

# 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, 2021 [JAPAN GAAP]

January 11, 2022

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 ordinary general meeting of shareholders: February 25, 2022  
 Scheduled date for dividend payment: February 7, 2022  
 Scheduled date for filing annual securities report: February 28, 2022  
 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, 2021 (From December 1, 2020 to November 30, 2021)

#### (1) Consolidated operating results

(Percentage figures show changes from 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 2021	407,039	(23.4)	27,972	(1.2)	29,698	2.4	18,014	55.4
Fiscal year 2020	531,103	(2.7)	28,303	(11.7)	28,989	(12.9)	11,591	(38.0)

(Note) Comprehensive income: Fiscal year 2021 ¥24,546 million (Increase of 71.1%)  
 Fiscal year 2020 ¥14,347 million (Decrease of 18.7%)

	Earnings per share	Earnings per share (diluted)	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year 2021	128.17	—	7.4	7.1	6.9
Fiscal year 2020	81.04	—	4.9	6.5	5.3

(Reference) Equity in earnings or losses of affiliates: Fiscal year 2021 ¥998 million  
 Fiscal year 2020 ¥116 million

(Note) During the current fiscal year, the Company finalized the provisional accounting treatment for business combinations. As a result, figures for the fiscal year ended November 30, 2020 reflect the finalization of the provisional accounting treatment.

#### (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, 2021	381,003	269,301	64.5	1,767.14
As of November 30, 2020	454,276	287,356	52.8	1,676.05

(Reference) Shareholders' equity: As of November 30, 2021 ¥245,640 million  
 As of November 30, 2020 ¥239,743 million

(Note) During the current fiscal year, the Company finalized the provisional accounting treatment for business combinations. As a result, figures for the fiscal year ended November 30, 2020 reflect the finalization of the provisional accounting treatment.

#### (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 2021	38,533	(20,277)	(18,701)	66,703
Fiscal year 2020	34,955	(26,039)	5	65,777

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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 2020	Yen —	Yen 20.00	Yen —	Yen 20.00	Yen 40.00	Millions of yen 6,436	% 49.4	% 2.4
Fiscal year 2021	—	20.00	—	27.00	47.00	5,665	36.7	2.7
Fiscal year 2022 (Forecast)	—	20.00	—	27.00	47.00		41.6	

(Note) The amount of year-end dividend for fiscal year 2021 is a forecast and it will be determined at the meeting of the Board of Directors to be held on January 21, 2022.

During the current fiscal year, the Company finalized the provisional accounting treatment for business combinations. As a result, figures for the fiscal year ended November 30, 2020 reflect the finalization of the provisional accounting treatment.

## 3. Forecasts of consolidated operating results for the fiscal year ending November 30, 2022 (From December 1, 2021 to November 30, 2022)

(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, 2022	415,000	2.0	26,000	(7.0)	27,700	(6.7)	15,700	(12.8)	112.95

### \*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: K.R.S. Corporation)

(Note) For details, please refer to "II. Consolidated financial statements and major notes: 5. Notes Regarding Consolidated Financial Statements (Business combination)" on page 13.

(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, 2021 141,500,000 shares

November 30, 2020 150,000,000 shares

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

November 30, 2021 2,495,090 shares

November 30, 2020 6,959,200 shares

c) Average number of shares during the period:

December 1, 2020 to November 30, 2021 140,554,212 shares

December 1, 2019 to November 30, 2020 143,041,482 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 2017	Fiscal year 2018	Fiscal year 2019	Fiscal year 2020	Fiscal year 2021
Equity ratio (%)	54.2	53.9	53.0	52.8	64.5
Equity ratio based on market value (%)	101.6	93.9	78.3	68.5	84.2
Interest-bearing debt to cash flows ratio (year)	2.2	1.5	1.5	2.3	1.1
Interest coverage ratio (times)	75.8	122.5	144.7	103.7	159.0

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

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

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

Interest coverage ratio = Cash flows / Interest paid

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

\* Total market value of the stock is calculated by multiplying the final market price by the number of issued shares at the end of 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.

\* During the current fiscal year, the Company finalized the provisional accounting treatment for business combinations. As a result, figures for the fiscal year ended November 30, 2020 reflect the finalization of the provisional accounting treatment.

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

The Company considers the provision of returns to its shareholders with top priority on dividend distributions to be fundamental, and provides returns to shareholders based on the policy set forth in each Medium-term Business Plan. While aiming to continue providing stable dividends, the Company also reviews options for repurchasing and retiring treasury stock as necessary, giving consideration to factors such as stock price trends and financial conditions.

As for retained earnings, the Company endeavors to adequately secure them to strengthen its financial position and provide funds for future business developments. The Company will take a medium- to long-term view to allocate funds for capital expenditure, research and development, and rationalization of operations to enhance its competitiveness. The Articles of Incorporation of the Company stipulate that the Company can distribute dividends from surplus twice a year, comprising of interim and year-end dividends by the resolutions of the Board of Directors in accordance with the provisions of Article 459, Paragraph 1 and Article 454, Paragraph 5 of the Companies Act.

In determining dividends under the Medium-term Business Plan through 2024, with its assumption that the annual dividend per share would be ¥45 or more, the Company aims to set target for consolidated dividend payout ratio of 35% or more and accumulated total return ratio over four fiscal years of 50% or more.

For the year ended November 30, 2021, the Company plans to distribute an annual dividend of ¥47 per share, consisting of an interim dividend of ¥20 and a year-end dividend of ¥27, with consolidated dividend payout ratio of 36.7%.

For the year ending November 30, 2022, the Company expects to distribute an annual dividend of ¥47 per share, consisting of an interim dividend of ¥20 and a year-end dividend of ¥27, with consolidated dividend payout ratio of 41.6%.

The Company is a company to which consolidated dividend regulations apply, meaning that it calculates the distributable amount for dividends on a consolidated basis (if the amount calculated on a consolidated basis is smaller than the amount calculated on a non-consolidated basis).

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## II. Consolidated financial statements and major notes

### 1. Consolidated Balance Sheets

	Previous fiscal year (As of November 30, 2020)	Current fiscal year (As of November 30, 2021)
(Millions of yen)		
<b>Assets</b>		
Current assets		
Cash and deposits	56,835	58,343
Notes and accounts receivable - trade	73,783	56,875
Securities	10,000	10,000
Purchased goods and products	16,214	18,277
Work in process	1,398	1,369
Raw materials and supplies	9,609	10,419
Other	6,696	2,303
Allowances for doubtful accounts	(523)	(137)
Total current assets	174,012	157,451
Fixed assets		
Tangible fixed assets		
Buildings and structures	191,496	157,939
Accumulated depreciation	(110,485)	(93,161)
Net book value	81,011	64,777
Machinery, equipment and vehicles	183,338	149,308
Accumulated depreciation	(121,934)	(106,897)
Net book value	61,403	42,411
Land	53,504	30,850
Lease assets	12,106	5,562
Accumulated depreciation	(4,638)	(1,713)
Net book value	7,467	3,848
Construction in progress	5,352	2,488
Other	17,247	12,497
Accumulated depreciation	(13,184)	(10,340)
Net book value	4,062	2,157
Total tangible fixed assets	212,802	146,532
Intangible fixed assets		
Goodwill	1,676	552
Software	9,383	10,979
Other	4,084	1,771
Total intangible fixed assets	15,144	13,303
Investments and other assets		
Investment securities	27,110	43,629
Long-term loans receivable	1,497	973
Assets for retirement benefits	9,601	11,128
Deferred tax assets	3,791	2,981
Other	10,504	5,123
Allowances for doubtful accounts	(188)	(120)
Total investments and other assets	52,316	63,715
Total fixed assets	280,263	223,552
<b>Total assets</b>	<b>454,276</b>	<b>381,003</b>

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(Millions of yen)

	Previous fiscal year (As of November 30, 2020)	Current fiscal year (As of November 30, 2021)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	41,828	28,015
Short-term loans payable	12,153	11,591
Accounts payable - other	14,480	17,908
Accrued expenses	6,986	4,622
Accrued income taxes	3,901	4,182
Reserves for sales rebates	747	741
Reserves for bonuses	1,817	1,442
Reserves for directors' bonuses	163	86
Other reserves	52	58
Other	4,242	2,550
<b>Total current liabilities</b>	<b>86,373</b>	<b>71,199</b>
Non-current liabilities		
Bonds	10,000	10,000
Long-term loans payable	51,861	16,356
Lease obligations	6,084	3,780
Deferred tax liabilities	6,223	5,856
Liabilities for retirement benefits	3,619	2,750
Asset retirement obligations	1,218	221
Other	1,539	1,537
<b>Total non-current liabilities</b>	<b>80,546</b>	<b>40,502</b>
<b>Total liabilities</b>	<b>166,920</b>	<b>111,702</b>
<b>Net assets</b>		
Shareholders' equity		
Paid-in capital	24,104	24,104
Capital surplus	28,647	28,632
Earned surplus	201,705	194,015
Treasury stock	(15,865)	(5,838)
<b>Total shareholders' equity</b>	<b>238,592</b>	<b>240,913</b>
Accumulated other comprehensive income		
Unrealized holding gains (losses) on securities	8,882	8,690
Unrealized gains (losses) on hedges	(4)	8
Foreign currency translation adjustments	(3,411)	(962)
Accumulated adjustments for retirement benefits	(4,315)	(3,008)
<b>Total accumulated other comprehensive income</b>	<b>1,151</b>	<b>4,727</b>
<b>Non-controlling interests</b>	<b>47,612</b>	<b>23,660</b>
<b>Total net assets</b>	<b>287,356</b>	<b>269,301</b>
<b>Total liabilities and net assets</b>	<b>454,276</b>	<b>381,003</b>

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

	(Millions of yen)	
	Previous fiscal year (From December 1, 2019 to November 30, 2020)	Current fiscal year (From December 1, 2020 to November 30, 2021)
Net sales	531,103	407,039
Cost of sales	405,790	282,807
Gross profit	125,313	124,232
Selling, general and administrative expenses	97,009	96,260
Operating income	28,303	27,972
Non-operating income		
Interest income	122	122
Dividends income	482	410
Equity in earnings of affiliates	116	998
Insurance income	428	195
Other	874	800
Total non-operating income	2,024	2,527
Non-operating expenses		
Interest expenses	337	241
Commission expenses	310	96
Business commencement expenses	159	72
Other	530	392
Total non-operating expenses	1,338	801
Ordinary income	28,989	29,698
Extraordinary gains		
Gains on sales of fixed assets	102	459
Gains on extinguishment of tie-in shares	42	364
Gains on sales of investment securities	37	327
Gain on sales of shares of subsidiaries and associates	7	291
Gains on negative goodwill	489	-
Other	2	43
Total extraordinary gains	682	1,486
Extraordinary losses		
Impairment losses	1,950	1,097
Losses on disposal of fixed assets	1,880	1,087
Losses on sales of shares of subsidiaries and associates	1,856	13
Other	689	125
Total extraordinary losses	6,376	2,323
Profit before income taxes	23,296	28,860
Income taxes	8,664	8,329
Income taxes - deferred	159	260
Total income taxes	8,824	8,590
Profit	14,471	20,269
Profit attributable to non-controlling interests	2,880	2,255
Profit attributable to owners of parent	11,591	18,014



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## (Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Previous fiscal year (From December 1, 2019 to November 30, 2020)	Current fiscal year (From December 1, 2020 to November 30, 2021)
Profit	14,471	20,269
Other comprehensive income		
Unrealized holding gains (losses) on securities	(198)	(147)
Unrealized gains (losses) on hedges	(15)	22
Foreign currency translation adjustments	(194)	2,772
Adjustments for retirement benefits	285	1,219
Share of other comprehensive income of entities accounted for using equity method	–	409
Total other comprehensive income	(123)	4,277
Comprehensive income	14,347	24,546
(Breakdown)		
Comprehensive income attributable to owners of parent	11,467	21,591
Comprehensive income attributable to non-controlling interests	2,880	2,955

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## 3. Consolidated Statements of Changes in Net Assets

Previous fiscal year (From December 1, 2019 to November 30, 2020)

(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	29,483	196,551	(15,862)	234,276
Cumulative effects of changes in accounting policies			(0)		(0)
Balance after reflecting the above cumulative effects	24,104	29,483	196,550	(15,862)	234,276
Changes of items during the fiscal year					
Dividends from surplus			(6,436)		(6,436)
Profit attributable to owners of parent			11,591		11,591
Purchase of treasury stock				(2)	(2)
Cancellation of treasury stock					
Capital increase of consolidated subsidiaries		(267)			(267)
Payments for investments in capital of subsidiaries and affiliates		(1,844)			(1,844)
Sales of investments in capital of subsidiaries and affiliates		1,275			1,275
Change in ownership interest of parent due to transactions with non-controlling interests					
Change of scope of consolidation					
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	—	(836)	5,154	(2)	4,315
Balance at the end of the current fiscal year	24,104	28,647	201,705	(15,865)	238,592

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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	9,045	6	(3,241)	(4,534)	1,275	41,201	276,753
Cumulative effects of changes in accounting policies							(0)
Balance after reflecting the above cumulative effects	9,045	6	(3,241)	(4,534)	1,275	41,201	276,753
Changes of items during the fiscal year							
Dividends from surplus							(6,436)
Profit attributable to owners of parent							11,591
Purchase of treasury stock							(2)
Cancellation of treasury stock							–
Capital increase of consolidated subsidiaries							(267)
Payments for investments in capital of subsidiaries and affiliates							(1,844)
Sales of investments in capital of subsidiaries and affiliates							1,275
Change in ownership interest of parent due to transactions with non-controlling interests							–
Change of scope of consolidation							–
Net changes of items other than shareholders' equity	(162)	(11)	(169)	218	(124)	6,411	6,287
Total changes of items during the fiscal year	(162)	(11)	(169)	218	(124)	6,411	10,603
Balance at the end of the current fiscal year	8,882	(4)	(3,411)	(4,315)	1,151	47,612	287,356

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Current fiscal year (From December 1, 2020 to November 30, 2021)

(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	28,647	201,705	(15,865)	238,592
Cumulative effects of changes in accounting policies					
Balance after reflecting the above cumulative effects	24,104	28,647	201,705	(15,865)	238,592
Changes of items during the fiscal year					
Dividends from surplus			(5,665)		(5,665)
Profit attributable to owners of parent			18,014		18,014
Purchase of treasury stock				(10,004)	(10,004)
Cancellation of treasury stock			(20,031)	20,031	—
Capital increase of consolidated subsidiaries					
Payments for investments in capital of subsidiaries and affiliates					
Sales of investments in capital of subsidiaries and affiliates					
Change in ownership interest of parent due to transactions with non-controlling interests		(15)			(15)
Change of scope of consolidation			(8)		(8)
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	—	(15)	(7,690)	10,026	2,320
Balance at the end of the current fiscal year	24,104	28,632	194,015	(5,838)	240,913

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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	8,882	(4)	(3,411)	(4,315)	1,151	47,612	287,356
Cumulative effects of changes in accounting policies							—
Balance after reflecting the above cumulative effects	8,882	(4)	(3,411)	(4,315)	1,151	47,612	287,356
Changes of items during the fiscal year							
Dividends from surplus							(5,665)
Profit attributable to owners of parent							18,014
Purchase of treasury stock							(10,004)
Cancellation of treasury stock							—
Capital increase of consolidated subsidiaries							—
Payments for investments in capital of subsidiaries and affiliates							—
Sales of investments in capital of subsidiaries and affiliates							—
Change in ownership interest of parent due to transactions with non-controlling interests							(15)
Change of scope of consolidation							(8)
Net changes of items other than shareholders' equity	(192)	12	2,448	1,306	3,576	(23,952)	(20,376)
Total changes of items during the fiscal year	(192)	12	2,448	1,306	3,576	(23,952)	(18,055)
Balance at the end of the current fiscal year	8,690	8	(962)	(3,008)	4,727	23,660	269,301

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## 4. Consolidated Statements of Cash Flows

	Previous fiscal year (From December 1, 2019 to November 30, 2020)	(Millions of yen) Current fiscal year (From December 1, 2020 to November 30, 2021)
<b>Cash flows from operating activities</b>		
Profit before income taxes	23,296	28,860
Depreciation and amortization	20,073	15,336
Impairment losses	1,950	1,097
Amortization of goodwill	218	198
Retirement benefit expenses	2,134	883
Equity in losses (earnings) of affiliates	(116)	(998)
Gains on negative goodwill	(489)	-
Losses (gains) on extinguishment of tie-in shares	(42)	(364)
Losses (gains) on valuation of investment securities	13	7
Increase (decrease) in liabilities for retirement benefits	417	(146)
Decrease (increase) in assets for retirement benefits	(1,368)	(186)
Increase (decrease) in reserves for sales rebates	(113)	(5)
Increase (decrease) in reserves for directors' bonuses	0	(16)
Increase (decrease) in reserves for bonuses	(302)	221
Increase (decrease) in allowances for doubtful accounts	21	(179)
Interest and dividends income	(605)	(532)
Interest expenses	337	241
Losses (gains) on sales of investment securities	(37)	(326)
Losses on sales of shares of subsidiaries and associates	1,856	(278)
Losses (gains) on sales and disposal of fixed assets	1,827	707
Decrease (increase) in notes and accounts receivable - trade	10,041	(408)
Decrease (increase) in inventories	(250)	(2,775)
Increase (decrease) in notes and accounts payable - trade	(11,409)	613
Increase (decrease) in accounts payable - other	(3,055)	663
Increase (decrease) in accrued consumption taxes	(1,627)	3,887
Increase (decrease) in long-term accounts payable	(92)	(160)
Other	1,044	(1,014)
<b>Sub-total</b>	<b>43,721</b>	<b>45,323</b>
Interest and dividends income received	650	835
Interest paid	(337)	(242)
Income taxes paid	(9,079)	(7,383)
<b>Net cash provided by (used in) operating activities</b>	<b>34,955</b>	<b>38,533</b>

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	Previous fiscal year (From December 1, 2019 to November 30, 2020)	(Millions of yen) Current fiscal year (From December 1, 2020 to November 30, 2021)
<b>Cash flows from investing activities</b>		
Purchases of tangible fixed assets	(20,707)	(7,743)
Purchases of intangible fixed assets	(4,746)	(3,842)
Purchases of investment securities	(99)	(18)
Proceeds from sales of investment securities	232	591
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	2,033	5
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	–	(8,801)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(492)	–
Net decrease (increase) in short-term loans receivable	(0)	78
Payments of long-term loans receivable	(353)	(3)
Collection of long-term loans receivable	58	81
Payments into time deposits	(2,157)	(2,058)
Proceeds from withdrawal of time deposits	1,078	1,482
Other	(885)	(50)
<b>Net cash provided by (used in) investing activities</b>	<b>(26,039)</b>	<b>(20,277)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	2,269	(455)
Repayment of lease obligations	(1,513)	(642)
Proceeds from long-term loans payable	9,800	495
Repayment of long-term loans payable	(3,236)	(1,481)
Cash dividends paid	(6,436)	(5,665)
Cash dividends paid to non-controlling interests	(1,535)	(1,441)
Purchase of treasury stock	(2)	(10,004)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(2,913)	–
Proceeds from sales of investments in capital of subsidiaries that do not result in change in scope of consolidation	2,875	–
Proceeds from investments in capital of subsidiaries that do not result in change in scope of consolidation	1,238	–
Payments into deposits with withdrawal restrictions	(539)	–
Proceeds from withdrawal of deposits with withdrawal restrictions	–	492
<b>Net cash provided by (used in) financing activities</b>	<b>5</b>	<b>(18,701)</b>
Effects of exchange rate changes on cash and cash equivalents	78	1,322
<b>Increase (decrease) in cash and cash equivalents</b>	<b>9,000</b>	<b>875</b>
Cash and cash equivalents at the beginning of the fiscal year	56,777	65,777
Increase in cash and cash equivalents from newly consolidated subsidiary	–	47
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	–	2
<b>Cash and cash equivalents at the end of the fiscal year</b>	<b>65,777</b>	<b>66,703</b>

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## 5. Notes Regarding Consolidated Financial Statements

(Notes regarding assumption of a going concern)

Not applicable.

(Business combination)

Finalization of provisional accounting treatment for business combination

For the business combination of K.R.S. Corporation, the Company's consolidated subsidiary, and KIAT ANANDA Group (PT Kiat Ananda Cold Storage, PT Ananda Solusindo, PT Manggala Kiat Ananda and PT Trans Kontainer Solusindo) on November 2, 2020, a provisional accounting treatment had been performed in the previous fiscal year and it was finalized in the current fiscal year.

Following the finalization of the provisional accounting treatment, comparative information included in the consolidated financial statements for the current fiscal year has reflected the significant revision of initial allocation of acquisition costs. The revised allocations were as follows:

	(Millions of yen)			
Item	PT Kiat Ananda Cold Storage	PT Ananda Solusindo	PT Manggala Kiat Ananda	PT Trans Kontainer Solusindo
Goodwill before revision (figures in parentheses indicate gains on negative goodwill)	755	445	41	(3)
Revisions:				
Land	(883)	(116)	-	-
Customer-related assets	-	(627)	(1,161)	(180)
Deferred tax liabilities	194	163	255	39
Foreign currency translation adjustments	-	-	-	(2)
Non-controlling interests	528	445	695	99
Profit attributable to non- controlling interests	-	-	(201)	(56)
Total revisions	(160)	(135)	(412)	(100)
Goodwill after revision (figures in parentheses indicate gains on negative goodwill)	595	310	(370)	(103)

This resulted in respective increases of ¥1,000 million for land, ¥1,969 million for customer-related assets, ¥653 million for deferred tax liabilities, ¥1,768 million for non-controlling interests, ¥471 million for gains on negative goodwill, and ¥257 million for profit attributable to non-controlling interests, and resulted in decreases of ¥337 million for goodwill and ¥2 million for foreign currency translation adjustments.



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## 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 fiscal year.

- |                                      |                                     |
|--------------------------------------|-------------------------------------|
| 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)

#### (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%)

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## 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 ¥291 million

### (2) Appropriate book value and major breakdown of the assets and liabilities related to the business transferred

Current assets	¥32,347 million
Fixed assets	¥72,916 million
<hr/>	
Total assets	¥105,264 million
Current liabilities	¥32,314 million
Non-current liabilities	¥29,926 million
<hr/>	
Total liabilities	¥62,241 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 sales 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 of the divested business included in consolidated statement of income for the current fiscal year

Since a divestiture of business was carried out effective as of the beginning of the current fiscal year (as the deemed divestiture date), "net sales" and "operating income" associated with the divested business are not included in the consolidated statement of income for the current fiscal year.

Profit or loss associated with the divested business is recorded in "Equity in earnings of affiliates" in the consolidated statement of income for the current fiscal year.

Equity in earnings of affiliates      ¥902 million

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(Segment information)

## [Segment information]

### 1. Outline of reporting segments

The Company has organized reporting segments according to markets into "Retail Market Business", "Food Service Business", "Overseas", "Fruit Solutions", "Fine Chemicals" and "Common Business" out of constituent operational units of the Group, for each of which the separate financial statements are available and periodic reviews are conducted so that 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:

Retail Market:	Manufactures and sells products that include mayonnaise, dressings, pasta sauces, salads, delicatessen foods, packaged salads, baby foods and nursing care foods in the retail market.
Food Service:	Manufactures and sells products that include mayonnaise, dressings, vinegar, liquid egg, frozen egg, dried egg and egg processed foods in the food service market.
Overseas:	Manufactures and sells products that include mayonnaise and dressings in the overseas markets which include China, Southeast Asia and North America.
Fruit Solutions:	Manufactures and sells products that include jams for household-use and fruit processed foods for industrial use.
Fine Chemicals:	Manufactures and sells products that include hyaluronic acid and egg yolk lecithin used as an ingredient for pharmaceuticals, cosmetics and food products.
Common Business:	Engages in 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)

In line with the Medium-term Business Plan, which covers four years starting from fiscal year 2021, from the current fiscal year, 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 affiliated companies accounted for by the equity method.

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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, 2019 to November 30, 2020)

(Millions of yen)

	Retail Market	Food Service	Overseas	Fruit Solutions	Fine Chemicals	Distribution	Common Business	Total	Adjustments	Amount reported on the consolidated financial statements (Note)
Net sales										
Net sales to outside customers	168,031	145,035	47,163	16,473	7,942	140,423	6,034	531,103	–	531,103
Intersegment net sales or transfers	744	4,651	1,236	782	415	30,858	9,909	48,597	(48,597)	–
<b>Total</b>	<b>168,775</b>	<b>149,686</b>	<b>48,399</b>	<b>17,255</b>	<b>8,357</b>	<b>171,281</b>	<b>15,943</b>	<b>579,701</b>	<b>(48,597)</b>	<b>531,103</b>
Segment profit	15,824	7,787	4,947	561	1,156	2,837	1,329	34,444	(6,141)	28,303
Segment assets	90,550	108,253	39,782	18,850	7,962	105,264	25,448	396,111	58,165	454,276
Others										
Depreciation and amortization	4,676	5,750	2,304	956	524	4,647	895	19,756	317	20,073
Investment in affiliates accounted for by equity method	1,845	–	–	–	–	–	177	2,023	–	2,023
Increase in tangible and intangible fixed assets	3,450	7,235	2,710	562	698	7,515	340	22,512	3,590	26,102

(Notes) 1. Adjustments are as follows:

- (1) "Adjustments" of ¥(6,141) million in "Segment profit" 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) "Adjustments" of ¥58,165 million in "Segment assets" mainly includes company-wide assets of ¥63,608 million and elimination of intersegment receivables and payables of ¥(4,312) 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 ¥317 million in "Depreciation and amortization" is mainly related to company-wide assets unallocated to the reporting segments.
  - (4) "Adjustments" of ¥3,590 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".
  4. Segment information for the previous fiscal year discloses amounts after reflecting the significant revision of initial allocation of acquisition costs upon finalization of provisional accounting treatment as presented under "II. 5. Notes Regarding Consolidated Financial Statements - (Business combination)".

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Current Fiscal Year (From December 1, 2020 to November 30, 2021)

(Millions of yen)

	Retail Market	Food Service	Overseas	Fruit Solutions	Fine Chemicals	Common Business	Total	Adjustments	Amount reported on the consolidated financial statements (Note)
Net sales									
Net sales to outside customers	172,678	149,792	53,383	16,878	8,770	5,536	407,039	-	407,039
Intersegment net sales or transfers	738	5,132	1,003	223	426	10,663	18,187	(18,187)	
<b>Total</b>	<b>173,416</b>	<b>154,924</b>	<b>54,387</b>	<b>17,102</b>	<b>9,197</b>	<b>16,199</b>	<b>425,227</b>	<b>(18,187)</b>	<b>407,039</b>
Segment profit	17,195	6,292	7,229	719	1,075	1,328	33,841	(5,868)	27,972
Segment assets	92,526	109,192	46,168	18,311	7,449	42,616	316,265	64,738	381,003
Others									
Depreciation and amortization	4,588	5,940	2,246	926	456	887	15,046	290	15,336
Investment in affiliates accounted for by equity method	1,905	-	-	-	-	19,361	21,266	-	21,266
Increase in tangible and intangible fixed assets	2,931	3,404	1,366	354	197	180	8,434	3,665	12,100

(Notes) 1. Adjustments are as follows:

- (1) "Adjustments" of ¥(5,868) million in "Segment profit" 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) "Adjustments" of ¥64,738 million in "Segment assets" mainly includes company-wide assets of ¥67,564 million and elimination of intersegment receivables and payables of ¥(2,409) 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 ¥290 million in "Depreciation and amortization" is mainly related to company-wide assets unallocated to the reporting segments.
  - (4) "Adjustments" of ¥3,665 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, 2019 to November 30, 2020)

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

(Millions of yen)

Japan	China	Southeast Asia	North America	Other	Total
191,279	9,108	10,799	650	963	212,802

(Note) These tangible fixed assets disclose amounts after reflecting the significant revision of initial allocation of acquisition costs upon finalization of provisional accounting treatment as presented under " II. 5. Notes Regarding Consolidated Financial Statements - (Business combination)".

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, 2020 to November 30, 2021)

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

(Millions of yen)

Japan	China	Southeast Asia	North America	Other	Total
353,656	24,736	13,280	10,329	5,036	407,039

(2) Tangible fixed assets

(Millions of yen)

Japan	China	Southeast Asia	North America	Other	Total
131,522	9,407	3,860	860	881	146,532

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.

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

Previous Fiscal Year (From December 1, 2019 to November 30, 2020)

(Millions of yen)

	Retail Market	Food Service	Overseas	Fruit Solutions	Fine Chemicals	Distribution	Common Business	Total	Adjustments	Total
Impairment losses	1,237	-	425	286	-	-	-	1,950	-	1,950

Current Fiscal Year (From December 1, 2020 to November 30, 2021)

(Millions of yen)

	Retail Market	Food Service	Overseas	Fruit Solutions	Fine Chemicals	Common Business	Total	Adjustments	Total
Impairment losses	751	165	-	181	-	-	1,097	-	1,097

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

Previous Fiscal Year (From December 1, 2019 to November 30, 2020)

(Millions of yen)

	Retail Market	Food Service	Overseas	Fruit Solutions	Fine Chemicals	Distribution	Common Business	Total	Adjustments	Total
Amortization in the current fiscal year	7	7	0	182	0	20	0	218	-	218
Unamortized balance at the end of the current fiscal year	9	9	0	729	0	926	0	1,676	-	1,676

(Note) These segment information discloses amounts reflecting the significant revision of initial allocation of acquisition costs upon finalization of provisional accounting treatment as presented under "II. 5. Notes Regarding Consolidated Financial Statements - (Business combination)".

Current Fiscal Year (From December 1, 2020 to November 30, 2021)

(Millions of yen)

	Retail Market	Food Service	Overseas	Fruit Solutions	Fine Chemicals	Common Business	Total	Adjustments	Total
Amortization in the current fiscal year	7	7	0	182	0	0	198	-	198
Unamortized balance at the end of the current fiscal year	2	2	0	546	0	0	552	-	552

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

Previous Fiscal Year (From December 1, 2019 to November 30, 2020)

(Millions of yen)

	Retail Market	Food Service	Overseas	Fruit Solutions	Fine Chemicals	Distribution	Common Business	Total	Adjustments	Total
Gains on negative goodwill	-	-	15	-	-	474	-	489	-	489

(Note) These segment information discloses amounts after reflecting the significant revision of initial allocation of acquisition costs upon finalization of provisional accounting treatment as presented under "II. 5. Notes Regarding Consolidated Financial Statements - (Business combination)".

Current Fiscal Year (From December 1, 2020 to November 30, 2021)

Not applicable.

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## (Per share information)

	Previous fiscal year (From December 1, 2019 to November 30, 2020)	Current fiscal year (From December 1, 2020 to November 30, 2021)
Net assets per share (yen)	1,676.05	1,767.14
Earnings per share (yen)	81.04	128.17

(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, 2020)	Current fiscal year (As of November 30, 2021)
Total net assets (millions of yen)	287,356	269,301
Amount subtracted from total net assets (millions of yen)	47,612	23,660
[Non-controlling interests (millions of yen)]	[47,612]	[23,660]
Net assets attributable to common stock at the end of the fiscal year (millions of yen)	239,743	245,640
Number of shares of common stock at the end of the fiscal year (thousand shares)	143,040	139,004

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

	Previous fiscal year (From December 1, 2019 to November 30, 2020)	Current fiscal year (From December 1, 2020 to November 30, 2021)
Profit attributable to owners of parent (millions of yen)	11,591	18,014
Amounts not attributable to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent attributable to common stock (millions of yen)	11,591	18,014
Average number of shares of common stock during the fiscal year (thousand shares)	143,041	140,554

## (Significant subsequent events)

Not applicable.



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## III. Other

### 1. Changes in officers (as of February 25, 2022)

#### (1) Change of Representative Director

##### (i) New candidate

Name	New title	Current title
Mitsuru Takamiya	Representative Director, President and Chief Executive Corporate Officer, in charge of Overseas	President and Representative Director of Kewpie Egg Corporation

##### (ii) Retiring officer

Name	New title	Current title
Osamu Chonan	(To be appointed as Executive Corporate Adviser upon retirement)	Representative Director, President and Chief Executive Corporate Officer, in charge of Overseas

#### (2) Changes in Directors

##### (i) New candidate

Name	New title	Current title
Atsuko Fukushima	Outside Director	(Journalist)

##### (ii) Retiring officer

Name	New title	Current title
Kazunari Uchida	–	Outside Director

#### (3) Changes in Corporate Auditors

##### (i) New candidate

Name	New title	Current title
Hidekazu Oda	Standing Corporate Auditor	General Manager, Internal Audit Office

##### (ii) Retiring officer

Name	New title	Current title
Kiyotaka Yokokoji	–	Standing Corporate Auditor

#### (Reference) Change in position

As of February 25, 2022, the position of a Director shall be changed as follows. Amendments are underlined.

Name	New title	Current title
Seiya Sato	Director, <u>Senior Executive Corporate Officer</u> in charge of Retail Market Business	Director, <u>Executive Corporate Officer</u> in charge of Retail Market Business

**Supplementary Data  
for the Fiscal Year Ended  
November 30, 2021**

**January 11, 2022**

**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 year are results for the period from October to September.  
Changes overseas include a ¥1.7 billion increase in net sales and a ¥0.2 billion increase in operating income caused by fluctuations of exchange rates.

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

Net sales (Billions of yen)	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.)		(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>45.1</b>	<b>44.1</b>	<b>42.5</b>	<b>172.7</b>	<b>1.7</b>	<b>1.9</b>	<b>(0.3)</b>	<b>1.3</b>	<b>4.6</b>
Condiments	15.3	17.8	18.4	15.6	67.1	16.5	18.9	17.4	15.9	68.7	1.2	1.0	(1.0)	0.3	1.6
Delicatessen	13.8	14.1	14.7	14.5	57.2	14.1	15.3	15.8	15.7	60.9	0.3	1.3	1.0	1.1	3.7
Cut vegetables	6.4	7.0	7.3	7.0	27.7	6.5	6.8	7.2	7.2	27.7	0.1	(0.2)	(0.1)	0.2	0.0
Other	3.6	4.3	4.0	4.1	16.0	3.8	4.1	3.7	3.7	15.3	0.1	(0.2)	(0.3)	(0.4)	(0.7)
<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>38.6</b>	<b>38.6</b>	<b>38.8</b>	<b>149.8</b>	<b>(5.1)</b>	<b>5.8</b>	<b>2.8</b>	<b>1.2</b>	<b>4.8</b>
Condiments	10.8	9.2	10.4	10.6	41.0	9.6	10.8	10.5	10.9	41.8	(1.2)	1.6	0.1	0.3	0.8
Egg	22.9	19.8	20.3	22.1	85.1	20.1	23.2	23.2	23.2	89.8	(2.8)	3.4	2.9	1.1	4.6
Other	5.2	3.8	5.0	4.9	18.9	4.1	4.6	4.8	4.6	18.2	(1.0)	0.8	(0.2)	(0.2)	(0.6)
<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>12.6</b>	<b>14.6</b>	<b>14.1</b>	<b>53.4</b>	<b>0.1</b>	<b>1.5</b>	<b>2.7</b>	<b>1.9</b>	<b>6.2</b>
China	4.5	3.7	5.0	5.6	18.8	5.0	5.8	7.4	6.6	24.7	0.4	2.1	2.4	1.0	5.9
Southeast Asia	3.2	3.0	2.6	3.1	11.8	3.3	3.2	3.4	3.4	13.3	0.1	0.2	0.8	0.3	1.5
North America	3.1	3.3	3.3	2.3	12.0	2.4	2.4	2.8	2.7	10.3	(0.6)	(0.9)	(0.5)	0.4	(1.6)
Other	1.3	1.1	1.0	1.2	4.6	1.4	1.2	1.0	1.4	5.0	0.1	0.1	0.1	0.2	0.5
<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>4.8</b>	<b>4.3</b>	<b>3.9</b>	<b>16.9</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.4</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>2.4</b>	<b>2.1</b>	<b>2.3</b>	<b>8.8</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>	<b>0.3</b>	<b>0.8</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>1.3</b>	<b>1.3</b>	<b>1.5</b>	<b>5.5</b>	<b>(1.1)</b>	<b>0.1</b>	<b>0.1</b>	<b>0.4</b>	<b>(0.5)</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>104.8</b>	<b>105.0</b>	<b>103.2</b>	<b>407.0</b>	<b>(3.9)</b>	<b>9.6</b>	<b>5.5</b>	<b>5.2</b>	<b>16.4</b>

Operating Income (Billions of yen)	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.)		(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>5.6</b>	<b>4.3</b>	<b>3.2</b>	<b>17.2</b>	<b>2.0</b>	<b>0.9</b>	<b>(1.1)</b>	<b>(0.3)</b>	<b>1.4</b>
Condiments	1.6	3.3	3.9	2.6	11.3	3.0	3.9	2.8	2.4	12.2	1.5	0.7	(1.1)	(0.2)	0.9
Delicatessen	0.4	0.6	0.6	0.5	2.1	0.7	1.0	0.8	0.5	3.0	0.3	0.4	0.2	(0.0)	0.9
Cut vegetables	0.2	0.6	0.5	0.4	1.7	0.3	0.5	0.6	0.4	1.7	0.1	(0.1)	0.0	(0.0)	0.0
Other	(0.0)	0.3	0.3	0.1	0.7	0.1	0.2	0.1	(0.1)	0.3	0.1	(0.1)	(0.3)	(0.2)	(0.5)
<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>1.2</b>	<b>1.4</b>	<b>2.2</b>	<b>6.3</b>	<b>(0.9)</b>	<b>0.8</b>	<b>(0.6)</b>	<b>(0.9)</b>	<b>(1.5)</b>
Condiments	0.9	0.5	1.0	1.3	3.7	0.6	0.9	0.8	1.1	3.4	(0.3)	0.4	(0.2)	(0.2)	(0.3)
Egg	1.2	0.0	0.9	1.5	3.6	0.9	0.6	0.6	1.1	3.3	(0.3)	0.6	(0.2)	(0.4)	(0.3)
Other	0.2	(0.1)	0.1	0.2	0.4	(0.0)	(0.3)	0.0	(0.1)	(0.4)	(0.2)	(0.2)	(0.1)	(0.3)	(0.8)
<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>1.8</b>	<b>2.1</b>	<b>1.4</b>	<b>7.2</b>	<b>0.8</b>	<b>1.0</b>	<b>0.8</b>	<b>(0.3)</b>	<b>2.3</b>
China	0.6	0.4	0.7	0.9	2.6	0.9	0.9	1.3	0.6	3.7	0.3	0.6	0.6	(0.3)	1.1
Southeast Asia	0.3	0.3	0.3	0.4	1.3	0.5	0.4	0.4	0.3	1.6	0.2	0.1	0.1	(0.1)	0.3
North America	0.1	0.2	0.2	0.3	0.8	0.3	0.1	0.3	0.4	1.1	0.2	(0.0)	0.1	0.1	0.3
Other	0.1	(0.0)	0.1	0.2	0.3	0.2	0.3	0.2	0.1	0.9	0.1	0.4	0.1	(0.1)	0.5
<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>0.4</b>	<b>0.2</b>	<b>0.1</b>	<b>0.7</b>	<b>0.1</b>	<b>0.1</b>	<b>(0.0)</b>	<b>0.0</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>0.3</b>	<b>0.5</b>	<b>0.5</b>	<b>1.1</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>(0.0)</b>	<b>0.3</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>0.4</b>	<b>0.3</b>	<b>0.3</b>	<b>1.3</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.1)</b>	<b>0.2</b>	<b>(0.0)</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>(1.4)</b>	<b>(1.5)</b>	<b>(1.7)</b>	<b>(5.9)</b>	<b>0.1</b>	<b>(0.0)</b>	<b>0.1</b>	<b>0.1</b>	<b>0.3</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>8.2</b>	<b>7.4</b>	<b>6.1</b>	<b>28.0</b>	<b>1.9</b>	<b>2.5</b>	<b>(0.9)</b>	<b>(1.0)</b>	<b>2.5</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>7.8%</b>	<b>7.1%</b>	<b>5.9%</b>	<b>6.9%</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.

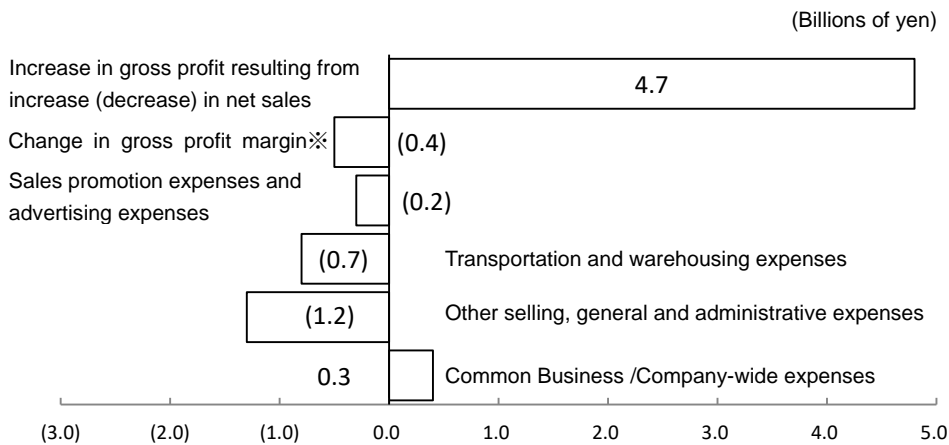
※Growth rate in overseas net sales (Local currency basis) 19%

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.

## 2. Factors behind changes in operating income

(Billions of yen)	FY2020 (After retrospective adjustments)	FY2021	Change
Operating income	25.5	28.0	2.5

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



Impact of Spike in Main Raw Material Prices ¥(4.4) billion		
By raw material	Major raw materials (Condiments)	(2.8)
	Eggs	(1.6)
	<b>Total</b>	<b>(4.4)</b>

By Segment	Change (Billions of yen)
Retail Market	(1.0)
Food Service	(1.8)
Overseas	(1.6)

※Impact of spike in main raw material prices is included in the change in gross profit margin.

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

		FY2019	FY2020	FY2021	Change	YoY Change (%)
For household use	Volume (Thousands of tons)	128	133	133	(1)	(0)%
	Amount (Billions of yen)	63.5	65.7	67.5	1.7	3%
For commercial use	Volume (Thousands of tons)	102	90	91	1	1%
	Amount (Billions of yen)	39.0	34.5	35.7	1.2	3%
Exports	Volume (Thousands of tons)	6	7	9	2	27%
	Amount (Billions of yen)	2.5	3.0	3.7	0.8	26%

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

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

(Yen)	FY2019	FY2020	FY2021
USD (per \$1)	110	108	107
RMB (per RMB1)	16	15	16

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

(Yen/kg)	FY2019				FY2020				FY2021				Annual indicator
	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	266	303	352	294
Benchmark price for medium-sized eggs, Tokyo market	154	172	150	201	194	189	152	162	168	240	240	211	215

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

(Billions of yen)	FY2019 (After retrospective adjustments)	FY2020 (After retrospective adjustments)	FY2021	Change
Capital investments	20.9	18.6	12.1	(6.5)
Depreciation and amortization	14.6	15.4	15.3	(0.1)
Sales promotion expenses	4.0	3.6	3.2	(0.4)
Advertising expenses	9.5	9.0	9.6	0.6
Transportation and warehousing expenses	27.5	27.1	27.8	0.7
Payroll expenses	31.4	30.5	30.6	0.1
Research and development expenses	4.1	4.0	4.0	0.1

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

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

(Billions of yen)	FY2020 (After retrospective adjustments)	FY2021	Change	Items of changes
Non-operating income (expenses), net	1.3	1.7	0.4	Decrease in commission expenses 0.2 Increase in equity in earnings of affiliates 0.1
Extraordinary gains (losses), net	(5.6)	(0.8)	4.8	Decrease in losses on sales of shares of subsidiaries and associates 1.8 Decrease in impairment losses 0.9 Decrease in losses on disposal of fixed assets 0.6

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

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

(Billions of yen)	FY2020	FY2021	Change	Items of changes
<b>Assets</b>				
Current assets	174.0	157.5	(16.6)	Decrease in notes and accounts receivable - trade (16.9)
<b>Fixed assets</b>				
Tangible and intangible fixed assets	227.9	159.8	(68.1)	Increase resulting from purchases 12.4 Decrease resulting from depreciation (14.9) Impact of the transition of KRS to an affiliated company accounted for by the equity-method (64.0)
Investments and other assets	52.3	63.7	11.4	Increase in investment securities 16.5 Decrease in guarantee deposits (3.7)
Liabilities	166.9	111.7	(55.2)	Decrease in notes and accounts payable - trade (13.8) Decrease in long-term loans payable (35.5)
Net assets	287.4	269.3	(18.1)	Decrease in earned surplus (7.7) Decrease in treasury stock 10.0 Decrease in non-controlling interests (24.0)

※1 During FY2021, the Company finalized the provisional accounting treatment for business combinations, and the figures for FY2020 reflect the finalization of the provisional accounting treatment.

※2 Total assets decreased by ¥105.3 billion and liabilities decreased by ¥62.2 billion due to the transition of the Distribution Business to an affiliate company accounted for by the equity method from the fiscal year ended November 30, 2021.

## 9. Principal items of changes in cash flows

(Billions of yen)	FY2020	FY2021	Change	Items of changes
Cash flows from operating activities	35.0	38.5	3.6	Decrease (increase) in notes and accounts receivable - trade (10.4)
				Increase (decrease) in notes and accounts payable - trade 12.0
Cash flows from investing activities	(26.0)	(20.3)	5.8	Decrease in purchases of tangible fixed assets 13.0
				Payments for sales of shares of subsidiaries resulting in change in scope of consolidation (8.8)
Cash flows from financing activities	0.0	(18.7)	(18.7)	Decrease in proceeds from long-term loans payable (9.3)
				Increase in purchase of treasury stock (10.0)

## 10. Sustainability targets

Material Issues	Initiative Theme	Indicators	FY2021	FY2021 Target	FY2024 Target	FY2030 Target
Contributing to food culture and health	Contribution to extending healthy life expectancy	As a food partner for every person: <ul style="list-style-type: none"> <li>Contribute to achieving a vegetable intake target of 350 grams per day</li> <li>Promote a boost in egg consumption in order to contribute to increasing protein intake</li> </ul>				
	Mental and physical health support for children	Number of children's smiles via our activities (Cumulative since FY2019)	221 thousand	At least 200 thousand	At least 400 thousand	At least 1 million
Effective use and recycling of resources	Reduction and effective utilization of food loss	Food residue reduction rate (compared to FY2015) <sup>※2</sup>	—	—	At least 50%	At least 65%
		Effective utilization rate of unused vegetable parts (Major vegetables: cabbage, etc.)	62.1%	At least 30%	At least 70%	At least 90%
		Reduction rate in volume of product waste (compared to FY2015)	61.3%	At least 25%	At least 60%	At least 70%
	Reduction and reuse in volume of plastic waste	Reduction rate in volume of plastic waste (compared to FY2018) <sup>※3</sup>	—	—	At least 8%	At least 30%
	Sustainable use of water resources	Reduction rate in volume of water use (per unit of production) (compared to FY2020)	—	—	At least 3%	At least 10%
Deal with climate change	Reduction of CO <sub>2</sub> emissions	Reduction rate in CO <sub>2</sub> emissions (compared to FY2013)	23.4%	At least 7.5%	At least 30%	At least 50%
Sustainable procurement	Promotion of sustainable procurement	Promote the "Fundamental Policy for Sustainable Procurement" in cooperation with our business partners				
Respect for human rights	Respect for human rights	Promote the "Kewpie Group Human Rights Policy" to respect the human rights of all people involved in business				

※1 The sustainability targets have been partially revised in light of the situation in FY2021.

※2 The indicator for the "Food residue reduction rate" includes the "Effective utilization rate of unused vegetable parts".

※3 In addition to reducing the weight of containers in order to reduce the volume of plastic waste, we are promoting the use of recycled plastic and paper.

We have adopted containers containing recycled plastic for all products of Kewpie Tasty Salad Dressing and started the shipments successively from June 2021.

## 11. Plan for FY2022

### ■ Forecasts of operating results

(Billions of yen)		FY2021	FY2022 (Plan)	Change	Change (%)
Net sales		407.0	415.0	8.0	2.0%
Operating income		28.0	26.0	(2.0)	(7.0)%
Ordinary income		29.7	27.7	(2.0)	(6.7)%
Profit attributable to owners of parent		18.0	15.7	(2.3)	(12.8)%
ROA		7.1%	7.3%	0.2%	—
ROE		7.4%	6.3%	(1.1)%	—
Operating income ratio		6.9%	6.3%	(0.6)%	—
Growth rate in overseas net sales (Local currency basis)		19%	13%	(6)%	—
Exchange rates	USD (per \$1)	107 yen	113 yen	6 yen	—
	RMB (per RMB1)	16 yen	18 yen	2 yen	—
Market prices for major raw materials	Average price of institutional use (tank truck base) for refined soybean and rapeseed oils for processed oil and fats	294 yen	361 yen	67 yen	—
	Benchmark price for medium-sized eggs, Tokyo market	215 yen	200 yen	(15) yen	—

※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.

### ■ By segment

(Billions of yen)	Net sales				Operating income			
	FY2021	FY2022 (Plan)	Change	Change (%)	FY2021	FY2022 (Plan)	Change	Change (%)
<b>Retail Market</b>	<b>172.7</b>	<b>168.5</b>	<b>(4.2)</b>	<b>(2)%</b>	<b>17.2</b>	<b>13.3</b>	<b>(3.9)</b>	<b>(23)%</b>
Condiments	68.7	65.2	(3.5)	(5)%	12.2	8.1	(4.1)	(33)%
Delicatessen	60.9	60.7	(0.2)	(0)%	3.0	3.4	0.4	12%
Cut vegetables	27.7	28.0	0.3	1%	1.7	1.7	(0.0)	(2)%
Other	15.3	14.6	(0.7)	(5)%	0.3	0.1	(0.2)	(61)%
<b>Food Service</b>	<b>149.8</b>	<b>152.5</b>	<b>2.7</b>	<b>2%</b>	<b>6.3</b>	<b>8.4</b>	<b>2.1</b>	<b>33%</b>
Condiments	41.8	45.8	4.0	10%	3.4	3.1	(0.3)	(9)%
Egg	89.8	92.0	2.2	2%	3.3	5.1	1.8	57%
Other	18.2	14.7	(3.5)	(19)%	(0.4)	0.2	0.6	—
<b>Overseas</b>	<b>53.4</b>	<b>62.7</b>	<b>9.3</b>	<b>17%</b>	<b>7.2</b>	<b>7.7</b>	<b>0.5</b>	<b>7%</b>
China	24.7	30.1	5.4	22%	3.7	4.1	0.4	12%
Southeast Asia	13.3	15.1	1.8	14%	1.6	1.8	0.2	14%
North America	10.3	12.4	2.1	20%	1.1	1.3	0.2	18%
Other	5.0	5.1	0.1	1%	0.9	0.5	(0.4)	(43)%
<b>Fruit Solutions</b>	<b>16.9</b>	<b>17.3</b>	<b>0.4</b>	<b>2%</b>	<b>0.7</b>	<b>0.7</b>	<b>(0.0)</b>	<b>(3)%</b>
<b>Fine Chemicals</b>	<b>8.8</b>	<b>9.0</b>	<b>0.2</b>	<b>3%</b>	<b>1.1</b>	<b>1.1</b>	<b>0.0</b>	<b>2%</b>
<b>Common Business</b>	<b>5.5</b>	<b>5.0</b>	<b>(0.5)</b>	<b>(10)%</b>	<b>1.3</b>	<b>1.2</b>	<b>(0.1)</b>	<b>(10)%</b>
<b>Company-wide expenses</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(5.9)</b>	<b>(6.4)</b>	<b>(0.5)</b>	<b>—</b>
<b>Total</b>	<b>407.0</b>	<b>415.0</b>	<b>8.0</b>	<b>2%</b>	<b>28.0</b>	<b>26.0</b>	<b>(2.0)</b>	<b>(7)%</b>

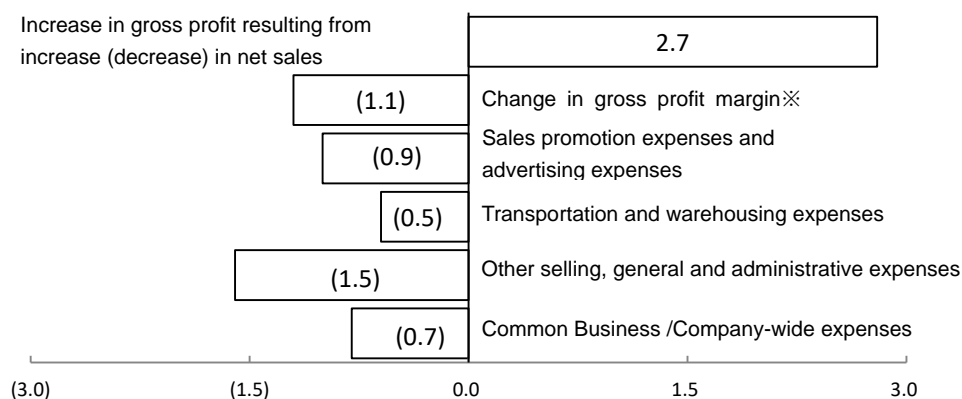
※Changes overseas include a ¥2.6 billion increase in net sales and a ¥0.3 billion increase in operating income caused by fluctuations of exchange rates.



## ■ Factors behind changes in operating income

(Billions of yen)	FY2021	FY2022 (Plan)	Change
Operating income	28.0	26.0	(2.0)

(Billions of yen)



Impact of Spike in Main Raw Material Prices ¥(8.4) billion		
By raw material	Major raw materials (Condiments)	(9.0)
	Eggs	0.6
	Total	(8.4)

By Segment	Retail Market	(4.3)
	Food Service	(2.1)
	Overseas	(2.0)

※Impact of spike in main raw material prices is included in the change in gross profit margin.

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

(Billions of yen)	FY2021	FY2022 (Plan)	Change
Capital investments	12.1	19.1	7.0
Depreciation and amortization	15.3	15.9	0.6
Sales promotion expenses	3.2	3.6	0.4
Advertising expenses	9.6	10.1	0.5
Transportation and warehousing expenses	27.8	28.2	0.5
Payroll expenses	30.6	30.7	0.2
Research and development expenses	4.0	4.0	0.0

## 12. Principal management indexes

		FY2019	FY2020	FY2021
Net sales	※ 2 (millions of yen)	404,746	390,680	407,039
Operating income	※ 2 (millions of yen)	27,915	25,466	27,972
Operating income ratio	※ 2 (%)	6.9	6.5	6.9
Ordinary income	※ 2 (millions of yen)	30,046	26,812	29,698
Ordinary income ratio	※ 2 (%)	7.4	6.9	7.3
Profit attributable to owners of parent	※ 1,2 (millions of yen)	18,698	11,591	18,014
Profit to net sales	※ 1,2 (%)	4.6	3.0	4.4
Net assets	※ 1 (millions of yen)	276,753	287,356	269,301
Total assets	※ 1 (millions of yen)	444,309	454,276	381,003
Equity	※ 1 (millions of yen)	235,552	239,743	245,640
Equity ratio	※ 1 (%)	53.0	52.8	64.5
Cash flows from operating activities	(millions of yen)	43,916	34,955	38,533
Cash flows from investing activities	(millions of yen)	(29,720)	(26,039)	(20,277)
Cash flows from financing activities	(millions of yen)	(4,602)	5	(18,701)
Free cash flow	※ 3 (millions of yen)	14,195	8,916	18,255
Cash and cash equivalents at the end of the fiscal year	(millions of yen)	56,777	65,777	66,703
Interest-bearing debt	(millions of yen)	65,962	81,999	42,257
Net assets per share	※ 1 (yen)	1,646.73	1,676.05	1,767.14
Earnings per share	※ 1 (yen)	130.72	81.04	128.17
Free cash flow per share	(yen)	99.24	62.33	129.88
ROA (Return on assets)	※ 1 (%)	7.7	6.5	7.1
ROE (Return on equity)	※ 1 (%)	8.1	4.9	7.4
Annual (interim) dividend per share	(yen)	45.0	40.0	47.0
Dividend payout ratio	※ 1 (%)	34.4	49.4	36.7
Stock price at the end of the fiscal year	(yen)	2,433	2,174	2,309

※1 During FY2021, the Company finalized the provisional accounting treatment for business combinations, and the figures for FY2020 reflect the finalization of the provisional accounting treatment.

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

※3 Free cash flow = Operating cash flows + Investing cash flows