

# Kewpie Corporation

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



## Summary of Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending November 30, 2020 [JAPAN GAAP]

April 2, 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: Nobuo Inoue,  
 Director, Executive Corporate Officer  
 Scheduled date for filing quarterly securities report: April 14, 2020  
 Scheduled date for dividend payment: –  
 Quarterly supplementary data: Yes  
 Quarterly results briefing: None

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

### 1. Consolidated business results for the first quarter of the fiscal year ending November 30, 2020 (From December 1, 2019 to February 29, 2020)

#### (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	%
Three months ended February 29, 2020	133,141	3.8	5,105	(15.3)	5,286	(17.5)	2,556	(27.0)
Three months ended February 28, 2019	128,319	(6.5)	6,026	5.3	6,408	6.5	3,500	7.8

(Note) Comprehensive income: Three months ended February 29, 2020 ¥2,880 million (Increase of 7.1%)  
 Three months ended February 28, 2019 ¥2,689 million (Decrease of 31.9%)

	Earnings per share	Earnings per share (diluted)
	Yen	Yen
Three months ended February 29, 2020	17.87	–
Three months ended February 28, 2019	24.47	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of February 29, 2020	438,135	275,594	53.4
As of November 30, 2019	444,309	276,753	53.0

(Reference) Shareholders' equity: As of February 29, 2020 ¥234,178 million  
 As of November 30, 2019 ¥235,552 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 2019	– Yen	20.00 Yen	– Yen	25.00 Yen	45.00 Yen
Fiscal year 2020	–				
Fiscal year 2020 (Forecast)		20.00	–	20.00	40.00

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

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	540,000	(1.0)	30,000	(6.4)	30,500	(8.3)	12,000	(35.8)	83.89

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

### \*Notes

- (1) Changes in significant subsidiaries during the three months (Changes in specified subsidiaries resulting in the change in the scope of consolidation): None
- (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: Yes
  - 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):
 

February 29, 2020	150,000,000 shares
November 30, 2019	150,000,000 shares
  - b) Number of shares of treasury stock at the end of the period:
 

February 29, 2020	6,958,160 shares
November 30, 2019	6,958,050 shares
  - c) Average number of shares during the period:
 

December 1, 2019 to February 29, 2020	143,041,867 shares
December 1, 2018 to February 28, 2019	143,042,984 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, 2019)	Current first quarter (As of February 29, 2020)
<b>Assets</b>		
Current assets		
Cash and deposits	46,777	44,845
Notes and accounts receivable - trade	83,651	77,734
Securities	10,000	10,000
Purchased goods and products	17,392	17,902
Work in process	2,354	1,641
Raw materials and supplies	9,089	9,830
Other	5,951	5,085
Allowances for doubtful accounts	(426)	(412)
<b>Total current assets</b>	<b>174,790</b>	<b>166,628</b>
Fixed assets		
Tangible fixed assets		
Buildings and structures	183,036	191,402
Accumulated depreciation	(108,069)	(109,164)
Net book value	74,966	82,238
Machinery, equipment and vehicles	179,442	177,868
Accumulated depreciation	(123,953)	(121,883)
Net book value	55,488	55,984
Land	52,178	52,211
Construction in progress	15,268	8,429
Other	26,184	28,370
Accumulated depreciation	(16,627)	(16,936)
Net book value	9,557	11,433
<b>Total tangible fixed assets</b>	<b>207,459</b>	<b>210,298</b>
Intangible fixed assets		
Goodwill	989	935
Other	8,931	9,270
<b>Total intangible fixed assets</b>	<b>9,921</b>	<b>10,205</b>
Investments and other assets		
Investment securities	27,225	25,176
Assets for retirement benefits	9,898	10,228
Other	15,192	15,780
Allowances for doubtful accounts	(177)	(181)
<b>Total investments and other assets</b>	<b>52,138</b>	<b>51,003</b>
<b>Total fixed assets</b>	<b>269,519</b>	<b>271,507</b>
<b>Total assets</b>	<b>444,309</b>	<b>438,135</b>

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(Millions of yen)

	Previous fiscal year (As of November 30, 2019)	Current first quarter (As of February 29, 2020)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	53,299	50,039
Short-term loans payable	7,322	9,678
Accrued income taxes	4,208	2,043
Reserves	3,146	5,301
Other	31,029	26,020
Total current liabilities	99,006	93,083
Non-current liabilities		
Bonds	10,000	10,000
Long-term loans payable	42,616	42,513
Liabilities for retirement benefits	3,306	3,317
Asset retirement obligations	1,187	1,188
Other	11,440	12,438
Total non-current liabilities	68,550	69,457
Total liabilities	167,556	162,541
<b>Net assets</b>		
Shareholders' equity		
Paid-in capital	24,104	24,104
Capital surplus	29,483	29,483
Earned surplus	196,551	195,487
Treasury stock	(15,862)	(15,862)
Total shareholders' equity	234,276	233,212
Accumulated other comprehensive income		
Unrealized holding gains (losses) on securities	9,045	7,665
Unrealized gains (losses) on hedges	6	1
Foreign currency translation adjustments	(3,241)	(2,505)
Accumulated adjustments for retirement benefits	(4,534)	(4,196)
Total accumulated other comprehensive income	1,275	965
Non-controlling interests	41,201	41,415
Total net assets	276,753	275,594
Total liabilities and net assets	444,309	438,135

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

(Quarterly Consolidated Statements of Income)

(Three months ended February 28, 2019 and February 29, 2020)

(Millions of yen)

	Previous first quarter (From December 1, 2018 to February 28, 2019)	Current first quarter (From December 1, 2019 to February 29, 2020)
Net sales	128,319	133,141
Cost of sales	97,956	102,985
Gross profit	30,363	30,155
Selling, general and administrative expenses	24,336	25,049
Operating income	6,026	5,105
Non-operating income		
Interest income	18	43
Dividends income	191	187
Equity in earnings of affiliates	39	52
Insurance income	220	101
Other	184	154
Total non-operating income	654	539
Non-operating expenses		
Interest expenses	80	90
Costs of idle facility	8	105
Other	184	162
Total non-operating expenses	272	359
Ordinary income	6,408	5,286
Extraordinary gains		
Gains on sales of fixed assets	5	9
Gains on sales of investment securities	-	2
Total extraordinary gains	5	11
Extraordinary losses		
Losses on disposal of fixed assets	223	350
Losses on termination of retirement benefit plans	-	168
Impairment losses	92	49
Other	16	57
Total extraordinary losses	331	627
Profit before income taxes	6,082	4,670
Income taxes	2,028	1,621
Profit	4,054	3,049
Profit attributable to non-controlling interests	553	492
Profit attributable to owners of parent	3,500	2,556

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(Quarterly Consolidated Statements of Comprehensive Income)  
(Three months ended February 28, 2019 and February 29, 2020)

	Previous first quarter (From December 1, 2018 to February 28, 2019)	Current first quarter (From December 1, 2019 to February 29, 2020)
Profit	4,054	3,049
Other comprehensive income		
Unrealized holding gains (losses) on securities	(944)	(1,475)
Unrealized gains (losses) on hedges	25	(4)
Foreign currency translation adjustments	(733)	948
Adjustments for retirement benefits	288	361
Total other comprehensive income	(1,364)	(168)
Comprehensive income	2,689	2,880
(Breakdown)		
Comprehensive income attributable to owners of parent	2,273	2,246
Comprehensive income attributable to non-controlling interests	415	633



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## 3. 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 accounting policies)

(Application of IFRS 16 "Leases")

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

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

(Segment information)

[Segment information]

### I. Previous first quarter (From December 1, 2018 to February 28, 2019)

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

	(Millions of yen)									Amount reported on the quarterly consolidated statements of income (Note 2)
	Condi-ments and Processed Foods	Salad and Delica-tessen	Egg	Fruit Solution	Fine Chemicals	Distribution	Common Business Operations	Total	Adjust-ments (Note 1)	
Net sales										
Net sales to outside customers	43,137	21,421	23,421	3,494	2,044	33,610	1,189	128,319	–	128,319
Intersegment net sales or transfers	1,510	28	1,067	236	98	7,419	2,498	12,858	(12,858)	–
Total	44,648	21,449	24,488	3,731	2,142	41,029	3,687	141,178	(12,858)	128,319
Segment profit (loss)	4,247	210	1,993	(41)	(21)	745	393	7,527	(1,500)	6,026

(Notes) 1. "Adjustments" of ¥(1,500) million in "Segment profit (loss)" includes Company-wide expenses unallocated to the respective reporting segments. The Company-wide expenses mainly consist of expenditures pertaining to general and administrative expenses not attributable to particular reporting segments.

2. "Segment profit (loss)" 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 reporting 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. Current first quarter (From December 1, 2019 to February 29, 2020)

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

(Millions of yen)

	Condi- ments and Processed Foods	Salad and Delica- tessen	Egg	Fruit Solution	Fine Chemicals	Distribution	Common Business Operations	Total	Adjust- ments (Note 1)	Amount reported on the quarterly consolidated statements of income (Note 2)
Net sales										
Net sales to outside customers	43,951	21,833	24,301	3,642	1,710	35,131	2,569	133,141	–	133,141
Intersegment net sales or transfers	1,512	36	767	216	104	7,661	2,475	12,774	(12,774)	–
Total	45,463	21,870	25,069	3,858	1,814	42,793	5,044	145,915	(12,774)	133,141
Segment profit (loss)	4,064	583	1,120	(59)	(8)	661	334	6,695	(1,589)	5,105

(Notes) 1. "Adjustments" of ¥(1,589) million in "Segment profit (loss)" includes Company-wide expenses unallocated to the respective reporting segments. The Company-wide expenses mainly consist of expenditures pertaining to general and administrative expenses not attributable to particular reporting segments.

2. "Segment profit (loss)" 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 reporting 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.

**Supplementary Data  
for the First Quarter  
of the Fiscal Year Ending  
November 30, 2020**

**April 2, 2020  
Kewpie Corporation  
Securities code: 2809**

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### ■ Notes regarding the information in this document

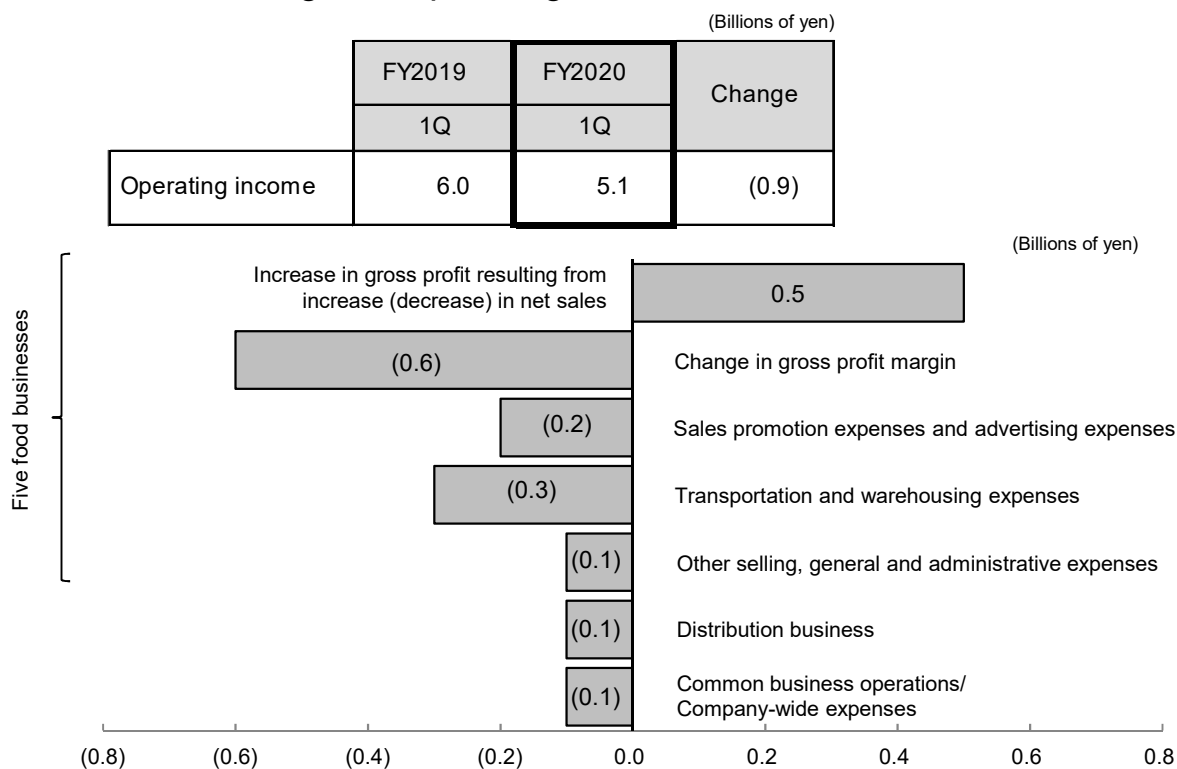
- The amounts stated in this document are rounded to the nearest 100 million yen when figures are presented in billions of yen.
- Figures of “Year” in FY2020 indicate estimated forecasts announced on April 2, 2020.
- For overseas operations, figures are results for the period from October to December and include exports from Japan.  
Exports from Japan cover the period from December to February.

# 1.(1) Net sales and operating income for each quarter by segment (Billions of yen)

■ Net sales (Upper: Results, Lower: Change)	FY 2019					FY 2020				
	1Q (Dec.-Feb.)	2Q (Mar.-May)	3Q (Jun.-Aug.)	4Q (Sept.-Nov.)	Year	1Q (Dec.-Feb.)	2Q (Mar.-May)	3Q (Jun.-Aug.)	4Q (Sept.-Nov.)	Year forecast (Announced on Apr. 2)
Condiments and Processed Foods	<b>43.1</b> (0.1)	<b>48.6</b> 0.6	<b>47.7</b> (0.5)	<b>45.8</b> 1.0	<b>185.2</b> 0.9	<b>44.0</b> 0.8				<b>177.5</b> (7.7)
Domestic	33.3 (0.6)	38.1 (0.2)	36.2 (1.3)	34.4 0.4	142.1 (1.6)	33.2 (0.2)				138.5 (3.6)
Overseas	9.8 0.5	10.5 0.8	11.5 0.7	11.3 0.6	43.2 2.5	10.8 1.0				39.0 (4.1)
Salad and Delicatessen	<b>21.4</b> (8.6)	<b>22.8</b> (8.3)	<b>23.1</b> (8.6)	<b>22.9</b> (2.5)	<b>90.3</b> (28.0)	<b>21.8</b> 0.4				<b>91.0</b> 0.8
Egg	<b>23.4</b> (0.7)	<b>25.6</b> 0.2	<b>25.0</b> 0.1	<b>26.0</b> (0.4)	<b>100.0</b> (0.9)	<b>24.3</b> 0.9				<b>96.2</b> (3.8)
Domestic	22.0 (0.8)	24.4 0.2	23.6 (0.1)	24.7 (0.0)	94.8 (0.7)	23.0 1.0				91.0 (3.8)
Overseas	1.4 0.0	1.2 0.0	1.4 0.1	1.3 (0.4)	5.2 (0.2)	1.3 (0.2)				5.2 0.0
Fruit Solution	<b>3.5</b> (0.1)	<b>4.4</b> (0.2)	<b>4.0</b> (0.1)	<b>3.8</b> 0.2	<b>15.6</b> (0.2)	<b>3.6</b> 0.1				<b>16.0</b> 0.3
Fine Chemicals	<b>2.0</b> (0.1)	<b>2.2</b> (0.4)	<b>1.8</b> (0.9)	<b>2.3</b> (0.3)	<b>8.3</b> (1.7)	<b>1.7</b> (0.3)				<b>8.5</b> 0.2
Distribution	<b>33.6</b> 1.1	<b>35.6</b> 1.2	<b>35.8</b> 0.2	<b>35.9</b> 0.3	<b>141.0</b> 2.7	<b>35.1</b> 1.5				<b>144.8</b> 3.8
Common Business Operations	<b>1.2</b> (0.3)	<b>1.4</b> (0.1)	<b>1.1</b> (0.1)	<b>1.5</b> (0.2)	<b>5.3</b> (0.6)	<b>2.6</b> 1.4				<b>6.0</b> 0.8
<b>Total</b>	<b>128.3</b> (8.9)	<b>140.7</b> (7.1)	<b>138.5</b> (10.0)	<b>138.3</b> (1.8)	<b>545.7</b> (27.8)	<b>133.1</b> 4.8				<b>540.0</b> (5.7)

■ Operating income (Upper: Results, Lower: Change)	FY 2019					FY 2020				
	1Q (Dec.-Feb.)	2Q (Mar.-May)	3Q (Jun.-Aug.)	4Q (Sept.-Nov.)	Year	1Q (Dec.-Feb.)	2Q (Mar.-May)	3Q (Jun.-Aug.)	4Q (Sept.-Nov.)	Year forecast (Announced on Apr. 2)
Condiments and Processed Foods	<b>4.2</b> 0.4	<b>6.6</b> 0.6	<b>5.7</b> (0.0)	<b>5.1</b> 0.8	<b>21.6</b> 1.8	<b>4.1</b> (0.2)				<b>19.8</b> (1.8)
Domestic	<b>3.5</b> 0.1	<b>5.4</b> 0.1	<b>4.6</b> (0.2)	<b>4.2</b> 0.7	<b>17.6</b> 0.6	<b>3.1</b> (0.4)				<b>17.0</b> (0.6)
Overseas	<b>0.8</b> 0.4	<b>1.2</b> 0.6	<b>1.2</b> 0.1	<b>0.8</b> 0.1	<b>4.0</b> 1.1	<b>1.0</b> 0.2				<b>2.8</b> (1.2)
Salad and Delicatessen	<b>0.2</b> (0.4)	<b>1.0</b> (0.4)	<b>0.9</b> (0.4)	<b>1.1</b> 0.1	<b>3.2</b> (1.1)	<b>0.6</b> 0.4				<b>3.5</b> 0.3
Egg	<b>2.0</b> 0.3	<b>2.0</b> (0.1)	<b>2.1</b> 0.1	<b>1.3</b> (0.6)	<b>7.4</b> (0.4)	<b>1.1</b> (0.9)				<b>6.8</b> 0.6
Domestic	<b>1.8</b> 0.1	<b>2.0</b> (0.0)	<b>2.1</b> 0.2	<b>1.4</b> (0.4)	<b>7.4</b> (0.1)	<b>1.1</b> (0.7)				<b>6.5</b> (0.8)
Overseas	<b>0.1</b> 0.2	<b>0.0</b> (0.1)	<b>0.1</b> (0.1)	<b>(0.2)</b> (0.2)	<b>0.1</b> (0.3)	<b>0.0</b> (0.1)				<b>0.3</b> 0.2
Fruit Solution	<b>(0.0)</b> (0.3)	<b>0.2</b> (0.2)	<b>0.1</b> (0.1)	<b>0.1</b> 0.2	<b>0.3</b> (0.4)	<b>(0.1)</b> (0.0)				<b>0.6</b> 0.3
Fine Chemicals	<b>(0.0)</b> (0.0)	<b>0.4</b> 0.0	<b>0.3</b> (0.2)	<b>0.5</b> (0.0)	<b>1.2</b> (0.2)	<b>(0.0)</b> 0.0				<b>1.2</b> 0.0
Distribution	<b>0.7</b> 0.1	<b>1.4</b> (0.2)	<b>1.2</b> (0.3)	<b>0.8</b> (0.2)	<b>4.1</b> (0.5)	<b>0.7</b> (0.1)				<b>4.2</b> 0.1
Common Business Operations	<b>0.4</b> (0.0)	<b>0.4</b> 0.0	<b>0.3</b> (0.0)	<b>0.2</b> (0.1)	<b>1.3</b> (0.1)	<b>0.3</b> (0.1)				<b>1.2</b> (0.2)
Company-wide expenses	<b>(1.5)</b> 0.2	<b>(1.8)</b> (0.0)	<b>(1.9)</b> (0.2)	<b>(2.0)</b> 0.0	<b>(7.2)</b> (0.1)	<b>(1.6)</b> (0.1)				<b>(7.3)</b> (0.1)
<b>Total</b>	<b>6.0</b> 0.3	<b>10.1</b> (0.2)	<b>8.9</b> (1.2)	<b>7.0</b> 0.1	<b>32.0</b> (1.0)	<b>5.1</b> (0.9)				<b>30.0</b> (2.0)

## 1.(2) Factors behind changes in operating income



## 1.(3) Domestic sales volume and amount of salad condiments by business category (Kewpie Corporation)

		FY2018	FY2019	FY2020	Change	Change (%)
		1Q	1Q	1Q		
For household use	Volume (Thousands of ton)	29	31	32	1	3%
	Amount (Billions of yen)	14.8	14.9	15.3	0.4	3%
For commercial use	Volume (Thousands of ton)	26	25	25	0	0%
	Amount (Billions of yen)	9.7	9.3	9.4	0.1	1%

## 2. Overseas: Net sales and operating income by area

(Billions of yen)

■ Net sales by area	FY2018	FY2019	FY2020	Change	Change (%)	Local currency basis
	1Q	1Q	1Q			Growth rate
China	4.2	4.3	4.5	0.2	5%	10%
Southeast Asia	2.5	2.6	3.2	0.5	20%	18%
U.S.	2.9	3.0	3.1	0.1	3%	7%
ConDIMENTS and processed foods	1.5	1.6	1.8	0.2	15%	19%
Egg	1.4	1.4	1.3	(0.2)	(11)%	(8)%
Europe	0.8	0.8	0.8	(0.1)	(11)%	(5)%
Exports	0.8	0.9	0.8	(0.1)	(12)%	—
<b>Total</b>	<b>11.2</b>	<b>11.7</b>	<b>12.3</b>	<b>0.6</b>	<b>5%</b>	<b>—</b>

\* The total change includes a ¥0.4 billion decrease caused by fluctuations of exchange rates.

■ Operating income by area	FY2018	FY2019	FY2020	Change	Change (%)	Local currency basis
	1Q	1Q	1Q			Growth rate
China	0.3	0.5	0.6	0.1	13%	20%
Southeast Asia	0.2	0.2	0.3	0.1	74%	74%
U.S.	0.1	0.3	0.1	(0.1)	(50)%	(49)%
ConDIMENTS and processed foods	0.1	0.1	0.1	0.0	13%	17%
Egg	(0.0)	0.2	0.0	(0.1)	(94)%	(94)%
Europe	(0.1)	0.0	(0.1)	(0.1)	—	—
Exports	0.1	0.2	0.1	(0.0)	(20)%	—
Other expenses	(0.1)	(0.1)	(0.0)	0.1	—	—
<b>Total</b>	<b>0.5</b>	<b>1.0</b>	<b>1.0</b>	<b>(0.0)</b>	<b>(1)%</b>	<b>—</b>

\* The total change includes a ¥0 billion decrease caused by fluctuations of exchange rates.

## 3. Exchange rates (average exchange rates during the period)

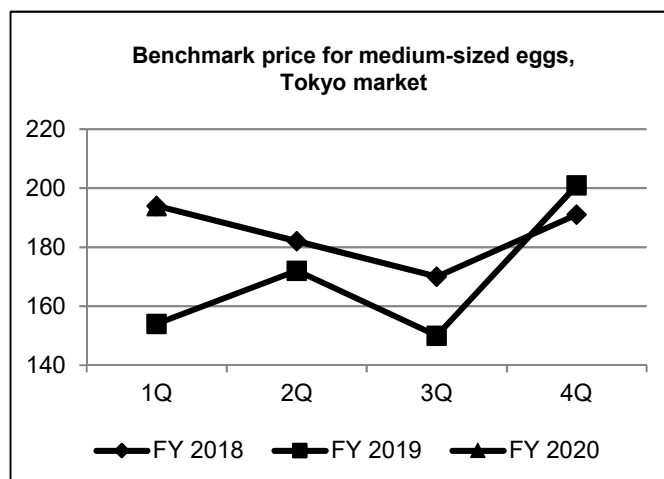
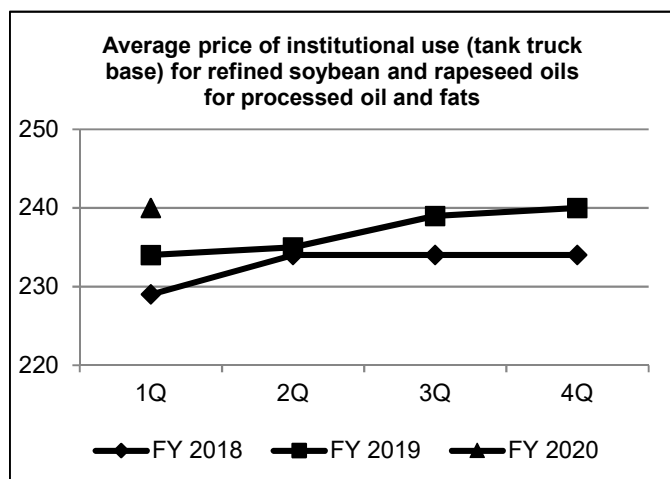
(yen)

	FY2018	FY2019	FY2020	FY2020
	1Q	1Q	1Q	Plan of the beginning of the year
USD (per \$1)	113	113	109	105
RMB (per RMB1)	17	16	15	15

#### 4. Changes in market prices for major raw materials

(¥/kg)

	FY 2018				FY 2019				FY 2020				
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	Annual indicator
Average price of institutional use (tank truck base) for refined soybean and rapeseed oils for processed oil and fats	229	234	234	234	235	239	240	240	242				251
Benchmark price for medium-sized eggs, Tokyo market	194	182	170	191	154	172	150	201	194				177



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

(Billions of yen)

	FY 2018	FY 2019	FY 2020	Change
	1Q	1Q	1Q	
Capital investments	6.5	6.6	7.0	0.4
Depreciation expenses	4.4	4.5	4.8	0.2
Sales promotion expenses	1.0	0.9	1.0	0.1
Advertising expenses	2.5	2.6	2.7	0.1
Transportation and warehousing expenses	6.6	6.2	6.5	0.3
Payroll expenses	8.0	8.2	8.3	0.1
Research and development expenses	0.8	0.9	0.9	0.0

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

(Billions of yen)

	FY 2019	FY 2020	Change	Factors behind changes
	1Q	1Q		
Non-operating income (expenses), net	0.4	0.2	(0.2)	Decrease in insurance income (0.1) Increase in costs of idle facility (0.1)
Extraordinary gains (losses), net	(0.3)	(0.6)	(0.3)	Increase in losses on termination of retirement benefit plans (0.2)



## 7 . Summary and items of changes in balance sheets

(Billions of yen)

	FY 2019	FY 2020	Change	Factors behind changes
		1Q		
<b>Assets</b>				
Current assets	174.8	166.6	(8.2)	Decrease in cash and deposits (1.9) Decrease in notes and accounts receivable - trade (5.9)
<b>Fixed assets</b>				
Tangible and intangible fixed assets	217.4	220.5	3.1	Increase resulting from purchases 5.4 Decrease resulting from depreciation (4.6) Increase in lease assets resulting from changes in accounting policies 1.4
Investments and other assets	52.1	51.0	(1.1)	Decrease in investment securities (2.0)
Liabilities	167.6	162.5	(5.0)	Decrease in notes and accounts payable - trade (3.3) Decrease in accounts payable - other (2.6)
Net assets	276.8	275.6	(1.2)	Decrease in unrealized holding gains (losses) on securities (1.4)

\* From the current first quarter, foreign consolidated subsidiaries that apply IFRS have applied IFRS 16 "Leases". Due to this application, lessees, in principle, record all leases as assets and liabilities on the balance sheets.