

Kewpie Corporation

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



Summary of Consolidated Financial Statements for the Second Quarter of the Fiscal Year Ending November 30, 2018 [JAPAN GAAP]

July 5, 2018

Listed company name: Kewpie Corporation
 Listed exchange: Tokyo Stock Exchange
 Securities code: 2809
 URL: <http://www.kewpie.co.jp/english/>
 Representative: Osamu Chonan,
 Representative Director, President and Chief Executive Corporate Officer
 Contact: Masato Shinohara,
 Corporate Officer and Senior General Manager of Management Promotion Division
 Scheduled date for filing quarterly securities report: July 13, 2018
 Scheduled date for dividend payment: August 6, 2018
 Quarterly supplementary data: Yes
 Quarterly results briefing: Yes (for institutional investors and investment analysts)

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

1. Consolidated business results for the second quarter of the fiscal year ending November 30, 2018 (From December 1, 2017 to May 31, 2018)

(1) Consolidated operating results (Cumulative)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended May 31, 2018	285,004	2.8	15,961	7.9	16,543	8.5	9,070	12.7
Six months ended May 31, 2017	277,186	1.4	14,791	4.4	15,246	3.1	8,047	(1.6)

(Note) Comprehensive income: Six months ended May 31, 2018 ¥11,001 million (Decrease of 24.5%)
 Six months ended May 31, 2017 ¥14,574 million (Increase of 73.3%)

	Earnings per share	Earnings per share (diluted)
	Yen	Yen
Six months ended May 31, 2018	61.69	—
Six months ended May 31, 2017	53.69	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of May 31, 2018	428,561	271,294	54.4
As of November 30, 2017	419,207	263,432	54.0

(Reference) Shareholders' equity: As of May 31, 2018 ¥233,036 million
 As of November 30, 2017 ¥226,439 million

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2. Dividends

	Annual dividend per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Total
Fiscal year 2017	– Yen	18.00 Yen	– Yen	18.50 Yen	36.50 Yen
Fiscal year 2018	–	19.00			
Fiscal year 2018 (Forecast)			–	19.00	38.00

(Note) Revision to the most recently announced forecast of dividends: None

3. Forecasts of consolidated operating results for the fiscal year ending November 30, 2018 (From December 1, 2017 to November 30, 2018)

(Percentage figures show changes from the previous year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending November 30, 2018	580,000	3.3	33,500	7.2	34,600	6.4	18,600	2.8	126.49

(Note) Revision to the most recently announced forecast of consolidated operating results: Yes

*Notes

- (1) Changes in significant subsidiaries during the six months (Changes in specified subsidiaries resulting in the change in the scope of consolidation): Yes
Newly consolidated: 1 company (Name: Kewpie China Corporation)
(Note)
For details, please refer to “I. Quarterly consolidated financial statements and major notes: 4. Notes Regarding Quarterly Consolidated Financial Statements (Changes in significant subsidiaries during the six months)” on page 8.
- (2) Application of special accounting treatments for the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies and estimates, and restatements
 - a) Changes in accounting policies due to revision of accounting standards: None
 - b) Changes in accounting policies due to reasons other than “a)” (above): None
 - c) Changes in accounting estimates: None
 - d) Restatements: None
- (4) Number of issued shares (common stock)
 - a) Number of issued shares at the end of the period (including treasury stock):

May 31, 2018	150,000,000 shares
November 30, 2017	150,000,000 shares
 - b) Number of shares of treasury stock at the end of the period:

May 31, 2018	2,956,215 shares
November 30, 2017	2,955,521 shares
 - c) Average number of shares during the period:

December 1, 2017 to May 31, 2018	147,044,101 shares
December 1, 2016 to May 31, 2017	149,879,862 shares

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***The summary of quarterly consolidated financial statements is outside the scope of quarterly review procedures by certified public accountants or an audit corporation.**

***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.

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I. Quarterly consolidated financial statements and major notes

1. Quarterly Consolidated Balance Sheets

(Millions of yen)

	Previous fiscal year (As of November 30, 2017)	Current second quarter (As of May 31, 2018)
Assets		
Current assets		
Cash and deposits	29,618	30,994
Notes and accounts receivable - trade	78,212	81,257
Securities	12,000	11,500
Purchased goods and products	16,355	17,535
Work in process	972	1,035
Raw materials and supplies	11,377	11,861
Other	8,016	9,037
Allowances for doubtful accounts	(222)	(290)
Total current assets	156,332	162,929
Fixed assets		
Tangible fixed assets		
Buildings and structures	185,446	187,434
Accumulated depreciation	(104,416)	(106,887)
Net book value	81,030	80,546
Machinery, equipment and vehicles	170,766	173,226
Accumulated depreciation	(121,373)	(123,010)
Net book value	49,393	50,216
Land	49,820	50,970
Construction in progress	4,571	5,150
Other	25,437	26,727
Accumulated depreciation	(15,505)	(16,722)
Net book value	9,931	10,004
Total tangible fixed assets	194,746	196,887
Intangible fixed assets		
Goodwill	3,778	3,611
Other	4,580	4,477
Total intangible fixed assets	8,359	8,089
Investments and other assets		
Investment securities	34,495	34,128
Assets for retirement benefits	12,630	13,626
Other	12,825	13,083
Allowances for doubtful accounts	(182)	(184)
Total investments and other assets	59,769	60,654
Total fixed assets	262,875	265,631
Total assets	419,207	428,561

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(Millions of yen)

	Previous fiscal year (As of November 30, 2017)	Current second quarter (As of May 31, 2018)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	48,008	48,177
Short-term loans payable	8,037	9,851
Current portion of bonds	-	10,000
Accrued income taxes	4,005	5,849
Reserves	2,854	4,648
Other	27,791	24,389
Total current liabilities	90,697	102,916
Non-current liabilities		
Bonds	10,000	-
Long-term loans payable	35,947	34,819
Liabilities for retirement benefits	3,147	3,162
Asset retirement obligations	1,120	1,124
Other	14,861	15,244
Total non-current liabilities	65,077	54,350
Total liabilities	155,775	157,267
Net assets		
Shareholders' equity		
Paid-in capital	24,104	24,104
Capital surplus	29,425	29,425
Earned surplus	170,583	176,946
Treasury stock	(6,603)	(6,605)
Total shareholders' equity	217,509	223,870
Accumulated other comprehensive income		
Unrealized holding gains (losses) on securities	13,429	13,629
Unrealized gains (losses) on hedges	(3)	(1)
Foreign currency translation adjustments	(1,141)	(1,693)
Accumulated adjustments for retirement benefits	(3,354)	(2,768)
Total accumulated other comprehensive income	8,929	9,165
Non-controlling interests	36,992	38,257
Total net assets	263,432	271,294
Total liabilities and net assets	419,207	428,561

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2. Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

(Quarterly Consolidated Statements of Income)

(Six months ended May 31, 2017 and May 31, 2018)

(Millions of yen)

	Previous second quarter (From December 1, 2016 to May 31, 2017)	Current second quarter (From December 1, 2017 to May 31, 2018)
Net sales	277,186	285,004
Cost of sales	213,885	218,871
Gross profit	63,301	66,132
Selling, general and administrative expenses	48,509	50,170
Operating income	14,791	15,961
Non-operating income		
Interest income	35	35
Dividends income	304	292
Equity in earnings of affiliates	50	77
Other	571	573
Total non-operating income	962	978
Non-operating expenses		
Interest expenses	174	172
Business commencement expenses	137	-
Foreign exchange losses	-	91
Other	196	131
Total non-operating expenses	507	396
Ordinary income	15,246	16,543
Extraordinary gains		
Gains on sales of fixed assets	42	58
Gains on sales of investment securities	57	33
Subsidy income	35	-
Total extraordinary gains	136	92
Extraordinary losses		
Losses on disposal of fixed assets	691	402
Losses on impairment of fixed assets	222	-
Other	67	147
Total extraordinary losses	981	549
Profit before income taxes	14,401	16,086
Income taxes	4,727	5,329
Profit	9,673	10,757
Profit attributable to non-controlling interests	1,626	1,686
Profit attributable to owners of parent	8,047	9,070

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(Quarterly Consolidated Statements of Comprehensive Income)
(Six months ended May 31, 2017 and May 31, 2018)

(Millions of yen)

	Previous second quarter (From December 1, 2016 to May 31, 2017)	Current second quarter (From December 1, 2017 to May 31, 2018)
Profit	9,673	10,757
Other comprehensive income		
Unrealized holding gains (losses) on securities	2,153	182
Unrealized gains (losses) on hedges	(98)	1
Foreign currency translation adjustments	2,322	(584)
Adjustments for retirement benefits	523	644
Total other comprehensive income	4,901	244
Comprehensive income	14,574	11,001
(Breakdown)		
Comprehensive income attributable to owners of parent	12,475	9,306
Comprehensive income attributable to non-controlling interests	2,098	1,694

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3. Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Previous second quarter (From December 1, 2016 to May 31, 2017)	Current second quarter (From December 1, 2017 to May 31, 2018)
Cash flows from operating activities		
Profit before income taxes	14,401	16,086
Depreciation and amortization	8,052	8,869
Losses on impairment of fixed assets	222	-
Amortization of goodwill	182	259
Equity in losses (earnings) of affiliates	(50)	(77)
Losses (gains) on valuation of investment securities	-	5
Increase (decrease) in reserves	1,882	1,864
Increase (decrease) in liabilities for retirement benefits	17	19
Decrease (increase) in assets for retirement benefits	(880)	(996)
Interest and dividends income	(340)	(328)
Interest expenses	174	172
Losses (gains) on sales and disposal of fixed assets	652	393
Decrease (increase) in notes and accounts receivable - trade	(3,961)	(2,936)
Decrease (increase) in inventories	(501)	(1,807)
Increase (decrease) in notes and accounts payable - trade	488	360
Other	(3,211)	(299)
Sub-total	17,128	21,587
Interest and dividends income received	347	333
Interest paid	(156)	(172)
Income taxes paid	(7,436)	(4,210)
Net cash provided by (used in) operating activities	9,882	17,537
Cash flows from investing activities		
Purchases of tangible fixed assets	(15,528)	(12,433)
Purchases of intangible fixed assets	(480)	(512)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(82)	-
Purchases of investment securities	(884)	(126)
Net decrease (increase) in short-term loans receivable	(181)	(9)
Payments of long-term loans receivable	(251)	(146)
Collection of long-term loans receivable	114	22
Payments into time deposits	(195)	-
Payments for transfer of business	(4,380)	-
Other	152	(311)
Net cash provided by (used in) investing activities	(21,717)	(13,516)

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(Millions of yen)

	Previous second quarter (From December 1, 2016 to May 31, 2017)	Current second quarter (From December 1, 2017 to May 31, 2018)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(464)	1,672
Proceeds from long-term loans payable	25,400	–
Repayment of long-term loans payable	(1,130)	(1,109)
Cash dividends paid	(2,918)	(2,720)
Cash dividends paid to non-controlling interests	(479)	(347)
Purchase of treasury stock	(2)	(2)
Proceeds from sales of treasury stock	1	–
Other	(861)	(955)
Net cash provided by (used in) financing activities	19,544	(3,461)
Effects of exchange rate changes on cash and cash equivalents	571	(145)
Increase (decrease) in cash and cash equivalents	8,281	414
Cash and cash equivalents at the beginning of the period	40,790	41,411
Increase in cash and cash equivalents from newly consolidated subsidiary	–	461
Cash and cash equivalents at the end of the period	49,072	42,287

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4. Notes Regarding Quarterly Consolidated Financial Statements

(Notes regarding assumption of a going concern)

Not applicable.

(Notes regarding the significant changes in the amount of shareholders' equity)

Not applicable.

(Changes in significant subsidiaries during the six months)

Kewpie China Corporation, which was newly established during the first quarter, is included in the scope of consolidation. Kewpie China Corporation is classified as one of the Company's specified subsidiaries.

(Segment information)

[Segment information]

I. Previous second quarter (From December 1, 2016 to May 31, 2017)

1. Information on amounts of net sales and profit or loss by reported segment

(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 quarterly consolidated statement of income (Note)
Net sales										
Net sales to outside customers	73,950	49,937	56,824	23,234	5,096	64,203	3,939	277,186	-	277,186
Intersegment net sales or transfers	3,685	3,078	117	1,094	189	13,353	5,842	27,361	(27,361)	-
Total	77,635	53,015	56,941	24,329	5,286	77,557	9,781	304,547	(27,361)	277,186
Segment profit	7,344	2,033	1,655	280	136	2,888	452	14,791	-	14,791

(Note) "Segment profit" is adjusted with "Operating income" in the quarterly consolidated statements of income.

2. Information on losses on impairment of fixed assets or goodwill, etc. by reported segment

(Significant losses on impairment of fixed assets)

Not applicable.

(Significant changes in amount of goodwill)

In the six months ended May 31, 2017, a consolidated subsidiary of the Company recorded goodwill of ¥3,051 million in the "Condiments products" segment as a result of the transfer of business from Mosso Kwaśniewscy Sp.J. The amount of goodwill is a provisional figure based on the available rational information since the allocation of the acquisition costs has not been finalized.

(Significant gains on negative goodwill)

Not applicable.

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II. Current second quarter (From December 1, 2017 to May 31, 2018)

1. Information on amounts of net sales and profit or loss by reported segment

(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 quarterly consolidated statement of income (Note)
Net sales										
Net sales to outside customers	76,080	49,588	61,198	23,431	4,798	67,000	2,906	285,004	-	285,004
Intersegment net sales or transfers	2,658	2,245	55	1,052	160	15,342	6,014	27,529	(27,529)	-
Total	78,739	51,833	61,253	24,484	4,959	82,342	8,921	312,533	(27,529)	285,004
Segment profit	7,092	3,072	1,976	510	267	2,618	424	15,961	-	15,961

(Note) "Segment profit" is adjusted with "Operating income" in the quarterly consolidated statements of income.

2. Information on losses on impairment of fixed assets or goodwill, etc. by reported segment

(Significant losses on impairment of fixed assets)

Not applicable.

(Significant changes in amount of goodwill)

Not applicable.

(Significant gains on negative goodwill)

Not applicable.

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II. Supplementary data

- (Notes) 1. Fraction discrepancy may occur due to rounding figures less than 100 million.
 2. Planned figures in this supplementary data are figures published on July 5, 2018.
 3. From the beginning of fiscal year 2016, the domestic consolidated subsidiaries have changed the depreciation method from the declining balance basis to the straight-line basis.

1. Summary of net sales and operating income and factors behind changes in operating income

<Net sales>

		(Billions of yen)						
	Segment	1st quarter	2nd quarter	2nd quarter (Cumulative)	3rd quarter	3rd quarter (Cumulative)	4th quarter	Year
Fiscal Year 2016	Condiments Products	34.0	37.8	71.8	37.8	109.6	34.5	144.1
	Egg Products	25.7	26.1	51.9	24.8	76.7	25.5	102.2
	Delicatessen Products	26.0	28.1	54.1	28.8	82.9	28.9	111.8
	Processed Foods	12.0	13.6	25.7	12.5	38.1	13.1	51.3
	Fine Chemical Products	2.7	2.6	5.3	2.8	8.1	2.8	10.9
	Distribution System	30.4	31.8	62.3	32.4	94.7	32.2	126.9
	Common Business Operations	1.3	1.2	2.5	1.4	3.8	1.3	5.2
	Total	132.1	141.3	273.4	140.5	413.9	138.4	552.3
Fiscal Year 2017 (A)	Condiments Products	34.3	39.7	74.0	39.3	113.2	37.2	150.4
	Egg Products	24.0	25.9	49.9	24.8	74.7	25.8	100.5
	Delicatessen Products	27.5	29.3	56.8	29.8	86.7	28.8	115.5
	Processed Foods	11.0	12.3	23.2	12.0	35.2	11.4	46.6
	Fine Chemical Products	2.3	2.8	5.1	2.7	7.8	2.8	10.6
	Distribution System	31.0	33.2	64.2	33.5	97.7	33.5	131.2
	Common Business Operations	2.0	2.0	3.9	1.7	5.7	1.2	6.8
	Total	132.1	145.1	277.2	143.8	421.0	140.7	561.7
Fiscal Year 2018 (B)	Condiments Products	36.0	40.1	76.1				157.0
	Egg Products	24.2	25.4	49.6				101.1
	Delicatessen Products	30.0	31.2	61.2				123.0
	Processed Foods	10.9	12.5	23.4				47.0
	Fine Chemical Products	2.1	2.7	4.8				10.3
	Distribution System	32.6	34.4	67.0				135.8
	Common Business Operations	1.4	1.5	2.9				5.8
	Total	137.2	147.8	285.0				580.0
Change (B) - (A)	Condiments Products	1.7	0.5	2.1				6.6
	Egg Products	0.1	(0.5)	(0.3)				0.6
	Delicatessen Products	2.5	1.9	4.4				7.5
	Processed Foods	(0.1)	0.3	0.2				0.4
	Fine Chemical Products	(0.2)	(0.1)	(0.3)				(0.3)
	Distribution System	1.6	1.2	2.8				4.6
	Common Business Operations	(0.5)	(0.5)	(1.0)				(1.0)
	Total	5.1	2.7	7.8				18.3

- (Notes) 1. Figures of "Year" in Fiscal Year 2018 indicate planned figures published on July 5, 2018.
 2. Figures of "2nd quarter" are calculated as the differences between "2nd quarter (Cumulative)" and "1st quarter".
 3. Figures of "3rd quarter" are calculated as the differences between "3rd quarter (Cumulative)" and "2nd quarter (Cumulative)".
 4. Figures of "4th quarter" are calculated as the differences between "Year" and "3rd quarter (Cumulative)".

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<Operating income>

(Billions of yen)

	Segment	1st quarter	2nd quarter	2nd quarter (Cumulative)	3rd quarter	3rd quarter (Cumulative)	4th quarter	Year
Fiscal Year 2016	Condiments Products	1.6	4.6	6.2	4.7	10.9	2.8	13.7
	Egg Products	1.5	1.7	3.2	1.4	4.6	0.9	5.5
	Delicatessen Products	0.3	1.1	1.5	1.1	2.6	0.9	3.5
	Processed Foods	(0.2)	0.5	0.3	0.3	0.6	(0.1)	0.5
	Fine Chemical Products	0.2	0.4	0.6	0.3	0.9	0.1	1.0
	Distribution System	0.9	1.2	2.1	1.4	3.5	1.4	4.9
	Common Business Operations	0.0	0.2	0.3	0.2	0.4	0.3	0.8
	Total	4.4	9.8	14.2	9.3	23.4	6.4	29.8
Fiscal Year 2017 (A)	Condiments Products	2.6	4.8	7.3	4.6	11.9	3.4	15.3
	Egg Products	1.0	1.0	2.0	1.3	3.3	1.1	4.4
	Delicatessen Products	0.6	1.1	1.7	1.3	2.9	0.9	3.8
	Processed Foods	(0.1)	0.3	0.3	0.3	0.6	(0.4)	0.2
	Fine Chemical Products	(0.0)	0.1	0.1	0.4	0.6	0.3	0.9
	Distribution System	1.3	1.6	2.9	1.6	4.5	1.4	5.9
	Common Business Operations	0.2	0.3	0.5	0.2	0.7	0.1	0.8
	Total	5.6	9.2	14.8	9.6	24.4	6.9	31.3
Fiscal Year 2018 (B)	Condiments Products	2.6	4.5	7.1				15.0
	Egg Products	1.3	1.7	3.1				5.9
	Delicatessen Products	0.6	1.4	2.0				4.4
	Processed Foods	0.1	0.4	0.5				0.6
	Fine Chemical Products	(0.0)	0.3	0.3				1.0
	Distribution System	0.8	1.8	2.6				5.8
	Common Business Operations	0.2	0.2	0.4				0.8
	Total	5.7	10.2	16.0				33.5
Change (B) - (A)	Condiments Products	0.0	(0.3)	(0.3)				(0.3)
	Egg Products	0.3	0.7	1.0				1.5
	Delicatessen Products	0.1	0.3	0.3				0.6
	Processed Foods	0.2	0.1	0.2				0.4
	Fine Chemical Products	(0.0)	0.2	0.1				0.1
	Distribution System	(0.4)	0.2	(0.3)				(0.1)
	Common Business Operations	0.0	(0.1)	(0.0)				0.0
	Total	0.1	1.0	1.2				2.2

(Notes) 1. Figures of "Year" in Fiscal Year 2018 indicate planned figures published on July 5, 2018.

2. Figures of "2nd quarter" are calculated as the differences between "2nd quarter (Cumulative)" and "1st quarter."

3. Figures of "3rd quarter" are calculated as the differences between "3rd quarter (Cumulative)" and "2nd quarter (Cumulative)".

4. Figures of "4th quarter" are calculated as the differences between "Year" and "3rd quarter (Cumulative)".

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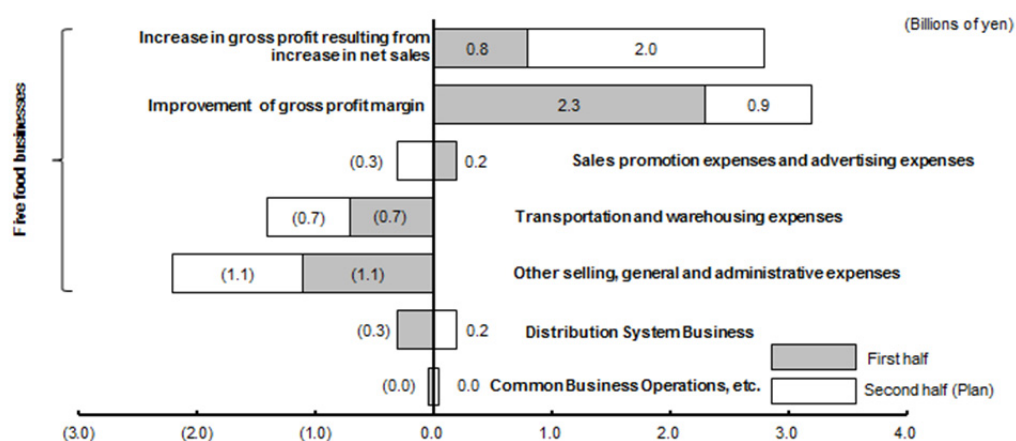
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<Factors behind changes in operating income (comparison with the previous fiscal year)>

(Billions of yen)

	Fiscal year 2017 (A)	Fiscal year 2018 (B)	Change (B) - (A)
First half	14.8	16.0	1.2
Second half (Plan)	16.5	17.5	1.1
Year	31.3	33.5	2.2



* Figures of second half (plan) are calculated as the differences between the full year and the first half.

2. Capital investments and main components of selling, general and administrative expenses

(Billions of yen)

	2nd quarter 2016 (Cumulative)	2nd quarter 2017 (Cumulative) (A)	2nd quarter 2018 (Cumulative) (B)	Change (B) - (A)	Fiscal year 2016	Fiscal year 2017	Fiscal year 2018 (Plan)
Capital investments	15.1	16.2	13.2	(3.0)	33.0	27.2	35.0
Depreciation expenses	10.3	8.1	8.9	0.8	18.3	16.8	18.3
Sales promotion expenses	1.7	1.9	1.9	(0.0)	3.7	3.9	4.3
Advertising expenses	4.2	5.2	5.0	(0.2)	8.7	9.5	9.2
Transportation and warehousing expenses	12.5	12.7	13.5	0.7	25.0	25.8	27.2
Payroll expenses	14.5	15.5	16.2	0.7	29.8	31.3	32.7
Research and development expenses	1.8	1.9	1.9	0.0	4.0	4.1	4.2

* Depreciation expenses for the 2nd quarter 2016 (Cumulative) include a one-time write-off of residual book value amounting to ¥2.8 billion due to the change to the depreciation method for fixed assets.

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3. Domestic sales volume and amount of salads condiments by category type (Kewpie Corporation)

		2nd quarter 2016 (Cumulative)	2nd quarter 2017 (Cumulative) (A)	2nd quarter 2018 (Cumulative) (B)	Change (B) - (A)	Fiscal year 2016	Fiscal year 2017
For household use	Volume (Thousands of ton)	65	64	63	(1)	126	128
	Amount (Billions of yen)	32.5	32.8	32.2	(0.5)	63.9	65.0
For commercial use	Volume (Thousands of ton)	53	54	54	1	107	107
	Amount (Billions of yen)	20.4	20.3	20.7	0.4	41.3	40.9

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4. Summary of net sales and operating income in overseas operations

<Net sales>

(Billions of yen)

	2nd quarter 2016 (Cumulative)	2nd quarter 2017 (Cumulative) (A)	2nd quarter 2018 (Cumulative) (B)	Change (B) - (A)	Fiscal year 2016	Fiscal year 2017	Fiscal year 2018 (Plan)
China	7.4	8.3	8.7	0.3	15.7	18.1	20.1
Southeast Asia	3.9	4.1	4.9	0.8	7.6	8.5	9.9
North America	Condiments products	3.0	3.2	0.1	6.3	6.7	6.4
	Egg products	3.3	2.1	2.6	0.5	5.5	4.3
Exports and New	1.5	2.1	3.4	1.3	2.7	5.0	6.4
Total	19.2	19.7	22.7	3.0	37.8	42.7	48.1

* For overseas subsidiaries, figures of "2nd quarter" are results for six months from October to March, while figures of "fiscal year" are results for a year from October to September.

* The total change includes a ¥0.8 billion increase caused by the impact of the exchange rate fluctuations.

* "Exports and New" includes primarily exports from Japan and sales of companies in Europe.

<Operating income>

(Billions of yen)

	2nd quarter 2016 (Cumulative)	2nd quarter 2017 (Cumulative) (A)	2nd quarter 2018 (Cumulative) (B)	Change (B) - (A)	Fiscal year 2016	Fiscal year 2017	Fiscal year 2018 (Plan)
China	0.9	0.9	0.8	(0.2)	2.2	2.2	2.4
Southeast Asia	0.1	0.1	0.3	0.2	0.2	0.3	0.5
North America	Condiments products	0.2	0.2	(0.0)	0.5	0.5	0.4
	Egg products	0.5	(0.5)	0.1	0.1	(0.9)	0.1
Exports and New	0.3	0.1	0.2	0.0	0.4	0.2	0.1
Total	2.0	1.0	1.5	0.6	3.3	2.3	3.6

* For overseas subsidiaries, figures of "2nd quarter" are results for six months from October to March, while figures of "fiscal year" are results for a year from October to September.

* The total change includes a ¥0.0 billion increase caused by the impact of the exchange rate fluctuations.

* "Exports and New" includes primarily income from exports from Japan and sales of companies in Europe.

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5. Principal items of changes in non-operating income (expenses) and extraordinary gains (losses)

(Billions of yen)

	2nd quarter 2016 (Cumulative)	2nd quarter 2017 (Cumulative) (A)	2nd quarter 2018 (Cumulative) (B)	Items of changes [Comparison with 2nd quarter 2017 (cumulative)] (B) - (A)	Fiscal year 2016	Fiscal year 2017	Fiscal year 2018 (Plan)
Non-operating income (expenses), net	0.6	0.5	0.6	Decrease in business commencement expenses 0.1	1.5	1.3	1.1
Extraordinary gains (losses), net	(0.6)	(0.8)	(0.5)	Decrease in losses on retirement of fixed assets 0.3	(1.1)	(1.7)	(1.1)

6. Summary and items of changes in balance sheets

(Billions of yen)

	Fiscal year 2017 (A)	2nd quarter 2018 (B)	Change (B) - (A)	Items of changes [Comparison with fiscal year 2017]
(Assets)				
Current assets	156.3	162.9	6.6	Increase in cash and deposits 1.4 Increase in notes and accounts receivable - trade 3.0 Increase in inventories 1.7
Fixed assets				
Tangible and intangible fixed assets	203.1	205.0	1.9	Increase resulting from purchases 10.4 Decrease resulting from depreciation (8.9)
Investments and other assets	59.8	60.7	0.9	Increase in assets for retirement benefits 1.0
(Liabilities)				
	155.8	157.3	1.5	Increase in loans payable 0.7 Increase in accrued income taxes 1.8 Increase in reserves 1.8 Decrease in accounts payable - facilities (2.6)
(Net assets)				
	263.4	271.3	7.9	Increase in earned surplus 6.4 Increase in non-controlling interests 1.3

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7. Summary of and principal items of changes in cash flows

(Billions of yen)

	2nd quarter 2016 (Cumulative)	2nd quarter 2017 (Cumulative) (A)	2nd quarter 2018 (Cumulative) (B)	Items of changes [Comparison with 2nd quarter 2017 (cumulative)] (B) - (A)	Fiscal year 2016	Fiscal year 2017
Cash flows from operating activities	16.3	9.9	17.5	Increase in profit before income taxes 1.7 Increase in accrued expenses 3.2 Decrease in income taxes paid 3.2	45.3	27.2
Cash flows from investing activities	(14.4)	(21.7)	(13.5)	Decrease in purchases of tangible fixed assets 3.1 Decrease in payments for transfer of business 4.4	(32.0)	(31.4)
Cash flows from financing activities	(5.0)	19.5	(3.5)	Decrease in proceeds from loans payable (23.2)	(5.8)	4.0

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8. Transition of principal management indices

	2nd quarter 2016 (Cumulative)	2nd quarter 2017 (Cumulative)	2nd quarter 2018 (Cumulative)	Fiscal year 2016	Fiscal year 2017
Net sales (millions of yen)	273,422	277,186	285,004	552,306	561,688
Operating income (millions of yen)	14,161	14,791	15,961	29,818	31,261
Operating income to net sales (%)	5.2	5.3	5.6	5.4	5.6
Ordinary income (millions of yen)	14,782	15,246	16,543	31,364	32,511
Ordinary income to net sales (%)	5.4	5.5	5.8	5.7	5.8
Profit (millions of yen)	8,182	8,047	9,070	17,093	18,099
Ratio of profit to net sales (%)	3.0	2.9	3.2	3.1	3.2
Net assets (millions of yen)	245,626	257,208	271,294	245,861	263,432
Total assets (millions of yen)	377,712	414,845	428,561	385,914	419,207
Equity ratio (%)	56.4	53.6	54.4	55.1	54.0
Cash flows from operating activities (millions of yen)	16,253	9,882	17,537	45,260	27,234
Cash flows from investing activities (millions of yen)	(14,357)	(21,717)	(13,516)	(32,046)	(31,421)
Cash flows from financing activities (millions of yen)	(5,012)	19,544	(3,461)	(5,805)	4,010
Free cash flow (operating cash flow + investing cash flow) (millions of yen)	1,896	(11,835)	4,021	13,213	(4,186)
Cash and cash equivalents at the end of the period (millions of yen)	31,134	49,072	42,287	40,790	41,411
Interest-bearing debt (millions of yen)	33,920	60,993	61,046	36,066	60,120
Net assets per share (yen)	1,423.57	1,469.76	1,584.81	1,420.63	1,539.94
Profit per share (yen)	54.02	53.69	61.69	113.47	121.05
Free cash flow per share (yen)	12.52	(78.96)	27.35	87.72	(28.00)
Interim (annual) dividend per share (yen)	15.0	18.0	19.0	34.5	36.5
Stock price at the end of the period (yen)	2,975	2,890	2,631	2,703	2,885

* Consumption taxes are not included in net sales.

* "Profit" in this chart refers to "profit attributable to owners of parent".