

# Kewpie Corporation

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



## Summary of Consolidated Financial Statements for the Second Quarter of the Fiscal Year Ending November 30, 2021 [JAPAN GAAP]

July 6, 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: July 15, 2021  
 Scheduled date for dividend payment: August 10, 2021  
 Quarterly supplementary data: Yes  
 Quarterly results briefing: Yes (for institutional investors and investment analysts)

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

### 1. Consolidated business results for the second quarter of the fiscal year ending November 30, 2021 (From December 1, 2020 to May 31, 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	%
Six months ended May 31, 2021	198,879	(24.4)	14,499	29.5	15,181	33.3	9,617	70.4
Six months ended May 31, 2020	263,057	(2.2)	11,194	(30.4)	11,385	(32.8)	5,643	(40.9)

(Note) Comprehensive income: Six months ended May 31, 2021 ¥13,878 million (Increase of 91.9%)  
 Six months ended May 31, 2020 ¥7,232 million (Decrease of 24.2%)

	Earnings per share	Earnings per share (diluted)
	Yen	Yen
Six months ended May 31, 2021	67.83	—
Six months ended May 31, 2020	39.45	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of May 31, 2021	376,350	265,350	64.2
As of November 30, 2020	451,723	285,377	53.0

(Reference) Shareholders' equity: As of May 31, 2021 ¥241,714 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	Yen —	Yen 20.00	Yen —	Yen 20.00	Yen 40.00
Fiscal year 2021	—	20.00			
Fiscal year 2021 (Forecast)			—	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.)

Year ending November 30, 2021	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
	410,000	(22.8)	27,000	(4.6)	28,600	(1.3)	15,400	35.3	109.58

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

### \*Notes

- (1) Changes in significant subsidiaries during the six months (Changes in specified subsidiaries resulting in the change in the scope of consolidation): Yes  
Excluded: 1 company (Name: K.R.S. Corporation)  
(Note) For details, please refer to "I. Quarterly consolidated financial statements and major notes: 4. Notes Regarding Quarterly Consolidated Financial Statements (Business combination)" on page 7.
- (2) Application of special accounting treatments for the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies and estimates, and restatements
  - a) Changes in accounting policies due to revision of accounting standards: None
  - b) Changes in accounting policies due to reasons other than "a)" (above): None
  - c) Changes in accounting estimates: None
  - d) Restatements: None
- (4) Number of issued shares (common stock)
  - a) Number of issued shares at the end of the period (including treasury stock):
 

May 31, 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:
 

May 31, 2021	9,790,532 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 May 31, 2021	141,790,861 shares
December 1, 2019 to May 31, 2020	143,041,757 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 second quarter (As of May 31, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	56,835	52,284
Notes and accounts receivable - trade	73,783	58,081
Securities	10,000	10,000
Purchased goods and products	16,214	17,538
Work in process	1,398	1,008
Raw materials and supplies	9,609	9,958
Other	6,696	2,903
Allowances for doubtful accounts	(523)	(119)
<b>Total current assets</b>	<b>174,012</b>	<b>151,655</b>
Fixed assets		
Tangible fixed assets		
Buildings and structures	191,496	159,166
Accumulated depreciation	(110,485)	(91,744)
Net book value	81,011	67,421
Machinery, equipment and vehicles	183,338	148,807
Accumulated depreciation	(121,934)	(105,202)
Net book value	61,403	43,605
Land	52,503	31,175
Construction in progress	5,352	1,529
Other	29,353	18,089
Accumulated depreciation	(17,823)	(11,976)
Net book value	11,530	6,113
<b>Total tangible fixed assets</b>	<b>211,802</b>	<b>149,844</b>
Intangible fixed assets		
Goodwill	2,014	651
Other	11,497	11,630
<b>Total intangible fixed assets</b>	<b>13,512</b>	<b>12,281</b>
Investments and other assets		
Investment securities	27,110	43,421
Assets for retirement benefits	9,601	9,809
Other	15,873	9,457
Allowances for doubtful accounts	(188)	(120)
<b>Total investments and other assets</b>	<b>52,396</b>	<b>62,567</b>
<b>Total fixed assets</b>	<b>277,710</b>	<b>224,694</b>
<b>Total assets</b>	<b>451,723</b>	<b>376,350</b>

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(Millions of yen)

	Previous fiscal year (As of November 30, 2020)	Current second quarter (As of May 31, 2021)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	41,828	29,320
Short-term loans payable	12,153	12,513
Accrued income taxes	3,901	4,878
Provisions	2,781	3,777
Other	25,709	19,788
Total current liabilities	86,373	70,278
Non-current liabilities		
Bonds	10,000	10,000
Long-term loans payable	51,861	17,238
Liabilities for retirement benefits	3,619	2,879
Asset retirement obligations	1,218	220
Other	13,274	10,382
Total non-current liabilities	79,973	40,720
Total liabilities	166,346	110,999
<b>Net assets</b>		
Shareholders' equity		
Paid-in capital	24,104	24,104
Capital surplus	28,647	28,632
Earned surplus	201,492	208,239
Treasury stock	(15,865)	(22,883)
Total shareholders' equity	238,379	238,093
Accumulated other comprehensive income		
Unrealized holding gains (losses) on securities	8,882	9,032
Unrealized gains (losses) on hedges	(4)	28
Foreign currency translation adjustments	(3,408)	(1,432)
Accumulated adjustments for retirement benefits	(4,315)	(4,006)
Total accumulated other comprehensive income	1,153	3,621
Non-controlling interests	45,844	23,636
Total net assets	285,377	265,350
Total liabilities and net assets	451,723	376,350

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

(Quarterly Consolidated Statements of Income)  
(Six months ended May 31, 2020 and May 31, 2021)

	(Millions of yen)	
	Previous second quarter (Cumulative) (From December 1, 2019 to May 31, 2020)	Current second quarter (Cumulative) (From December 1, 2020 to May 31, 2021)
Net sales	263,057	198,879
Cost of sales	202,973	137,045
Gross profit	60,083	61,833
Selling, general and administrative expenses	48,889	47,334
Operating income	11,194	14,499
Non-operating income		
Interest income	69	54
Dividends income	246	207
Equity in earnings of affiliates	69	418
Other	505	392
Total non-operating income	891	1,072
Non-operating expenses		
Interest expenses	185	122
Commission expenses	147	6
Other	367	262
Total non-operating expenses	699	390
Ordinary income	11,385	15,181
Extraordinary gains		
Gains on sales of fixed assets	29	440
Gain on sales of shares of subsidiaries and associates	-	289
Gains on sales of investment securities	9	1
Other	2	43
Total extraordinary gains	41	774
Extraordinary losses		
Losses on disposal of fixed assets	542	338
Impairment losses	49	-
Other	412	84
Total extraordinary losses	1,005	422
Profit before income taxes	10,421	15,533
Income taxes	3,577	4,786
Profit	6,844	10,747
Profit attributable to non-controlling interests	1,201	1,130
Profit attributable to owners of parent	5,643	9,617

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(Quarterly Consolidated Statements of Comprehensive Income)  
(Six months ended May 31, 2020 and May 31, 2021)

	Previous second quarter (Cumulative) (From December 1, 2019 to May 31, 2020)	Current second quarter (Cumulative) (From December 1, 2020 to May 31, 2021)
	(Millions of yen)	
Profit	6,844	10,747
Other comprehensive income		
Unrealized holding gains (losses) on securities	(157)	161
Unrealized gains (losses) on hedges	(12)	38
Foreign currency translation adjustments	(168)	2,433
Adjustments for retirement benefits	726	280
Share of other comprehensive income of entities accounted for using equity method	-	218
Total other comprehensive income	387	3,131
Comprehensive income	7,232	13,878
(Breakdown)		
Comprehensive income attributable to owners of parent	6,136	12,084
Comprehensive income attributable to non-controlling interests	1,096	1,794



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## 3. Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Previous second quarter (Cumulative) (From December 1, 2019 to May 31, 2020)	Current second quarter (Cumulative) (From December 1, 2020 to May 31, 2021)
<b>Cash flows from operating activities</b>		
Profit before income taxes	10,421	15,533
Depreciation and amortization	9,821	7,522
Impairment losses	49	–
Amortization of goodwill	109	99
Equity in losses (earnings) of affiliates	(69)	(418)
Increase (decrease) in reserves	1,250	1,477
Increase (decrease) in liabilities for retirement benefits	42	(127)
Decrease (increase) in assets for retirement benefits	(660)	369
Interest and dividends income	(316)	(261)
Interest expenses	185	122
Losses (gains) on sales and disposal of fixed assets	525	(37)
Decrease (increase) in notes and accounts receivable - trade	7,964	(1,640)
Decrease (increase) in inventories	(1,617)	(1,233)
Increase (decrease) in notes and accounts payable - trade	(4,839)	1,924
Increase (decrease) in accounts payable - other	(2,139)	(1,103)
Other	417	1,016
Sub-total	21,146	23,243
Interest and dividends income received	318	426
Interest paid	(187)	(126)
Income taxes paid	(4,529)	(3,737)
Net cash provided by (used in) operating activities	16,748	19,805
<b>Cash flows from investing activities</b>		
Purchases of tangible fixed assets	(12,384)	(3,692)
Purchases of intangible fixed assets	(2,459)	(2,383)
Purchases of investment securities	(15)	(8)
Net decrease (increase) in short-term loans receivable	(90)	23
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	–	(8,801)
Payments of long-term loans receivable	(293)	(1)
Collection of long-term loans receivable	27	15
Other	441	212
Net cash provided by (used in) investing activities	(14,773)	(14,634)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	1,106	(116)
Proceeds from long-term loans payable	2,800	500
Repayment of long-term loans payable	(1,556)	(1,142)
Cash dividends paid	(3,576)	(2,860)
Cash dividends paid to non-controlling interests	(419)	(322)
Purchase of treasury stock	(0)	(7,018)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(2,913)	–
Proceeds from withdrawal of deposits with withdrawal restrictions	–	271
Other	(901)	(324)
Net cash provided by (used in) financing activities	(5,461)	(11,013)
Effects of exchange rate changes on cash and cash equivalents	(21)	973
Increase (decrease) in cash and cash equivalents	(3,508)	(4,868)
Cash and cash equivalents at the beginning of the period	56,777	65,777
Increase in cash and cash equivalents from newly consolidated subsidiary	–	47
Cash and cash equivalents at the end of the period	53,268	60,955

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## 4. Notes Regarding Quarterly Consolidated Financial Statements

(Notes regarding assumption of a going concern)

Not applicable.

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

Not applicable.

(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 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 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 related to the divested business recorded in the quarterly consolidated statements of income for the six months ended May 31, 2021
- |                                  |              |
|----------------------------------|--------------|
| Equity in earnings of affiliates | ¥372 million |
|----------------------------------|--------------|

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(Segment information)

<Segment information>

I. Previous second quarter (Cumulative from December 1, 2019 to May 31, 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	82,339	71,698	23,141	8,341	3,951	69,838	3,745	263,057	-	263,057
Intersegment net sales or transfers	352	2,295	550	448	217	15,312	4,903	24,081	(24,081)	-
Total	82,691	73,994	23,691	8,790	4,169	85,151	8,649	287,138	(24,081)	263,057
Segment profit	6,908	2,709	1,933	239	393	1,107	734	14,025	(2,831)	11,194

(Notes) 1. "Adjustments" of ¥(2,831) 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. "Segment profit" is adjusted with "Operating income" in the quarterly consolidated statements of income.

2. Information on losses on impairment of fixed assets or goodwill, etc. by 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 second quarter (Cumulative from December 1, 2020 to May 31, 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	86,016	72,422	24,738	8,624	4,351	2,726	198,879	–	198,879
Intersegment net sales or transfers	374	2,507	248	87	229	5,452	8,901	(8,901)	–
Total	86,391	74,930	24,986	8,712	4,580	8,179	207,781	(8,901)	198,879
Segment profit	9,728	2,677	3,706	393	87	645	17,240	(2,740)	14,499

(Notes) 1. "Adjustments" of ¥(2,740) 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. "Segment profit" 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 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 second quarter (Cumulative from December 1, 2019 to May 31, 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 Second Quarter  
of the Fiscal Year Ending  
November 30, 2021**

**July 6, 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.
- Figures of "Year forecast" in FY 2021 indicate estimated forecasts announced on July 6, 2021.
- 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 second quarter are results for the period from October to March.  
Changes overseas include a ¥0.1 billion decrease in net sales and a ¥0.0 billion increase in operating income caused by fluctuations of exchange rates.

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

Net sales (Billions of yen)	FY2020 (After retrospective adjustments)						FY2021						Change					
	1Q (Dec.-Feb.)	2Q (Mar.-May)	1H (Dec.-May)	3Q (Jun.-Aug.)	4Q (Sep.-Nov.)	Year	1Q (Dec.-Feb.)	2Q (Mar.-May)	1H (Dec.-May)	3Q (Jun.-Aug.)	4Q (Sep.-Nov.)	Year (Plan as of July 6)	1Q (Dec.-Feb.)	2Q (Mar.-May)	1H (Dec.-May)	3Q (Jun.-Aug.)	4Q (Sep.-Nov.)	Year
<b>Retail Market</b>	<b>39.1</b>	<b>43.2</b>	<b>82.3</b>	<b>44.4</b>	<b>41.3</b>	<b>168.0</b>	<b>40.9</b>	<b>45.1</b>	<b>86.0</b>			<b>172.2</b>	<b>1.7</b>	<b>1.9</b>	<b>3.7</b>			<b>4.2</b>
Condiments	15.3	17.8	33.1	18.4	15.6	67.1	16.5	18.9	35.4			68.7	1.2	1.0	2.3			1.6
Delicatessen	13.8	14.1	27.9	14.7	14.5	57.2	14.1	15.3	29.5			61.0	0.3	1.3	1.5			3.8
Cut vegetables	6.4	7.0	13.3	7.3	7.0	27.7	6.5	6.8	13.2			27.2	0.1	(0.2)	(0.1)			(0.5)
Other	3.6	4.3	8.0	4.0	4.1	16.0	3.8	4.1	7.9			15.3	0.1	(0.2)	(0.0)			(0.7)
<b>Food Service</b>	<b>38.9</b>	<b>32.8</b>	<b>71.7</b>	<b>35.7</b>	<b>37.6</b>	<b>145.0</b>	<b>33.9</b>	<b>38.6</b>	<b>72.4</b>			<b>154.7</b>	<b>(5.1)</b>	<b>5.8</b>	<b>0.7</b>			<b>9.7</b>
Condiments	10.8	9.2	20.0	10.4	10.6	41.0	9.6	10.8	20.3			42.0	(1.2)	1.6	0.3			1.0
Egg	22.9	19.8	42.8	20.3	22.1	85.1	20.1	23.2	43.3			93.9	(2.8)	3.4	0.6			8.8
Other	5.2	3.8	9.0	5.0	4.9	18.9	4.1	4.6	8.8			18.8	(1.0)	0.8	(0.2)			(0.1)
<b>Overseas</b>	<b>12.0</b>	<b>11.1</b>	<b>23.1</b>	<b>11.9</b>	<b>12.2</b>	<b>47.2</b>	<b>12.1</b>	<b>12.6</b>	<b>24.7</b>			<b>52.0</b>	<b>0.1</b>	<b>1.5</b>	<b>1.6</b>			<b>4.8</b>
China	4.5	3.7	8.2	5.0	5.6	18.8	5.0	5.8	10.7			24.8	0.4	2.1	2.6			6.0
Southeast Asia	3.2	3.0	6.2	2.6	3.1	11.8	3.3	3.2	6.5			12.8	0.1	0.2	0.3			1.0
North America	3.1	3.3	6.3	3.3	2.3	12.0	2.4	2.4	4.9			9.8	(0.6)	(0.9)	(1.5)			(2.2)
Other	1.3	1.1	2.4	1.0	1.2	4.6	1.4	1.2	2.7			4.6	0.1	0.1	0.2			0.0
<b>Fruit Solutions</b>	<b>3.6</b>	<b>4.7</b>	<b>8.3</b>	<b>4.2</b>	<b>3.9</b>	<b>16.5</b>	<b>3.8</b>	<b>4.8</b>	<b>8.6</b>			<b>17.0</b>	<b>0.2</b>	<b>0.1</b>	<b>0.3</b>			<b>0.5</b>
<b>Fine Chemicals</b>	<b>1.7</b>	<b>2.2</b>	<b>4.0</b>	<b>2.0</b>	<b>2.0</b>	<b>7.9</b>	<b>1.9</b>	<b>2.4</b>	<b>4.4</b>			<b>8.4</b>	<b>0.2</b>	<b>0.2</b>	<b>0.4</b>			<b>0.5</b>
<b>Common Business</b>	<b>2.6</b>	<b>1.2</b>	<b>3.7</b>	<b>1.2</b>	<b>1.1</b>	<b>6.0</b>	<b>1.4</b>	<b>1.3</b>	<b>2.7</b>			<b>5.7</b>	<b>(1.1)</b>	<b>0.1</b>	<b>(1.0)</b>			<b>(0.3)</b>
<b>Total</b>	<b>98.0</b>	<b>95.2</b>	<b>193.2</b>	<b>99.5</b>	<b>98.0</b>	<b>390.7</b>	<b>94.1</b>	<b>104.8</b>	<b>198.9</b>			<b>410.0</b>	<b>(3.9)</b>	<b>9.6</b>	<b>5.7</b>			<b>19.3</b>

Operating Income (Billions of yen)	FY2020 (After retrospective adjustments)						FY2021						Change					
	1Q (Dec.-Feb.)	2Q (Mar.-May)	1H (Dec.-May)	3Q (Jun.-Aug.)	4Q (Sep.-Nov.)	Year	1Q (Dec.-Feb.)	2Q (Mar.-May)	1H (Dec.-May)	3Q (Jun.-Aug.)	4Q (Sep.-Nov.)	Year (Plan as of July 6)	1Q (Dec.-Feb.)	2Q (Mar.-May)	1H (Dec.-May)	3Q (Jun.-Aug.)	4Q (Sep.-Nov.)	Year
<b>Retail Market</b>	<b>2.2</b>	<b>4.7</b>	<b>6.9</b>	<b>5.4</b>	<b>3.5</b>	<b>15.8</b>	<b>4.2</b>	<b>5.6</b>	<b>9.7</b>			<b>17.2</b>	<b>2.0</b>	<b>0.9</b>	<b>2.8</b>			<b>1.4</b>
Condiments	1.6	3.3	4.8	3.9	2.6	11.3	3.0	3.9	6.9			12.2	1.5	0.7	2.1			0.9
Delicatessen	0.4	0.6	1.0	0.6	0.5	2.1	0.7	1.0	1.7			3.1	0.3	0.4	0.8			1.0
Cut vegetables	0.2	0.6	0.8	0.5	0.4	1.7	0.3	0.5	0.8			1.6	0.1	(0.1)	(0.0)			(0.1)
Other	(0.0)	0.3	0.3	0.3	0.1	0.7	0.1	0.2	0.3			0.3	0.1	(0.1)	(0.0)			(0.4)
<b>Food Service</b>	<b>2.3</b>	<b>0.4</b>	<b>2.7</b>	<b>2.0</b>	<b>3.1</b>	<b>7.8</b>	<b>1.5</b>	<b>1.2</b>	<b>2.7</b>			<b>6.3</b>	<b>(0.9)</b>	<b>0.8</b>	<b>(0.0)</b>			<b>(1.5)</b>
Condiments	0.9	0.5	1.4	1.0	1.3	3.7	0.6	0.9	1.5			3.1	(0.3)	0.4	0.1			(0.6)
Egg	1.2	0.0	1.2	0.9	1.5	3.6	0.9	0.6	1.5			3.4	(0.3)	0.6	0.3			(0.2)
Other	0.2	(0.1)	0.1	0.1	0.2	0.4	(0.0)	(0.3)	(0.3)			(0.2)	(0.2)	(0.2)	(0.4)			(0.6)
<b>Overseas</b>	<b>1.1</b>	<b>0.8</b>	<b>1.9</b>	<b>1.3</b>	<b>1.7</b>	<b>4.9</b>	<b>1.9</b>	<b>1.8</b>	<b>3.7</b>			<b>6.4</b>	<b>0.8</b>	<b>1.0</b>	<b>1.8</b>			<b>1.5</b>
China	0.6	0.4	1.0	0.7	0.9	2.6	0.9	0.9	1.8			3.2	0.3	0.6	0.8			0.6
Southeast Asia	0.3	0.3	0.6	0.3	0.4	1.3	0.5	0.4	0.9			1.5	0.2	0.1	0.3			0.2
North America	0.1	0.2	0.3	0.2	0.3	0.8	0.3	0.1	0.4			1.0	0.2	(0.0)	0.1			0.2
Other	0.1	(0.0)	0.0	0.1	0.2	0.3	0.2	0.3	0.6			0.7	0.1	0.4	0.5			0.4
<b>Fruit Solutions</b>	<b>(0.1)</b>	<b>0.3</b>	<b>0.2</b>	<b>0.3</b>	<b>0.1</b>	<b>0.6</b>	<b>0.0</b>	<b>0.4</b>	<b>0.4</b>			<b>0.8</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>			<b>0.2</b>
<b>Fine Chemicals</b>	<b>(0.0)</b>	<b>0.4</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>0.1</b>			<b>0.9</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>(0.3)</b>			<b>(0.3)</b>
<b>Common Business</b>	<b>0.3</b>	<b>0.4</b>	<b>0.7</b>	<b>0.5</b>	<b>0.1</b>	<b>1.3</b>	<b>0.3</b>	<b>0.4</b>	<b>0.6</b>			<b>1.2</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.1)</b>			<b>(0.1)</b>
<b>Company-wide expenses</b>	<b>(1.4)</b>	<b>(1.4)</b>	<b>(2.8)</b>	<b>(1.6)</b>	<b>(1.8)</b>	<b>(6.1)</b>	<b>(1.3)</b>	<b>(1.4)</b>	<b>(2.7)</b>			<b>(5.8)</b>	<b>0.1</b>	<b>(0.0)</b>	<b>0.1</b>			<b>0.3</b>
<b>Total</b>	<b>4.4</b>	<b>5.6</b>	<b>10.1</b>	<b>8.4</b>	<b>7.0</b>	<b>25.5</b>	<b>6.3</b>	<b>8.2</b>	<b>14.5</b>			<b>27.0</b>	<b>1.9</b>	<b>2.5</b>	<b>4.4</b>			<b>1.5</b>

<b>Operating income ratio</b>	<b>4.5%</b>	<b>5.9%</b>	<b>5.2%</b>	<b>8.4%</b>	<b>7.2%</b>	<b>6.5%</b>	<b>6.7%</b>	<b>7.8%</b>	<b>7.3%</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) 20%

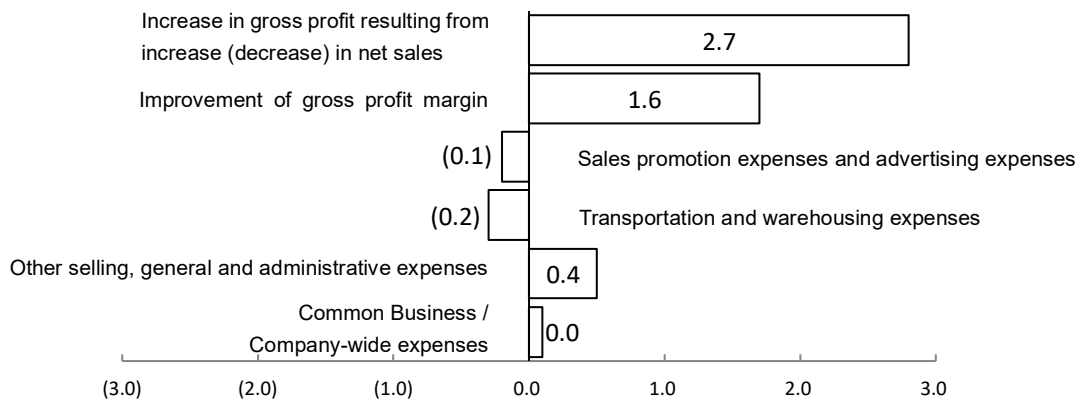
Growth rate in overseas net sales is calculated excluding the figures for the Egg business in North America, whose shares were transferred in July 2020.



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

(Billions of yen)	FY2020 1H (After retrospective adjustments)	FY2021 1H	Change
Operating income	10.1	14.5	4.4

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



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

		FY2019 1H	FY2020 1H	FY2021 1H	Change	YoY Change (%)
For household use	Volume (Thousands of tons)	65	66	69	3	4%
	Amount (Billions of yen)	32.3	32.4	34.8	2.3	7%
For commercial use	Volume (Thousands of tons)	51	45	45	1	1%
	Amount (Billions of yen)	19.4	16.8	17.4	0.6	3%
Exports	Volume (Thousands of tons)	3	3	4	1	46%
	Amount (Billions of yen)	1.2	1.2	1.7	0.5	43%

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

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

(Yen)	FY2019 1H	FY2020 1H	FY2021 1H	FY2021 Year (Plan)
USD (per \$1)	112	109	104	105
RMB (per RMB1)	16	16	16	16

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

(Yen/kg)	FY2019				FY2020				FY2021				
	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.)	Year (Plan)
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			288
Benchmark price for medium-sized eggs, Tokyo market	154	172	150	201	194	189	152	162	168	240			234

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

(Billions of yen)	FY2019 1H (After retrospective adjustments)	FY2020 1H (After retrospective adjustments)	FY2021 1H	Change
Capital investments	12.0	11.3	6.3	(5.0)
Depreciation and amortization	7.2	7.6	7.5	(0.1)
Sales promotion expenses	1.8	1.9	1.4	(0.5)
Advertising expenses	5.0	4.7	5.3	0.6
Transportation and warehousing expenses	13.6	13.4	13.7	0.2
Payroll expenses	15.5	15.4	15.1	(0.3)
Research and development expenses	1.9	1.8	1.9	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 1H (After retrospective adjustments)	FY2021 1H	Change	Items of changes	
Non-operating income (expenses), net	0.5	0.7	0.2	Decrease in commission expenses	0.1
				Increase in equity in earnings of affiliates	0.1
Extraordinary gains (losses), net	(0.9)	0.4	1.3	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	0.1

※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 2Q	Change	Items of changes	
<b>Assets</b>					
Current assets	174.0	151.7	(22.4)	Decrease in cash and deposits	(4.6)
				Decrease in notes and accounts receivable - trade	(15.7)
<b>Fixed assets</b>					
Tangible and intangible fixed assets	225.3	162.1	(63.2)	Increase resulting from purchases	5.3
				Decrease resulting from depreciation	(7.3)
				Impact of the transition of KRS to an affiliated company accounted for by the equity-method	(61.3)
Investments and other assets	52.4	62.6	10.2	Increase in investment securities	16.3
				Decrease in guarantee deposits	(3.7)
Liabilities	166.3	111.0	(55.3)	Decrease in notes and accounts payable - trade	(12.5)
				Decrease in long-term lease obligations	(2.3)
				Decrease in long-term loans payable	(34.6)
Net assets	285.4	265.4	(20.0)	Increase in earned surplus	6.7
				Purchase of own stock	(7.0)
				Decrease in non-controlling interests	(22.2)

※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 fiscal year.

## 7. Principal items of changes in cash flows

(Billions of yen)	FY2020 1H	FY2021 1H	Change	Items of changes
Cash flows from operating activities	16.7	19.8	3.1	Profit before income taxes 5.1 Decrease (increase) in notes and accounts receivable – trade (9.6) Increase (decrease) in notes and accounts payable – trade 6.8
Cash flows from investing activities	(14.8)	(14.6)	0.1	Decrease in purchases of tangible fixed assets 8.7 Payments for sales of shares of subsidiaries resulting in change in scope of consolidation (8.8)
Cash flows from financing activities	(5.5)	(11.0)	(5.6)	Increase in purchase of own stock (7.0)

## 8. Sustainability targets

Material Issues	Initiative Theme	Indicators	FY2021 1H	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)	194 thousand	At least 200 thousand	At least 400 thousand	At least 1 million
Effective use and recycling of resources	Unused portions of vegetables (cabbage, etc.)	Effective utilization rate	52.1%	At least 30%	At least 50%	At least 90%
	Curtailment of food loss (Reduction of product waste)	Reduction rate in volume of product waste (compared to FY2015)	53.5%	At least 25%	At least 35%	At least 50%
	Reduction and reuse of plastic waste	Reduction rate in volume of plastic waste (compared to FY2018)	—※	—	At least 8%	At least 30%
Deal with climate change	Reduction of CO <sub>2</sub> emissions	Reduction rate in CO <sub>2</sub> emissions (compared to FY2013)	22.5%	At least 7.5%	At least 20%	At least 35%

※Some of the sustainability targets were reviewed under the FY2021–FY2024 Medium–Term Business Plan.

※In addition to reducing the weight of containers in order to reduce the amount 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 Dressing and started the shipments successively from June 2021.

## 9. Plan for FY2021

### ■ Forecasts of operating results

(Billions of yen)		FY2020 (After retrospective adjustments)	FY2021 (Plan)	Change	Change(%)
Net sales		390.7	410.0	19.3	4.9%
Operating income		25.5	27.0	1.5	6.0%
Ordinary income		26.8	28.6	1.8	6.7%
Prof it attributable to owners of parent		11.4	15.4	4.0	35.3%
ROA		–	6.9%	–	–
ROE		4.8%	6.4%	1.6%	–
Operating income ratio		6.5%	6.6%	0.1%	–
Growth rate in overseas net sales (Local currency basis)		3.8%	17.1%	13.3%	–
Exchange rates	USD (per \$1)	108 yen	105 yen	(3) yen	–
	RMB (per RMB1)	15 yen	16 yen	1 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	247 yen	288 yen	41 yen	–
	Benchmark price for medium-sized eggs, Tokyo market	175 yen	234 yen	59 yen	–

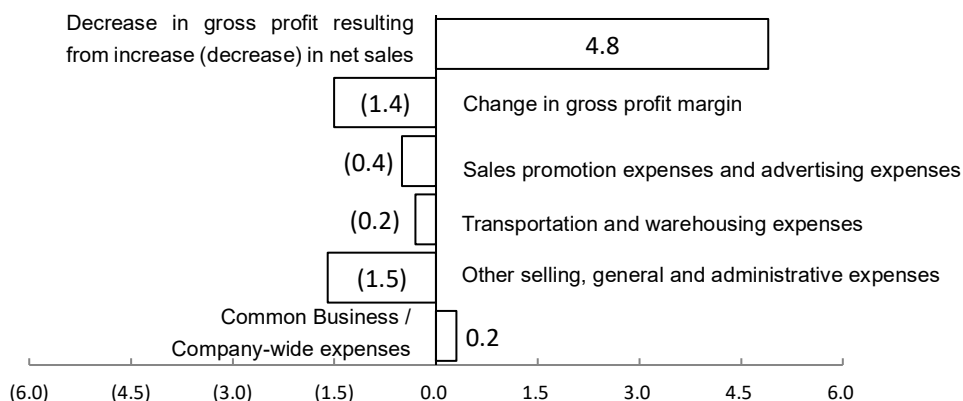
※Results for FY2020 (after retrospective adjustments) are the figures after retrospective adjustments, excluding the Distribution Business.

※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.

### ■ Factors behind changes in operating income

(Billions of yen)	FY2020 (After retrospective adjustments)	FY2021 (Plan)	Change
Operating income	25.5	27.0	1.5

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



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

(Billions of yen)	FY2020 (After retrospective adjustments)	FY2021 (Plan)	Change
Capital investments	18.6	14.8	(3.8)
Depreciation and amortization	15.4	15.4	0.0
Sales promotion expenses	3.6	3.6	0.0
Advertising expenses	9.0	9.4	0.4
Transportation and warehousing expenses	27.1	27.3	0.2
Payroll expenses	30.5	30.9	0.4
Research and development expenses	4.0	3.9	(0.1)

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

## 10. Principal management indexes

		FY2019 1H	FY2020 1H	FY2021 1H	FY2020
Net sales	※ 1 (millions of yen)	199,769	193,219	198,879	390,680
Operating income	※ 1 (millions of yen)	13,974	10,088	14,499	25,466
Operating income to net sales	※ 1 (%)	7.0	5.2	7.3	6.5
Ordinary income	※ 1 millions of yen)	15,212	10,587	15,181	26,812
Ordinary income to net sales	※ 1 (%)	7.6	5.5	7.6	6.9
Profit attributable to owners of parent	※ 1 (millions of yen)	9,556	5,643	9,617	11,378
Profit to net sales	※ 1 (%)	4.8	2.9	4.8	2.9
Net assets	(millions of yen)	272,535	277,031	265,350	285,377
Total assets	(millions of yen)	426,379	440,217	376,350	451,723
Equity	(millions of yen)	231,514	236,391	241,714	239,532
Equity ratio	(%)	54.3	53.7	64.2	53.0
Cash flows from operating activities	(millions of yen)	16,780	16,748	19,805	34,955
Cash flows from investing activities	(millions of yen)	(17,285)	(14,773)	(14,634)	(26,039)
Cash flows from financing activities	(millions of yen)	1,641	(5,461)	(11,013)	5
Free cash flow	※ 2 (millions of yen)	(504)	1,975	5,170	8,916
Cash and cash equivalents at the end of the period	(millions of yen)	49,005	53,268	60,955	65,777
Interest-bearing debt	(millions of yen)	66,756	70,315	44,097	81,999
Net assets per share	(yen)	1,618.50	1,652.61	1,723.95	1,674.58
Profit per share	(yen)	66.81	39.45	67.83	79.55
Free cash flow per share	(yen)	(3.53)	13.81	36.47	62.33
Annual (interim) dividend per share	(yen)	20.0	20.0	20.0	40.0
Stock price at the end of the period	(yen)	2,431	2,109	2,505	2,174

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

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