling these responsibilities are nominated as candidates.

#### *Inside Corporate Auditor*

- 1) Must respect the corporate philosophy of the Company and embody these values.
- 2) Must maintain a stance of fairness and possess the capability to fulfill auditing duties.
- 3) Must have an overall grasp of the Group operations and be able to propose management tasks.

#### *Outside Corporate Auditor*

- 1) Must provide a guiding role in particular fields, such as legal affairs, corporate management, accounting, overseas, human resource development, and CSR and possess abundant experience and expertise in such fields.
- 2) Must have high affinity with the corporate philosophy and business of the Company, and possess the ability to express opinions, provide guidance, and carry out supervision with respect to the Directors from an objective and fair standpoint.
- 3) Must secure sufficient time to perform duties as an outside Corporate Auditor of the Company.

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<Procedures for nomination of Corporate Officer candidates>

Concerning the nomination of candidates for Directors and Corporate Auditors, the Board of Directors will deliberate and decide after discussions in a meeting of the Nominating and Remuneration Committee.

As for candidates for Corporate Auditors, election propositions for the General Meeting of Shareholders must be approved by the Board of Corporate Auditors pursuant to stipulations in the Companies Act.

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## Independence Criteria for Outside Corporate Officers

To judge the independence of outside Directors and outside Corporate Auditors as stipulated in the Companies Act, we check the requirements for independent officers stipulated by Tokyo Stock Exchange, Inc. as well as checking whether the following apply.

- 1) A major shareholder of the Group (holding 10% or more of voting rights either directly or indirectly), or a person who executes business for a major shareholder of the Group (\*1)
  - 2) A person/entity for which the Group is a major client, or a person who executes business for such person/entity (\*2)
  - 3) A major client of the Group or a person who executes business for such client (\*3)
  - 4) A person who executes business for a major lender of the Group (\*4)
  - 5) A representative employee or employee of the account auditor for the Group
  - 6) A provider of expert services, such as a consultant, attorney at law, or certified public accountant, who receives cash or other assets exceeding ¥10 million in one business year other than Director/Corporate Auditor compensation from the Group
  - 7) A person/entity receiving contributions from the Group exceeding ¥10 million in one business year, or a person who executes business for such person/entity
  - 8) A person to whom any one of 1) to 7) above has applied in the past three business years
  - 9) Where any of 1) to 8) apply to a key person, the spouse or relative within two degrees of kinship of such person (\*5)
  - 10) A special reason other than the preceding items that will prevent the person from performing their duties as an independent outside corporate officer, such as the potential for a conflict of interest with the Company
- \*1 A person who executes business means an executive director, executive officer, executive, or other employee, etc.
- \*2 A person/entity for which the Group is a major client means a person/entity who receives payments from the Group amounting to at least the higher of either 2% of their consolidated net sales or ¥100 million.
- \*3 A major client of the Group means a client that makes payments to the Group amounting to at least 2% of the Group's consolidated net sales.
- \*4 A major lender of the Group means a lender named as a major lender in the Group's Business Report.
- \*5 A key person means a director (excluding outside directors), corporate auditor (excluding outside corporate auditors), executive officer, executive, or other person in the rank of senior general manager or above, or a corporate officer corresponding to these positions.

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## Regarding the Board of Directors and Board of Corporate Auditors System (Planned) After the Closing of the General Meeting of Shareholders

(Outside): Outside Director or Outside Corporate Auditor  
(Independent): Independent Officer

○: Member of Nominating and Remuneration Committee (●: Chair)

Name	Title	Assignment		
Amane Nakashima	Chairman and Director	Chairman of the Board of Directors In charge of Compliance and Brand		○
Osamu Chonan	Representative Director	President and Chief Executive Corporate Officer in charge of Overseas and Marketing		○
Nobuo Inoue	Director	Executive Corporate Officer in charge of Corporate (including Medium-term Business Plan Promotion, Group Governance, Risk Management and Sustainability)		○
Seiya Sato	Director	Executive Corporate Officer in charge of Retail Market Business		
Yoshinori Hamachiyo	Director	Senior Corporate Officer in charge of Research Development, Fine Chemicals and Intellectual Property, Food Culture and Health Promotion Project and Senior General Manager of R&D Division		
Ryota Watanabe	Director	Senior Corporate Officer in charge of Production and Quality		
Kazunari Uchida	Outside Director		(Outside) (Independent)	●
Shihoko Urushi	Outside Director		(Outside) (Independent)	○
Hitoshi Kashiwaki	Outside Director		(Outside) (Independent)	○
Kiyotaka Yokokoji	Corporate Auditor	Full-time		
Norimitsu Yamagata	Corporate Auditor	Full-time		
Emiko Takeishi	Outside Corporate Auditor		Outside Independent	
Kazumine Terawaki	Outside Corporate Auditor		Outside Independent	○
Mika Kumahira	Outside Corporate Auditor		Outside Independent	

(Note) The titles and assignments are those at the Group.

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## **Proposition No. 3: Payment of bonuses to Directors**

It is hereby proposed that the aggregate of ¥93,310 thousand as Directors' bonuses be paid to nine (9) Directors, excluding outside Directors, in office at the end of the fiscal year 2020 in consideration of the operating results and other factors for the year and that the determination of the actual amounts for the respective Directors be left to the Board of Directors.

For information on the method of calculating bonuses, please refer to page 23.

Bonuses for the fiscal year 2020 will be ¥16,360 thousand lower than the basic bonus amount in consideration of the operating results and other factors.

## **Proposition No. 4: Revision of amount of Directors compensation**

Compensation for the Company's Directors was resolved to be ¥35 million or less per month at the 82nd Ordinary General Meeting of Shareholders held on February 24, 1995, and has remained unchanged to date. In light of the review of the future compensation system and changes to the management structure, the Company proposes a revision of amount of Directors compensation to be ¥500 million or less annually, including bonuses (of which ¥80 million or less annually is for outside Directors).

The amount of Directors compensation shall, as before, not include the employee salaries (including bonuses) of those serving concurrently as employee and director.

Furthermore, the number of Directors is currently eleven (11) (of which two are outside Directors), but if Proposition No. 2 is approved and adopted as proposed, the number of Directors shall be nine (9) (of which three shall be outside Directors).

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## Policy on Determining Officer Compensation

The compensation paid to directors is in the form of monthly compensation and bonuses. The monthly compensation is decided separately according to each director's status and is limited within the scope of the compensation limit resolved by the General Meeting of Shareholders. Bonuses are not paid to the outside directors.

The compensation paid to corporate auditors is in the form of monthly compensation only. The individual compensation amounts are decided through negotiation with corporate auditors within the scope of the compensation limit resolved by the General Meeting of Shareholders.

The rationale and calculation methods with respect to compensation of the directors and corporate auditors are as follows:

### 1. Rationale and procedures for compensation of Directors, Corporate Auditors, and Corporate Officers

- 1) The Company institutes a compensation system for compensation of Directors and Corporate Officers that consists of monthly remuneration and bonuses, which is linked with company financial performance and reflects their responsibilities and achievements.
- 2) The Company discusses the rationale (system design) at the meeting of Nominating and Remuneration Committee (an advisory body to the Board of Directors in which more than half of the Committee members are outside corporate officers who satisfy "Independence Criteria" separately defined by the Company, and whose chairman is an outside director), and improves its objectivity, appropriateness and transparency.
- 3) The total amount of bonuses paid to Directors must be approved at a general meeting of shareholders.
- 4) The amounts of compensations paid to outside Directors and Corporate Auditors (inside and outside) shall respectively be fixed and no bonuses will be paid.

### 2. Calculation method for monthly remuneration

- 1) A monthly remuneration for Director duties of inside Directors will be paid at a flat rate; provided, however that a separate, additional remuneration be paid to the persons with representative authority.
- 2) The monthly remuneration for Corporate Officers should be set at a suitable level that takes into consideration the Company's management environment, etc. and correspond to the rank (President, Senior Executive Corporate Officer, Executive Corporate Officer, and Senior Corporate Officer).

### 3. Calculation method for bonuses

- 1) The bonus amount is calculated according to the rank of the Director and Corporate Officer, using consolidated operating income and goal attainment levels of the individual and the division for which they are responsible as an indicator.
- 2) During the respective fiscal years covered under the Ninth Medium-term Business Plan (the fiscal year 2019 to 2021), the Company has set the weight of bonuses to no less than 30% of the basic amount of total annual remuneration with the aim of achieving sustainable growth of the Group. In addition, criteria and allocations with respect to performance evaluation indicators set on an individual basis are to align with intent of the Ninth Medium-term Business Plan.



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- 3) The Company may increase or decrease the bonus amount paid for the final fiscal year of the Ninth Medium-term Business Plan, depending on an individual progress made in achieving the performance goals previously set for the final fiscal year on an individual basis.

(Note) In view of significant changes to the business environment, the Ninth Medium-term Business Plan was concluded in its initial two-year period and the Tenth Medium-term Business Plan for the fiscal year 2021 to 2024 was newly formulated. As a result, while maintaining the current basic settings, the Company made some revisions to the calculation method for bonuses for Directors valid until the fiscal year 2024 by reestablishing criteria and weights of performance evaluation indicators, and clarifying the mission of each Director.

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## Consolidated Financial Statements

### Consolidated Balance Sheets

	(Millions of yen)	
	Previous fiscal year (As of November 30, 2019)	Current fiscal year (As of November 30, 2020)
<b>Assets</b>		
Current assets		
Cash and deposits	46,777	56,835
Notes and accounts receivable-trade	83,651	73,783
Securities	10,000	10,000
Purchased goods and products	17,392	16,214
Work in process	2,354	1,398
Raw materials and supplies	9,089	9,609
Other current assets	5,951	6,696
Allowances for doubtful accounts	(426)	(523)
Total current assets	174,790	174,012
Fixed assets		
Tangible fixed assets		
Buildings and structures	183,036	191,496
Machinery, equipment and vehicles	179,442	183,338
Land	52,178	52,503
Lease assets	9,768	12,106
Construction in progress	15,268	5,352
Other tangible fixed assets	16,415	17,247
Accumulated depreciation	(248,650)	(250,243)
Total tangible fixed assets	207,459	211,802
Intangible fixed assets		
Goodwill	989	2,014
Software	6,399	9,383
Other intangible fixed assets	2,531	2,114
Total intangible fixed assets	9,921	13,512
Investments and other assets		
Investment securities	27,225	27,110
Assets for retirement benefits	9,898	9,601
Deferred tax assets	3,625	3,870
Other investments and other assets	11,566	12,002
Allowances for doubtful accounts	(177)	(188)
Total investments and other assets	52,138	52,396
Total fixed assets	269,519	277,710
Total assets	444,309	451,723

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

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	(Millions of yen)	
	Previous fiscal year (As of November 30, 2019)	Current fiscal year (As of November 30, 2020)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	53,299	41,828
Short-term loans payable	7,322	12,153
Accounts payable-other	20,406	14,480
Accrued income taxes	4,208	3,901
Reserves for sales rebates	861	747
Reserves for bonuses	2,083	1,817
Reserves for directors' bonuses	151	163
Other reserves	50	52
Other current liabilities	10,622	11,228
Total current liabilities	99,006	86,373
Non-current liabilities		
Bonds	10,000	10,000
Long-term loans payable	42,616	51,861
Deferred tax liabilities	5,344	5,650
Liabilities for retirement benefits	3,306	3,619
Other non-current liabilities	7,282	8,842
Total non-current liabilities	68,550	79,973
Total liabilities	167,556	166,346
<b>Net assets</b>		
Shareholders' equity		
Paid-in capital	24,104	24,104
Capital surplus	29,483	28,647
Earned surplus	196,551	201,492
Treasury stock	(15,862)	(15,865)
Total shareholders' equity	234,276	238,379
Accumulated other comprehensive income		
Unrealized holding gains (losses) on securities	9,045	8,882
Unrealized gains (losses) on hedges	6	(4)
Foreign currency translation adjustments	(3,241)	(3,408)
Accumulated adjustments for retirement benefits	(4,534)	(4,315)
Total accumulated other comprehensive income	1,275	1,153
Non-controlling interests	41,201	45,844
Total net assets	276,753	285,377
Total liabilities and net assets	444,309	451,723

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

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## Consolidated Statements of Income

	(Millions of yen)	
	Previous fiscal year (From December 1, 2018 to November 30, 2019)	Current fiscal year (From December 1, 2019 to November 30, 2020)
Net sales	545,723	531,103
Cost of sales	412,741	405,790
Gross profit	132,981	125,313
Selling, general and administrative expenses	100,933	97,009
Operating income	32,048	28,303
Non-operating income		
Interest and dividends income	565	605
Equity in earnings of affiliates	168	116
Other	1,717	1,303
Total non-operating income	2,451	2,024
Non-operating expenses		
Interest expenses	294	337
Other	930	1,001
Total non-operating expenses	1,224	1,338
Ordinary income	33,275	28,989
Extraordinary gains		
Gains on sales of fixed assets	137	102
Other	1,088	109
Total extraordinary gains	1,226	211
Extraordinary losses		
Impairment losses	729	1,950
Losses on disposal of fixed assets	988	1,880
Losses on sales of shares of subsidiaries and associates	-	1,856
Other	295	689
Total extraordinary losses	2,013	6,376
Profit before income taxes	32,487	22,825
Income taxes	10,203	8,664
Income taxes - deferred	368	159
Profit	21,915	14,000
Profit attributable to non-controlling interests	3,216	2,622
Profit attributable to owners of parent	18,698	11,378

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

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

## Consolidated Statements of Changes in Net Assets

## Notes to Consolidated Financial Statements

For the Fiscal Year 2020  
(December 1, 2019 to November 30, 2020)

Kewpie Corporation

These matters are made available by publication on the Internet website of Kewpie Corporation (the "Company") pursuant to laws and regulations and its Articles of Incorporation.  
(<https://www.kewpie.com/en/ir/>)

\* The contents of the consolidated statements of changes in net assets and the notes to consolidated financial statements are those audited by the accounting auditors by January 18, 2021.

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## **Consolidated Statements of Changes in Net Assets**

(From December 1, 2019 to November 30, 2020)

(Millions of yen)

	Shareholders' equity				
	Paid-in capital	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Balance at the beginning of the current fiscal year	24,104	29,483	196,551	(15,862)	234,276
Cumulative effects of changes in accounting policies			(0)		(0)
Balance after reflecting the above cumulative effects	24,104	29,483	196,550	(15,862)	234,276
Changes of items during the fiscal year					
Dividends from surplus			(6,436)		(6,436)
Profit attributable to owners of parent			11,378		11,378
Purchase of treasury stock				(2)	(2)
Capital increase of consolidated subsidiaries		(267)			(267)
Payments for investments in capital of subsidiaries and affiliates		(1,844)			(1,844)
Sales of investments in capital of subsidiaries and affiliates		1,275			1,275
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	—	(836)	4,941	(2)	4,102
Balance at the end of the current fiscal year	24,104	28,647	201,492	(15,865)	238,379

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	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Unrealized holding gains (losses) on securities	Unrealized gains (losses) on hedges	Foreign currency translation adjustments	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income		
Balance at the beginning of the current fiscal year	9,045	6	(3,241)	(4,534)	1,275	41,201	276,753
Cumulative effects of changes in accounting policies							(0)
Balance after reflecting the above cumulative effects	9,045	6	(3,241)	(4,534)	1,275	41,201	276,753
Changes of items during the fiscal year							
Dividends from surplus							(6,436)
Profit attributable to owners of parent							11,378
Purchase of treasury stock							(2)
Capital increase of consolidated subsidiaries							(267)
Payments for investments in capital of subsidiaries and affiliates							(1,844)
Sales of investments in capital of subsidiaries and affiliates							1,275
Net changes of items other than shareholders' equity	(162)	(11)	(166)	218	(121)	4,643	4,521
Total changes of items during the fiscal year	(162)	(11)	(166)	218	(121)	4,643	8,624
Balance at the end of the current fiscal year	8,882	(4)	(3,408)	(4,315)	1,153	45,844	285,377

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

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## **Notes to Consolidated Financial Statements**

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

#### 1. Consolidated subsidiaries

The Company has sixty (60) consolidated subsidiaries. The significant consolidated subsidiaries are Kewpie Egg Corporation, Deria Foods Co., Ltd., Kewpie Jyozo Co., Ltd., K.R.S. Corporation, Salad Club, Inc. and Aohata Corporation. In the current fiscal year, KEWPIE SINGAPORE PTE. LTD., PT Kiat Ananda Cold Storage, PT Ananda Solusindo, PT Manggala Kiat Ananda and PT Trans Kontainer Solusindo have been included in the scope of consolidation as a result of acquisition of shares. On the other hand, HENNINGSEN FOODS, INC. has been excluded from the scope of consolidation as a result of a transfer of shares, and Salad Mate Co., Ltd. and Henningsen Foods – Netherlands, Inc. have been excluded from the scope of consolidation as a result of corporate liquidation. As a consequence, five companies were added and three companies were excluded.

Among the seventeen (17) non-consolidated subsidiaries, the principal one is K. LP Corporation. These companies are excluded from consolidation, because each of the amount of their total assets, net sales, profit and loss and earned surplus (based on the Company's ownership percentage) does not have a significant effect on the consolidated financial statements of the Company.

#### 2. Application of the equity method

An equity method is applied to the investments in three affiliated companies. The significant affiliate under the equity method is Summit Oil Mill Co., Ltd.

The investments in K. LP Corporation and sixteen (16) other non-consolidated subsidiaries, as well as EGG TRUST JAPAN K.K. and two other affiliated companies are not accounted for on an equity method, since each of the amounts of profit and loss and earned surplus (based on the Company's ownership percentage) did not have a significant effect on the consolidated financial statements of the Company.

#### 3. Fiscal years of consolidated subsidiaries

Among consolidated subsidiaries of the Company, the fiscal year end of eight foreign consolidated subsidiaries is September 30 and that of ten foreign consolidated subsidiaries is December 31.



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Ten foreign subsidiaries whose fiscal year end is December 31 are consolidated based on their provisional financial statements based on a provisional settlement of accounts as at September 30. Other eight foreign subsidiaries are consolidated based on the financial statements as at their fiscal year end. However, significant transactions of those subsidiaries recognized during the period after their settlement of accounts (September 30) to the fiscal year end of the Company's consolidated financial statements (November 30) are reflected.

## 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) Shares in 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 net assets. 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

Purchased goods and products, work in process, raw materials and supplies are principally stated at moving average cost (the value method to devalue a book value for decreasing profitability).

### (2) Depreciation and amortization of significant depreciable and amortizable assets

#### (a) Tangible fixed assets (excluding lease assets)

Tangible fixed assets are depreciated by the straight-line method.  
The main useful lives are as follows.

Buildings and structures: 2–50 years

Machinery, equipment and vehicles: 2–10 years

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## (b) Intangible fixed assets (excluding lease assets)

Intangible fixed assets are amortized by the straight-line method.  
The main useful life is as follows.

Software: 5 years

## (c) Lease assets

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

Concerning foreign consolidated subsidiaries of the Company that apply IFRS, as noted in "II. Notes on changes in accounting policies", IFRS 16 "Leases" has been applied from the current fiscal year. Due to this application, lessees, in principle, record all leases as assets and liabilities on the balance sheets, and the straight-line method is adopted for depreciation of right-of-use assets recorded under assets.

## (3) Method of treatment of significant deferred assets

Business commencement expenses are recorded as expenses in full at the time of payment.

## (4) Accounting standards for significant allowances

### (a) Allowances 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 particular possibilities of collection in respect of possible non-performing credits and other specific claims.

### (b) Reserves for sales rebates

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

### (c) Reserves for bonuses

To provide for the payment of bonuses to employees, reserves for bonuses are provided according to the expected amount of the payment which attributes to the current fiscal year.

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(d) Reserves for directors' bonuses

To provide for the payment of bonuses to directors, reserves for directors' bonuses are provided according to the estimated amounts payable at the end of the current fiscal year.

(5) Accounting for retirement benefits

(a) Periodic allocation method for projected retirement benefits

In calculating retirement benefit obligations, the method of allocating the projected retirement benefits to the period up to the end of the current fiscal year is the benefit formula basis.

(b) Method of accounting for actuarial gains or losses and prior service costs

Prior service costs are amortized by the straight-line method principally over twelve (12) years based on the average remaining employees' service years at the time of accrual.

Actuarial gains or losses are amortized by the straight-line method principally over twelve (12) years based on the average remaining employees' service years at each fiscal year, and their amortizations start from the next fiscal year of the respective accrual years.

In addition, if the amount of pension fund assets exceeds that of retirement benefit obligations for benefit pension plan, it is provided as assets for retirement benefits on the consolidated balance sheets.

(6) 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 treatment is adopted for interest rate swap transactions that meet the requirements for special treatment.

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

(c) Hedged items are purchase transactions in foreign currencies, purchase transactions, equity investments in overseas subsidiaries and interest of loans.

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

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

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speculative transactions.

## (e) Assessment of the effectiveness of hedge accounting

Control procedures of hedge transactions are executed according to the Company's internal rules. 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 assessment of the effectiveness of interest rate swap transactions that conform to the special treatment is omitted.

## (7) Amortization of goodwill

Goodwill is amortized on a straight-line basis over its estimated useful life during which its effect will be realized. However, trivial goodwill is fully amortized in the fiscal year in which it is incurred.

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

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

## II. Notes on changes in accounting policies

### (Application of IFRS 16 "Leases")

Foreign consolidated subsidiaries that apply IFRS have applied IFRS 16 "Leases" from the current fiscal year. Due to this application, lessees, in principle, record all leases as assets and liabilities on the balance sheets. The Company reflects the cumulative effect of applying this accounting standard as an adjustment in earned surplus as of the beginning of the current fiscal year in accordance with the transitional treatment under IFRS 16.

The effect of applying this accounting standard on consolidated financial statements is immaterial.

## III. Additional information

### (Accounting estimates associated with the impact of the spread of COVID-19)

The Group has made accounting estimates for impairment of fixed assets, etc. based on information available when preparing the consolidated financial statements.

Faced with uncertainty regarding the timing of the convergence of the spread of COVID-19, the Group assumes that the global and Japanese economy will require considerable time to return to a recovery trend. Accordingly, the Group has made

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accounting estimates based on the assumption that demands in the restaurant and inbound sectors will recover slowly.

Due to many uncertain factors in the future impact of the spread of COVID-19 on economic activities, changes to the assumption may cause a significant effect on the Group's consolidated financial statements in the future.

## IV. Notes to consolidated balance sheets

### 1. Pledged assets and secured obligations

Amount of pledged assets (book value):	Tangible fixed assets	¥1,124 million
	Total	¥1,124 million
Obligations secured by such pledged assets:	Short-term loans payable	¥893 million
	Long-term loans payable	¥862 million
	Total	¥1,756 million

### 2. Contingent liabilities

Guarantee obligations	¥215 million
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## V. Notes to consolidated statements of changes in net assets

### 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, 2019	150,000,000 shares	6,958,050 shares
Increase in the number of shares during the year	—	1,150 shares
Decrease in the number of shares during the year	—	—
Number of shares as of November 30, 2020	150,000,000 shares	6,959,200 shares

(Note) The increase in the number of shares of treasury stock (common stock) is due to the acquisition of shares less than one unit.

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## 2. Distribution of surplus

### (1) Amount of dividends paid

(a) At the meeting of the Board of Directors held on January 22, 2020, a resolution was adopted as follows:

- Matters concerning dividends on shares of common stock
  - i) Total amount of dividends ¥3,576 million
  - ii) Amount of dividend per share ¥25.00
  - iii) Record date November 30, 2019
  - iv) Effective date February 7, 2020

(b) At the meeting of the Board of Directors held on June 24, 2020, a resolution was adopted as follows:

- Matters concerning dividends on shares of common stock
  - i) Total amount of dividends ¥2,860 million
  - ii) Amount of dividend per share ¥20.00
  - iii) Record date May 31, 2020
  - iv) Effective date August 11, 2020

(2) Dividends whose record date fell during the current fiscal year but whose effective date 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 20, 2021 as follows:

- Matters concerning dividends on shares of common stock
  - i) Total amount of dividends ¥2,860 million
  - ii) Fund of dividends Earned surplus
  - iii) Amount of dividend per share ¥20.00
  - iv) Record date November 30, 2020
  - v) Effective date February 5, 2021

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## VI. 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:

Notes and accounts receivable - trade, which are operating receivables, 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 notes and accounts payable - trade, which are operating payables, have payment due dates within one year. Some operating 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 loans payable are funds raised principally in relation to business transactions and long-term loans payable 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 as necessary by using interest rate swap transactions, among others.

Derivatives are forward exchange contracts to hedge foreign currency risk involving payables in foreign currencies, interest rate swap transactions to hedge interest volatility risk relating to loans payable, 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 "I. Notes on the matters forming the basis of preparation of consolidated financial statements: 4. Accounting policies: (6) Significant methods of hedge accounting".

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## (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 monitors the conditions of its major clients and manages the due dates and balances of its operating 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 operating 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 rate swap transactions to hedge interest volatility risk relating to loans payable, 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 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 reviews 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 financing:

The Group prepares and revises cash flow projections on a timely basis and keeps 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 of financial instruments, 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.



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

The following table shows amounts for items recorded in the consolidated balance sheets as of November 30, 2020, 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	56,835	56,835	—
(2) Notes and accounts receivable - trade	73,783		
Allowances for doubtful accounts (*1)	(507)		
	73,275	73,275	—
(3) Securities and investment securities	31,742	31,742	—
Total assets	161,852	161,852	—
(4) Notes and accounts payable - trade	41,828	41,828	—
(5) Short-term loans payable	6,454	6,454	—
(6) Accounts payable - other	14,480	14,480	—
(7) Accrued income taxes	3,901	3,901	—
(8) Bonds	10,000	10,045	45
(9) Long-term loans payable (*2)	57,560	57,568	8
Total liabilities	134,225	134,279	53
Derivatives (*3)	(22)	(22)	—

- (\*1) Allowances for doubtful accounts of notes and accounts receivable - trade are excluded from the notes and accounts receivable - trade.
- (\*2) Long-term loans payable include the current portion of long-term loans payable that are included in short-term loans payable.
- (\*3) Net receivables and payables resulting from derivatives are presented in net amounts.

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

### Assets

- (1) Cash and deposits and (2) Notes and accounts receivable - trade:

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 counterparty 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.

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## Liabilities

(4) Notes and accounts payable - trade, (5) Short-term loans payable, (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 measured as the present value of the total principal and interest discounted at a rate that would be applied for a new similar issuance.

(9) Long-term loans payable:

The fair value of long-term loans payable 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 loans payable 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 loans payable with floating interest rates subject to special treatment 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

Fair values with respect to derivative transactions are calculated based on prices indicated by counterparty financial institutions and other such entities. With regard to derivatives subject to special treatment of interest rate swaps, the fair value is indicated by inclusion in the fair value of long-term loans payable to be hedged, as they are processed together with such long-term loans payable.

(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	5,367

The item has no market price. Accordingly, as determining the market value is recognized as being extremely difficult, it is not included in "(3) Securities and investment securities".

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## VII. Note to leased and other real estate properties

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

## VIII. Note on information per share

Net assets per share	¥1,674.58
Earnings per share (basic)	¥79.55

## IX. Notes on business combination

### (Business divestiture)

Pursuant to the resolution of its Board of Directors' meeting held on March 26, 2020, as of April 27, 2020, (i) the Company agreed with POST HOLDINGS, INC. ("POST") to transfer all shares of HENNINGSEN FOODS, INC. ("HENNINGSEN FOODS") owned by the Company's consolidated subsidiary KIFUKI U.S.A. CO., INC. ("KIFUKI") to Michael Foods of Delaware, Inc. ("MFI") which was a subsidiary of POST, and (ii) KIFUKI and MFI have entered into a share transfer agreement. Accordingly, the share transfer transaction was implemented on July 1, 2020. As a result of this transaction, HENNINGSEN FOODS was removed from the scope of consolidation of the Group.

### 1. Outline of the business divestiture

#### (1) Name of successor company

Michael Foods of Delaware, Inc.

#### (2) Content of the divested business

Production and sale of egg products and dried meats

#### (3) Main reason for business divestiture

Pursuant to the "2019-2021 Kewpie Group's Medium-term Business Plan" announced on January 11, 2019, the Company aims to accelerate overseas development particularly in the markets of China and Southeast Asia, and promotes to reorganize and streamline production facilities in order to build an optimized business system for its Egg Businesses. After considering various options under such circumstances for the future of our U.S. subsidiary, HENNINGSEN FOODS, the Company determined that the best option for the Company and HENNINGSEN FOODS would be to transfer it to a third party which can support its sustainable growth, and explored discussions for the possibility of the share transfer.

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After careful consideration, the Company thought MFI's robust business network and operating bases in and outside the United States would contribute to the sustainable growth and improvement of corporate value of HENNINGSEN FOODS, and decided to transfer all shares of HENNINGSEN FOODS in order to strengthen its business under MFI. Accordingly, the Company implemented the share transfer transaction on July 1, 2020.

\*MFI is a food manufacturing and distributing company based in Minnesota, U.S.A.

(4) Date of business divestiture

July 1, 2020

(5) Outline of business divestiture including its legal form

Share transfer whereby the consideration is specific assets such as cash

2. Outline of the accounting treatment implemented

(1) Amount of gain or loss on the transfer

Losses on sales of shares of subsidiaries and associates      ¥1,856 million

(2) Book values and major breakdown of the assets and liabilities of the business transferred

Current assets	¥3,080 million
<u>Fixed assets</u>	<u>¥1,901 million</u>
Total assets	¥4,982 million

Current liabilities	¥644 million
<u>Non-current liabilities</u>	<u>¥225 million</u>
Total liabilities	¥869 million

(3) Accounting treatments

The Company implements accounting treatment based on the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013) and the "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019).

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3. Name of reportable segment in which the divested business was included

Egg Business

4. Approximate amounts of profit or loss of the divested business included in consolidated statement of income for the current fiscal year

Net sales	¥3,527 million
Operating loss	¥122 million

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## (Business combination through acquisition)

K.R.S. Corporation, the Company's consolidated subsidiary, resolved at its Board of Directors' meeting held on August 27, 2020 to acquire shares of KIAT ANANDA Group companies listed below through third party allotments in order to make them its subsidiaries. These four Indonesian companies, PT Kiat Ananda Cold Storage, PT Ananda Solusindo, PT Manggala Kiat Ananda and PT Trans Kontainer Solusindo, engage in low temperature logistics (cold supply chain management) services. Accordingly, K.R.S. Corporation has entered into a share subscription agreement as of August 28, 2020.

Thereafter, the share subscription was completed on November 2, 2020 and the four companies became consolidated subsidiaries of K.R.S. Corporation.

### 1. Outline of the business combination

#### (1) Names and businesses of acquired companies

Names	Description of business
PT Kiat Ananda Cold Storage	Warehouse business, etc. in Indonesia
PT Ananda Solusindo	Warehouse business, etc. in Indonesia
PT Manggala Kiat Ananda	Domestic transportation business, etc. in Indonesia
PT Trans Kontainer Solusindo	Forwarding, ship transportation business, etc.

#### (2) Primary reason for the business combination

KIAT ANANDA Group is a logistics company group that owns five refrigerated and cold storage warehouses as well as 590 vehicles in Indonesia, and has particular strengths in low temperature logistics (cold supply chain management) services. Their major customers consist of not only local companies but also foreign companies which are engaging in food manufacturing, restaurant business, and the like, and they operate a wide range of logistics businesses including warehousing, transportation, delivery, and forwarding. Acquiring the four companies of KIAT ANANDA Group, the Group aims to establish a logistics base and transportation network in Indonesia, and intends to provide high quality low temperature logistics services in the Indonesian market, expecting its further growth and expansion.

#### (3) Date of the business combination

November 2, 2020 (Share acquisition date)  
September 30, 2020 (Deemed acquisition date)

#### (4) Legal form of the business combination

Acquisition of shares through a third party allotment

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(5) Name of the company after the business combination

No change.

(6) Percentage of voting rights after the acquisition

PT Kiat Ananda Cold Storage	51.0%
PT Ananda Solusindo	51.0%
PT Manggala Kiat Ananda	51.0%
PT Trans Kontainer Solusindo	67.3%

(7) Primary basis for determining the acquiring company

The Group acquires the shares in exchange for cash.

2. Period of operating results of acquired company included in consolidated financial statements

Since the deemed acquisition date was September 30, 2020 and only the balance sheet has been consolidated, the operating results of the acquired company have not been included.

3. Cost of acquisition and kinds of considerations

Consideration (Cash)	¥7,006 million
Cost of acquisition	¥7,006 million

4. Details and amount of principal acquisition-related costs

Remuneration and commissions to advisors	¥81 million
------------------------------------------	-------------

5. Amount of goodwill recognized, reason for recognition, and method and period for amortization

(1) Amount of goodwill recognized

PT Kiat Ananda Cold Storage	Goodwill	¥755 million
PT Ananda Solusindo	Goodwill	¥445 million
PT Manggala Kiat Ananda	Goodwill	¥41 million
PT Trans Kontainer Solusindo	Negative goodwill	¥3 million

The above amounts were calculated on a provisional basis because the allocation of cost of acquisition was not completed as of the end of current fiscal year (November 30, 2020).

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## (2) Reason for recognition

Goodwill	The goodwill arose from future excess earnings power that is expected from future business development.
Negative goodwill	When the fair value of the net assets of acquired company exceeded the cost of acquisition at the time of business combination, that difference is recognized as a gain on negative goodwill.

## (3) Method and period for amortization

Goodwill	The goodwill is amortized by the straight-line method over 10 years.
----------	----------------------------------------------------------------------

## 6. Amount and breakdown of acquired assets and assumed liabilities as of the date of the business combination

### (1) PT Kiat Ananda Cold Storage

Current assets	¥3,953 million
<u>Fixed assets</u>	<u>¥3,539 million</u>
Total assets	¥7,493 million
Current liabilities	¥746 million
<u>Non-current liabilities</u>	<u>¥3,197 million</u>
Total liabilities	¥3,943 million

### (2) PT Ananda Solusindo

Current assets	¥2,425 million
<u>Fixed assets</u>	<u>¥1,046 million</u>
Total assets	¥3,472 million
Current liabilities	¥369 million
<u>Non-current liabilities</u>	<u>¥690 million</u>
Total liabilities	¥1,060 million

### (3) PT Manggala Kiat Ananda

Current assets	¥1,636 million
<u>Fixed assets</u>	<u>¥1,041 million</u>
Total assets	¥2,677 million
Current liabilities	¥844 million
<u>Non-current liabilities</u>	<u>¥617 million</u>
Total liabilities	¥1,462 million



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## (4) PT Trans Kontainer Solusindo

Current assets	¥297 million
<u>Fixed assets</u>	<u>¥344 million</u>
Total assets	¥642 million
Current liabilities	¥342 million
<u>Non-current liabilities</u>	<u>¥181 million</u>
Total liabilities	¥523 million

## 7. Allocation of cost of acquisition

The process of specifying the identifiable assets and liabilities and calculating their fair values as of the date of the business combination, and the allocation of cost of acquisition were not completed as of the end of the current fiscal year (November 30, 2020). Therefore, a provisional accounting treatment was performed based on reasonable information available at the fiscal year end.

## 8. Approximate amount of impact of the business combination on the consolidated statements of income for the current fiscal year (ended November 30, 2020) on the assumption that the business combination was completed at the beginning of the fiscal year, and the method of calculation thereof

The approximate amount of impact is not presented because it is difficult to make a rational calculation.

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## X. Notes on material subsequent events

### (Acquisition by the Company of its own shares)

The Company, at the meeting of its Board of Directors held on January 7, 2021, adopted a resolution for the acquisition by the Company of its own shares pursuant to Article 156, paragraph 1 of the Companies Act applied with certain replacement of terms pursuant to Article 165, paragraph 3 of the Companies Act.

#### 1. Reasons for acquiring its own shares

The Company maintains a basic policy of providing returns to its shareholders with top priority on dividend distributions, and aims to provide returns to shareholders according to the policy set forth in each Medium-term Business Plan.

Under the shareholder return policy for the period of fiscal years from 2021 to 2024, on an assumption that the annual dividend per share would be ¥45 or more, the Company sets targets for dividend payout ratio of 35% or more and accumulated total return ratio over four fiscal years of 50% or more.

This acquisition of the Company's own shares will be carried out in line with its shareholders return policy of the Medium-Term Business Plan with the aim to implement its capital policy in a flexible manner and increase its corporate value in response to the changing business environment.

#### 2. Details of the acquisition of its own shares

- |                                             |                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) Type of shares to be acquired:          | Shares of common stock of the Company                                                                                                                                                                                                                                                                                                     |
| (2) Total number of shares to be acquired:  | (Not exceeding) 6,000,000 shares<br>(Ratio to the total number of issued shares (excluding treasury stock): 4.19%)                                                                                                                                                                                                                        |
| (3) Aggregate amount of acquisition prices: | (Not exceeding) ¥10,000 million                                                                                                                                                                                                                                                                                                           |
| (4) Acquisition period:                     | From January 8, 2021 to November 30, 2021                                                                                                                                                                                                                                                                                                 |
| (5) Method of acquisition:                  | Market purchase on the Tokyo Stock Exchange                                                                                                                                                                                                                                                                                               |
| (6) Other                                   | With the aim for providing returns to shareholders, the Company is scheduled to cancel a certain portion of shares of treasury stock to the extent where the total number of shares of treasury stock (including the existing treasury stocks before the acquisition) exceeds approximately 5% of the total number of outstanding shares. |

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(Reference) Shares of treasury stock as of November 30, 2020

Total number of outstanding shares (excluding treasury stock):  
143,040,800 shares

Number of shares of treasury stock: 6,959,200 shares

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(Partial transfer of shares of consolidated subsidiaries)

The Company resolved, at the meeting of its Board of Directors held on January 7, 2021, to sell part of the shares of consolidated subsidiary K.R.S. Corporation ("KRS") held by the Company, and a share transfer was carried out by off-auction distribution on January 18, 2021.

1. Name of buyer

Because shares were sold by off-auction distribution, this information is omitted.

2. Name of the subsidiary, description of its business and details of its transactions with the Company

Name	K.R.S. Corporation
Description of business	Warehousing and transportation
Transactions with the Company	Consignment of storage and transportation of products and raw materials, Leases of offices, land and warehouses

3. Primary reason for the transfer

KRS was established in 1966 upon the reorganization making the Company's warehouse division to its newly incorporated subsidiary and thereafter it has contributed to the Kewpie Group's progressive business development through its highly qualified and competitive food logistics services.

In these years, amidst dramatic changes in food products and logistics business environment, the Company and KRS have discussed and examined their future business developments from the perspective of sustained growth of both companies.

As a result, KRS concluded that its corporate value would be enhanced by dissolving the parent-subsiary relationship with the Company, so that KRS may be able to speed up its decision-making and independent judgment on strategic investments, and reinforce its comprehensive food logistics operations in the domestic market and aggressively expand its businesses in overseas markets promoting more innovative growth strategies than ever.

On the other hand, the Company has determined that its corporate value would be enhanced for the future towards "Our Ideal"\* through further concentration of management resources in the domestic and overseas food businesses.

Taking the above into account, in spite of the sale of shares, the Company and KRS will keep sharing a common idea of highly qualified food distribution system that covers from manufacturing to delivery of products, and KRS will bear responsibility for the Kewpie Group's logistics duties.

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The Company and KRS will continue a strong partnership in the food manufacturing and logistics operations and work together for sustained growth in corporate value for both companies.

\* We aim to be a group contributing to the food culture and health of the world through "great taste, empathy, and uniqueness".

#### 4. Date of transfer

January 18, 2021

#### 5. Outline of transaction including its legal form

Partial transfer of issued shares of KRS whereby the consideration is specific assets such as cash

#### 6. Number of transferred shares, transfer price, loss or gain on transfer and share ownership after transfer

Number of transferred shares	253,600 shares
Transfer price and loss or gain on transfer	A description is omitted because of immateriality.
Share ownership after transfer	5,420,402 shares (Percentage of voting rights: 43.6%)

In line with this transfer, KRS and its fourteen (14) subsidiaries listed below has changed from being consolidated subsidiaries of the Company to being affiliated companies accounted for by the equity method of the Company since the beginning of the fiscal year ending November 30, 2021.

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1. K. Tis Corporation
2. S. Y. PROMOTION Co., Ltd.
3. Kewso Services Corporation
4. KLQ Corporation
5. San-ei Logistics Corporation
6. San Family Corporation
7. Osaka Sanei Logistics Corporation
8. KAT Corporation
9. Fresh Delica Network Corporation
10. Hisamatsu Transport Corporation
11. PT Kiat Ananda Cold Storage
12. PT Ananda Solusindo
13. PT Manggala Kiat Ananda
14. PT Trans Kontainer Solusindo