

# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



## SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2015 [JAPAN GAAP]

January 7, 2016

Listed company name: Kewpie Corporation  
Listed exchange: Tokyo Stock Exchange  
Securities code: 2809  
URL: <http://www.kewpie.co.jp/english/>  
Representative: Minesaburo Miyake, President and Representative Director  
Contact: Masato Shinohara,  
Officer and General Manager of Operation Promote Department

Scheduled date for ordinary general meeting of shareholders: February 26, 2016

Scheduled date for dividend payment: February 5, 2016

Scheduled date for filing annual securities report: February 29, 2016

Supplementary data: Yes

Results briefing: Yes (for corporate investors and investment analysts)

(Amounts are rounded down to the nearest million yen.)

### 1. Consolidated business results for the fiscal year ended November 30, 2015 (From December 1, 2014 to November 30, 2015)

(1) Consolidated operating results (Percentage figures show changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year 2015	578,192	4.5	26,441	8.6	27,311	7.7	17,031	27.4
Fiscal year 2014	553,404	4.3	24,343	8.7	25,368	6.8	13,366	6.4

(Note) Comprehensive income: Fiscal year 2015 ¥26,261 million (Increase of 38.4%)

Fiscal year 2014 ¥18,968 million (Decrease of 1.5%)

	Net income per share	Net income per share - diluted	Return on equity	Ordinary income to total assets	Operating income to net sales
Fiscal year 2015	112.21 <sup>Yen</sup>	— <sup>Yen</sup>	8.3 <sup>%</sup>	7.5 <sup>%</sup>	4.6 <sup>%</sup>
Fiscal year 2014	88.69	—	7.0	7.3	4.4

(Reference) Equity in earnings or losses of affiliates: Fiscal year 2015 ¥134 million

Fiscal year 2014 ¥(102) million

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of November 30, 2015	372,419	245,929	57.5	1,410.53
As of November 30, 2014	356,994	220,397	54.6	1,284.36

(Reference) Shareholders' equity: As of November 30, 2015 ¥214,073 million

As of November 30, 2014 ¥195,051 million

### (3) Consolidated cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at the end of the fiscal year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year 2015	28,094	(31,181)	(7,101)	34,841
Fiscal year 2014	34,392	(30,847)	(3,149)	44,788

# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



## 2. Dividends

	Annual dividend per share					Total amounts of dividends	Dividend payout ratio (Consolidated)	Dividend on equity ratio (Consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Total			
Fiscal year 2014	Yen —	Yen 11.50	Yen —	Yen 11.50	Yen 23.00	Millions of yen 3,468	% 25.9	% 1.8
Fiscal year 2015	Yen —	Yen 12.50	Yen —	Yen 16.50	Yen 29.00	Millions of yen 4,401	% 25.8	% 2.2
Fiscal year 2016 (Forecast)	Yen —	Yen 15.00	Yen —	Yen 15.00	Yen 30.00		% 30.4	

(Note) The amount of year-end dividend for fiscal year 2015 is a forecast and it will be determined by the Board of Directors to be held on January 25, 2016.

The year-end dividend for fiscal year 2015 includes a dividend of ¥1 to commemorate the 90th anniversary of launching mayonnaise.

## 3. Forecasts of consolidated operating results for the fiscal year ending November 30, 2016 (From December 1, 2015 to November 30, 2016)

(Percentage figures show changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of the parent		Earnings per share-basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending May 31, 2016	283,000	0.0	11,700	(12.7)	12,100	(12.2)	5,700	(41.7)	37.55
Year ending November 30, 2016	575,000	(0.6)	28,000	5.9	29,100	6.6	15,000	(11.9)	98.83

(Reference) The Company has recorded sales promotion expenses and other costs that are paid to its business partners for the purpose of promoting product sales as "Sales promotion expenses" under "Selling, general and administrative expenses" mainly when the amount of payment is confirmed. However, beginning in fiscal year ending November 30, 2016, the Company plans to change to a method that involves deducting such amounts from net sales when sales are recorded (net basis presentation). This change is reflected in the adjusted figures stated below. These adjusted figures may vary because an audit has yet to be completed and because retrospective adjustment of the figures to accord with the new accounting method applied in the fiscal year ending November 30, 2016 has not been completed.

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year 2015 (Adjusted)	552,000		26,441		27,311		17,031	
Fiscal year 2016 (Year-on-year change)	23,000	4.2	1,559	5.9	1,789	6.6	(2,031)	(11.9)

### \*Notes

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries resulting in the change in the scope of consolidation): Yes  
Newly consolidated: 1 company (Name: Nantong Kewpie Foods Co., Ltd.)

(2) Changes in accounting policies and estimates, and restatements  
a) Changes in accounting policies due to revision of accounting standards: Yes  
b) Changes in accounting policies due to reasons other than "a)" (above): None  
c) Changes in accounting estimates: None  
d) Restatements: None

(Note)

From the beginning of the current fiscal year, the Company and its domestic consolidated subsidiaries have applied "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26 of May 17, 2012) and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25 of March 26, 2015). For more details on impact due to this change, please refer to "III. Consolidated financial statements: 5. Notes regarding consolidated financial statements (Changes in accounting policies)" on page 14.

(3) Number of issued shares (common stock)

a) Number of issued shares at the end of the period (including treasury stock):

November 30, 2015 153,000,000 shares

November 30, 2014 153,000,000 shares

b) Number of shares of treasury stock at the end of the period:

November 30, 2015 1,232,318 shares

November 30, 2014 1,132,849 shares

c) Average number of shares during the period:

December 1, 2014 to November 30, 2015 151,783,255 shares

December 1, 2013 to November 30, 2014 150,703,628 shares

# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



## \*Status of implementation of auditing procedures

This summary of consolidated financial statements is outside the scope of the auditing procedures based on the Financial Instruments and Exchange Act. As of the time of its disclosure, auditing procedures for consolidated financial statements and non-consolidated financial statements based on the Financial Instruments and Exchange Act are still in process of being implemented.

## \*Statement for an appropriate usage of the forecasts of operating results and other special notes

The forecasts and other forward looking statements contained in this summary are based on the information currently available to the Company and certain assumptions considered reasonable by the Company. Therefore, they are not guaranteed to be achieved by the Company. As a result, the forecasts of operating results may differ significantly from the actual operating results due to various factors.

## \*Cash flow index

	Fiscal year 2011	Fiscal year 2012	Fiscal year 2013	Fiscal year 2014	Fiscal year 2015
Equity ratio (%)	58.0	55.8	55.0	54.6	57.5
Equity ratio based on market value (%)	57.3	58.6	65.1	82.6	120.3
Interest-bearing debt to cash flows ratio (year)	0.5	0.7	0.9	0.8	1.1
Interest coverage ratio (times)	108.0	165.0	105.1	116.0	89.5

(Notes) Equity ratio = Shareholders' equity / Total assets

Equity ratio based on market value = Total market value of the stock / Total assets

Interest-bearing debt to cash flows ratio = Interest-bearing debt / Cash flows

Interest coverage ratio = Cash flows / Interest paid

\* Each index is calculated based on consolidated financial figures.

\* Total market value of the stock is calculated by multiplying the final market price by the number of issued shares at the end of fiscal year (excluding treasury stock).

\* Interest-bearing debt includes all consolidated balance sheet-reported liabilities on which interest is paid.

\* Cash flows and Interest paid are the same figures as found under "Net cash provided by (used in) operating activities" and "Interest paid" reported in the consolidated statements of cash flows, respectively.

# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



## Table of contents

I.	Basic policy on earnings distributions, and dividends for the current and next fiscal years .....	2
II.	Management policies .....	2
1.	Basic policies of Company management .....	2
2.	Management index benchmarks .....	2
3.	Medium- to long-term business strategies of the Company, and challenges ahead.....	3
III.	Consolidated financial statements .....	4
1.	Consolidated Balance Sheets .....	4
2.	Consolidated Statements of Income and Consolidated Statements of Comprehensive Income .....	6
	(Consolidated Statements of Income) .....	6
	(Consolidated Statements of Comprehensive Income) .....	7
3.	Consolidated Statements of Changes in Net Assets .....	8
4.	Consolidated Statements of Cash Flows .....	10
5.	Notes regarding consolidated financial statements .....	12
	(Notes regarding assumption of a going concern) .....	12
	(Significant matters forming the basis for the preparation of consolidated financial statements) .....	12
	(Changes in accounting policies) .....	14
	(Business combination) .....	14
	(Segment information) .....	18
	(Per share information) .....	22
	(Significant subsequent events) .....	22
IV.	Supplementary data .....	23

# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



## **I. Basic policy on earnings distributions, and dividends for the current and next fiscal years**

The Company maintains a basic policy of providing returns to its shareholders with top priority on dividend payments, and accordingly aims to continue providing stable dividends while also reviewing options for repurchasing and retiring treasury stock as necessary, giving consideration to factors such as stock price trends and financial conditions.

As for internal reserves, the Company endeavors to adequately secure them to strengthen its financial position and provide an adequate supply of funds for future expansion. The Company will take a medium- to long-term view and continue to allocate funds to the improvement of its facilities and equipment, research and development, and the further streamlining of operations in order to enhance its competitiveness.

With respect to determining amounts to be paid in dividends, up until the fiscal year ended November 30, 2015, the Company targeted a consolidated dividend payout ratio of 25%, on the basis of a consolidated dividends on equity (DOE) ratio of at least 1.8%. However, beginning in the fiscal year ending November 30, 2016, the Company will target a consolidated DOE ratio of 2.2%, on the basis of a consolidated dividend payout ratio of at least 30%.

<Standard for dividend decisions (effective from the fiscal year ending November 30, 2016)>  
The Company will maintain a consolidated dividend payout ratio of at least 30% in principle, and target a consolidated dividends on equity ratio of 2.2%.

The Articles of Incorporation of the Company stipulate that the Company can pay dividends from surplus twice a year, comprising of interim and year-end dividends based on the resolution by the Board of Directors in accordance with the provisions of Article 459, Paragraph 1 and Article 454, Paragraph 5 of the Companies Act.

For the fiscal year ended November 30, 2015, the Company intends to pay a year-end dividend of ¥16.50 per share on the basis of the standard for decisions effective until the fiscal year ended November 30, 2015 (this includes a dividend of ¥1 to commemorate the 90th anniversary of launching mayonnaise). The annual dividends will be ¥29 per share, which includes the interim dividend of ¥12.50 paid in August, an increase of ¥6 per share in comparison with the previous fiscal year.

Accordingly, the DOE and the dividend payout ratio both on a consolidated basis will amount to 2.2% and 25.8%, respectively.

In regard to dividends for the fiscal year ending November 30, 2016, the Company intends to pay annual dividends of ¥30 per share which includes an interim dividend of ¥15 per share and a year-end dividend of ¥15 per share, an increase of ¥1 per share in comparison with the previous fiscal year. Accordingly, we project the dividend payout ratio and DOE both on a consolidated basis of 30.4% and 2.2%, respectively.

The Company is a company subject to consolidated dividend regulations, meaning that it calculates the distributable amount for dividends on a consolidated basis.

## **II. Management policies**

### **1. Basic policies of Company management**

The Group's mission is to unceasingly contribute to better and healthier dietary lifestyles of people from around the world premised on the notions of good taste, kindness and uniqueness, acting as a corporate group in the food sector which forms an essential part of human existence.

We will remain committed to our insistence on the highest product quality, which has been the most fundamental concern of the Group since its establishment. At the same time, every one of our executives and employees will remain continually aware of our aims that involve wholeheartedly providing selective products and services that only the Kewpie Group can provide, and putting such aims into practice.

### **2. Management index benchmarks**

The Group has drawn up a three-year Medium-term Business Plan which starts from the fiscal year ending November 30, 2016. In its final year, the fiscal year ending November 30, 2018, the plan calls for us to achieve net sales of ¥625.0 billion, operating income of ¥35.5 billion (operating income to net sales of 5.7%), ordinary income of ¥36.3 billion, profit attributable to owners of the parent of ¥20.2 billion, return on equity (ROE) of 8.5%, and return on assets (ROA) of 8.6%.

Targets for net sales and operating income in Japan and overseas for the fiscal year ending November 30, 2018

(Billions of yen)

	In Japan	Overseas	Total
Net sales	560.5	64.5	625.0
Operating income	28.4	7.1	35.5

# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



### 3. Medium- to long-term business strategies of the Company, and challenges ahead

The Medium-term Business Plan which begins from the fiscal year ending November 30, 2016, stipulates four management policies focused on making the most of our unique capabilities and leveraging our ability, with the aim of enabling the Group to achieve dramatic growth by pursuing new challenges. To that end, the four policies call for us to strengthen our management base, enhance our cost competitiveness, create added value, and take on challenges in new areas.

#### (i) Main strategies in Japan and overseas

In Japan		Overseas
<Create added value> Create value that captures needs Utilize and develop sales channels Strengthen core product proposals	<Enhance our cost competitiveness> Streamline production, sales and distribution Technologically revolutionize product manufacturing Strengthen raw material buying power	<Penetrate KEWPIE brand> Make proposals that capture area-specific needs Expand new categories Strengthen export expansion areas using strategic products

#### (ii) Main strategies by business category

Business category	Main strategies
Condiments products	<ul style="list-style-type: none"> <li>· Create demand for mayonnaise and dressings through proposals for new salad styles</li> <li>· Expand the market for mayonnaise and dressings through proposals that capture area-specific needs</li> </ul>
Egg products	<ul style="list-style-type: none"> <li>· Cultivate the food services market by making full use of a new factory in the Tokyo metropolitan area</li> <li>· Pick up the pace of expansion into the household market</li> </ul>
Delicatessen products	<ul style="list-style-type: none"> <li>· Achieve labor savings by adopting new technologies and enhance profitability by overhauling its production structure</li> <li>· Continue expansions through newly developed sales channels and develop new sales channels</li> </ul>
Processed foods	<ul style="list-style-type: none"> <li>· Strengthen business fundamentals by revitalizing its mainstay products and shifting more toward value-added products</li> <li>· Strengthen business foundations by optimizing its production structure and revamping product categories</li> </ul>
Fine chemical products	<ul style="list-style-type: none"> <li>· Improve costs by reconstructing the raw materials procurement system</li> <li>· Create new functions for hyaluronic acid and build a selling system overseas</li> </ul>
Distribution system	<ul style="list-style-type: none"> <li>· Strengthen business foundations by using resources more efficiently and reorganizing the networks of its distribution locations</li> <li>· Expand service areas through new expansion</li> </ul>

(Note) Amounts shown in the text, tables and charts do not include consumption taxes.

# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



## III. Consolidated financial statements

### 1. Consolidated Balance Sheets

	Previous fiscal year (As of November 30, 2014)	Current fiscal year (As of November 30, 2015)
(Millions of yen)		
<b>Assets</b>		
Current assets		
Cash and deposits	34,815	29,844
Notes and accounts receivable - trade	81,498	78,151
Securities	10,000	5,000
Purchased goods and products	14,811	17,178
Work in process	1,142	979
Raw materials and supplies	6,995	10,247
Deferred tax assets	2,453	2,699
Other	3,079	3,996
Allowances for doubtful accounts	(203)	(176)
Total current assets	154,593	147,920
Fixed assets		
Tangible fixed assets		
Buildings and structures	151,166	168,599
Accumulated depreciation	(86,759)	(95,402)
Net book value	64,406	73,196
Machinery, equipment and vehicles	142,058	155,974
Accumulated depreciation	(113,659)	(121,743)
Net book value	28,399	34,231
Land	46,109	47,468
Lease assets	7,573	7,734
Accumulated depreciation	(3,256)	(2,950)
Net book value	4,317	4,784
Construction in progress	7,144	3,742
Other	11,894	13,542
Accumulated depreciation	(8,720)	(10,150)
Net book value	3,173	3,392
Total tangible fixed assets	153,550	166,815
Intangible fixed assets		
Goodwill	183	1,785
Computer software	2,456	3,176
Other	748	697
Total intangible fixed assets	3,388	5,659
Investments and other assets		
Investment securities	26,568	28,547
Long-term loans receivable	501	492
Assets for retirement benefits	8,207	12,427
Deferred tax assets	1,853	1,630
Other	8,872	9,424
Allowances for doubtful accounts	(540)	(499)
Total investments and other assets	45,462	52,023
Total fixed assets	202,401	224,498
Total assets	356,994	372,419

# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



(Millions of yen)

	Previous fiscal year (As of November 30, 2014)	Current fiscal year (As of November 30, 2015)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	53,775	45,192
Short-term loans payable	7,859	9,096
Accounts payable - other	25,294	19,153
Accrued expenses	9,826	10,938
Accrued income taxes	5,278	3,960
Deferred tax liabilities	22	1
Reserves for sales rebates	934	821
Reserves for bonuses	1,054	1,541
Reserves for directors' bonuses	112	169
Other reserves	28	89
Other	1,910	2,094
Total current liabilities	106,097	93,060
Non-current liabilities		
Bonds	10,000	10,000
Long-term loans payable	6,632	6,343
Lease obligations	3,398	3,727
Deferred tax liabilities	5,652	7,956
Liabilities for retirement benefits	2,581	3,075
Asset retirement obligations	653	748
Other	1,581	1,578
Total non-current liabilities	30,499	33,429
Total liabilities	136,596	126,489
<b>Net Assets</b>		
Shareholders' equity		
Paid-in capital	24,104	24,104
Capital surplus	30,309	30,302
Earned surplus	142,489	155,557
Treasury stock	(1,150)	(1,416)
Total shareholders' equity	195,752	208,548
Accumulated other comprehensive income		
Unrealized holding gains (losses) on securities	5,902	9,330
Unrealized gains (losses) on hedges	4	(8)
Foreign currency translation adjustments	(1,234)	(552)
Accumulated adjustments for retirement benefits	(5,373)	(3,243)
Total accumulated other comprehensive income	(701)	5,525
Minority interests	25,346	31,856
Total net assets	220,397	245,929
Total liabilities and net assets	356,994	372,419



# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



## 2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income (Consolidated Statements of Income)

	(Millions of yen)	
	Previous fiscal year (From December 1, 2013 to November 30, 2014)	Current fiscal year (From December 1, 2014 to November 30, 2015)
Net sales	553,404	578,192
Cost of sales	419,042	432,489
Gross profit	134,362	145,702
Selling, general and administrative expenses	110,018	119,261
Operating income	24,343	26,441
Non-operating income		
Interest income	152	121
Dividends income	388	450
Equity in earnings of affiliates	-	134
Other	1,309	1,027
Total non-operating income	1,850	1,734
Non-operating expenses		
Interest expenses	296	314
Losses on valuation of derivatives	-	129
Foreign exchange losses	-	94
Equity in losses of affiliates	102	-
Other	427	324
Total non-operating expenses	825	863
Ordinary income	25,368	27,311
Extraordinary gains		
Gains on change in equity	-	1,197
Gains on extinguishment of tie-in shares	-	901
Gains on step acquisitions	4	830
Subsidy income	-	416
Gains on sales of fixed assets	104	128
Gains on negative goodwill	406	105
Other	244	237
Total extraordinary gains	759	3,816
Extraordinary losses		
Losses on disposal of fixed assets	883	1,368
Losses on impairment of fixed assets	586	373
Losses on liquidation of subsidiaries and affiliates	-	261
Losses on valuation of investments in capital of subsidiaries and affiliates	-	257
Other	82	204
Total extraordinary losses	1,551	2,465
Income before income taxes and minority interests	24,575	28,663
Income taxes	9,212	8,860
Income taxes - deferred	(82)	1
Total income taxes	9,130	8,862
Income before minority interests	15,445	19,800
Minority interests	2,078	2,769
Net income	13,366	17,031

# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



## (Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Previous fiscal year (From December 1, 2013 to November 30, 2014)	Current fiscal year (From December 1, 2014 to November 30, 2015)
Income before minority interests	15,445	19,800
Other comprehensive income		
Unrealized holding gains (losses) on securities	1,224	3,552
Unrealized gains (losses) on hedges	6	(12)
Foreign currency translation adjustments	2,289	683
Adjustments for retirement benefits	-	2,237
Share of other comprehensive income of affiliates accounted for using equity method	2	-
Total other comprehensive income	3,522	6,461
Comprehensive income	18,968	26,261
(Breakdown)		
Comprehensive income attributable to owners of the parent	16,472	23,258
Comprehensive income attributable to minority interests	2,495	3,003

# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



## 3. Consolidated Statements of Changes in Net Assets Previous fiscal year (From December 1, 2013 to November 30, 2014)

(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	29,434	132,491	(3,392)	182,638
Cumulative effects of changes in accounting policies					
Restated balance	24,104	29,434	132,491	(3,392)	182,638
Changes of items during the fiscal year					
Dividends from surplus			(3,369)		(3,369)
Net income			13,366		13,366
Repurchase of shares				(4)	(4)
Change in treasury stock arising from change in equity in affiliates accounted for using equity method				(6)	(6)
Allocation of treasury stock by share exchange		875		2,253	3,128
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	-	875	9,997	2,242	13,114
Balance at the end of the current fiscal year	24,104	30,309	142,489	(1,150)	195,752

	Accumulated other comprehensive income					Minority 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	4,771	(4)	(3,200)	-	1,566	26,080	210,285
Cumulative effects of changes in accounting policies							
Restated balance	4,771	(4)	(3,200)	-	1,566	26,080	210,285
Changes of items during the fiscal year							
Dividends from surplus							(3,369)
Net income							13,366
Repurchase of shares							(4)
Change in treasury stock arising from change in equity in affiliates accounted for using equity method							(6)
Allocation of treasury stock by share exchange							3,128
Net changes of items other than shareholders' equity	1,130	9	1,965	(5,373)	(2,268)	(734)	(3,002)
Total changes of items during the fiscal year	1,130	9	1,965	(5,373)	(2,268)	(734)	10,111
Balance at the end of the current fiscal year	5,902	4	(1,234)	(5,373)	(701)	25,346	220,397

# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



Current fiscal year (From December 1, 2014 to November 30, 2015)

(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	30,309	142,489	(1,150)	195,752
Cumulative effects of changes in accounting policies			(320)		(320)
Restated balance	24,104	30,309	142,168	(1,150)	195,432
Changes of items during the fiscal year					
Dividends from surplus			(3,642)		(3,642)
Net income			17,031		17,031
Repurchase of shares		(6)		(266)	(272)
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	-	(6)	13,388	(266)	13,115
Balance at the end of the current fiscal year	24,104	30,302	155,557	(1,416)	208,548

	Accumulated other comprehensive income					Minority 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	5,902	4	(1,234)	(5,373)	(701)	25,346	220,397
Cumulative effects of changes in accounting policies						(12)	(332)
Restated balance	5,902	4	(1,234)	(5,373)	(701)	25,333	220,064
Changes of items during the fiscal year							
Dividends from surplus							(3,642)
Net income							17,031
Repurchase of shares							(272)
Net changes of items other than shareholders' equity	3,428	(13)	681	2,130	6,226	6,522	12,749
Total changes of items during the fiscal year	3,428	(13)	681	2,130	6,226	6,522	25,864
Balance at the end of the current fiscal year	9,330	(8)	(552)	(3,243)	5,525	31,856	245,929

# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



## 4. Consolidated Statements of Cash Flows

(Millions of yen)

	Previous fiscal year (From December 1, 2013 to November 30, 2014)	Current fiscal year (From December 1, 2014 to November 30, 2015)
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	24,575	28,663
Depreciation and amortization	16,132	19,094
Losses on impairment of fixed assets	586	373
Amortization of goodwill	14	229
Retirement benefit expenses	-	1,222
Equity in losses (earnings) of affiliates	102	(134)
Losses (gains) on valuation of investment securities	4	9
Losses on valuation of investments in capital of subsidiaries and affiliates	-	257
Gains on negative goodwill	(406)	(105)
Losses (gains) on step acquisitions	(4)	(830)
Losses (gains) on change in equity	-	(1,197)
Losses (gains) on extinguishment of tie-in shares	-	(901)
Increase (decrease) in reserves for retirement benefits	(2,315)	-
Decrease (increase) in prepaid pension costs	15,736	-
Increase (decrease) in liabilities for retirement benefits	2,523	473
Decrease (increase) in assets for retirement benefits	(16,198)	(1,653)
Increase (decrease) in reserves for sales rebates	22	(112)
Increase (decrease) in reserves for directors' bonuses	(26)	56
Increase (decrease) in reserves for bonuses	(72)	340
Increase (decrease) in allowances for doubtful accounts	(77)	(89)
Interest and dividends income	(540)	(572)
Interest expenses	296	314
Losses (gains) on sales of investment securities	(45)	52
Losses (gains) on sales and disposal of fixed assets	784	1,258
Decrease (increase) in notes and accounts receivable - trade	(3,419)	8,854
Decrease (increase) in inventories	(3,215)	(1,151)
Increase (decrease) in notes and accounts payable - trade	2,613	(12,687)
Increase (decrease) in accounts payable - other	414	(2,736)
Increase (decrease) in accrued consumption taxes	2,473	(802)
Increase (decrease) in long-term accounts payable	(201)	(73)
Other	372	(323)
<b>Sub-total</b>	<b>40,128</b>	<b>37,830</b>
Interest and dividends income received	594	627
Interest paid	(296)	(314)
Income taxes paid	(6,034)	(10,049)
<b>Net cash provided by (used in) operating activities</b>	<b>34,392</b>	<b>28,094</b>

# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



(Millions of yen)

	Previous fiscal year (From December 1, 2013 to November 30, 2014)	Current fiscal year (From December 1, 2014 to November 30, 2015)
<b>Cash flows from investing activities</b>		
Purchases of securities	(10,000)	(10,000)
Proceeds from redemption of securities	10,000	10,000
Purchases of tangible fixed assets	(28,243)	(30,032)
Purchases of intangible fixed assets	(1,252)	(1,529)
Subsidy income	-	416
Purchases of investment securities	(1,092)	(157)
Proceeds from sales of investment securities	133	178
Proceeds from redemption of investment securities	1,946	-
Purchases of shares of subsidiaries and affiliates	(2,184)	-
Proceeds from sales of shares of subsidiaries and affiliates	-	58
Acquisition of subsidiaries' shares	(35)	(21)
Proceeds from sales of subsidiaries' shares	432	30
Proceeds from acquisition of subsidiaries' shares resulting in change in scope of consolidation	70	44
Net decrease (increase) in short-term loans receivable	49	(82)
Payments of long-term loans receivable	(48)	(21)
Collection of long-term loans receivable	53	19
Payments into time deposits	(20)	(98)
Proceeds from withdrawal of time deposits	-	117
Other	(657)	(102)
<b>Net cash provided by (used in) investing activities</b>	<b>(30,847)</b>	<b>(31,181)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(1,530)	(541)
Repayment of lease obligations	(1,332)	(1,753)
Proceeds from long-term loans payable	4,610	1,303
Repayment of long-term loans payable	(1,010)	(1,466)
Proceeds from share issuance to minority shareholders	-	181
Cash dividends paid	(3,369)	(3,642)
Cash dividends paid to minority shareholders	(513)	(550)
Repurchase of shares	(4)	(79)
Purchase of treasury shares of subsidiaries	-	(551)
<b>Net cash provided by (used in) financing activities</b>	<b>(3,149)</b>	<b>(7,101)</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>429</b>	<b>235</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>825</b>	<b>(9,952)</b>
<b>Cash and cash equivalents at the beginning of the fiscal year</b>	<b>43,963</b>	<b>44,788</b>
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	-	5
<b>Cash and cash equivalents at the end of the fiscal year</b>	<b>44,788</b>	<b>34,841</b>

# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



## 5. Notes regarding consolidated financial statements

(Notes regarding assumption of a going concern)

Not applicable

(Significant matters forming the basis for the preparation of consolidated financial statements)

### (1) Consolidated subsidiaries

The Company has fifty-four consolidated subsidiaries in the current fiscal year. The principal consolidated subsidiaries are Kewpie Egg Corporation, Deria Foods Co., Ltd., Kewpie Jyozo Co., Ltd., K.R.S. Corporation, Kanae Foods Co., Ltd., Gourmet Delica Co., Ltd., Salad Club, Inc. and Aohata Corporation.

In the current fiscal year, the number of consolidated subsidiaries increased by two because the Company acquired shares of Aohata Corporation and Nantong Kewpie Foods Co., Ltd. was newly established.

There are twenty unconsolidated subsidiaries, and the principal company is K. LP Corporation. These companies are excluded from the consolidation, because their total assets, net sales, net income, and total amounts of earned surplus (based on the Company's ownership percentage) do not have a significant effect on the consolidated financial statements.

### (2) Application of the equity method

The equity method is applied to the investments in three affiliated companies. The principal affiliated company accounted for by the equity method is Summit Oil Mill Co., Ltd. In the current fiscal year, the number of affiliated companies accounted for by the equity method decreased by two because Aohata Corporation became the Company's consolidated subsidiary and Henningsen Van Den Burg B.V. was excluded from the affiliated companies due to sales of its shares.

The investments in twenty unconsolidated subsidiaries including K. LP Corporation and in three affiliated companies including AK Franchise System Co., Ltd. not to be accounted for by the equity method are excluded from the scope of application of the equity method, because the total amounts of net income and earned surplus (based on the Company's ownership percentage) do not have a significant effect on the consolidated financial statements.

### (3) Closing date of consolidated subsidiaries

The closing date of seven foreign consolidated subsidiaries is September 30, that of one domestic consolidated subsidiary is October 31, and that of four foreign consolidated subsidiaries is December 31.

Four foreign subsidiaries whose closing date is December 31 are consolidated based on their temporary financial statements at September 30. Other seven foreign subsidiaries and one domestic subsidiary are consolidated based on the financial statements at their balance sheet date.

However, significant transactions of those subsidiaries for the period from the date of their respective financial statements to the consolidated closing date are reflected in the consolidated financial statements.

### (4) Accounting standards

#### A. Valuation basis and valuation methods for significant assets

##### a) Securities

- (i) Held-to-maturity bonds are stated at amortized cost. Discounts and premiums are amortized by the straight-line method.
- (ii) Shares in subsidiaries and affiliates which are not accounted for under the equity method are stated at moving average cost.
- (iii) Other securities with readily determinable fair value are stated at fair value based on market price at the closing date. Valuation differences comprise net assets as unrealized holding gains on securities. When sold, cost of sales is determined by the moving average method. Other securities without readily determinable fair value are stated at moving average cost.

##### b) Financial derivative instruments

Financial derivative instruments are stated at fair value.

Hedge accounting is adopted for financial derivative instruments which conform to requirements of hedge accounting.

##### c) Inventories

Purchased goods and products, work in process, raw materials and supplies are principally stated at monthly moving average cost (a method whereby book values are written down based on a decline in the revenue expected to be generated from these inventories). Some joint products are stated at cost using the retail method (a method whereby book values are written down based on a decline in the revenue expected to be generated from these inventories).

#### B. Depreciation methods for significant depreciable assets

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

Tangible fixed assets are mainly depreciated by the declining balance method except for the following assets.

# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



- Buildings (excluding equipment fixed inside buildings) acquired on and after April 1, 1998 are depreciated by the straight-line method.  
The same basis with the Corporation Tax Act is mainly adopted for useful life and residual value.  
The main useful life is as follows.
- |                          |            |
|--------------------------|------------|
| Buildings:               | 2-50 years |
| Machinery and equipment: | 2-22 years |
- b) Intangible fixed assets (excluding lease assets)  
Intangible fixed assets are amortized by the straight-line method.  
The same basis with the Corporation Tax Act is mainly adopted for useful life.  
Computer software purchased for internal use is amortized by the straight-line method for five years based on the estimated useful life for internal use.
- c) Lease assets  
The straight-line method, which considers the lease period to be the useful life and the residual value to be zero, is applied to lease assets related to finance lease transactions that do not transfer ownership.
- d) Long-term prepaid expenses  
Long-term prepaid expenses are amortized by the straight-line method.
- C. Accounting for significant deferred assets  
All business commencement expenses are expensed when a payment is made.
- D. Accounting standards for significant reserves
- a) Allowances for doubtful accounts  
To provide for a possible bad-debt loss, the Group provides the expected uncollectible amount as allowances for doubtful accounts. The said amount is calculated by using credit-loss prediction ratios based on historical data for general accounts receivable, and by reference to the individual collectability for special receivables, such as those in danger of being uncollectible.
- b) Reserves for sales rebates  
To provide for the payment of rebates for the current fiscal year, reserves for sales rebates are provided on an accrual basis, multiplying the net sales and each company's standard (the percentage of the expected amount of rebates in net 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.
- d) Reserves for directors' bonuses  
To provide for the payment of bonuses to directors, reserves for directors' bonuses are provided according to the expected amount payable at the end of the current fiscal year.
- E. Accounting for retirement benefits
- a) Method of attributing expected retirement benefits to periods  
In calculating retirement benefit obligations, expected retirement benefits are attributed to the period up to the end of the current fiscal year on the benefit formula basis.
- b) Accounting for amortization of actuarial gains or losses and prior service costs  
Prior service costs are amortized by the straight-line method principally over twelve years based on the average remaining employees' service years.  
Actuarial gains or losses are amortized by the straight-line method principally over twelve years based on the average remaining employees' service years at each fiscal year, and their amortizations start from the following fiscal year of the respective accrual years.  
In addition, if the amount of pension fund assets exceeds that of retirement benefit obligations for corporate pension plan, it is recognized as assets for retirement benefits on consolidated balance sheet.
- F. Treatment for significant hedge accounting
- a) Method of hedge accounting  
Deferral hedge is applied.  
Allocation method is applied for transactions that meet the requirements for that method.  
Special treatment is applied for the interest rate swap transactions that meet the requirements for the special treatment.
- b) Hedging instruments  
Hedging instruments are forward exchange contracts and interest rate swap transactions.
- c) Hedged items  
Hedged items are purchase transactions in foreign currencies and interest of loans.



# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



d) Hedging policy

The Group executes forward exchange contracts to hedge risks from fluctuation in foreign exchange rate and interest rate swap transactions to hedge risks from projected fluctuation in interest rate.

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

e) Assessment of the effectiveness of hedge accounting

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

However, the assessment of the effectiveness is omitted for interest rate swap transactions that meet the requirements for the special treatment.

G. Method and period for amortization of goodwill

As a general rule, goodwill is amortized on a straight-line basis over the period deemed to be valuable. However, goodwill is written off completely in the fiscal year in which it arises if immaterial.

H. Scope of cash in the consolidated statements of cash flows

Cash in the consolidated statements of cash flows (cash and cash equivalents) consists of cash in hand, bank deposits which can be withdrawn freely, and short-term investments which can be easily converted into cash and matures within three months from the acquisition date which are at little risk of changes in value.

I. Other significant matter for the preparation of consolidated financial statements

Consumption taxes are recorded in separate accounts.

(Changes in accounting policies)

*Application of accounting standard for retirement benefits and related regulations*

The Company and its domestic consolidated subsidiaries have applied the stipulations in the main clause of paragraph 35 of the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26 of May 17, 2012; hereinafter, the "Accounting Standard") and the main clause of paragraph 67 of the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25 of March 26, 2015; hereinafter, the "Guidance") from the beginning of the current fiscal year. Accordingly, the calculation methods of retirement benefit obligations and current service costs were reviewed. Specifically the method of attributing expected retirement benefits to each period was changed from the straight-line basis to the benefit formula basis, and the method of determining the discount rate was changed from the method using the average period up to the estimated retirement benefit payment date to the method using the discount rate that reflects the estimated payment period and amount of benefit payment in each period.

In accordance with transitional accounting as stipulated in paragraph 37 of the Accounting Standard, the effect of the changes in the calculation methods for retirement benefit obligations and current service costs was added to or deducted from earned surplus at the beginning of the current fiscal year.

As a result of the above, assets for retirement benefits decreased by ¥47 million, liabilities for retirement benefits increased by ¥460 million, and earned surplus decreased by ¥320 million at the beginning of the current fiscal year. The effects on operating income, ordinary income, and income before income taxes and minority interests for the current fiscal year were immaterial.

The effects of the change on per share information are stated in "Per share information."

(Business combination)

*Making a company a consolidated subsidiary by company split*

The Company and Aohata Corporation ("Aohata") concluded an absorption-type company split agreement on December 24, 2013, under which Aohata would be the successor company of the business of selling bread-related products such as jams, whipped cream and spread, by a company split (the "Company Split"), and it became effective on December 1, 2014. As a result of the Company Split, the Company came to own 45.64% of Aohata's issued shares and Aohata became a consolidated subsidiary of the Company because it came to be under the substantial control of the Company.

# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



## 1. Outline of the Company Split

### (1) Name and description of business of the acquired company

- |                            |                             |
|----------------------------|-----------------------------|
| A. Name                    | Aohata Corporation          |
| B. Description of business | Production and sale of jams |

### (2) Primary reasons for carrying out the Company Split

The Company conducted the Company Split because this would enable Aohata to operate both manufacturing and selling businesses, which would promote its prompt decision-making, unique selling system and rapid product development in consideration of diversifying customer needs and changing preferences. It would also enable the Processed foods business of the Company as a whole to improve market competitiveness. Both companies agreed to the idea that making Aohata a consolidated subsidiary would contribute to the further growth and development of them and to the enhancement of corporate value, because it would lead to many positive changes, such as the further active utilization of each other's management know-how as to endless promotion of the rationalization, integration of both companies' sales channels in and outside of Japan, enhancement of partnership between them in processing fruits, strengthening the Processed foods business and improving profitability of the Company, and strengthening the management base of Aohata through further utilizing the management resources of the Company more than ever.

### (3) Effective date of the Company Split

December 1, 2014

### (4) Legal form of the Company Split

Absorption-type company split in which the Company became the transferring company and Aohata became the successor company in exchange for shares

### (5) Percentages of voting rights owned immediately before the date of the Company Split, additionally acquired on the date of the Company Split, and owned after the acquisition

- |   |         |
|---|---------|
| A. Percentage of voting rights owned immediately before the date of the Company Split | 36.24 % |
| B. Percentage of voting rights additionally acquired on the date of the Company Split | 9.40 %  |
| C. Percentage of voting rights owned after the acquisition                            | 45.64 % |

### (6) Primary basis for determining the acquiring company

The Company was determined as the acquiring company because, as a result of the Company Split, the Company came to own 45.64% of Aohata's total voting rights and Aohata came to be under the substantial control of the Company.

## 2. Period of business results of the acquired company included in the consolidated financial statements

From November 1, 2014 to October 31, 2015

## 3. Calculation of the cost of acquisition of the acquired company

Cost of acquisition of the acquired company and breakdown of the cost

Market value of the common stock held by the Company immediately before the date of the Company Split ¥4,229 million

Market value of the common stock additionally acquired by the Company on the date of the Company Split ¥2,020 million

---

Cost of acquisition ¥6,250 million

## 4. Difference between the cost of acquisition of the acquired company and the total cost of acquisition of individual transactions leading to the acquisition

Gains on step acquisitions: ¥830 million

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

### (1) Amount of goodwill recognized

¥1,823 million

### (2) Reason for recognition

Recognized from future excess earning power expected from future business operations

### (3) Method and period for amortization

Amortized by the straight-line method over 10 years

# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



## 6. Amounts and primary components of assets acquired and liabilities assumed as of the date of the Company Split

Current assets	¥8,800 million
Fixed assets	¥5,184 million
Total assets	¥13,984 million

Current liabilities	¥5,093 million
Non-current liabilities	¥546 million
Total liabilities	¥5,640 million

## 7. Outline of the accounting treatment implemented and the impact of the Company Split on the consolidated statement of income

In the Company Split, the Company became the transferring company and Aohata became the successor company. However, as Aohata has become the Company's subsidiary, the Company Split is a reverse acquisition that positions the Company as the acquiring company and Aohata as the acquired company based on the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21 of December 26, 2008) and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10 of December 26, 2008).

As a result of the accounting treatment for preparing the consolidated financial statements implemented due to the Company Split, in the current fiscal year, the Company recognized ¥1,118 million of gains on change in equity related to the business subject to the Company Split as extraordinary gains.

## 8. Reported segment that included divested business

Processed foods segment

### *Common control transactions*

Aohata Corporation, the Company's consolidated subsidiary, and Geinan Shokuhin Co., Ltd. and AFC Co., Ltd., the Company's unconsolidated subsidiaries, merged effective on October 1, 2015.

### 1. Summary of transaction

#### (1) Names and description of businesses of companies involved in business combination

Names of company involved in business combination	Aohata Corporation, Geinan Shokuhin Co., Ltd., AFC Co., Ltd.
Description of businesses	Aohata Corporation: Production and sale of jams Geinan Shokuhin Co., Ltd.: Production and sale of processed agricultural, livestock and seafood products AFC Co., Ltd.: Purchase and sale of processed agricultural and seafood products

#### (2) Date of business combination

October 1, 2015

#### (3) Legal form of business combination

The business combination was an absorption-type merger with Aohata Corporation as the surviving company and Geinan Shokuhin Co., Ltd. and AFC Co., Ltd. being dissolved. Since the dissolved companies were both wholly owned subsidiaries of Aohata Corporation, there was no issuance of new shares or cash payment associated with the merger.

#### (4) Names of companies after business combination

Aohata Corporation

#### (5) Purpose of the transaction

The merger was intended to cope with the changes in the external environment of the Group and to establish the structure aiming to achieve the Medium-term Business Plan.

# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



## 2. Outline of the accounting treatment implemented and the impact of the merger on the consolidated statement of income

The merger was accounted for as a transaction under common control based on the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21 of December 26, 2008) and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10 of December 26, 2008).

As a result of the accounting treatment for preparing the consolidated financial statements implemented due to the merger, in the current fiscal year, the Company recognized ¥901 million of gains on extinguishment of tie-in shares as extraordinary gains.

# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



(Segment information)

[Segment information]

A. Outline of reported segments

The reported segments of the Company are those units for which separate financial statements can be obtained among the constituent units of the Group and which are regularly examined by the Board of Directors for making decisions on the allocation of management resources and for assessing business performance. These segments are categorized by product and service, and consist of "Condiments products," "Egg products," "Delicatessen products," "Processed foods," "Fine chemical products," "Distribution system" and "Common business operations."

The following is the overview of each segment:

Condiments products:	Mayonnaise, dressings and vinegar
Egg products:	Liquid egg, frozen egg, dried egg, egg spread, thick omelet and shredded egg
Delicatessen products:	Salads, delicatessen foods, boxed lunches, rice balls and packaged salads
Processed foods:	Bottled and/or canned foods including jams, pasta sauces and sweet corn, baby foods and nursing care foods
Fine chemical products:	Hyaluronic acid and EPA
Distribution system:	Transportation and warehousing of food products
Common business operations:	Sale of food products

B. Method used to calculate amounts of net sales, profit or loss, assets, liabilities and others by reported segment

Accounting treatment applied to the reported segments is much the same with what is described in "Significant matters forming the basis for the preparation of consolidated financial statements."

Profit of the reported segments is based on operating income. Intersegment net sales and transfers are based on prevailing market price.

C. Information on amounts of net sales, profit or loss, assets, liabilities and others by reported segment  
Previous Fiscal Year (From December 1, 2013 to November 30, 2014)

	Condi- ments products	Egg products	Delica- tessen products	Processed foods	Fine chemical products	Distri- bution system	Common business operations	Total	Adjust- ments	Amount reported on the consolidated financial statements (Note)
Net sales										
Net sales to outside customers	151,465	99,513	102,225	57,152	10,726	126,789	5,531	553,404	-	553,404
Intersegment net sales or transfers	5,948	6,020	360	1,812	273	23,916	9,447	47,779	(47,779)	-
Total	157,413	105,534	102,586	58,964	11,000	150,706	14,979	601,184	(47,779)	553,404
Segment profit	11,510	3,756	3,279	164	1,030	3,613	982	24,336	7	24,343
Segment assets	91,279	51,842	40,609	33,419	10,663	75,046	9,802	312,663	44,331	356,994
Others										
Depreciation and amortization	4,809	2,745	1,933	1,216	744	4,080	602	16,132	-	16,132
Investment in affiliates accounted for by equity method	1,071	194	-	3,454	-	-	173	4,893	-	4,893
Increase in tangible and intangible fixed assets	8,528	3,551	7,102	2,195	908	6,446	1,379	30,111	-	30,111

(Notes) 1. "Adjustments" of ¥44,331 million in "Segment assets" mainly includes company-wide assets of ¥50,623 million and elimination of intersegment receivables and payables of ¥(5,192) million. Major items in company-wide assets are surplus operating funds of the Company (cash and deposits and securities) and long-term investment funds (investment securities).

# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



2. Adjustments are made between "Segment profit" and "Operating income" reported in the consolidated statements of income.
3. "Depreciation and amortization" and "Increase in tangible and intangible fixed assets" include "Long-term prepaid expenses."

Current Fiscal Year (From December 1, 2014 to November 30, 2015)

(Millions of yen)

	Condi-ments products	Egg products	Delica-tessen products	Processed foods	Fine chemical products	Distri-bution system	Common business operations	Total	Adjust-ments	Amount reported on the consolidated financial statements (Note)
Net sales										
Net sales to outside customers	157,056	104,785	109,098	62,255	11,311	127,747	5,937	578,192	—	578,192
Intersegment net sales or transfers	6,798	5,818	218	2,509	298	24,303	10,058	50,005	(50,005)	—
Total	163,855	110,604	109,316	64,765	11,610	152,050	15,995	628,197	(50,005)	578,192
Segment profit (loss)	12,543	5,396	2,749	(268)	350	4,760	900	26,432	8	26,441
Segment assets	96,275	55,706	40,878	42,060	10,523	81,370	10,601	337,417	35,002	372,419
Others										
Depreciation and amortization	5,209	3,328	2,814	1,675	811	4,630	625	19,094	—	19,094
Investment in affiliates accounted for by equity method	1,135	—	—	70	—	—	189	1,395	—	1,395
Increase in tangible and intangible fixed assets	6,714	7,303	5,106	1,870	660	9,814	899	32,369	—	32,369

- (Notes)
1. "Adjustments" of ¥35,002 million in "Segment assets" mainly includes company-wide assets of ¥37,769 million and elimination of intersegment receivables and payables of ¥(4,150) million. Major items in company-wide assets are surplus operating funds of the Company (cash and deposits and securities) and long-term investment funds (investment securities).
  2. Adjustments are made between "Segment profit (loss)" and "Operating income" reported in the consolidated statements of income.
  3. "Depreciation and amortization" and "Increase in tangible and intangible fixed assets" include "Long-term prepaid expenses."

# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



## [Related information]

Previous Fiscal Year (From December 1, 2013 to November 30, 2014)

### A. Information by product and service

It is omitted here since similar information is disclosed in "Segment information."

### B. Information by region

#### a) Net sales

It is omitted here since net sales to outside customers in Japan is more than 90% of net sales reported in the consolidated statements of income.

#### b) Tangible fixed assets

It is omitted here since the amount of tangible fixed assets located in Japan is more than 90% of tangible fixed assets reported in the consolidated balance sheets.

### C. Information by major customer

It is omitted here since there is no customer occupying 10% or more of net sales reported in the consolidated statements of income.

Current Fiscal Year (From December 1, 2014 to November 30, 2015)

### A. Information by product and service

It is omitted here since similar information is disclosed in "Segment information."

### B. Information by region

#### a) Net sales

It is omitted here since net sales to outside customers in Japan is more than 90% of net sales reported in the consolidated statements of income.

#### b) Tangible fixed assets

It is omitted here since the amount of tangible fixed assets located in Japan is more than 90% of tangible fixed assets reported in the consolidated balance sheets.

### C. Information by major customer

It is omitted here since there is no customer occupying 10% or more of net sales reported in the consolidated statements of income.

## [Information on losses on impairment of fixed assets by reported segment]

Previous Fiscal Year (From December 1, 2013 to November 30, 2014)

(Millions of yen)

	Condi-ments products	Egg products	Delica-tessen products	Processed foods	Fine chemical products	Distri-bution system	Common business operations	Total	Adjust-ments	Total
Losses on impairment of fixed assets	235	350	-	-	-	-	-	586	-	586

Current Fiscal Year (From December 1, 2014 to November 30, 2015)

(Millions of yen)

	Condi-ments products	Egg products	Delica-tessen products	Processed foods	Fine chemical products	Distri-bution system	Common business operations	Total	Adjust-ments	Total
Losses on impairment of fixed assets	118	41	0	115	10	85	1	373	-	373

# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



## [Information on amortization of goodwill and unamortized balance by reported segment]

Previous Fiscal Year (From December 1, 2013 to November 30, 2014)

(Millions of yen)

	Condi-ments products	Egg products	Delica-tessen products	Processed foods	Fine chemical products	Distri-bution system	Common business operations	Total	Adjust-ments	Total
Amortization in the current fiscal year	-	-	-	-	7	6	-	14	-	14
Unamortized balance at the end of the current fiscal year	-	-	-	-	140	43	-	183	-	183

Current Fiscal Year (From December 1, 2014 to November 30, 2015)

(Millions of yen)

	Condi-ments products	Egg products	Delica-tessen products	Processed foods	Fine chemical products	Distri-bution system	Common business operations	Total	Adjust-ments	Total
Amortization in the current fiscal year	-	-	-	182	29	17	-	229	-	229
Unamortized balance at the end of the current fiscal year	-	-	-	1,640	110	33	-	1,785	-	1,785

## [Information on gains on negative goodwill by reported segment]

Previous Fiscal Year (From December 1, 2013 to November 30, 2014)

(Millions of yen)

	Condi-ments products	Egg products	Delica-tessen products	Processed foods	Fine chemical products	Distri-bution system	Common business operations	Total	Adjust-ments	Total
Gains on negative goodwill	104	301	-	-	-	-	-	406	-	406

Current Fiscal Year (From December 1, 2014 to November 30, 2015)

(Millions of yen)

	Condi-ments products	Egg products	Delica-tessen products	Processed foods	Fine chemical products	Distri-bution system	Common business operations	Total	Adjust-ments	Total
Gains on negative goodwill	-	-	-	-	-	99	5	105	-	105



# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



## (Per share information)

	Previous fiscal year (From December 1, 2013 to November 30, 2014)	Current fiscal year (From December 1, 2014 to November 30, 2015)
Net assets per share (yen)	1,284.36	1,410.53
Net income per share (yen)	88.69	112.21

(Notes) 1. "Net income per share - diluted" is not presented because of no issue of potential shares.  
2. Calculation basis of net assets per share is as follows.

	Previous fiscal year (From December 1, 2013 to November 30, 2014)	Current fiscal year (From December 1, 2014 to November 30, 2015)
Total net assets (millions of yen)	220,397	245,929
Amount subtracted from total net assets (millions of yen)	25,346	31,856
[Minority interests]	[25,346]	[31,856]
Net assets attributable to common stock at the end of the fiscal year (millions of yen)	195,051	214,073
Number of shares of common stock at the end of the fiscal year (thousand shares)	151,867	151,767

3. Calculation basis of net income per share is as follows.

	Previous fiscal year (From December 1, 2013 to November 30, 2014)	Current fiscal year (From December 1, 2014 to November 30, 2015)
Net income (millions of yen)	13,366	17,031
Amounts not attributable to common shareholders (millions of yen)	–	–
Net income attributable to common stock (millions of yen)	13,366	17,031
Weighted average number of shares of common stock (thousand shares)	150,703	151,783

4. As described in "III. Consolidated financial statements: 5. Notes regarding consolidated financial statements (Changes in accounting policies)," the accounting standard for retirement benefits and the related regulations were applied in accordance with the transitional accounting stipulated in paragraph 37 of the Accounting Standard for Retirement Benefits.

As a result, net assets per share decreased by ¥2.11 in the current fiscal year. The effect on net income per share was immaterial.

## (Significant subsequent events)

Not applicable

# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



## IV. Supplementary data

- (Notes) 1. Except for "10. Principal management indexes," fraction errors may occur due to rounding figures less than 100 million.  
2. The forecast information in this supplementary data is reported based on available information as of the date hereof and assumptions on uncertain factors which may have an effect on the future operating results. It could differ significantly from the actual operating results due to various factors.

### 1. Fiscal Year 2015 Summary of net sales [Result]

		(Billions of yen)						
	Segment	1st quarter	2nd quarter	2nd quarter (Cumulative)	3rd quarter	3rd quarter (Cumulative)	4th quarter	Year
Fiscal Year 2013	Condiments products	33.1	38.6	71.7	37.8	109.5	35.9	145.4
	Egg products	21.8	22.3	44.1	22.2	66.3	24.8	91.2
	Delicatessen products	22.7	24.4	47.2	26.1	73.3	24.7	98.0
	Processed foods	13.8	15.4	29.1	14.8	43.9	14.5	58.4
	Fine chemical products	2.3	2.2	4.5	2.3	6.8	2.9	9.7
	Distribution system	28.4	29.9	58.4	31.1	89.5	30.9	120.3
	Common business operations	2.8	1.7	4.5	1.4	5.9	1.7	7.6
	Total	124.9	134.5	259.5	135.7	395.1	135.4	530.5
Fiscal Year 2014 (A)	Condiments products	35.9	40.2	76.1	38.6	114.7	36.7	151.5
	Egg products	24.1	25.3	49.4	24.0	73.4	26.1	99.5
	Delicatessen products	24.2	25.5	49.7	26.8	76.5	25.7	102.2
	Processed foods	13.6	15.0	28.6	14.1	42.7	14.5	57.2
	Fine chemical products	2.3	2.8	5.1	2.3	7.5	3.2	10.7
	Distribution system	30.0	31.2	61.2	32.7	93.9	32.9	126.8
	Common business operations	1.3	1.5	2.8	1.3	4.1	1.4	5.5
	Total	131.5	141.5	273.0	139.8	412.8	140.6	553.4
Fiscal Year 2015 (B)	Condiments products	36.6	40.6	77.2	41.3	118.5	38.5	157.1
	Egg products	24.6	26.2	50.8	25.9	76.7	28.0	104.8
	Delicatessen products	25.1	27.4	52.5	28.8	81.3	27.8	109.1
	Processed foods	14.1	16.8	30.8	15.8	46.6	15.6	62.3
	Fine chemical products	2.4	3.1	5.5	2.8	8.3	3.0	11.3
	Distribution system	31.2	31.9	63.1	32.7	95.8	32.0	127.7
	Common business operations	1.5	1.4	2.9	1.4	4.3	1.7	5.9
	Total	135.6	147.3	282.9	148.7	431.6	146.6	578.2
Change (B) - (A)	Condiments products	0.7	0.4	1.1	2.6	3.8	1.8	5.6
	Egg products	0.5	0.9	1.5	1.9	3.4	1.9	5.3
	Delicatessen products	0.9	1.8	2.8	2.0	4.8	2.1	6.9
	Processed foods	0.4	1.8	2.2	1.7	3.9	1.2	5.1
	Fine chemical products	0.1	0.2	0.4	0.5	0.8	(0.2)	0.6
	Distribution system	1.2	0.7	1.9	(0.0)	1.9	(0.9)	1.0
	Common business operations	0.2	(0.1)	0.1	0.1	0.2	0.2	0.4
	Total	4.1	5.8	9.9	8.8	18.8	6.0	24.8

- (Notes) 1. Figures of "2nd quarter" are differences between "2nd quarter (Cumulative)" and "1st quarter."  
2. Figures of "3rd quarter" are differences between "3rd quarter (Cumulative)" and "2nd quarter (Cumulative)."  
3. Figures of "4th quarter" are differences between "Year" and "3rd quarter (Cumulative)."

# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



## 2. Fiscal Year 2015 Summary of operating income [Result]

(Billions of yen)

	Segment	1st quarter	2nd quarter	2nd quarter (Cumulative)	3rd quarter	3rd quarter (Cumulative)	4th quarter	Year
Fiscal Year 2013	Condiments products	2.3	4.0	6.3	2.9	9.2	2.3	11.5
	Egg products	0.6	1.1	1.8	1.1	2.9	0.5	3.4
	Delicatessen products	0.4	1.0	1.4	1.3	2.7	0.7	3.5
	Processed foods	(0.4)	(0.0)	(0.4)	(0.1)	(0.5)	(0.4)	(0.9)
	Fine chemical products	0.3	0.2	0.5	0.1	0.6	0.3	0.9
	Distribution system	0.3	1.1	1.3	1.0	2.4	0.8	3.2
	Common business operations	0.3	0.3	0.6	0.2	0.8	(0.0)	0.8
	Total	3.9	7.6	11.5	6.6	18.1	4.3	22.4
Fiscal Year 2014 (A)	Condiments products	2.3	3.6	5.9	3.3	9.1	2.4	11.5
	Egg products	(0.1)	1.1	1.0	1.5	2.5	1.3	3.8
	Delicatessen products	0.4	1.1	1.5	1.1	2.6	0.7	3.3
	Processed foods	(0.1)	0.2	0.2	0.1	0.3	(0.1)	0.2
	Fine chemical products	0.2	0.3	0.5	0.1	0.6	0.4	1.0
	Distribution system	0.6	0.9	1.5	1.0	2.5	1.1	3.6
	Common business operations	0.3	0.3	0.5	0.3	0.8	0.2	1.0
	Total	3.6	7.5	11.1	7.3	18.4	5.9	24.3
Fiscal Year 2015 (B)	Condiments products	2.6	3.9	6.5	3.8	10.3	2.2	12.5
	Egg products	1.5	1.3	2.7	1.3	4.0	1.4	5.4
	Delicatessen products	0.3	0.8	1.1	1.0	2.0	0.7	2.7
	Processed foods	(0.2)	0.4	0.2	(0.0)	0.2	(0.4)	(0.3)
	Fine chemical products	0.0	0.1	0.1	0.1	0.2	0.2	0.4
	Distribution system	1.0	1.2	2.2	1.4	3.6	1.1	4.8
	Common business operations	0.3	0.3	0.6	0.2	0.9	0.0	0.9
	Total	5.5	7.9	13.4	7.8	21.2	5.2	26.4
Change (B) - (A)	Condiments products	0.3	0.3	0.6	0.6	1.2	(0.1)	1.0
	Egg products	1.5	0.2	1.7	(0.2)	1.5	0.1	1.6
	Delicatessen products	(0.1)	(0.3)	(0.4)	(0.2)	(0.6)	0.0	(0.5)
	Processed foods	(0.1)	0.1	0.0	(0.1)	(0.1)	(0.3)	(0.4)
	Fine chemical products	(0.2)	(0.2)	(0.4)	(0.1)	(0.4)	(0.2)	(0.7)
	Distribution system	0.4	0.2	0.6	0.5	1.1	0.0	1.1
	Common business operations	0.0	0.1	0.1	(0.0)	0.1	(0.1)	(0.1)
	Total	1.9	0.4	2.3	0.5	2.8	(0.7)	2.1

- (Notes) 1. Figures of "2nd quarter" are differences between "2nd quarter (Cumulative)" and "1st quarter."  
 2. Figures of "3rd quarter" are differences between "3rd quarter (Cumulative)" and "2nd quarter (Cumulative)."  
 3. Figures of "4th quarter" are differences between "Year" and "3rd quarter (Cumulative)."

# Kewpie Corporation

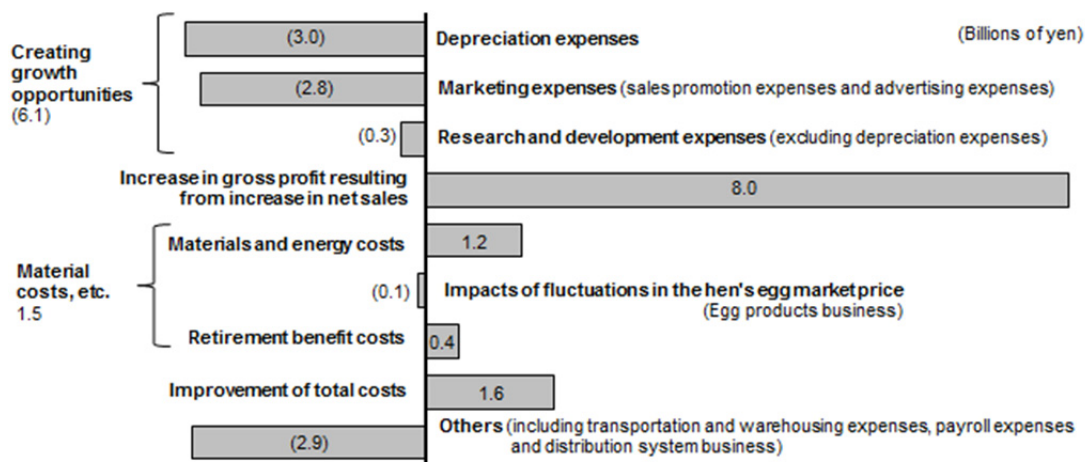
Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



## 3. Fiscal Year 2015 Factors behind changes in operating income (comparison with the previous fiscal year) [Result]

(Billions of yen)

	Fiscal year 2014 (A)	Fiscal year 2015 (B)	Change (B) - (A)
Operating income	24.3	26.4	2.1



## 4. Fiscal Year 2015 Capital investments and main components of selling, general and administrative expenses [Result]

(Billions of yen)

	Fiscal year 2013	Fiscal year 2014 (A)	Fiscal year 2015 (B)	Change (B) - (A)
Capital investments	27.1	30.1	32.4	2.3
Depreciation expenses	14.6	16.1	19.1	3.0
Sales promotion expenses	20.5	21.4	23.5	2.1
Advertising expenses	7.9	8.0	8.7	0.7
Transportation and warehousing expenses	30.5	32.0	33.3	1.3
Payroll expenses	25.4	26.5	28.7	2.1
Research and development expenses	3.7	3.9	4.2	0.3

# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



## 5. Fiscal Year 2015 Domestic sales volume and amount of salads condiments by category type (Kewpie Corporation) [Result]

		Fiscal year 2013	Fiscal year 2014 (A)	Fiscal year 2015 (B)	Change (B) - (A)
For household use	Volume (Thousands of ton)	128	125	126	1
	Amount (Billions of yen)	75.4	76.1	77.3	1.2
For commercial use	Volume (Thousands of ton)	107	105	106	1
	Amount (Billions of yen)	41.5	41.8	42.0	0.2

## 6. Fiscal Year 2015 Summary of net sales and operating income in overseas operations [Result]

(Billions of yen)

	Fiscal year 2013	Fiscal year 2014 (A)	Fiscal year 2015 (B)	Change (B) - (A)
Net sales in overseas operations	23.8	31.6	38.6	7.0
China*	8.1	11.0	14.9	4.0
Southeast Asia*	5.2	6.4	8.1	1.7
North America*	8.4	11.7	12.9	1.3
Export from Japan	2.1	2.6	2.7	0.1
Operating income in overseas operations	1.2	2.8	4.0	1.3

\* For overseas subsidiaries, shown as China, Southeast Asia and North America, figures are results from October to September.

## 7. Fiscal Year 2015 Principal items of changes in non-operating income (expenses) and extraordinary gains (losses) (comparison with the fiscal year 2014) [Result]

(Billions of yen)

	Fiscal year 2014	Fiscal year 2015	Change	Principal items of changes [Comparison with the fiscal year 2014]
Non-operating income (expenses), net	1.0	0.9	(0.2)	Increase in equity in earnings of affiliates 0.2
				Increase in foreign exchange losses (0.2)
Extraordinary gains (losses), net	(0.8)	1.4	2.1	Increase in extraordinary gains due to Aohata Corporation becoming a consolidated subsidiary and Aohata Corporation's merger with its subsidiary 2.9

# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



## 8. Fiscal Year 2015 Summary and items of changes in balance sheets (comparison with the fiscal year 2014) [Result]

(Billions of yen)

	Fiscal year 2014	Fiscal year 2015	Change	Items of changes [Comparison with the fiscal year 2014]
(Assets)				
Current assets	154.6	147.9	(6.7)	Decrease in cash and deposits (5.0) Decrease in securities (5.0) Increase in inventories 5.5
Fixed assets				
Tangible and intangible fixed assets	156.9	172.5	15.5	Increase resulting from purchases 29.9 Decrease resulting from depreciation (19.1) Increase resulting from making Aohata Corporation a consolidated subsidiary 3.7
Investments and other assets	45.5	52.0	6.6	Increase in investment securities 2.0 Increase in assets for retirement benefits 4.2
(Liabilities)				
	136.6	126.5	(10.1)	Decrease in notes and accounts payable - trade (8.6) Decrease in accounts payable - other (6.1)
(Net assets)				
	220.4	245.9	25.5	Increase in earned surplus 13.1 Increase in minority interests 6.5

## 9. Fiscal Year 2015 Principal items of changes in cash flows (comparison with the fiscal year 2014) [Result]

(Billions of yen)

	Fiscal year 2014	Fiscal year 2015	Change	Items of changes [Comparison with the fiscal year 2014]
Cash flows from operating activities	34.4	28.1	(6.3)	Increase in income before income taxes and minority interests 4.1 Decrease in notes and accounts receivable - trade 12.3 Decrease in notes and accounts payable - trade (15.3) Increase in income taxes paid (4.0)
Cash flows from investing activities	(30.8)	(31.2)	(0.3)	Increase in purchases of tangible and intangible fixed assets (2.1) Decrease in purchases of shares of subsidiaries and affiliates 2.2
Cash flows from financing activities	(3.1)	(7.1)	(4.0)	Decrease in loans payable (2.8) Increase in purchase of treasury shares of subsidiaries (0.6)

# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



## 10. Principal management indexes [Result]

	Fiscal year 2011	Fiscal year 2012	Fiscal year 2013	Fiscal year 2014	Fiscal year 2015
Net sales (millions of yen)	486,435	504,997	530,549	553,404	578,192
V.S. previous year (%)	3.3	3.8	5.1	4.3	4.5
Operating income (millions of yen)	20,816	23,368	22,402	24,343	26,441
V.S. previous year (%)	(5.9)	12.3	(4.1)	8.7	8.6
Operating income to net sales (%)	4.3	4.6	4.2	4.4	4.6
Ordinary income (millions of yen)	21,912	24,467	23,749	25,368	27,311
Ordinary income to net sales (%)	4.5	4.8	4.5	4.6	4.7
Net income (millions of yen)	9,449	12,291	12,567	13,366	17,031
Net income ratio (%)	1.9	2.4	2.4	2.4	2.9
Total net assets (millions of yen)	185,293	195,928	210,285	220,397	245,929
Total assets (millions of yen)	275,790	306,515	334,655	356,994	372,419
Equity ratio (%)	58.0	55.8	55.0	54.6	57.5
Cash flows from operating activities (millions of yen)	23,405	33,246	27,369	34,392	28,094
Cash flows from investing activities (millions of yen)	(12,166)	(24,434)	(21,897)	(30,847)	(31,181)
Cash flows from financing activities (millions of yen)	(19,583)	7,022	(2,307)	(3,149)	(7,101)
Free cash flow (millions of yen) (operating cash flow + investing cash flow)	11,239	8,811	5,471	3,545	(3,086)
Cash and cash equivalents at the end of the fiscal year (millions of yen)	24,509	40,387	43,963	44,788	34,841
Interest-bearing debt (millions of yen)	10,909	23,185	25,882	29,110	30,559
Paid-in capital (millions of yen)	24,104	24,104	24,104	24,104	24,104
Total number of issued shares (thousands of shares)	153,000	153,000	153,000	153,000	153,000
Net assets per share (yen)	1,068.67	1,141.68	1,230.32	1,284.36	1,410.53
Net income per share (yen)	62.63	82.09	83.94	88.69	112.21
Free cash flow per share (yen)	74.50	58.85	36.55	23.52	(20.34)
Return on equity (%)	6.0	7.4	7.1	7.0	8.3
Ordinary income to total assets (%)	7.8	8.4	7.4	7.3	7.5
Annual dividend per share (including interim dividend) (yen)	18.0	20.0	22.0	23.0	29.0
[interim dividend per share] (yen)	[9.0]	[9.5]	[11.0]	[11.5]	[12.5]
Price earnings ratio (times)	16.9	14.6	17.3	21.9	26.3
Dividend payout ratio (%)	28.7	24.4	26.2	25.9	25.8
Dividend on equity ratio (%)	1.7	1.8	1.9	1.8	2.2
Number of regular full-time employees	12,028	12,425	12,598	12,933	13,478
Average number of temporary employees	10,830	11,154	11,316	11,840	11,519
Stock price at the end of the fiscal year (yen)	1,056	1,200	1,454	1,942	2,953

(Note) Consumption taxes are not included in net sales.

# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



## 11. Fiscal Year 2016 Summary of net sales and operating income and factors behind changes in operating income [Plan]

The following changes are planned in the fiscal year 2016.

- ◇ Certain sales promotion expenses and transportation and warehousing expenses will be deducted from net sales.
  - The adjusted figures for the fiscal year 2015 below may vary because an audit has yet to be completed and because retrospective adjustment of the figures to accord with the new accounting method applied in the fiscal year ending November 30, 2016 has not been completed.
- ◇ Domestic consolidated subsidiaries will change the depreciation method from the declining balance to the straight-line basis.
  - The figures for the fiscal year 2015 were not retrospectively adjusted for the change in the depreciation method; however, the effect of the change as determined by year-on-year comparison is provided as the factor behind changes in operating income.

### <Net sales>

(Billions of yen)

Segment	Fiscal year 2015 (Adjusted) (A)	Fiscal year 2016 (Plan) (B)	Change (B) - (A)
Condiments products	142.7	153.0	10.3
Egg products	104.8	110.0	5.2
Delicatessen products	101.9	114.0	12.1
Processed foods	57.7	52.5	(5.2)
Fine chemical products	11.3	12.0	0.7
Distribution system	127.7	128.5	0.8
Common business operations	5.9	5.0	(0.9)
Total	552.0	575.0	23.0

### <Operating income>

(Billions of yen)

Segment	Fiscal year 2015 (A)	Fiscal year 2016 (Plan) (B)	Change (B) - (A)
Condiments products	12.5	12.6	0.1
Egg products	5.4	5.5	0.1
Delicatessen products	2.7	4.1	1.4
Processed foods	(0.3)	(0.2)	0.1
Fine chemical products	0.4	0.7	0.3
Distribution system	4.8	5.0	0.2
Common business operations	0.9	0.3	(0.6)
Total	26.4	28.0	1.6



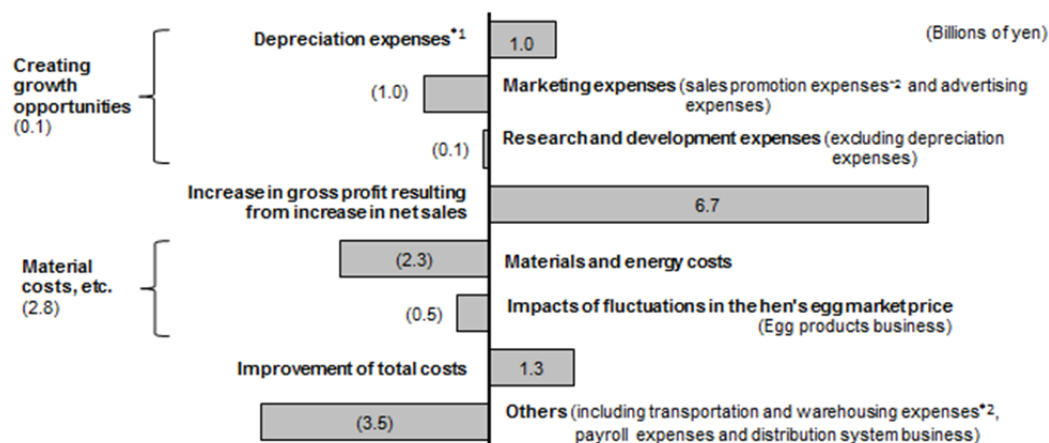
# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



## <Factors behind changes in operating income (comparison with the previous fiscal year)> (Billions of yen)

	Fiscal year 2015 (A)	Fiscal year 2016 (Plan) (B)	Change (B) - (A)
Operating income	26.4	28.0	1.6



\*1. The impact from changing the depreciation method was an increase of ¥2.0 billion.

\*2. Sales promotion expenses and transportation and warehousing expenses for the fiscal year 2015 were adjusted to reflect the amounts deducted from net sales.

## 12. Fiscal Year 2016 Capital investments and main components of selling, general and administrative expenses [Plan]

	Fiscal year 2015 (A)	Fiscal year 2016 (Plan) (B)	Change (B) - (A)
Capital investments	32.4	39.1	6.7
Depreciation expenses	19.1	18.1	(1.0)
Sales promotion expenses*	4.1	4.8	0.7
Advertising expenses	8.7	9.0	0.3
Transportation and warehousing expenses*	26.5	28.4	1.9
Payroll expenses	28.7	30.4	1.7
Research and development expenses	4.2	4.3	0.1

\* Sales promotion expenses and transportation and warehousing expenses for the fiscal year 2015 were adjusted to reflect the amounts deducted from net sales.

# Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



## 13. Fiscal Year 2016 Summary of net sales and operating income in overseas operations [Plan]

### <Net sales>

(Billions of yen)

	Fiscal year 2015 (Adjusted) (A)	Fiscal year 2016 (Plan) (B)	Change (B) - (A)
Net sales in overseas operations	37.7	44.5	6.9
China	14.2	17.9	3.7
Southeast Asia	7.9	9.6	1.7
North America	12.9	13.9	1.0
Export from Japan	2.7	3.2	0.6

\* For overseas subsidiaries, shown as China, Southeast Asia and North America, figures are results from October to September.

### <Operating income>

(Billions of yen)

	Fiscal year 2015 (A)	Fiscal year 2016 (Plan) (B)	Change (B) - (A)
Operating income in overseas operations	4.0	4.3	0.3
China	1.7	2.4	0.6
Southeast Asia	0.0	0.2	0.2
North America	1.9	1.4	(0.6)
Export from Japan	0.3	0.4	0.0

\* For overseas subsidiaries, shown as China, Southeast Asia and North America, figures are results from October to September.

## 14. Fiscal Year 2016 Principal items of changes in non-operating income (expenses) and extraordinary gains (losses) [Plan] (comparison with the fiscal year 2015)

(Billions of yen)

	Fiscal year 2015	Fiscal year 2016 (Plan)	Change	Items of changes [Comparison with the fiscal year 2015]
Non-operating income (expenses), net	0.9	1.1	0.2	Increase in equity in earnings of affiliates 0.2
Extraordinary gains (losses), net	1.4	(1.9)	(3.3)	Decrease in extraordinary gains due to Aohata Corporation becoming a consolidated subsidiary and Aohata Corporation's merger with its subsidiary (2.9)