

# 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, 2021 [JAPAN GAAP]

April 5, 2021

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: Takeshi Kitagawa,  
 Senior General Manager of Management Promotion Division  
 Scheduled date for filing quarterly securities report: April 14, 2021  
 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, 2021 (From December 1, 2020 to February 28, 2021)

#### (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 28, 2021	94,088	(29.3)	6,324	23.9	6,604	24.9	4,518	76.8
Three months ended February 29, 2020	133,141	3.8	5,105	(15.3)	5,286	(17.5)	2,556	(27.0)

(Note) Comprehensive income: Three months ended February 28, 2021 ¥6,055 million (Increase of 110.2%)  
 Three months ended February 29, 2020 ¥2,880 million (Increase of 7.1%)

	Earnings per share	Earnings per share (diluted)
	Yen	Yen
Three months ended February 28, 2021	31.68	–
Three months ended February 29, 2020	17.87	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of February 28, 2021	376,336	262,485	63.7
As of November 30, 2020	451,723	285,377	53.0

(Reference) Shareholders' equity: As of February 28, 2021 ¥239,643 million  
 As of November 30, 2020 ¥239,532 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 2020	– <small>Yen</small>	20.00 <small>Yen</small>	– <small>Yen</small>	20.00 <small>Yen</small>	40.00 <small>Yen</small>
Fiscal year 2021	–	20.00	–	20.00	40.00
Fiscal year 2021 (Forecast)	–	20.00	–	25.00	45.00

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

## 3. Forecasts of consolidated operating results for the fiscal year ending November 30, 2021 (From December 1, 2020 to November 30, 2021)

(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, 2021	400,000	(24.7)	26,400	(6.7)	27,800	(4.1)	15,000	31.8	104.87

(Note) Revision to the most recently announced forecast of consolidated operating results: None

### \*Notes

- (1) Changes in significant subsidiaries during the three months (Changes in specified subsidiaries resulting in the change in the scope of consolidation): Yes  
Excluded: 1 company (Name: K.R.S. Corporation)  
(Note) For details, please refer to "I. Quarterly consolidated financial statements and major notes: 3. Notes Regarding Quarterly Consolidated Financial Statements (Business combination)" on page 6.
- (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):
 

February 28, 2021	150,000,000 shares
November 30, 2020	150,000,000 shares
  - b) Number of shares of treasury stock at the end of the period:
 

February 28, 2021	7,974,076 shares
November 30, 2020	6,959,200 shares
  - c) Average number of shares during the period (cumulative from the beginning of the fiscal year):
 

December 1, 2020 to February 28, 2021	142,635,869 shares
December 1, 2019 to February 29, 2020	143,041,867 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, 2020)	Current first quarter (As of February 28, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	56,835	53,830
Notes and accounts receivable - trade	73,783	56,092
Securities	10,000	10,000
Purchased goods and products	16,214	16,808
Work in process	1,398	1,188
Raw materials and supplies	9,609	9,724
Other	6,696	3,992
Allowances for doubtful accounts	(523)	(119)
<b>Total current assets</b>	<b>174,012</b>	<b>151,517</b>
Fixed assets		
Tangible fixed assets		
Buildings and structures	191,496	158,742
Accumulated depreciation	(110,485)	(90,812)
Net book value	81,011	67,930
Machinery, equipment and vehicles	183,338	147,707
Accumulated depreciation	(121,934)	(103,781)
Net book value	61,403	43,925
Land	52,503	31,119
Construction in progress	5,352	1,326
Other	29,353	17,921
Accumulated depreciation	(17,823)	(11,638)
Net book value	11,530	6,283
<b>Total tangible fixed assets</b>	<b>211,802</b>	<b>150,586</b>
Intangible fixed assets		
Goodwill	2,014	701
Other	11,497	11,127
<b>Total intangible fixed assets</b>	<b>13,512</b>	<b>11,828</b>
Investments and other assets		
Investment securities	27,110	43,431
Assets for retirement benefits	9,601	9,537
Other	15,873	9,578
Allowances for doubtful accounts	(188)	(143)
<b>Total investments and other assets</b>	<b>52,396</b>	<b>62,404</b>
<b>Total fixed assets</b>	<b>277,710</b>	<b>224,819</b>
<b>Total assets</b>	<b>451,723</b>	<b>376,336</b>

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(Millions of yen)

	Previous fiscal year (As of November 30, 2020)	Current first quarter (As of February 28, 2021)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	41,828	32,590
Short-term loans payable	12,153	13,260
Accrued income taxes	3,901	2,691
Provisions	2,781	4,459
Other	25,709	20,499
Total current liabilities	86,373	73,501
Non-current liabilities		
Bonds	10,000	10,000
Long-term loans payable	51,861	16,810
Liabilities for retirement benefits	3,619	2,827
Asset retirement obligations	1,218	219
Other	13,274	10,492
Total non-current liabilities	79,973	40,349
Total liabilities	166,346	113,850
<b>Net assets</b>		
Shareholders' equity		
Paid-in capital	24,104	24,104
Capital surplus	28,647	28,632
Earned surplus	201,492	203,141
Treasury stock	(15,865)	(18,252)
Total shareholders' equity	238,379	237,625
Accumulated other comprehensive income		
Unrealized holding gains (losses) on securities	8,882	9,148
Unrealized gains (losses) on hedges	(4)	15
Foreign currency translation adjustments	(3,408)	(2,976)
Accumulated adjustments for retirement benefits	(4,315)	(4,169)
Total accumulated other comprehensive income	1,153	2,018
Non-controlling interests	45,844	22,842
Total net assets	285,377	262,485
Total liabilities and net assets	451,723	376,336

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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 29, 2020 and February 28, 2021)

(Millions of yen)

	Previous first quarter (Cumulative) (From December 1, 2019 to February 29, 2020)	Current first quarter (Cumulative) (From December 1, 2020 to February 28, 2021)
Net sales	133,141	94,088
Cost of sales	102,985	64,600
Gross profit	30,155	29,487
Selling, general and administrative expenses	25,049	23,163
Operating income	5,105	6,324
Non-operating income		
Interest income	43	28
Dividends income	187	147
Equity in earnings of affiliates	52	101
Insurance income	101	6
Other	154	219
Total non-operating income	539	504
Non-operating expenses		
Interest expenses	90	60
Business commencement expenses	33	69
Costs of idle facility	105	2
Other	128	92
Total non-operating expenses	359	224
Ordinary income	5,286	6,604
Extraordinary gains		
Gains on sales of fixed assets	9	416
Gain on sales of shares of subsidiaries and associates	–	289
Gains on sales of investment securities	2	1
Other	–	41
Total extraordinary gains	11	748
Extraordinary losses		
Losses on disposal of fixed assets	350	161
Loss on sales of fixed assets	1	64
Losses on termination of retirement benefit plans	168	–
Impairment losses	49	–
Other	56	16
Total extraordinary losses	627	242
Profit before income taxes	4,670	7,110
Income taxes	1,621	2,118
Profit	3,049	4,992
Profit attributable to non-controlling interests	492	474
Profit attributable to owners of parent	2,556	4,518

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(Quarterly Consolidated Statements of Comprehensive Income)  
(Three months ended February 29, 2020 and February 28, 2021)

(Millions of yen)

	Previous first quarter (Cumulative) (From December 1, 2019 to February 29, 2020)	Current first quarter (Cumulative) (From December 1, 2020 to February 28, 2021)
Profit	3,049	4,992
Other comprehensive income		
Unrealized holding gains (losses) on securities	(1,475)	266
Unrealized gains (losses) on hedges	(4)	25
Foreign currency translation adjustments	948	613
Adjustments for retirement benefits	361	132
Share of other comprehensive income of entities accounted for using equity method	–	24
Total other comprehensive income	(168)	1,063
Comprehensive income	2,880	6,055
(Breakdown)		
Comprehensive income attributable to owners of parent	2,246	5,383
Comprehensive income attributable to non-controlling interests	633	672



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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.

(Business combination)

Divestiture of business

The Company resolved, at the meeting of its Board of Directors held on January 7, 2021, to sell part of the shares of the Company's consolidated subsidiary, K.R.S. Corporation ("KRS"), and a share sale was implemented by off-auction distribution on January 18, 2021. As a result of this share sale, KRS and its 14 subsidiaries listed below (collectively the "KRS Group") have changed from being consolidated subsidiaries of the Company to being affiliated companies accounted for by the equity method of the Company, effective from the beginning of the current first quarter.

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

1. Outline of the business divestiture

(1) Name of successor company

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

(2) Content of the divested business

Consolidated subsidiaries K.R.S. Corporation and its 14 subsidiaries

Content of the business Warehousing and transportation

(3) Main reason for business divestiture

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

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

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

On the other hand, the Company has determined that its corporate value would be enhanced for the future towards "Our Ideal"<sup>(Note)</sup> through further concentration of management resources in the domestic and overseas food businesses.

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

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

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

(4) Date of business divestiture

January 18, 2021 (Date of share sale)

December 1, 2020 (Deemed date of divestiture)

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- (5) Outline of the transaction including its legal form  
Partial sale of issued shares of KRS whereby the consideration received is only property including cash
- (6) Number of shares sold and share ownership after the sale
- |                                |   |
|--------------------------------|---|
| Number of shares sold          | 253,600 shares  |
| Share ownership after the sale | 5,420,402 shares (Percentage of voting rights: 43.6%) |
2. Outline of the accounting treatment implemented
- (1) Amount of gain or loss on the sale of shares
- |  |              |
|--|--------------|
| Gain on sales of shares of subsidiaries and associates | ¥289 million |
|--|--------------|
- (2) Appropriate book values and major breakdown of the assets and liabilities related to the business transferred
- |                         |                  |
|-------------------------|------------------|
| Current assets          | ¥32,347 million  |
| Fixed assets            | ¥70,363 million  |
| <hr/>                   |                  |
| Total assets            | ¥102,711 million |
|                         |                  |
| Current liabilities     | ¥32,314 million  |
| Non-current liabilities | ¥29,352 million  |
| <hr/>                   |                  |
| Total liabilities       | ¥61,667 million  |
- (3) Accounting treatments  
The difference between the book value of the sold shares in the consolidated accounts of KRS Group and the sale price of the share sale was recorded as losses on sales of shares of subsidiaries and associates. On the other hand, a gain was realized as a result of this share sale, in connection with "unrealized gains on land sold to KRS by the Company and its consolidated subsidiaries" which had been recognized in prior fiscal years. This gain was accounted for as an adjustment to loss (gain) on sale of shares of subsidiaries and associates. As a consequence, a gain on sales of shares of subsidiaries and associates was recorded as extraordinary gains.
3. Reporting segment in which the divested business was included  
Distribution Business
4. Approximate amounts of profit or loss related to the divested business recorded in the quarterly consolidated statements of income for three months ended February 28, 2021
- |                                  |             |
|----------------------------------|-------------|
| Equity in earnings of affiliates | ¥79 million |
|----------------------------------|-------------|

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(Segment information)

<Segment information>

I. Previous first quarter (Cumulative 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)

	Retail Market	Food Service	Overseas	Fruit Solution	Fine Chemicals	Distribution	Common Business Operations	Total	Adjustments (Note 1)	Amount reported on the quarterly consolidated statements of income (Note 2)
Net sales										
Net sales to outside customers	39,124	38,922	12,040	3,642	1,710	35,131	2,569	133,141	-	133,141
Intersegment net sales or transfers	163	1,169	181	216	104	7,661	2,453	11,951	(11,951)	-
Total	39,288	40,091	12,222	3,858	1,814	42,793	5,023	145,092	(11,951)	133,141
Segment profit (loss)	2,191	2,321	1,086	(59)	(8)	661	334	6,526	(1,421)	5,105

(Notes) 1. "Adjustments" of ¥(1,421) 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 (Cumulative from December 1, 2020 to February 28, 2021)

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

(Millions of yen)

	Retail Market	Food Service	Overseas	Fruit Solutions	Fine Chemicals	Common Business	Total	Adjustments (Note 1)	Amount reported on the quarterly consolidated statements of income (Note 2)
Net sales									
Net sales to outside customers	40,872	33,861	12,121	3,847	1,938	1,447	94,088	–	94,088
Intersegment net sales or transfers	174	1,227	95	45	105	2,682	4,331	(4,331)	–
Total	41,047	35,089	12,216	3,892	2,044	4,129	98,419	(4,331)	94,088
Segment profit (loss)	4,155	1,462	1,862	32	(168)	291	7,636	(1,312)	6,324

(Notes) 1. "Adjustments" of ¥(1,312) 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 changes in reporting segment

In line with the Medium-term Business Plan, which covers four years starting from fiscal year 2021, from the current first quarter, the Company has established a new business structure transforming from product-based business allocation to more market-focused business structure in order to respond to customer and market needs and the changing business environment. Accordingly, the Company has changed the reporting segments as follows:

#### Changes in business category

- The domestic operations in the "Condiments and Processed Foods", "Salad and Delicatessen" and "Egg" business segments have been reorganized into the "Retail Market Business" and "Food Service Business".
- The overseas operations in the "Condiments and Processed Foods Business" has been split into the new "Overseas Business".
- The "Distribution Business" has been transformed to an affiliated company accounted for by the equity method.

Segment information of the previous first quarter (Cumulative from December 1, 2019 to February 29, 2020) has been restated and disclosed in accordance with the current segment classifications after the change.

### 3. 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, 2021**

**April 5, 2021**

**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.
- From FY2021 the reporting segments have been reclassified as follows:
  - The domestic operations in the "Condiments and Processed Foods", "Salad and Delicatessen" and "Egg" business segments have been reorganized into the "Retail Market Business" and "Food Service Business";
  - The overseas operations in the "Condiments and Processed Foods Business" have been split into the new "Overseas Business"; and
  - The "Distribution Business " has been transformed to an affiliated company accounted for by the equity method.
- Figures for the overseas operations in the first quarter are results for the period from October to December.  
Changes overseas include a ¥0.3 billion decrease in net sales and a ¥0.0 billion decrease in operating income caused by fluctuations of exchange rates.

# 1. (1) Net sales and operating income by segment (Quarterly)

(Billions of yen)

Net sales	FY2020 (After retrospective adjustments)					FY2021					Change				
	1Q	2Q	3Q	4Q	Year	1Q	2Q	3Q	4Q	Year	1Q	2Q	3Q	4Q	Year
	(Dec.-Feb.)	(Mar.-May)	(Jun.-Aug.)	(Sep.-Nov.)		(Dec.-Feb.)	(Mar.-May)	(Jun.-Aug.)	(Sep.-Nov.)	(Plan)	(Dec.-Feb.)	(Mar.-May)	(Jun.-Aug.)	(Sep.-Nov.)	
<b>Retail Market</b>	<b>39.1</b>	<b>43.2</b>	<b>44.4</b>	<b>41.3</b>	<b>168.0</b>	<b>40.9</b>				<b>170.0</b>	<b>1.7</b>				<b>2.0</b>
Condiments	15.3	17.8	18.4	15.6	67.1	16.5				67.9	1.2				0.8
Delicatessen	13.8	14.1	14.7	14.5	57.2	14.1				58.4	0.3				1.2
Cut vegetables	6.4	7.0	7.3	7.0	27.7	6.5				28.6	0.1				0.9
Other	3.6	4.3	4.0	4.1	16.0	3.8				15.1	0.1				(0.9)
<b>Food Service</b>	<b>38.9</b>	<b>32.8</b>	<b>35.7</b>	<b>37.6</b>	<b>145.0</b>	<b>33.9</b>				<b>151.0</b>	<b>(5.1)</b>				<b>6.0</b>
Condiments	10.8	9.2	10.4	10.6	41.0	9.6				41.7	(1.2)				0.7
Egg	22.9	19.8	20.3	22.1	85.1	20.1				89.0	(2.8)				3.9
Other	5.2	3.8	5.0	4.9	18.9	4.1				20.3	(1.0)				1.4
<b>Overseas</b>	<b>12.0</b>	<b>11.1</b>	<b>11.9</b>	<b>12.2</b>	<b>47.2</b>	<b>12.1</b>				<b>50.0</b>	<b>0.1</b>				<b>2.8</b>
China	4.5	3.7	5.0	5.6	18.8	5.0				23.0	0.4				4.2
Southeast Asia	3.2	3.0	2.6	3.1	11.8	3.3				12.6	0.1				0.8
North America	3.1	3.3	3.3	2.3	12.0	2.4				8.9	(0.6)				(3.1)
Other	1.3	1.1	1.0	1.2	4.6	1.4				5.5	0.1				0.9
<b>Fruit Solutions</b>	<b>3.6</b>	<b>4.7</b>	<b>4.2</b>	<b>3.9</b>	<b>16.5</b>	<b>3.8</b>				<b>17.3</b>	<b>0.2</b>				<b>0.8</b>
<b>Fine Chemicals</b>	<b>1.7</b>	<b>2.2</b>	<b>2.0</b>	<b>2.0</b>	<b>7.9</b>	<b>1.9</b>				<b>8.4</b>	<b>0.2</b>				<b>0.5</b>
<b>Common Business</b>	<b>2.6</b>	<b>1.2</b>	<b>1.2</b>	<b>1.1</b>	<b>6.0</b>	<b>1.4</b>				<b>3.3</b>	<b>(1.1)</b>				<b>(2.7)</b>
<b>Total</b>	<b>98.0</b>	<b>95.2</b>	<b>99.5</b>	<b>98.0</b>	<b>390.7</b>	<b>94.1</b>				<b>400.0</b>	<b>(3.9)</b>				<b>9.3</b>

Operating Income	FY2020 (After retrospective adjustments)					FY2021					Change				
	1Q	2Q	3Q	4Q	Year	1Q	2Q	3Q	4Q	Year	1Q	2Q	3Q	4Q	Year
	(Dec.-Feb.)	(Mar.-May)	(Jun.-Aug.)	(Sep.-Nov.)		(Dec.-Feb.)	(Mar.-May)	(Jun.-Aug.)	(Sep.-Nov.)	(Plan)	(Dec.-Feb.)	(Mar.-May)	(Jun.-Aug.)	(Sep.-Nov.)	
<b>Retail Market</b>	<b>2.2</b>	<b>4.7</b>	<b>5.4</b>	<b>3.5</b>	<b>15.8</b>	<b>4.2</b>				<b>14.6</b>	<b>2.0</b>				<b>(1.2)</b>
Condiments	1.6	3.3	3.9	2.6	11.3	3.0				10.4	1.5				(0.9)
Delicatessen	0.4	0.6	0.6	0.5	2.1	0.7				2.3	0.3				0.2
Cut vegetables	0.2	0.6	0.5	0.4	1.7	0.3				1.8	0.1				0.1
Other	(0.0)	0.3	0.3	0.1	0.7	0.1				0.1	0.1				(0.6)
<b>Food Service</b>	<b>2.3</b>	<b>0.4</b>	<b>2.0</b>	<b>3.1</b>	<b>7.8</b>	<b>1.5</b>				<b>9.7</b>	<b>(0.9)</b>				<b>1.9</b>
Condiments	0.9	0.5	1.0	1.3	3.7	0.6				3.9	(0.3)				0.2
Egg	1.2	0.0	0.9	1.5	3.6	0.9				5.5	(0.3)				1.9
Other	0.2	(0.1)	0.1	0.2	0.4	(0.0)				0.3	(0.2)				(0.1)
<b>Overseas</b>	<b>1.1</b>	<b>0.8</b>	<b>1.3</b>	<b>1.7</b>	<b>4.9</b>	<b>1.9</b>				<b>5.4</b>	<b>0.8</b>				<b>0.5</b>
China	0.6	0.4	0.7	0.9	2.6	0.9				3.2	0.3				0.6
Southeast Asia	0.3	0.3	0.3	0.4	1.3	0.5				1.3	0.2				0.0
North America	0.1	0.2	0.2	0.3	0.8	0.3				0.9	0.2				0.1
Other	0.1	(0.0)	0.1	0.2	0.3	0.2				0.0	0.1				(0.3)
<b>Fruit Solutions</b>	<b>(0.1)</b>	<b>0.3</b>	<b>0.3</b>	<b>0.1</b>	<b>0.6</b>	<b>0.0</b>				<b>0.8</b>	<b>0.1</b>				<b>0.2</b>
<b>Fine Chemicals</b>	<b>(0.0)</b>	<b>0.4</b>	<b>0.5</b>	<b>0.2</b>	<b>1.2</b>	<b>(0.2)</b>				<b>1.1</b>	<b>(0.2)</b>				<b>(0.1)</b>
<b>Common Business</b>	<b>0.3</b>	<b>0.4</b>	<b>0.5</b>	<b>0.1</b>	<b>1.3</b>	<b>0.3</b>				<b>1.0</b>	<b>(0.0)</b>				<b>(0.3)</b>
<b>Company-wide expenses</b>	<b>(1.4)</b>	<b>(1.4)</b>	<b>(1.6)</b>	<b>(1.8)</b>	<b>(6.1)</b>	<b>(1.3)</b>				<b>(6.2)</b>	<b>0.1</b>				<b>(0.1)</b>
<b>Total</b>	<b>4.4</b>	<b>5.6</b>	<b>8.4</b>	<b>7.0</b>	<b>25.5</b>	<b>6.3</b>				<b>26.4</b>	<b>1.9</b>				<b>0.9</b>

<b>Operating income ratio</b>	<b>4.5%</b>	<b>5.9%</b>	<b>8.4%</b>	<b>7.2%</b>	<b>6.5%</b>	<b>6.7%</b>				<b>6.6%</b>
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※Results for FY2020 (after retrospective adjustments) are the figures after retrospective adjustments, excluding the Distribution Business.

Net sales for the Year after retrospective adjustments include retrospective adjustments among segments.

※Growth rate in overseas net sales (Local currency basis) 15%

Growth rate in overseas net sales is calculated excluding the figures for the Egg business in North America, whose shares were transferred in July 2020.

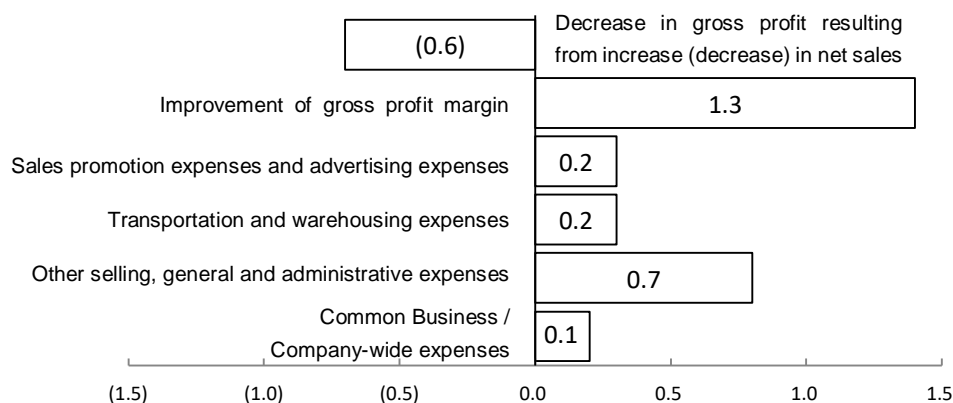
## 1. (2) Factors behind changes in operating income

(Billions of yen)

	FY2020 1Q (After retrospective adjustments)	FY2021 1Q	Change
Operating income	4.4	6.3	1.9

※Results for FY2020 (after retrospective adjustments) are the figures after retrospective adjustments, excluding the Distribution Business.

(Billions of yen)



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

(Volume in thousands of tons, amount in billions of yen)

		FY2019 1Q	FY2020 1Q	FY2021 1Q	Change	Change (%)
For household use	Volume	30	31	32	2	6%
	Amount	14.6	15.0	16.2	1.2	8%
For commercial use	Volume	24	24	21	(3)	(11)%
	Amount	9.1	9.1	8.2	(0.9)	(10)%
Exports	Volume	1	2	2	0	15%
	Amount	0.5	0.7	0.8	0.1	15%

※Exports includes figures for household use and for commercial use.

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

(Yen)

	FY2019 1Q	FY2020 1Q	FY2021 1Q	FY2021 Year (Plan)
USD (per \$1)	113	109	103	106
RMB (per RMB1)	16	15	16	15

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

(Yen/kg)

	FY2019				FY2020				FY2021				Year (Plan)
	1Q (Dec.-Feb.)	2Q (Mar.-May)	3Q (Jun.-Aug.)	4Q (Sep.-Nov.)	1Q (Dec.-Feb.)	2Q (Mar.-May)	3Q (Jun.-Aug.)	4Q (Sep.-Nov.)	1Q (Dec.-Feb.)	2Q (Mar.-May)	3Q (Jun.-Aug.)	4Q (Sep.-Nov.)	
Average price of institutional use (tank truck base) for refined soybean and rapeseed oils for processed oil and fats	235	239	240	240	242	248	251	248	253				263
Benchmark price for medium-sized eggs, Tokyo market	154	172	150	201	194	189	152	162	168				181



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

(Billions of yen)

	FY2019 1Q (After retrospective adjustments)	FY2020 1Q (After retrospective adjustments)	FY2021 1Q	Change
Capital investments	5.0	6.0	3.2	(2.8)
Depreciation and amortization	3.6	3.7	3.7	(0.0)
Sales promotion expenses	0.9	1.0	0.7	(0.3)
Advertising expenses	2.6	2.7	2.8	0.1
Transportation and warehousing expenses	6.5	6.8	6.6	(0.2)
Payroll expenses	7.6	7.7	7.3	(0.4)
Research and development expenses	0.9	0.9	0.9	(0.0)

※Results for FY2019 and FY2020 (after retrospective adjustments) are the figures after retrospective adjustments, excluding the Distribution Business.

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

(Billions of yen)

	FY2020 1Q (After retrospective adjustments)	FY2021 1Q	Change	Factors behind changes
Non-operating income (expenses), net	0.4	0.3	(0.1)	Decrease in insurance income (0.1) Decrease in equity in earnings of affiliates (0.1)
Extraordinary gains (losses), net	(0.6)	0.5	1.1	Increase in gain on sales of fixed assets 0.4 Increase in gain on sales of shares of subsidiaries and associates 0.3 Decrease in losses on disposal of fixed assets 0.2

※Results for FY2020 (after retrospective adjustments) are the figures after retrospective adjustments, excluding the Distribution Business.

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

(Billions of yen)

	FY2020	FY2021 1Q	Change	Factors behind changes
<b>Assets</b>				
Current assets	174.0	151.5	(22.5)	Decrease in cash and deposits (3.0) Decrease in notes and accounts receivable - trade (17.7)
<b>Fixed assets</b>				
Tangible and intangible fixed assets	225.3	162.4	(62.9)	Increase resulting from purchases 2.3 Decrease resulting from depreciation (3.6) Impact of the transition of KRS to an affiliated company accounted for by the equity-method (61.3)
Investments and other assets	52.4	62.4	10.0	Increase in investment securities 16.3 Decrease in guarantee deposits (3.7)
Liabilities	166.3	113.9	(52.5)	Decrease in notes and accounts payable - trade (9.2) Decrease in accrued expenses (2.1) Decrease in long-term loans payable (35.1)
Net assets	285.4	262.5	(22.9)	Purchase of own stock (2.4) Decrease in non-controlling interests (23.0)

※Total assets decreased by 102.7 billion yen and liabilities decreased by 61.7 billion yen due to the transition of the distribution business to an affiliate company accounted for by the equity method from the first quarter of the current consolidated fiscal year.