

Kewpie Corporation

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



Summary of Consolidated Financial Statements for the Fiscal Year Ended November 30, 2019 [JAPAN GAAP]

January 9, 2020

Listed company name: Kewpie Corporation
Listed exchange: Tokyo Stock Exchange
Securities code: 2809
URL: <https://www.kewpie.com/en/>
Representative: Osamu Chonan,
Representative Director, President and Chief Executive Corporate Officer
Contact: Toshihiro Kaneko,
Senior General Manager of Management Promotion Division

Scheduled date for ordinary general meeting of shareholders: February 27, 2020

Scheduled date for dividend payment: February 7, 2020

Scheduled date for filing annual securities report: February 28, 2020

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, 2019

(From December 1, 2018 to November 30, 2019)

(1) Consolidated operating results

(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	%
Fiscal year 2019	545,723	(4.8)	32,048	(3.1)	33,275	(3.1)	18,698	2.1
Fiscal year 2018	573,525	2.1	33,067	5.8	34,349	5.7	18,320	1.2

(Note) Comprehensive income: Fiscal year 2019 ¥17,646 million (Decrease of 0.8%)
Fiscal year 2018 ¥17,786 million (Decrease of 47.5%)

	Earnings per share	Earnings per share (diluted)	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year 2019	130.72	—	8.1	7.7	5.9
Fiscal year 2018	124.85	—	8.1	8.2	5.8

(Reference) Equity in earnings or losses of affiliates: Fiscal year 2019 ¥168 million
Fiscal year 2018 ¥130 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, 2019	444,309	276,753	53.0	1,646.73
As of November 30, 2018	419,736	266,100	53.9	1,582.27

(Reference) Shareholders' equity: As of November 30, 2019 ¥235,552 million
As of November 30, 2018 ¥226,332 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 2019	43,916	(29,720)	(4,602)	56,777
Fiscal year 2018	41,778	(20,199)	(15,293)	47,970

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2. Dividends

	Annual dividend per share					Total amount 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 2018	Yen —	Yen 19.00	Yen —	Yen 19.00	Yen 38.00	Millions of yen 5,510	% 30.4	% 2.4
Fiscal year 2019	—	20.00	—	25.00	45.00	5,578	34.4	2.8
Fiscal year 2020 (Forecast)	—	20.00	—	20.00	40.00		39.5	

(Note) The amount of year-end dividend for fiscal year 2019 is a forecast and it will be determined at the meeting of the Board of Directors to be held on January 22, 2020.

The year-end dividend for fiscal year 2019 includes a dividend of ¥5 to commemorate the 100th anniversary.

3. Forecasts of consolidated operating results for the fiscal year ending November 30, 2020 (From December 1, 2019 to November 30, 2020)

(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, 2020	555,000	1.7	32,100	0.2	32,500	(2.3)	14,500	(22.5)	101.37

*Notes

- (1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries resulting in the change in the scope of consolidation): Yes
Excluded: 1 company (Name: Kanae Foods Co., Ltd.)
- (2) 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
- (3) Number of issued shares (common stock)
 - a) Number of issued shares at the end of the period (including treasury stock):

November 30, 2019	150,000,000 shares
November 30, 2018	150,000,000 shares
 - b) Number of shares of treasury stock at the end of the period:

November 30, 2019	6,958,050 shares
November 30, 2018	6,956,925 shares
 - c) Average number of shares during the period:

December 1, 2018 to November 30, 2019	143,042,490 shares
December 1, 2017 to November 30, 2018	146,736,051 shares

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

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

(Caution regarding forward-looking statements, etc.)

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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*Cash flow index

	Fiscal year 2015	Fiscal year 2016	Fiscal year 2017	Fiscal year 2018	Fiscal year 2019
Equity ratio (%)	57.3	55.3	54.2	53.9	53.0
Equity ratio based on market value (%)	120.6	105.3	101.6	93.9	78.3
Interest-bearing debt to cash flows ratio (year)	1.1	0.8	2.2	1.5	1.5
Interest coverage ratio (times)	89.5	146.4	75.8	122.5	144.7

(Notes) Fiscal year 2015 includes data that has been retroactively revised in order to reflect changes to standards for recording net sales.

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 the 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.

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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.

At the determination of dividends, the Company will maintain a consolidated dividend payout ratio of at least 30% in principle, and target a consolidated dividend on equity ratio (DOE) 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, 2019, the Company intends to pay a year-end dividend of ¥25 per share (including a dividend of ¥5 to commemorate the 100th anniversary). The annual dividends will be ¥45 per share (including a dividend of ¥5 to commemorate the 100th anniversary), which includes the interim dividend of ¥20 paid in August, an increase of ¥7 per share in comparison with the previous fiscal year.

Accordingly, the dividend payout ratio and the DOE both on a consolidated basis will amount to 34.4% and 2.8%, respectively.

In regard to dividends for the fiscal year ending November 30, 2020, the Company is forecasting annual dividends of ¥40 per share, which include an interim dividend of ¥20 per share and a year-end dividend of ¥20 per share (the same amount as for the fiscal year ended November 30, 2019 when disregarding the dividend of ¥5 to commemorate the 100th anniversary). Accordingly, we project a dividend payout ratio and DOE both on a consolidated basis of 39.5% and 2.4%, respectively.

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

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II. Consolidated financial statements and major notes

1. Consolidated Balance Sheets

	Previous fiscal year (As of November 30, 2018)	Current fiscal year (As of November 30, 2019)
(Millions of yen)		
Assets		
Current assets		
Cash and deposits	38,493	46,777
Notes and accounts receivable - trade	77,034	83,651
Securities	9,500	10,000
Purchased goods and products	16,695	17,392
Work in process	963	2,354
Raw materials and supplies	10,595	9,089
Other	5,566	5,951
Allowances for doubtful accounts	(446)	(426)
Total current assets	158,402	174,790
Fixed assets		
Tangible fixed assets		
Buildings and structures	181,314	183,036
Accumulated depreciation	(106,708)	(108,069)
Net book value	74,605	74,966
Machinery, equipment and vehicles	175,809	179,442
Accumulated depreciation	(123,835)	(123,953)
Net book value	51,974	55,488
Land	52,084	52,178
Lease assets	8,966	9,768
Accumulated depreciation	(4,205)	(4,340)
Net book value	4,761	5,427
Construction in progress	11,223	15,268
Other	16,183	16,415
Accumulated depreciation	(11,977)	(12,286)
Net book value	4,206	4,129
Total tangible fixed assets	198,856	207,459
Intangible fixed assets		
Goodwill	1,233	989
Software	4,322	6,399
Other	737	2,531
Total intangible fixed assets	6,293	9,921
Investments and other assets		
Investment securities	29,673	27,225
Long-term loans receivable	879	901
Assets for retirement benefits	11,552	9,898
Deferred tax assets	3,812	3,625
Other	10,449	10,664
Allowances for doubtful accounts	(181)	(177)
Total investments and other assets	56,184	52,138
Total fixed assets	261,334	269,519
Total assets	419,736	444,309

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(Millions of yen)

	Previous fiscal year (As of November 30, 2018)	Current fiscal year (As of November 30, 2019)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	44,518	53,299
Short-term loans payable	9,496	7,322
Current portion of bonds	10,000	-
Accounts payable - other	17,025	20,406
Accrued expenses	6,462	6,769
Accrued income taxes	6,775	4,208
Reserves for sales rebates	831	861
Reserves for bonuses	1,937	2,083
Reserves for directors' bonuses	116	151
Other reserves	52	50
Other	3,672	3,852
Total current liabilities	100,888	99,006
Non-current liabilities		
Bonds	-	10,000
Long-term loans payable	36,664	42,616
Lease obligations	3,804	4,631
Deferred tax liabilities	6,100	5,344
Liabilities for retirement benefits	3,546	3,306
Asset retirement obligations	1,123	1,187
Other	1,508	1,463
Total non-current liabilities	52,748	68,550
Total liabilities	153,636	167,556
Net assets		
Shareholders' equity		
Paid-in capital	24,104	24,104
Capital surplus	29,543	29,483
Earned surplus	183,431	196,551
Treasury stock	(15,859)	(15,862)
Total shareholders' equity	221,219	234,276
Accumulated other comprehensive income		
Unrealized holding gains (losses) on securities	10,618	9,045
Unrealized gains (losses) on hedges	(28)	6
Foreign currency translation adjustments	(1,459)	(3,241)
Accumulated adjustments for retirement benefits	(4,018)	(4,534)
Total accumulated other comprehensive income	5,112	1,275
Non-controlling interests	39,768	41,201
Total net assets	266,100	276,753
Total liabilities and net assets	419,736	444,309

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

	Previous fiscal year (From December 1, 2017 to November 30, 2018)	Current fiscal year (From December 1, 2018 to November 30, 2019)
	(Millions of yen)	
Net sales	573,525	545,723
Cost of sales	440,378	412,741
Gross profit	133,146	132,981
Selling, general and administrative expenses	100,078	100,933
Operating income	33,067	32,048
Non-operating income		
Interest income	82	103
Dividends income	515	461
Equity in earnings of affiliates	130	168
Insurance income	274	470
Subsidy income	303	354
Other	826	892
Total non-operating income	2,132	2,451
Non-operating expenses		
Interest expenses	341	294
Business commencement expenses	13	131
Foreign exchange losses	88	131
Other	406	667
Total non-operating expenses	850	1,224
Ordinary income	34,349	33,275
Extraordinary gains		
Gains on transfer of business	670	643
Gains on sales of investment securities	3,670	370
Gains on sales of fixed assets	137	137
Other	109	75
Total extraordinary gains	4,587	1,226
Extraordinary losses		
Losses on disposal of fixed assets	1,016	988
Impairment losses	2,983	729
Other	1,349	295
Total extraordinary losses	5,350	2,013
Profit before income taxes	33,586	32,487
Income taxes	11,998	10,203
Income taxes - deferred	(275)	368
Total income taxes	11,722	10,572
Profit	21,863	21,915
Profit attributable to non-controlling interests	3,542	3,216
Profit attributable to owners of parent	18,320	18,698

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(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Previous fiscal year (From December 1, 2017 to November 30, 2018)	Current fiscal year (From December 1, 2018 to November 30, 2019)
Profit	21,863	21,915
Other comprehensive income		
Unrealized holding gains (losses) on securities	(2,903)	(1,611)
Unrealized gains (losses) on hedges	(22)	38
Foreign currency translation adjustments	(391)	(2,117)
Adjustments for retirement benefits	(758)	(578)
Total other comprehensive income	(4,076)	(4,268)
Comprehensive income	17,786	17,646
(Breakdown)		
Comprehensive income attributable to owners of parent	14,503	14,861
Comprehensive income attributable to non-controlling interests	3,283	2,784

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3. Consolidated Statements of Changes in Net Assets

Previous fiscal year (From December 1, 2017 to November 30, 2018)

(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	29,425	170,583	(6,603)	217,509
Changes of items during the fiscal year					
Dividends from surplus			(5,514)		(5,514)
Profit attributable to owners of parent			18,320		18,320
Purchase of treasury stock				(9,255)	(9,255)
Change in ownership interest of parent due to transactions with non-controlling interests		118			118
Change of scope of consolidation			(4)		(4)
Change of scope of equity method			(3)		(3)
Increase by company split			49		49
Capital increase of consolidated subsidiaries					
Sales of shares of consolidated subsidiaries					
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	—	118	12,848	(9,255)	3,710
Balance at the end of the current fiscal year	24,104	29,543	183,431	(15,859)	221,219

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	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Unrealized holding gains (losses) on securities	Unrealized gains (losses) on hedges	Foreign currency translation adjustments	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income		
Balance at the beginning of the current fiscal year	13,429	(3)	(1,141)	(3,354)	8,929	36,992	263,432
Changes of items during the fiscal year							
Dividends from surplus							(5,514)
Profit attributable to owners of parent							18,320
Purchase of treasury stock							(9,255)
Change in ownership interest of parent due to transactions with non-controlling interests							118
Change of scope of consolidation							(4)
Change of scope of equity method							(3)
Increase by company split							49
Capital increase of consolidated subsidiaries							—
Sales of shares of consolidated subsidiaries							—
Net changes of items other than shareholders' equity	(2,811)	(24)	(317)	(663)	(3,817)	2,775	(1,042)
Total changes of items during the fiscal year	(2,811)	(24)	(317)	(663)	(3,817)	2,775	2,667
Balance at the end of the current fiscal year	10,618	(28)	(1,459)	(4,018)	5,112	39,768	266,100

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Current fiscal year (From December 1, 2018 to November 30, 2019)

(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	29,543	183,431	(15,859)	221,219
Changes of items during the fiscal year					
Dividends from surplus			(5,578)		(5,578)
Profit attributable to owners of parent			18,698		18,698
Purchase of treasury stock				(2)	(2)
Change in ownership interest of parent due to transactions with non-controlling interests					
Change of scope of consolidation					
Change of scope of equity method					
Increase by company split					
Capital increase of consolidated subsidiaries		(10)			(10)
Sales of shares of consolidated subsidiaries		(49)			(49)
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	—	(59)	13,119	(2)	13,056
Balance at the end of the current fiscal year	24,104	29,483	196,551	(15,862)	234,276

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	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Unrealized holding gains (losses) on securities	Unrealized gains (losses) on hedges	Foreign currency translation adjustments	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income		
Balance at the beginning of the current fiscal year	10,618	(28)	(1,459)	(4,018)	5,112	39,768	266,100
Changes of items during the fiscal year							
Dividends from surplus							(5,578)
Profit attributable to owners of parent							18,698
Purchase of treasury stock							(2)
Change in ownership interest of parent due to transactions with non-controlling interests							–
Change of scope of consolidation							–
Change of scope of equity method							–
Increase by company split							–
Capital increase of consolidated subsidiaries							(10)
Sales of shares of consolidated subsidiaries							(49)
Net changes of items other than shareholders' equity	(1,572)	34	(1,782)	(516)	(3,836)	1,433	(2,403)
Total changes of items during the fiscal year	(1,572)	34	(1,782)	(516)	(3,836)	1,433	10,653
Balance at the end of the current fiscal year	9,045	6	(3,241)	(4,534)	1,275	41,201	276,753

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4. Consolidated Statements of Cash Flows

(Millions of yen)

	Previous fiscal year (From December 1, 2017 to November 30, 2018)	Current fiscal year (From December 1, 2018 to November 30, 2019)
Cash flows from operating activities		
Profit before income taxes	33,586	32,487
Depreciation and amortization	18,215	18,649
Impairment losses	2,983	729
Amortization of goodwill	514	244
Retirement benefit expenses	1,885	1,997
Equity in losses (earnings) of affiliates	(130)	(168)
Losses (gains) on valuation of investment securities	45	16
Increase (decrease) in liabilities for retirement benefits	(111)	(200)
Decrease (increase) in assets for retirement benefits	5	(1,058)
Increase (decrease) in reserves for sales rebates	29	30
Increase (decrease) in reserves for directors' bonuses	(5)	35
Increase (decrease) in reserves for bonuses	181	185
Increase (decrease) in allowances for doubtful accounts	225	(17)
Interest and dividends income	(597)	(565)
Interest expenses	341	294
Losses (gains) on sales of investment securities	(3,670)	(369)
Losses (gains) on sales and disposal of fixed assets	943	933
Losses (gains) on transfer of business	(670)	(643)
Decrease (increase) in notes and accounts receivable – trade	1,293	(6,983)
Decrease (increase) in inventories	(1,132)	(925)
Increase (decrease) in notes and accounts payable – trade	(3,415)	9,078
Increase (decrease) in accounts payable – other	1,740	3,166
Increase (decrease) in accrued consumption taxes	(196)	(825)
Increase (decrease) in long-term accounts payable	288	(71)
Other	(1,657)	(272)
Sub-total	50,692	55,748
Interest and dividends income received	656	643
Interest paid	(340)	(303)
Income taxes paid	(9,229)	(12,171)
Net cash provided by (used in) operating activities	41,778	43,916

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(Millions of yen)

	Previous fiscal year (From December 1, 2017 to November 30, 2018)	Current fiscal year (From December 1, 2018 to November 30, 2019)
Cash flows from investing activities		
Purchases of tangible fixed assets	(29,217)	(24,952)
Purchases of intangible fixed assets	(2,089)	(5,074)
Purchases of investment securities	(1,766)	(42)
Proceeds from sales of investment securities	5,159	637
Net decrease (increase) in short-term loans receivable	57	(357)
Payments of long-term loans receivable	(430)	(593)
Collection of long-term loans receivable	46	75
Proceeds from transfer of business	8,309	643
Other	(269)	(55)
Net cash provided by (used in) investing activities	(20,199)	(29,720)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	985	(3,135)
Repayment of lease obligations	(2,131)	(1,499)
Proceeds from long-term loans payable	3,200	10,039
Repayment of long-term loans payable	(2,248)	(3,014)
Proceeds from issuance of bonds	–	10,000
Redemption of bonds	–	(10,000)
Cash dividends paid	(5,514)	(5,578)
Cash dividends paid to non-controlling interests	(847)	(1,470)
Purchase of treasury stock	(9,278)	(2)
Proceeds from issuance of common shares	541	–
Other	–	59
Net cash provided by (used in) financing activities	(15,293)	(4,602)
Effects of exchange rate changes on cash and cash equivalents	(194)	(785)
Increase (decrease) in cash and cash equivalents	6,091	8,806
Cash and cash equivalents at the beginning of the fiscal year	41,411	47,970
Increase in cash and cash equivalents from newly consolidated subsidiary	461	–
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	5	–
Cash and cash equivalents at the end of the fiscal year	47,970	56,777

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5. Notes regarding consolidated financial statements

(Notes regarding assumption of a going concern)

Not applicable

(Changes in presentation)

(Changes in accordance with application of “Partial Amendments to Accounting Standard for Tax Effect Accounting”)

The Company has applied the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) effective as of the beginning of the current fiscal year. Accordingly, “deferred tax assets” were recorded under “Investments and other assets” and “deferred tax liabilities” were recorded under “Non-current liabilities”.

As a result, in the consolidated balance sheets of the previous fiscal year, the amount of “Deferred tax assets” under “Current assets” decreased by ¥3,024 million, and the amount of “Deferred tax assets” under “Investments and other assets” increased by ¥1,387 million. Furthermore, the amount of “Deferred tax liabilities” under “Current liabilities” decreased by ¥15 million and “Deferred tax liabilities” under “Non-current liabilities” decreased by ¥1,621 million.

Moreover, deferred tax assets and deferred tax liabilities of the same taxpayer are reported as offsetting each other, and total assets decreased by ¥1,636 million compared to before the change.

(Segment information)

[Segment information]

1. Outline of reporting segments

The reporting segments of the Company are “Condiments and processed foods”, “Salad and delicatessen”, “Egg”, “Fruit solution”, “Fine chemicals”, “Distribution” and “Common business operations”. Each of these constituent units of the Group, categorized in terms of products and services, has separately available financial statements and is subject to periodic reviews from which the Board of Directors may make decisions on the allocation of management resources and evaluate business performance.

The following is the overview of each segment:

Condiments and processed foods:	Mayonnaise, dressings, vinegar, pasta sauces, baby foods and nursing care foods
Salad and delicatessen:	Salad, delicatessen and packaged salads
Egg:	Liquid egg, frozen egg, dried egg and egg processed foods
Fruit solution:	Jams and fruit processed foods
Fine chemicals:	Hyaluronic acid and others
Distribution:	Transportation and warehousing of food products
Common business operations:	Sale of food products and food production equipment

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

Accounting treatment applied to the reporting segments is generally the same with what is described in “Material Matters that Serve as the Basis for Preparation of Consolidated Financial Statements”.

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

(Information on changes in reporting segment)

From the current fiscal year, the Company has amended the Group’s operational structure to implement its business activities in accordance with the allocation of management responsibility outlined in the Medium-term Business Plan, which covers three years starting from fiscal year 2019. These changes are as follows:

◇ Changes in business category

- All business operations of the former “Processed foods business” segment except the Aohata Corporation portion have been transferred to the former “Condiments products business” segment and this segment was renamed as “Condiments and processed foods business”.
- The Aohata Corporation portion included in the former “Processed foods business” segment has been split off and this new segment was named as “Fruit solution business”.
- The former “Distribution system business” segment has transferred its leasing related transactions to “Common business operations” and was renamed as “Distribution business”.

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◇ Company-wide expenses

- Expenses not attributable to particular business category (headquarters expenses, etc.) have been classified as “Company-wide expenses”.

Segment information of the previous fiscal year has been restated and disclosed based on the current segment classifications after the change.

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3. Information on amounts of net sales, profit or loss, assets, liabilities and others by reporting segment Previous Fiscal Year (From December 1, 2017 to November 30, 2018)

(Millions of yen)

	Condi-ments and processed foods	Salad and delica-tessen	Egg	Fruit solution	Fine chemicals	Distribution	Common business operations	Total	Adjust-ments	Amount reported on the consolidated financial statements (Note)
Net sales										
Net sales to outside customers	184,292	118,323	100,895	15,871	10,035	138,263	5,843	573,525	–	573,525
Intersegment net sales or transfers	6,750	109	4,387	420	317	30,876	9,707	52,568	(52,568)	–
Total	191,042	118,432	105,282	16,291	10,352	169,140	15,550	626,094	(52,568)	573,525
Segment profit	19,833	4,288	7,789	678	1,459	4,661	1,464	40,175	(7,107)	33,067
Segment assets	143,537	34,824	67,593	17,355	8,931	80,893	24,319	377,456	42,280	419,736
Others										
Depreciation and amortization	7,013	2,263	2,970	521	568	3,711	922	17,972	242	18,215
Investment in affiliates accounted for by equity method	1,448	–	–	–	–	–	234	1,682	–	1,682
Increase in tangible and intangible fixed assets	7,341	3,656	11,750	891	303	7,470	562	31,975	130	32,105

(Notes) 1. Adjustments are as follows:

- (1) "Adjustments" of ¥(7,107) million in "Segment profit" includes Company-wide expenses unallocated to the respective reporting segment. The Company-wide expenses mainly consist of expenditures pertaining to general and administrative expenses not attributable to a particular reporting segment.
 - (2) "Adjustments" of ¥42,280 million in "Segment assets" mainly includes company-wide assets of ¥48,794 million and elimination of intersegment receivables and payables of ¥(5,179) million. Major items in company-wide assets are surplus funds managed by the Company (cash and deposits and securities) and long-term investment funds (investment securities).
 - (3) "Adjustments" of ¥242 million in "Depreciation and amortization" and "Adjustments" of ¥130 million in "Increase in tangible and intangible fixed assets" under "Others" are mainly related to company-wide assets unallocated to the reporting segments.
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".

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Current Fiscal Year (From December 1, 2018 to November 30, 2019)

(Millions of yen)

	Condi- ments and processed foods	Salad and delica- tessen	Egg	Fruit solution	Fine chemicals	Distribution	Common business operations	Total	Adjust- ments	Amount reported on the consolidated financial statements (Note)
Net sales										
Net sales to outside customers	185,213	90,291	99,991	15,648	8,348	140,976	5,253	545,723	–	545,723
Intersegment net sales or transfers	6,447	124	3,329	934	448	31,250	9,589	52,124	(52,124)	–
Total	191,661	90,415	103,321	16,582	8,797	172,226	14,843	597,847	(52,124)	545,723
Segment profit	21,587	3,185	7,438	312	1,236	4,133	1,349	39,243	(7,194)	32,048
Segment assets	140,830	37,127	73,380	19,841	8,464	86,606	24,403	390,653	53,655	444,309
Others										
Depreciation and amortization	7,036	1,775	3,175	879	498	4,050	932	18,348	300	18,649
Investment in affiliates accounted for by equity method	1,529	–	–	–	–	–	248	1,777	–	1,777
Increase in tangible and intangible fixed assets	6,925	2,092	7,701	3,670	272	7,672	294	28,629	2,049	30,678

(Notes) 1. Adjustments are as follows:

- (1) "Adjustments" of ¥(7,194) million in "Segment profit" includes Company-wide expenses unallocated to the respective reporting segment. The Company-wide expenses mainly consist of expenditures pertaining to general and administrative expenses not attributable to a particular reporting segment.
 - (2) "Adjustments" of ¥53,655 million in "Segment assets" mainly includes company-wide assets of ¥60,300 million and elimination of intersegment receivables and payables of ¥(5,554) million. Major items in company-wide assets are surplus funds managed by the Company (cash and deposits and securities) and long-term investment funds (investment securities).
 - (3) "Adjustments" of ¥300 million in "Depreciation and amortization" is mainly related to company-wide assets unallocated to the reporting segments.
 - (4) "Adjustments" of ¥2,049 million in "Increase in tangible and intangible fixed assets" mainly represents the investments in the Kewpie Group core systems before allocation to the reporting segments.
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".

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[Related information]

Previous Fiscal Year (From December 1, 2017 to November 30, 2018)

1. Information by product and service

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

2. Information by region

(1) 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.

(2) 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.

3. 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, 2018 to November 30, 2019)

1. Information by product and service

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

2. Information by region

(1) 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.

(2) 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.

3. 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 reporting segment]

Previous Fiscal Year (From December 1, 2017 to November 30, 2018)

(Millions of yen)

	Condi- ments and processed foods	Salad and delica- tessen	Egg	Fruit solution	Fine chemicals	Distribution	Common business operations	Total	Adjust- ments	Total
Impairment losses	2,623	–	219	141	–	–	–	2,983	–	2,983

Current Fiscal Year (From December 1, 2018 to November 30, 2019)

(Millions of yen)

	Condi- ments and processed foods	Salad and delica- tessen	Egg	Fruit solution	Fine chemicals	Distribution	Common business operations	Total	Adjust- ments	Total
Impairment losses	550	–	92	50	–	36	–	729	–	729

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

Previous Fiscal Year (From December 1, 2017 to November 30, 2018)

(Millions of yen)

	Condi-ments and processed foods	Salad and delica-tessen	Egg	Fruit solution	Fine chemicals	Distribution	Common business operations	Total	Adjust-ments	Total
Amortization in the current fiscal year	271	–	–	182	29	30	–	514	–	514
Unamortized balance at the end of the current fiscal year	53	–	–	1,093	22	64	–	1,233	–	1,233

Current Fiscal Year (From December 1, 2018 to November 30, 2019)

(Millions of yen)

	Condi-ments and processed foods	Salad and delica-tessen	Egg	Fruit solution	Fine chemicals	Distribution	Common business operations	Total	Adjust-ments	Total
Amortization in the current fiscal year	16	–	–	182	22	23	–	244	–	244
Unamortized balance at the end of the current fiscal year	37	–	–	911	–	40	–	989	–	989

[Information on gains on negative goodwill by reporting segment]

Previous Fiscal Year (From December 1, 2017 to November 30, 2018)

Not applicable.

Current Fiscal Year (From December 1, 2018 to November 30, 2019)

Not applicable.

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(Per share information)

	Previous Fiscal Year (From December 1, 2017 to November 30, 2018)	Current Fiscal Year (From December 1, 2018 to November 30, 2019)
Net assets per share (yen)	1,582.27	1,646.73
Earnings per share (yen)	124.85	130.72

(Notes) 1. "Earnings 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 (As of November 30, 2018)	Current fiscal year (As of November 30, 2019)
Total net assets (millions of yen)	266,100	276,753
Amount subtracted from total net assets (millions of yen)	39,768	41,201
[Non-controlling interests (millions of yen)]	[39,768]	[41,201]
Net assets attributable to common stock at the end of the fiscal year (millions of yen)	226,332	235,552
Number of shares of common stock at the end of the fiscal year (thousand shares)	143,043	143,041

3. Calculation basis of earnings per share is as follows.

	Previous Fiscal Year (From December 1, 2017 to November 30, 2018)	Current Fiscal Year (From December 1, 2018 to November 30, 2019)
Profit attributable to owners of parent (millions of yen)	18,320	18,698
Amounts not attributable to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent attributable to common stock (millions of yen)	18,320	18,698
Average number of shares of common stock during the fiscal year (thousand shares)	146,736	143,042

(Significant subsequent events)

Not applicable.

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III. Others

1. Changes in officers (as of February 27, 2020)

(i) Changes in Corporate Auditors

i) New candidate for Corporate Auditor

Corporate Auditor (Part-time)	Mika Kumahira	(Currently, Representative Director of Atech Kumahira Co., Ltd., Principal of Showa Women's University Diversity Promotion Organization)
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(Note) Ms. Mika Kumahira is a candidate for outside Corporate Auditor.

(Reference) Changes in ranks and allocated professional duties

On February 27, 2020, the allocated professional duties of Directors shall be changed as follows. Amendments are underlined.

Name	New title	Old title
Nobuo Inoue	Director, Executive Corporate Officer in charge of Management Promotion Division, Division of Personnel Affairs, <u>Public Relations and Group Communications Office</u> , Risk Management and <u>Sustainability</u> and Senior General Manager of <u>Management Promotion Division</u>	Director, Executive Corporate Officer in charge of Management Promotion Division, <u>Public Relations and CSR Office</u> , Division of Personnel Affairs, <u>Division of Logistics</u> and Risk Management
Yoshinori Hamachiyo	Director, Senior Corporate Officer in charge of <u>Fine Chemicals Business</u> , <u>Fine Chemical Division</u> , Division of Research Development and Intellectual Property Office, <u>Food Culture and Health Promotion Project</u> and Senior General Manager of Division of Research Development	Director, Senior Corporate Officer in charge of Division of Research Development and Intellectual Property Office and Senior General Manager of Division of Research Development

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IV. Supplementary data

- (Notes)
1. Fraction errors may occur due to rounding figures less than 100 million.
 2. The following changes took effect at the beginning of fiscal year 2019.
 - ◇ Changes in business category
 - All business operations of the former "Processed foods business" segment except the Aohata Corporation portion have been transferred to the former "Condiments products business" segment and this segment was renamed as "Condiments and processed foods business".
 - The Aohata Corporation portion of the "Processed foods business" has been split off as the "Fruit solution business".
 - Leasing related transactions that had been included in the "Distribution system business" have been transferred to "Common business operations", and this segment has been renamed "Distribution business".
 - ◇ Company-wide expenses
 - Expenses not attributable to particular business category (headquarters expenses, etc.) have been classified as "Company-wide expenses".

1. Summary of net sales and operating income and factors behind changes in operating income [Result for fiscal year 2019]

<Net sales>

(Billions of yen)

Former business category	Segment	1st quarter	2nd quarter	2nd quarter (Cumulative)	3rd quarter	3rd quarter (Cumulative)	4th quarter	Year
Fiscal Year 2017	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	Condiments products	36.0	40.1	76.1	40.1	116.2	37.2	153.4
	Egg products	24.2	25.4	49.6	24.9	74.5	26.4	100.9
	Delicatessen products	30.0	31.2	61.2	31.7	92.9	25.4	118.3
	Processed foods	10.9	12.5	23.4	12.2	35.6	11.2	46.8
	Fine chemical products	2.1	2.7	4.8	2.6	7.4	2.6	10.0
	Distribution system	32.6	34.4	67.0	35.6	102.6	35.6	138.3
	Common business operations	1.4	1.5	2.9	1.2	4.2	1.7	5.8
	Total	137.2	147.8	285.0	148.4	433.4	140.1	573.5

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(Billions of yen)

New business category	Segment	1st quarter	2nd quarter	2nd quarter (Cumulative)	3rd quarter	3rd quarter (Cumulative)	4th quarter	Year
Fiscal Year 2018 (A)	Condiments and processed foods	43.3	48.1	91.3	48.2	139.6	44.7	184.3
	Salad and delicatessen	30.0	31.2	61.2	31.7	92.9	25.4	118.3
	Egg	24.2	25.4	49.6	24.9	74.5	26.4	100.9
	Fruit solution	3.6	4.5	8.2	4.1	12.3	3.6	15.9
	Fine chemicals	2.1	2.7	4.8	2.6	7.4	2.6	10.0
	Distribution	32.6	34.4	67.0	35.6	102.6	35.6	138.3
	Common business operations	1.4	1.5	2.9	1.2	4.2	1.7	5.8
	Total	137.2	147.8	285.0	148.4	433.4	140.1	573.5
Fiscal Year 2019 (B)	Condiments and processed foods	43.1	48.6	91.8	47.7	139.5	45.8	185.2
	Salad and delicatessen	21.4	22.8	44.3	23.1	67.4	22.9	90.3
	Egg	23.4	25.6	49.0	25.0	74.0	26.0	100.0
	Fruit solution	3.5	4.4	7.9	4.0	11.8	3.8	15.6
	Fine chemicals	2.0	2.2	4.3	1.8	6.0	2.3	8.3
	Distribution	33.6	35.6	69.2	35.8	105.1	35.9	141.0
	Common business operations	1.2	1.4	2.6	1.1	3.7	1.5	5.3
	Total	128.3	140.7	269.0	138.5	407.5	138.3	545.7
Change (B) – (A)	Condiments and processed foods	(0.1)	0.6	0.4	(0.5)	(0.1)	1.0	0.9
	Salad and delicatessen	(8.6)	(8.3)	(16.9)	(8.6)	(25.5)	(2.5)	(28.0)
	Egg	(0.7)	0.2	(0.6)	0.1	(0.5)	(0.4)	(0.9)
	Fruit solution	(0.1)	(0.2)	(0.3)	(0.1)	(0.4)	0.2	(0.2)
	Fine chemicals	(0.1)	(0.4)	(0.5)	(0.9)	(1.4)	(0.3)	(1.7)
	Distribution	1.1	1.2	2.2	0.2	2.4	0.3	2.7
	Common business operations	(0.3)	(0.1)	(0.3)	(0.1)	(0.4)	(0.2)	(0.6)
	Total	(8.9)	(7.1)	(16.0)	(10.0)	(26.0)	(1.8)	(27.8)

- (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)".

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<Operating income>

(Billions of yen)

Former business category	Segment	1st quarter	2nd quarter	2nd quarter (Cumulative)	3rd quarter	3rd quarter (Cumulative)	4th quarter	Year
Fiscal Year 2017	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	Condiments products	2.6	4.5	7.1	4.4	11.5	2.9	14.4
	Egg products	1.3	1.7	3.1	1.6	4.7	1.3	6.0
	Delicatessen products	0.6	1.4	2.0	1.4	3.4	1.0	4.4
	Processed foods	0.1	0.4	0.5	0.3	0.8	(0.1)	0.6
	Fine chemical products	(0.0)	0.3	0.3	0.5	0.8	0.5	1.3
	Distribution system	0.8	1.8	2.6	1.7	4.4	1.2	5.6
	Common business operations	0.2	0.2	0.4	0.2	0.6	0.1	0.8
	Total	5.7	10.2	16.0	10.2	26.1	6.9	33.1

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(Billions of yen)

New business category	Segment	1st quarter	2nd quarter	2nd quarter (Cumulative)	3rd quarter	3rd quarter (Cumulative)	4th quarter	Year
Fiscal Year 2018 (A)	Condiments and processed foods	3.8	5.9	9.8	5.8	15.5	4.3	19.8
	Salad and delicatessen	0.6	1.3	1.9	1.4	3.3	1.0	4.3
	Egg	1.7	2.1	3.9	2.0	5.9	1.9	7.8
	Fruit solution	0.2	0.3	0.5	0.2	0.8	(0.1)	0.7
	Fine chemicals	0.0	0.4	0.4	0.6	0.9	0.5	1.5
	Distribution	0.6	1.5	2.2	1.5	3.7	1.0	4.7
	Common business operations	0.4	0.4	0.8	0.4	1.2	0.3	1.5
	Company-wide expenses	(1.7)	(1.8)	(3.5)	(1.7)	(5.1)	(2.0)	(7.1)
	Total	5.7	10.2	16.0	10.2	26.1	6.9	33.1
Fiscal Year 2019 (B)	Condiments and processed foods	4.2	6.6	10.8	5.7	16.5	5.1	21.6
	Salad and delicatessen	0.2	1.0	1.2	0.9	2.1	1.1	3.2
	Egg	2.0	2.0	4.0	2.1	6.2	1.3	7.4
	Fruit solution	(0.0)	0.2	0.1	0.1	0.2	0.1	0.3
	Fine chemicals	(0.0)	0.4	0.4	0.3	0.7	0.5	1.2
	Distribution	0.7	1.4	2.1	1.2	3.4	0.8	4.1
	Common business operations	0.4	0.4	0.8	0.3	1.1	0.2	1.3
	Company-wide expenses	(1.5)	(1.8)	(3.3)	(1.9)	(5.2)	(2.0)	(7.2)
	Total	6.0	10.1	16.1	8.9	25.0	7.0	32.0
Change (B) – (A)	Condiments and processed foods	0.4	0.6	1.0	(0.0)	1.0	0.8	1.8
	Salad and delicatessen	(0.4)	(0.4)	(0.8)	(0.4)	(1.2)	0.1	(1.1)
	Egg	0.3	(0.1)	0.2	0.1	0.3	(0.6)	(0.4)
	Fruit solution	(0.3)	(0.2)	(0.4)	(0.1)	(0.5)	0.2	(0.4)
	Fine chemicals	(0.0)	0.0	0.0	(0.2)	(0.2)	(0.0)	(0.2)
	Distribution	0.1	(0.2)	(0.0)	(0.3)	(0.3)	(0.2)	(0.5)
	Common business operations	(0.0)	0.0	0.0	(0.0)	(0.0)	(0.1)	(0.1)
	Company-wide expenses	0.2	(0.0)	0.2	(0.2)	(0.1)	0.0	(0.1)
	Total	0.3	(0.2)	0.1	(1.2)	(1.1)	0.1	(1.0)

- (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)".

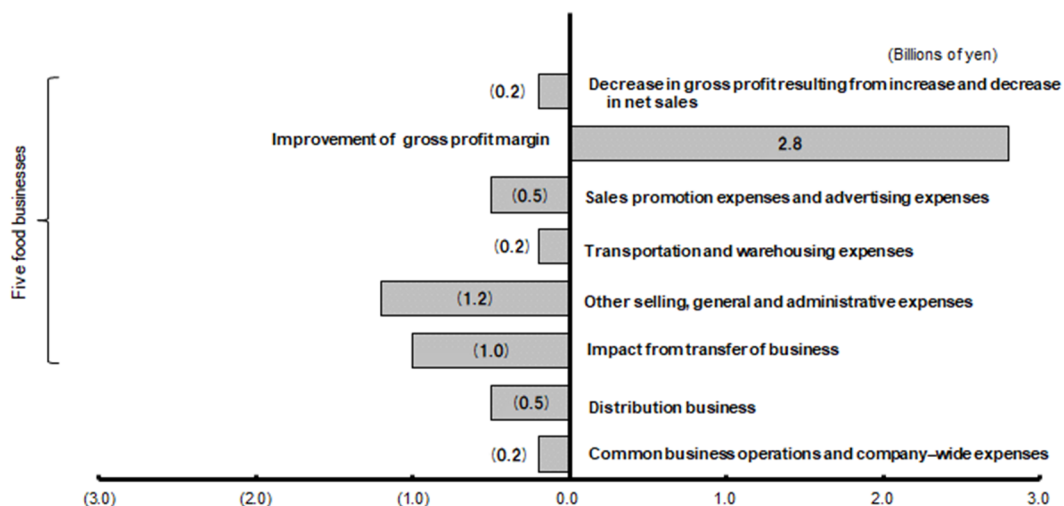
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<Factors behind changes in operating income (comparison with the previous fiscal year)>
(Billions of yen)

	Fiscal year 2018 (A)	Fiscal year 2019 (B)	Change (B) – (A)
Operating income	33.1	32.0	(1.0)



2. Summary of net sales and operating income in overseas operations [Result for fiscal year 2019]

(Notes) The following changes took effect at the beginning of fiscal year 2019.

- In line with changes to the business categories, the former “Condiments products business” segment was renamed to “Condiments and processed foods business”.
- “Exports and New” was reclassified into “Europe” and “Exports”.
- Expenses attributable to overseas operations but not attributable to particular area have been classified as “Other expenses”.

<Net sales> (Billions of yen)

Former category		Fiscal year 2017	Fiscal year 2018
China		18.1	19.3
Southeast Asia		8.5	10.0
U.S.	Condiments products	6.7	6.8
	Egg products	4.3	5.5
Exports and New		5.0	6.4
Total		42.7	48.0

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(Billions of yen)				Local currency basis	
New category		Fiscal year 2018 (A)	Fiscal year 2019 (B)	Change (B) – (A)	Rate of change for fiscal year 2019
China		19.3	20.3	0.9	11%
Southeast Asia		10.0	11.1	1.1	11%
U.S.	Condiments and processed foods	6.8	6.9	0.1	2%
	Egg	5.5	5.2	(0.2)	(4)%
Europe		2.8	2.8	0.0	8%
Exports		3.6	4.1	0.6	–
Total		48.0	50.5	2.5	–

* For overseas subsidiaries, figures are results from October to September.

* The total change includes a ¥1.4 billion decrease caused by fluctuations of exchange rates.

<Operating income>

(Billions of yen)			
Former category	Fiscal year 2017	Fiscal year 2018	
China	2.2	2.4	
Southeast Asia	0.3	0.6	
U.S.	Condiments products	0.5	0.5
	Egg products	(0.9)	0.3
Exports and New	0.2	0.1	
Total	2.3	3.9	

(Billions of yen)				Local currency basis	
New category		Fiscal year 2018 (A)	Fiscal year 2019 (B)	Change (B) – (A)	Rate of change for fiscal year 2019
China		2.4	3.0	0.6	31%
Southeast Asia		0.6	0.8	0.1	22%
U.S.	Condiments and processed foods	0.5	0.5	0.0	10%
	Egg	0.3	0.1	(0.2)	(70)%
Europe		(0.5)	(0.3)	0.2	–
Exports		0.6	0.8	0.1	–
Other expenses		(0.4)	(0.3)	0.1	–
Total		3.6	4.5	0.9	–

* For overseas subsidiaries, figures are results from October to September.

* The total change includes a ¥0.1 billion decrease caused by fluctuations of exchange rates.

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3. Domestic sales volume and amount of salads condiments by category type (Kewpie Corporation) [Result for fiscal year 2019]

		Fiscal year 2017	Fiscal year 2018 (A)	Fiscal year 2019 (B)	Change (B) – (A)
For household use	Volume (Thousands of ton)	128	127	131	4
	Amount (Billions of yen)	65.0	63.5	64.8	1.2
For commercial use	Volume (Thousands of ton)	107	107	105	(2)
	Amount (Billions of yen)	40.9	41.1	40.2	(0.9)

4. Summary of net sales and operating income and factors behind changes in operating income [Plan for fiscal year 2020]

<Net sales>

(Billions of yen)

Segment	Fiscal year 2019 (A)	Fiscal year 2020 (Plan) (B)	Change (B) – (A)
Condiments and processed foods	185.2	188.5	3.3
Salad and delicatessen	90.3	91.0	0.8
Egg	100.0	100.2	0.2
Fruit solution	15.6	16.0	0.3
Fine chemicals	8.3	8.5	0.2
Distribution	141.0	144.8	3.8
Common business operations	5.3	6.0	0.8
Total	545.7	555.0	9.3

<Operating income>

(Billions of yen)

Segment	Fiscal year 2019 (A)	Fiscal year 2020 (Plan) (B)	Change (B) – (A)
Condiments and processed foods	21.6	20.7	(0.9)
Salad and delicatessen	3.2	3.5	0.3
Egg	7.4	8.0	0.6
Fruit solution	0.3	0.6	0.3
Fine chemicals	1.2	1.2	0.0
Distribution	4.1	4.2	0.1
Common business operations	1.3	1.2	(0.2)
Company-wide expenses	(7.2)	(7.3)	(0.1)
Total	32.0	32.1	0.1

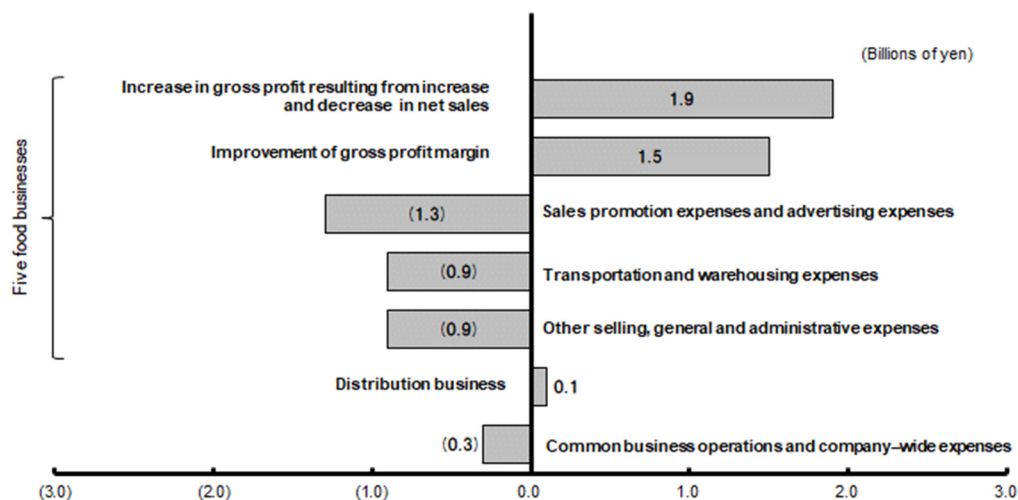
<Factors behind changes in operating income (difference from the plan)>

(Billions of yen)

	Fiscal year 2019 (A)	Fiscal year 2020 (Plan) (B)	Change (B) – (A)
Operating income	32.0	32.1	0.1

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5. Summary of net sales and operating income in overseas operations [Plan for fiscal year 2020]

<Net sales>

				(Billions of yen)	Local currency basis
		Fiscal year 2019 (A)	Fiscal year 2020 (B)	Change (B) - (A)	Rate of change for fiscal year 2020
China		20.3	21.6	1.4	13%
Southeast Asia		11.1	12.0	0.9	11%
U.S.	Condiments and processed foods	6.9	6.8	(0.1)	3%
	Egg	5.2	5.2	0.0	5%
Europe		2.8	2.9	0.1	12%
Exports		4.1	4.9	0.8	-
Total		50.5	53.5	3.0	-

* For overseas subsidiaries, figures are results from October to September.

* The total change for fiscal year 2020 includes a ¥2.4 billion decrease caused by the impact of the exchange rate fluctuations.

<Operating income>

				(Billions of yen)	Local currency basis
		Fiscal year 2019 (A)	Fiscal year 2020 (B)	Change (B) - (A)	Rate of change for fiscal year 2020
China		3.0	2.0	(1.0)	(29)%
Southeast Asia		0.8	0.9	0.2	27%
U.S.	Condiments and processed foods	0.5	0.6	0.0	9%
	Egg	0.1	0.3	0.2	215%
Europe		(0.3)	(0.2)	0.1	-
Exports		0.8	0.8	0.1	-
Other expenses		(0.3)	(0.2)	0.1	-
Total		4.5	4.3	(0.2)	-

* For overseas subsidiaries, figures are results from October to September.

* The total change for fiscal year 2020 includes a ¥0.2 billion decrease caused by the impact of the exchange rate fluctuations.

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6. Capital investments and main components of selling, general and administrative expenses [Result for fiscal year 2019 and plan for fiscal year 2020]

(Billions of yen)

	Fiscal year 2017	Fiscal year 2018 (A)	Fiscal year 2019 (B)	Change (B) – (A)	Fiscal year 2020 (Plan) (C)	Change (C) – (B)
Capital investments	27.2	32.1	28.6	(3.5)	32.5	3.9
Depreciation expenses	16.8	18.2	18.6	0.4	20.0	1.3
Sales promotion expenses	3.9	3.9	4.0	0.1	5.0	1.0
Advertising expenses	9.5	9.1	9.5	0.3	9.8	0.4
Transportation and warehousing expenses	25.8	26.8	26.0	(0.8)	27.0	0.9
Payroll expenses	31.3	32.7	33.7	1.0	34.1	0.4
Research and development expenses	4.1	4.1	4.2	0.0	4.4	0.3

7. Principal items of changes in non-operating income (expenses) and extraordinary gains (losses) [Result for fiscal year 2019]

(Billions of yen)

	Fiscal year 2018 (A)	Fiscal year 2019 (B)	Change (B) – (A)	Items of changes [Comparison with fiscal year 2018]
Non-operating income (expenses), net	1.3	1.2	(0.1)	Increase in business commencement expenses (0.1)
Extraordinary gains (losses), net	(0.8)	(0.8)	(0.0)	Decrease in gains on sales of investment securities (3.3) Decrease in impairment losses 2.3 Decrease in other extraordinary losses 1.1

8. Principal items of changes in non-operating income (expenses) and extraordinary gains (losses) [Plan for fiscal year 2020]

(Billions of yen)

	Fiscal year 2019 (A)	Fiscal year 2020 (Plan) (B)	Change (B) – (A)	Items of changes [Comparison with fiscal year 2019]
Non-operating income (expenses), net	1.2	0.4	(0.8)	Decrease in subsidy income (0.3) Decrease in insurance income (0.2)
Extraordinary gains (losses), net	(0.8)	(5.0)	(4.2)	Decrease in gain on transfer of business (0.6) Decrease in gains on sales of investment securities, etc. (0.6) Increase in losses on disposal of fixed assets and impairment losses (3.0)

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9. Summary and items of changes in balance sheets [Result for fiscal year 2019]

(Billions of yen)

	Fiscal year 2018 (A)	Fiscal year 2019 (B)	Change (B) – (A)	Items of changes [Comparison with fiscal year 2018]
(Assets)				
Current assets	158.4	174.8	16.4	Increase in cash and deposits 8.3 Increase in notes and accounts receivable – trade 6.6 Increase in inventories 0.6
Fixed assets				
Tangible and intangible fixed assets	205.1	217.4	12.3	Increase resulting from purchases 31.1 Decrease resulting from depreciation (18.3)
Investments and other assets	56.2	52.1	(4.1)	Decrease in investment securities (2.4)
(Liabilities)				
	153.6	167.6	14.0	Increase in notes and accounts payable – trade 8.8 Increase in long-term loans payable 6.0
(Net assets)				
	266.1	276.8	10.7	Increase in earned surplus 13.1 Decrease in foreign currency translation adjustments (1.8)

10. Principal items of changes in cash flows [Result for fiscal year 2019]

(Billions of yen)

	Fiscal year 2018 (A)	Fiscal year 2019 (B)	Change (B) – (A)	Items of changes [Comparison with fiscal year 2018]
Cash flows from operating activities	41.8	43.9	2.1	Decrease (increase) in notes and accounts receivable – trade (8.3) Increase (decrease) in notes and accounts payable – trade 12.5 Income taxes paid (2.9)
Cash flows from investing activities	(20.2)	(29.7)	(9.5)	Decrease in proceeds from transfer of business (7.7) Decrease in proceeds from sales of investment securities (4.5) Decrease in purchases of tangible fixed assets 4.3
Cash flows from financing activities	(15.3)	(4.6)	10.7	Decrease in purchase of treasury stock 9.3

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11. Performance targets for fiscal year 2021

(Billions of yen)

	Fiscal year 2018	Fiscal year 2019	Fiscal year 2020	Fiscal year 2021
Net sales	573.5	545.7	555.0	570.0
Domestic five food businesses	387.3	354.3	356.7	364.2
Domestic distribution business	138.3	141.0	144.8	147.0
Overseas	48.0	50.5	53.5	58.8
Operating income	33.1	32.0	32.1	34.5
Domestic five food businesses	32.0	30.6	30.9	31.4
Domestic distribution business	4.7	4.1	4.2	4.5
Overseas	3.6	4.5	4.3	6.2
Company-wide expenses	(7.1)	(7.2)	(7.3)	(7.5)
Ordinary income	34.3	33.3	32.5	35.0
Profit attributable to owners of parent	18.3	18.7	14.5	18.8
ROE (Return on equity)	8.1%	8.1%	6.1%	7.5%
ROA (Ordinary income to total assets)	8.2%	7.7%	7.3%	7.7%

12. Net sales and operating income targets by segment for fiscal year 2021

(Billions of yen)

	Net sales	Operating income
Condiments and processed foods	194.1	22.3
Salad and delicatessen	93.0	3.7
Egg	103.8	8.1
Fruit solution	17.0	0.8
Fine chemicals	9.5	1.5
Distribution	147.0	4.5
Common business operations	5.6	1.2
Company-wide expenses	–	(7.5)
Total	570.0	34.5

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13. Principal management indexes

	Fiscal year 2015	Fiscal year 2016	Fiscal year 2017	Fiscal year 2018	Fiscal year 2019
Net sales (millions of yen)	549,774	552,306	561,688	573,525	545,723
V.S. previous year (%)	–	0.5	1.7	2.1	(4.8)
Operating income (millions of yen)	26,354	29,818	31,261	33,067	32,048
V.S. previous year (%)	–	13.1	4.8	5.8	(3.1)
Operating income to net sales (%)	4.8	5.4	5.6	5.8	5.9
Ordinary income (millions of yen)	27,224	31,364	32,511	34,349	33,275
Ordinary income to net sales (%)	5.0	5.7	5.8	6.0	6.1
Profit (millions of yen)	16,973	17,093	18,099	18,320	18,698
Profit ratio (%)	3.1	3.1	3.2	3.2	3.4
Total net assets (millions of yen)	244,717	245,861	263,432	266,100	276,753
Total assets (millions of yen)	371,495	384,263	417,710	419,736	444,309
Equity ratio (%)	57.3	55.3	54.2	53.9	53.0
Cash flows from operating activities (millions of yen)	28,094	45,260	27,234	41,778	43,916
Cash flows from investing activities (millions of yen)	(31,181)	(32,046)	(31,421)	(20,199)	(29,720)
Cash flows from financing activities (millions of yen)	(7,101)	(5,805)	4,010	(15,293)	(4,602)
Free cash flow (operating cash flow + investing cash flow) (millions of yen)	(3,086)	13,213	(4,186)	21,579	14,195
Cash and cash equivalents at the end of the fiscal year (millions of yen)	34,841	40,790	41,411	47,970	56,777
Interest-bearing debt (millions of yen)	30,559	36,066	60,120	61,414	65,962
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	150,000	150,000	150,000
Net assets per share (yen)	1,403.05	1,420.63	1,539.94	1,582.27	1,646.73
Earnings per share (yen)	111.82	113.47	121.05	124.85	130.72
Free cash flow per share (yen)	(20.34)	87.72	(28.00)	147.06	99.24
ROE (Return on equity) (%)	8.3	8.0	8.2	8.1	8.1
ROA (Ordinary income to total assets) (%)	7.5	8.3	8.1	8.2	7.7
Annual dividend per share (including interim dividend) (yen)	29.0	34.5	36.5	38.0	45.0
[interim dividend per share] (yen)	[12.5]	[15.0]	[18.0]	[19.0]	20.0
Price earnings ratio (times)	26.4	23.8	23.8	22.1	18.6
Dividend payout ratio (%)	25.9	30.4	30.2	30.4	34.4
Dividend on equity ratio (%)	2.2	2.4	2.5	2.4	2.8
Number of regular full-time employees	13,478	14,095	14,924	14,808	15,452
Average number of temporary employees	11,519	11,150	11,456	9,843	9,404
Stock price at the end of the fiscal year (yen)	2,953	2,703	2,885	2,756	2,433

* Consumption taxes are not included in net sales.

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

* Changes in accounting policies have been applied to standards for recording net sales from fiscal year 2016 and figures for fiscal year 2015 were adjusted to reflect retrospective application of the changes in accounting policies. Due to these changes, the figures for "V.S. previous year (%)" of fiscal year 2015 are not presented.

* The Company has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" and relevant guidelines effective as of the beginning of fiscal year 2019. Figures for the previous fiscal years have been retroactively adjusted to reflect the application of the said accounting standard and relevant guidelines.