

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, 2023 [JAPAN GAAP]

July 5, 2023

Listed company name: Kewpie Corporation
Listed exchange: Tokyo Stock Exchange
Securities code: 2809
URL: <https://www.kewpie.com/en/>
Representative: Mitsuru Takamiya,
Representative Director, President and Chief Executive Corporate Officer
Contact: Takumi Tomita,
Corporate Officer in charge of Accounting and Finance

Scheduled date for filing quarterly securities report: July 14, 2023

Scheduled date for dividend payment: August 7, 2023

Quarterly supplementary data: Yes

Quarterly results briefing: Yes (for corporate 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, 2023 (From December 1, 2022 to May 31, 2023)

(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, 2023	220,382	6.2	6,846	(51.9)	7,552	(49.5)	4,797	(46.0)
Six months ended May 31, 2022	207,523	4.3	14,241	(1.8)	14,964	(1.4)	8,889	(7.6)

(Note) Comprehensive income: Six months ended May 31, 2023 ¥3,943 million (Decrease of 72.3%)
Six months ended May 31, 2022 ¥14,223 million (Increase of 2.3%)

	Earnings per share	Earnings per share (diluted)
	Yen	Yen
Six months ended May 31, 2023	34.51	—
Six months ended May 31, 2022	63.95	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of May 31, 2023	406,889	295,193	65.7
As of November 30, 2022	403,384	294,623	66.4

(Reference) Shareholders' equity: As of May 31, 2023 ¥267,441 million
As of November 30, 2022 ¥267,657 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 2022	– ^{Yen}	20.00 ^{Yen}	– ^{Yen}	27.00 ^{Yen}	47.00 ^{Yen}
Fiscal year 2023	–	23.00			
Fiscal year 2023 (Forecast)			–	27.00	50.00

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

3. Forecasts of consolidated operating results for the fiscal year ending November 30, 2023 (From December 1, 2022 to November 30, 2023)

(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, 2023	447,000	3.9	14,000	(45.0)	15,800	(42.0)	8,500	(47.0)	61.15

(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): None
- (2) Application of special accounting treatments for the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies and estimates, and restatements
 - a) Changes in accounting policies due to revision of accounting standards: Yes
 - b) Changes in accounting policies due to reasons other than "a)" (above): None
 - c) Changes in accounting estimates: None
 - d) Restatements: None
- (4) Number of issued shares (common stock)
 - a) Number of issued shares at the end of the period (including treasury stock):

May 31, 2023	141,500,000 shares
November 30, 2022	141,500,000 shares
 - b) Number of shares of treasury stock at the end of the period:

May 31, 2023	2,496,630 shares
November 30, 2022	2,495,894 shares
 - c) Average number of shares during the period (cumulative from the beginning of the fiscal year):

December 1, 2022 to May 31, 2023	139,003,747 shares
December 1, 2021 to May 31, 2022	139,004,595 shares

***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, 2022)	Current second quarter (As of May 31, 2023)
Assets		
Current assets		
Cash and deposits	57,825	54,056
Notes and accounts receivable - trade	59,414	60,525
Securities	10,000	10,000
Purchased goods and products	20,867	24,752
Work in process	2,659	2,262
Raw materials and supplies	13,551	14,790
Other	3,524	4,153
Allowances for doubtful accounts	(115)	(238)
Total current assets	167,726	170,302
Fixed assets		
Tangible fixed assets		
Buildings and structures	162,131	162,712
Accumulated depreciation	(97,130)	(99,231)
Net book value	65,001	63,481
Machinery, equipment and vehicles	153,551	154,034
Accumulated depreciation	(111,171)	(112,301)
Net book value	42,379	41,733
Land	30,529	30,488
Construction in progress	3,446	3,449
Other	18,768	18,754
Accumulated depreciation	(13,075)	(13,315)
Net book value	5,693	5,439
Total tangible fixed assets	147,050	144,590
Intangible fixed assets		
Goodwill	364	273
Other	15,274	15,985
Total intangible fixed assets	15,639	16,259
Investments and other assets		
Investment securities	45,633	47,768
Assets for retirement benefits	18,656	19,104
Other	8,798	8,959
Allowances for doubtful accounts	(119)	(94)
Total investments and other assets	72,969	75,737
Total fixed assets	235,658	236,587
Total assets	403,384	406,889

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(Millions of yen)

	Previous fiscal year (As of November 30, 2022)	Current second quarter (As of May 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	33,051	35,913
Short-term loans payable	3,058	17,966
Accrued income taxes	2,157	2,554
Reserves	1,643	2,577
Other	25,342	21,608
Total current liabilities	65,252	80,620
Non-current liabilities		
Bonds	10,000	10,000
Long-term loans payable	16,070	927
Liabilities for retirement benefits	2,840	2,992
Asset retirement obligations	267	269
Other	14,330	16,886
Total non-current liabilities	43,508	31,076
Total liabilities	108,761	111,696
Net assets		
Shareholders' equity		
Paid-in capital	24,104	24,104
Capital surplus	28,634	28,635
Earned surplus	203,515	204,560
Treasury stock	(5,840)	(5,842)
Total shareholders' equity	250,413	251,457
Accumulated other comprehensive income		
Unrealized holding gains (losses) on securities	9,348	10,232
Unrealized gains (losses) on hedges	(1)	52
Foreign currency translation adjustments	5,911	3,757
Accumulated adjustments for retirement benefits	1,985	1,941
Total accumulated other comprehensive income	17,244	15,984
Non-controlling interests	26,965	27,751
Total net assets	294,623	295,193
Total liabilities and net assets	403,384	406,889

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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, 2022 and May 31, 2023)

(Millions of yen)

	Previous second quarter (Cumulative) (From December 1, 2021 to May 31, 2022)	Current second quarter (Cumulative) (From December 1, 2022 to May 31, 2023)
Net sales	207,523	220,382
Cost of sales	144,552	163,380
Gross profit	62,970	57,002
Selling, general and administrative expenses	48,729	50,155
Operating income	14,241	6,846
Non-operating income		
Interest income	107	220
Dividends income	234	250
Equity in earnings of affiliates	439	425
Other	306	363
Total non-operating income	1,088	1,259
Non-operating expenses		
Interest expenses	123	204
Other	241	348
Total non-operating expenses	365	553
Ordinary income	14,964	7,552
Extraordinary gains		
Gains on sales of investment securities	252	398
Compensation income	0	249
Settlement income	-	167
Gains on sales of fixed assets	5	3
Total extraordinary gains	258	818
Extraordinary losses		
Losses on disposal of fixed assets	482	276
Impairment losses	4	231
Other	106	211
Total extraordinary losses	593	718
Profit before income taxes	14,628	7,652
Income taxes	4,554	2,100
Profit	10,073	5,552
Profit attributable to non-controlling interests	1,184	754
Profit attributable to owners of parent	8,889	4,797

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(Quarterly Consolidated Statements of Comprehensive Income)
(Six months ended May 31, 2022 and May 31, 2023)

	Previous second quarter (Cumulative) (From December 1, 2021 to May 31, 2022)	Current second quarter (Cumulative) (From December 1, 2022 to May 31, 2023)
	(Millions of yen)	
Profit	10,073	5,552
Other comprehensive income		
Unrealized holding gains (losses) on securities	(730)	881
Unrealized gains (losses) on hedges	54	61
Foreign currency translation adjustments	4,105	(2,261)
Adjustments for retirement benefits	467	(51)
Share of other comprehensive income of entities accounted for using equity method	252	(238)
Total other comprehensive income	4,149	(1,608)
Comprehensive income	14,223	3,943
(Breakdown)		
Comprehensive income attributable to owners of parent	11,949	3,537
Comprehensive income attributable to non-controlling interests	2,273	405

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3. Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Previous second quarter (Cumulative) (From December 1, 2021 to May 31, 2022)	Current second quarter (Cumulative) (From December 1, 2022 to May 31, 2023)
Cash flows from operating activities		
Profit before income taxes	14,628	7,652
Depreciation and amortization	7,857	8,218
Impairment losses	4	231
Amortization of goodwill	96	91
Equity in losses (earnings) of affiliates	(439)	(425)
Increase (decrease) in reserves	685	1,079
Increase (decrease) in liabilities for retirement benefits	85	160
Decrease (increase) in assets for retirement benefits	(900)	(447)
Interest and dividends income	(342)	(470)
Interest expenses	123	204
Losses (gains) on sales of investment securities	(252)	(398)
Compensation income	(0)	(249)
Settlement income	–	(167)
Losses (gains) on sales and disposal of fixed assets	479	274
Decrease (increase) in notes and accounts receivable - trade	(2,219)	(1,385)
Decrease (increase) in inventories	(2,354)	(4,913)
Increase (decrease) in notes and accounts payable - trade	2,503	2,999
Increase (decrease) in accounts payable - other	(1,859)	(1,827)
Other	59	884
Sub-total	18,156	11,509
Proceeds from compensation	–	1,661
Settlement received	–	167
Interest and dividends income received	484	630
Interest paid	(121)	(100)
Income taxes paid	(5,217)	(2,197)
Net cash provided by (used in) operating activities	13,301	11,670

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(Millions of yen)

	Previous second quarter (Cumulative) (From December 1, 2021 to May 31, 2022)	Current second quarter (Cumulative) (From December 1, 2022 to May 31, 2023)
Cash flows from investing activities		
Net decrease (increase) in short-term investment securities	–	(1,000)
Purchases of tangible fixed assets	(5,428)	(7,926)
Purchases of intangible fixed assets	(2,233)	(1,265)
Purchases of investment securities	(109)	(1,287)
Proceeds from sales of investment securities	410	757
Net decrease (increase) in short-term loans receivable	71	(68)
Payments of long-term loans receivable	(55)	(44)
Collection of long-term loans receivable	63	0
Payments into time deposits	(1,038)	(1,372)
Proceeds from withdrawal of time deposits	1,141	2,345
Other	(357)	(210)
Net cash provided by (used in) investing activities	(7,534)	(10,072)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	495	(200)
Proceeds from long-term loans payable	15	–
Repayment of long-term loans payable	(10,158)	(142)
Proceeds from share issuance to non-controlling shareholders	–	1,044
Cash dividends paid	(3,753)	(3,753)
Cash dividends paid to non-controlling interests	(652)	(669)
Purchase of treasury stock	(1)	(1)
Proceeds from sales of shares of subsidiaries not resulting in change in scope of consolidation	441	–
Other	(289)	(365)
Net cash provided by (used in) financing activities	(13,902)	(4,088)
Effects of exchange rate changes on cash and cash equivalents	1,900	(1,348)
Increase (decrease) in cash and cash equivalents	(6,234)	(3,839)
Cash and cash equivalents at the beginning of the fiscal year	66,703	65,335
Cash and cash equivalents at the end of the period	60,468	61,496

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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.

(Changes in accounting policies)

Application of U.S. GAAP ASU 2016-02 "Leases"

Overseas consolidated subsidiaries adopting U.S. GAAP have applied U.S. GAAP ASU 2016-02 "Leases" effective from the first quarter of the current fiscal year. This requires lessees to recognize assets and liabilities on the balance sheet for, in principle, all leases. In applying this accounting standard, the Company has adopted the method that the cumulative effect of this accounting standard is recognized as of the first day of the application, which is allowed as a transitional measure.

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

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(Segment information)

[Segment information]

I. Previous second quarter (Cumulative from December 1, 2021 to May 31, 2022)

1. Information on amounts of net sales and profit or loss by reporting segment and information on disaggregation of revenue

									(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									
Revenue from contracts with customers	85,691	75,889	29,819	8,404	5,048	2,670	207,523	–	207,523
Other revenue	–	–	–	–	–	–	–	–	–
Net sales to outside customers	85,691	75,889	29,819	8,404	5,048	2,670	207,523	–	207,523
Intersegment net sales or transfers	392	2,451	1,000	108	165	5,870	9,988	(9,988)	–
Total	86,083	78,340	30,819	8,512	5,213	8,540	217,511	(9,988)	207,523
Segment profit	7,444	4,137	4,097	275	505	673	17,134	(2,892)	14,241

(Notes) 1. "Adjustments" of ¥(2,892) 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 to report "Operating income" in the quarterly consolidated statements of income.

2. Information on impairment losses of fixed assets or goodwill, etc. by reporting segment

(Significant impairment losses 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, 2022 to May 31, 2023)

1. Information on amounts of net sales and profit or loss by reporting segment and information on disaggregation of revenue

(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									
Revenue from contracts with customers	87,244	81,436	34,431	8,324	5,687	3,257	220,382	–	220,382
Other revenue	–	–	–	–	–	–	–	–	–
Net sales to outside customers	87,244	81,436	34,431	8,324	5,687	3,257	220,382	–	220,382
Intersegment net sales or transfers	510	2,307	513	161	182	6,020	9,695	(9,695)	–
Total	87,755	83,744	34,944	8,485	5,869	9,278	230,077	(9,695)	220,382
Segment profit or loss	4,448	1,359	3,474	190	(128)	718	10,062	(3,216)	6,846

(Notes) 1. "Adjustments" of ¥(3,216) million in "Segment profit or loss" includes Company-wide expenses unallocated to the respective reporting segments. The Company-wide expenses mainly consist of expenditures pertaining to general and administrative expenses not attributable to particular reporting segments.

2. "Segment profit or loss" is adjusted to report "Operating income" in the quarterly consolidated statements of income.

2. Information on impairment losses of fixed assets or goodwill, etc. by reporting segment

(Significant impairment losses 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, 2023**

July 5, 2023

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 plan for FY 2023 indicate estimated forecasts announced on July 5, 2023.
- Figures for the overseas operations in the first half are results for the period from October to March.
Changes overseas of the first half of FY2023 include a ¥3.5 billion increase in net sales and a ¥0.3 billion increase in operating income caused by fluctuations of exchange rates.
Changes overseas of year plan for FY2023 include a ¥4.0 billion increase in net sales and a ¥0.4 billion increase in operating income caused by fluctuations of exchange rates.

1. Breakdown of net sales and operating income by segment

Net sales (Billions of yen)	FY2022						FY2023						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)	1Q (Dec.-Feb.)	2Q (Mar.-May)	1H (Dec.-May)	3Q (Jun.-Aug.)	4Q (Sep.-Nov.)	Year
Retail Market	42.6	43.0	85.7	44.8	42.9	173.4	41.9	45.3	87.2			174.4	(0.7)	2.3	1.6			1.0
Condiments	17.6	16.4	33.9	18.7	16.7	69.3	17.3	19.3	36.6			74.5	(0.3)	3.0	2.7			5.2
Delicatessen	14.9	15.9	30.8	15.6	15.5	61.9	14.8	15.7	30.5			59.6	(0.1)	(0.2)	(0.3)			(2.3)
Cut vegetables	6.5	6.9	13.4	6.8	6.8	27.0	6.2	6.6	12.8			25.8	(0.3)	(0.3)	(0.6)			(1.2)
Other	3.6	3.9	7.6	3.7	3.9	15.1	3.6	3.7	7.3			14.5	(0.1)	(0.2)	(0.3)			(0.6)
Food Service	36.0	39.9	75.9	40.2	42.7	158.8	41.7	39.7	81.4			162.2	5.7	(0.2)	5.5			3.4
Condiments	10.3	11.5	21.8	11.5	12.0	45.2	11.2	13.0	24.2			49.8	0.9	1.5	2.4			4.6
Egg	21.5	24.3	45.8	24.7	26.8	97.3	26.6	22.3	48.9			96.1	5.1	(2.0)	3.2			(1.2)
Other	4.1	4.1	8.3	4.1	4.0	16.3	3.9	4.4	8.3			16.3	(0.3)	0.3	0.0			0.0
Overseas	14.3	15.5	29.8	17.6	18.8	66.3	16.0	18.4	34.4			77.0	1.7	2.9	4.6			10.7
China	6.1	6.5	12.6	7.5	8.3	28.4	5.8	7.4	13.1			32.6	(0.3)	0.9	0.5			4.2
Southeast Asia	4.0	4.2	8.2	4.8	5.1	18.0	5.1	5.2	10.3			21.0	1.1	1.0	2.1			3.0
North America	2.7	3.3	6.0	4.1	4.3	14.4	3.5	3.9	7.4			16.4	0.8	0.7	1.5			2.0
Other	1.5	1.6	3.1	1.2	1.2	5.5	1.7	1.9	3.6			7.0	0.2	0.4	0.5			1.5
Fruit Solutions	3.7	4.7	8.4	4.1	3.9	16.5	3.8	4.5	8.3			17.0	0.1	(0.2)	(0.1)			0.5
Fine Chemicals	2.5	2.6	5.0	2.6	2.4	10.0	2.8	2.9	5.7			11.0	0.4	0.3	0.6			1.0
Common Business	1.4	1.3	2.7	1.4	1.3	5.3	1.3	1.9	3.3			5.4	(0.1)	0.6	0.6			0.1
Total	100.5	107.0	207.5	110.7	112.1	430.3	107.7	112.7	220.4			447.0	7.1	5.7	12.9			16.7

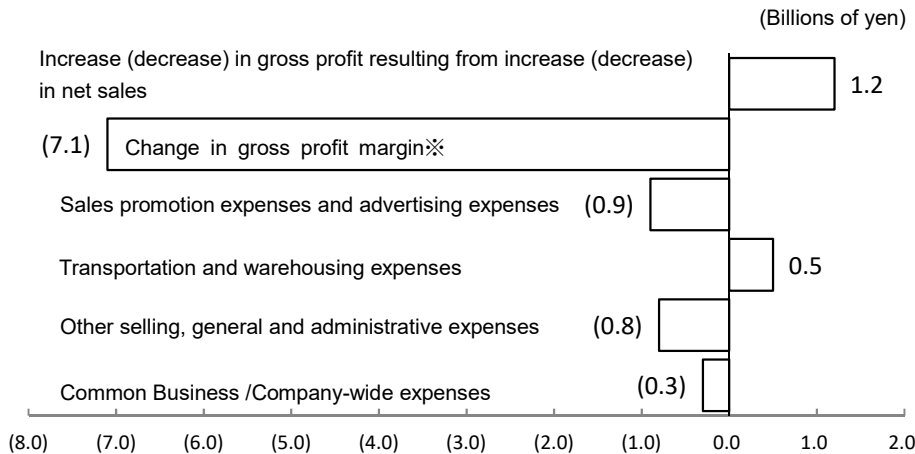
Operating Income (Billions of yen)	FY2022						FY2023						Change					
	1Q (Dec.-Feb.)	2Q (Mar.-May)	1H (Dec.-May)	3Q (Jun.-Aug.)	4Q (Sep.-Nov.)	Year	1Q (Dec.-Feb.)	2Q (Mar.-May)	1H (Dec.-May)	3Q (Jun.-Aug.)	4Q (Sep.-Nov.)	Year (Plan)	1Q (Dec.-Feb.)	2Q (Mar.-May)	1H (Dec.-May)	3Q (Jun.-Aug.)	4Q (Sep.-Nov.)	Year
Retail Market	4.0	3.4	7.4	3.6	2.4	13.4	1.6	2.8	4.4			8.2	(2.4)	(0.6)	(3.0)			(5.2)
Condiments	2.9	2.0	4.9	3.0	1.5	9.4	1.0	1.6	2.6			5.7	(1.9)	(0.4)	(2.3)			(3.7)
Delicatessen	0.7	0.9	1.7	0.5	0.5	2.8	0.3	0.9	1.2			1.7	(0.4)	(0.1)	(0.5)			(1.1)
Cut vegetables	0.3	0.5	0.8	0.3	0.2	1.3	0.1	0.2	0.3			0.6	(0.2)	(0.2)	(0.5)			(0.7)
Other	0.1	0.0	0.1	(0.2)	0.1	0.0	0.2	0.1	0.4			0.2	0.2	0.1	0.3			0.2
Food Service	1.8	2.4	4.1	1.5	1.3	6.9	0.5	0.9	1.4			1.4	(1.3)	(1.5)	(2.8)			(5.5)
Condiments	0.6	0.9	1.4	0.4	0.4	2.3	0.2	0.7	0.9			1.8	(0.4)	(0.1)	(0.5)			(0.5)
Egg	0.9	1.4	2.3	1.0	0.8	4.1	0.3	0.0	0.4			0.0	(0.6)	(1.4)	(1.9)			(4.1)
Other	0.3	0.1	0.4	0.1	0.0	0.5	(0.1)	0.1	0.0			(0.4)	(0.4)	0.0	(0.4)			(0.9)
Overseas	1.9	2.2	4.1	2.7	1.7	8.5	1.1	2.4	3.5			9.2	(0.8)	0.2	(0.6)			0.7
China	0.7	0.8	1.6	1.0	0.9	3.4	0.0	0.7	0.7			3.8	(0.7)	(0.1)	(0.8)			0.4
Southeast Asia	0.6	0.6	1.2	0.6	0.5	2.3	0.6	0.7	1.2			2.7	(0.0)	0.1	0.1			0.4
North America	0.3	0.3	0.6	0.5	0.4	1.4	0.3	0.5	0.8			1.8	0.0	0.2	0.2			0.4
Other	0.3	0.4	0.7	0.6	(0.1)	1.3	0.2	0.5	0.7			0.9	(0.1)	0.0	(0.0)			(0.4)
Fruit Solutions	0.0	0.2	0.3	0.0	(0.0)	0.3	0.0	0.2	0.2			0.2	(0.0)	(0.1)	(0.1)			(0.1)
Fine Chemicals	0.0	0.5	0.5	0.6	0.1	1.3	(0.4)	0.3	(0.1)			1.0	(0.5)	(0.2)	(0.6)			(0.3)
Common Business	0.4	0.3	0.7	0.3	0.2	1.2	0.4	0.3	0.7			1.0	0.0	0.0	0.0			(0.2)
Company-wide expenses	(1.4)	(1.5)	(2.9)	(1.5)	(1.7)	(6.2)	(1.5)	(1.7)	(3.2)			(7.0)	(0.1)	(0.2)	(0.3)			(0.8)
Total	6.7	7.5	14.2	7.2	4.0	25.4	1.7	5.2	6.8			14.0	(5.1)	(2.3)	(7.4)			(11.4)

Operating income ratio	6.7%	7.0%	6.9%	6.5%	3.6%	5.9%	1.5%	4.6%	3.1%			3.1%
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※ Growth rate in overseas net sales (Local currency basis) FY2023 1H 4%

2. Factors behind changes in operating income

(Billions of yen)	FY2022 1H	FY2023 1H	Change
Operating income	14.2	6.8	(7.4)



Impact of Spike in Main Raw Material Prices ¥(11.3) billion		
By raw material	Major raw materials (Condiments)	(8.7)
	Eggs	(2.6)
	Total	(11.3)

By Segment	Retail Market	(4.8)
	Food Service	(5.2)
	Overseas	(1.2)

※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)

		FY2021 1H	FY2022 1H	FY2023 1H	Change	YoY Change (%)
For household use	Volume (Thousands of tons)	69	63	60	(3)	(4)%
	Amount (Billions of yen)	34.8	33.4	36.1	2.7	8%
For commercial use	Volume (Thousands of tons)	45	46	46	(0)	(1)%
	Amount (Billions of yen)	17.4	18.6	21.3	2.7	14%
Exports	Volume (Thousands of tons)	4	5	5	(1)	(10)%
	Amount (Billions of yen)	1.7	2.4	2.3	(0.1)	(3)%

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

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

(Yen)	FY2021 1H	FY2022 1H	FY2023 1H	FY2023 Year (Plan)
USD (per \$1)	104	115	137	137
RMB (per RMB1)	16	18	20	20

5. Changes in market prices for major raw materials

(Yen/kg)	FY2021				FY2022				FY2023				Year (Plan)
	1Q (Dec.-Feb.)	2Q (Mar.-May)	3Q (Jun.-Aug.)	4Q (Sep.-Nov.)	1Q (Dec.-Feb.)	2Q (Mar.-May)	3Q (Jun.-Aug.)	4Q (Sep.-Nov.)	1Q (Dec.-Feb.)	2Q (Mar.-May)	3Q (Jun.-Aug.)	4Q (Sep.-Nov.)	
Average price of institutional use (tank truck base) for refined soybean and rapeseed oils for processed oil and fats	253	266	303	352	361	373	392	437	424	404			396
Benchmark price for medium-sized eggs, Tokyo market	168	240	240	211	179	208	207	241	297	348			340

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

(Billions of yen)	FY2022 1H	FY2023 1H	Change	FY2023 Year (Plan)
Capital investments	7.9	9.4	1.5	19.5
Depreciation and amortization	7.9	8.2	0.4	17.0
Sales promotion expenses	1.7	1.8	0.1	4.1
Advertising expenses	5.0	5.8	0.8	10.6
Transportation and warehousing expenses	13.9	13.4	(0.5)	27.6
Payroll expenses	15.1	15.4	0.3	31.4
Research and development expenses	1.8	1.8	0.0	3.9

7. Summary of non-operating income (expenses) and extraordinary gains (losses)

(Billions of yen)	FY2022 1H	FY2023 1H	Change	Items of changes	FY2023 Year (Plan)
Non-operating income (expenses), net	0.7	0.7	(0.0)	Increase in interest income	0.1
				Increase in allowance for doubtful accounts	(0.1)
Extraordinary gains (losses), net	(0.3)	0.1	0.4	Increase in compensation income	0.2
				Decrease in losses on disposal of fixed assets	0.2

8. Summary of balance sheets

(Billions of yen)	FY2022	FY2023 1H	Change	Items of changes	
Assets					
Current assets	167.7	170.3	2.6	Decrease in cash and deposits	(3.8)
				Increase in notes and accounts receivable - trade	1.1
				Increase in inventories	4.7
Fixed assets					
Tangible and intangible fixed assets	162.7	160.8	(1.8)	Decrease in buildings and structures	(1.5)
Investments and other assets	73.0	75.7	2.8	Increase in investment securities	2.1
Liabilities	108.8	111.7	2.9	Increase in notes and accounts payable - trade	2.9
				Decrease in accounts payable - other	(4.0)
				Increase in other non-current liabilities	2.6
Net assets	294.6	295.2	0.6	Increase in earned surplus	1.0
				Increase in unrealized holding gains (losses) on securities	0.9
				Decrease in foreign currency translation adjustments	(2.2)

9. Summary of cash flows

(Billions of yen)	FY2022 1H	FY2023 1H	Change	Items of changes
Cash flows from operating activities	13.3	11.7	(1.6)	Decrease in profit before income taxes (7.0) Increase in proceeds from compensation 1.7 Decrease in income taxes paid 3.0
Cash flows from investing activities	(7.5)	(10.1)	(2.5)	Increase in purchases of tangible fixed assets (2.5)
Cash flows from financing activities	(13.9)	(4.1)	9.8	Decrease in repayment of long-term loans payable 10.0

10. Sustainability targets

Material Issues	Initiative Theme	Indicators	FY2023 1H	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"> Contribute to achieving a vegetable intake target of 350 grams per day Promote a boost in egg consumption in order to contribute to increasing protein intake 			
	Mental and Physical Health Support for Children	Number of children's smiles via our activities (cumulative since FY2019)	316 thousand	At least 400 thousand	At least 1 million
Effective Use and Recycling of Resources	Elimination and Effective Utilization of Food Loss	Food waste reduction rate (compared to FY2015)	57.7%	At least 50%	At least 65%
		Effective utilization rate of unused portions of vegetables Main vegetables: Cabbage, etc.	82.3%	At least 70%	At least 90%
		Reduction rate in volume of product waste (compared to FY2015)	75.5%	At least 60%	At least 70%
	Reduction and Reuse of Plastic Emissions	Reduction rate in volume of plastic waste (compared to FY2018)	Calculated once a year	At least 8%	At least 30%
	Sustainable Use of Water Resources	Water usage (basic unit) reduction rate (compared to FY2020)	0.3%	At least 3%	At least 10%
Deal with Climate Change	Reduction of CO ₂ Emissions	Reduction rate in CO ₂ emissions (compared to FY2013)	32.8%	At least 30%	At least 50%
Conservation of Biodiversity	Conservation of Biodiversity	Promote the Kewpie Group Biodiversity Policy to conserve biodiversity and pass on the bounty of nature to future generations			
Sustainable Procurement	Promotion of Sustainable Procurement	Promote Fundamental Policy for Sustainable Procurement in cooperation with 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 our business			

※ The "Food waste reduction rate" indicator includes the "effective utilization rate of unused portions of vegetables".

※ Sustainability targets are domestic figures.

※ In FY2023, we added "Conservation of Biodiversity" as a new material issue.

11. Year plan for FY2023

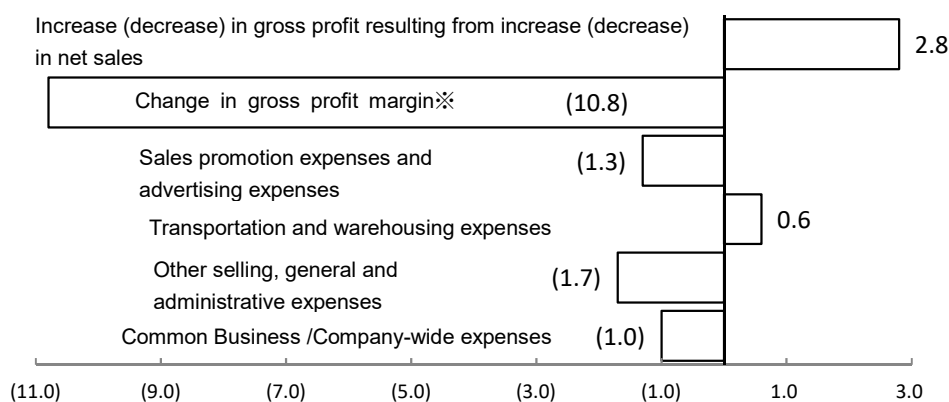
■ Forecasts of operating results

(Billions of yen)		FY2022	FY2023 (Plan)	Change	Change (%)
Net sales		430.3	447.0	16.7	4%
Operating income		25.4	14.0	(11.4)	(45)%
Ordinary income		27.2	15.8	(11.4)	(42)%
Profit attributable to owners of parent		16.0	8.5	(7.5)	(47)%
ROA		6.9%	4.0%	(2.9)%	–
ROE		6.2%	3.2%	(3.0)%	–
Operating income ratio		5.9%	3.1%	(2.8)%	–
Growth rate in overseas net sales (Local currency basis)		10%	10%	–	–
Exchange rates	USD (per \$1)	125 yen	137 yen	12 yen	–
	RMB (per RMB1)	19 yen	20 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	391 yen	396 yen	5 yen	–
	Benchmark price for medium-sized eggs, Tokyo market	209 yen	340 yen	131 yen	–

■ Factors behind changes in operating income

(Billions of yen)	FY2022	FY2023 (Plan)	Change
Operating income	25.4	14.0	(11.4)

(Billions of yen)



Impact of Spike in Main Raw Material Prices ¥(18.8) billion		
By raw material	Major raw materials (Condiments)	(13.5)
	Eggs	(5.2)
	Total	(18.8)
By Segment	Retail Market	(8.0)
	Food Service	(9.4)
	Overseas	(1.4)

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

12. Changes in principal management indexes

		FY2021 1H	FY2022 1H	FY2023 1H	FY2022
Net sales	(millions of yen)	198,879	207,523	220,382	430,304
Operating income	(millions of yen)	14,499	14,241	6,846	25,433
Operating income to net sales	(%)	7.3	6.9	3.1	5.9
Ordinary income ※1	millions of yen	15,183	14,964	7,552	27,249
Ordinary income to net sales ※1	(%)	7.6	7.2	3.4	6.3
Profit attributable to owners of parent ※1	(millions of yen)	9,621	8,889	4,797	16,033
Profit to net sales ※1	(%)	4.8	4.3	2.2	3.7
Net assets ※1	(millions of yen)	265,590	279,564	295,193	294,623
Total assets ※1	(millions of yen)	376,646	381,068	406,889	403,384
Equity ※1	(millions of yen)	241,953	253,835	267,441	267,657
Equity ratio ※1	(%)	64.2	66.6	65.7	66.4
Cash flows from operating activities	(millions of yen)	19,805	13,301	11,670	27,199
Cash flows from investing activities	(millions of yen)	(14,634)	(7,534)	(10,072)	(15,947)
Cash flows from financing activities	(millions of yen)	(11,013)	(13,902)	(4,088)	(16,812)
Free cash flow ※2	(millions of yen)	5,170	5,766	1,598	11,252
Cash and cash equivalents at the end of the period	(millions of yen)	60,955	60,468	61,496	65,335
Interest-bearing debt	(millions of yen)	44,097	32,520	33,305	33,042
Net assets per share ※1	(yen)	1,725.66	1,826.10	1,924.00	1,925.54
Earnings per share ※1	(yen)	67.86	63.95	34.51	115.34
Free cash flow per share	(yen)	36.47	41.49	11.50	80.95
Annual (interim) dividend per share	(yen)	20.0	20.0	23.0	47.0
Stock price at the end of the period	(yen)	2,505	2,127	2,222	2,447

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

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