

Annual Report

2024

December 1, 2023 to November 30, 2024

Kewpie Corporation

The information contained in this report is derived from Kewpie Corporation's (the "Company") Annual Securities Report in Japanese filed with the Commissioner of the Financial Services Agency on February 28, 2025 in accordance with the Financial Instruments and Exchange Law, and has been translated into English for the convenience of readers outside Japan.

Document Title:	Annual Securities Report
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I. Outline of the Company

1. Principal Management Indexes

(1) Consolidated principal management indexes for the five years ended November 30, 2024

Period ended	Nov. 2020	Nov. 2021	Nov. 2022	Nov. 2023	Nov. 2024
Net sales (millions of yen)	531,103	407,039	430,304	455,086	483,985
Ordinary income (millions of yen)	28,989	29,698	27,249	20,490	36,874
Profit attributable to owners of parent (millions of yen)	11,591	18,014	16,033	13,174	21,419
Comprehensive income (millions of yen)	14,347	24,546	32,635	23,989	30,933
Total net assets (millions of yen)	287,356	269,301	294,623	311,303	331,638
Total assets (millions of yen)	454,276	381,003	403,384	426,006	462,372
Net assets per share (yen)	1,676.05	1,767.14	1,925.54	2,027.90	2,174.74
Earnings per share (yen)	81.04	128.17	115.34	94.78	154.10
Earnings per share – diluted (yen)	—	—	—	—	—
Equity ratio (%)	52.8	64.5	66.4	66.2	65.4
Return on equity (%)	4.9	7.4	6.2	4.8	7.3
Price earnings ratio (times)	26.8	18.0	21.2	27.2	22.3
Cash flows from operating activities (millions of yen)	34,955	38,533	27,199	23,725	63,126
Cash flows from investing activities (millions of yen)	(26,039)	(20,277)	(15,947)	(17,721)	(23,893)
Cash flows from financing activities (millions of yen)	5	(18,701)	(16,812)	(9,514)	(21,126)
Cash and cash equivalents at the end of the fiscal year (millions of yen)	65,777	66,703	65,335	62,433	80,512
Number of regular full-time employees, and average number of temporary employees in brackets	16,003 [9,268]	10,719 [5,166]	10,696 [5,089]	10,642 [4,811]	10,517 [4,313]

(Notes) 1. Earnings per share – diluted is not presented because of no issue of potential shares.

2. In the fiscal year ended November 30, 2021, the Company finalized the provisional accounting treatment for business combinations. Accordingly, the principal management indexes pertaining to the fiscal year ended November 30, 2020 have been retroactively adjusted to reflect the finalization of the provisional accounting treatment.
3. In the fiscal year ended November 30, 2021, K.R.S. Corporation ("KRS") and its subsidiaries have changed from being consolidated subsidiaries to being affiliated companies accounted for by the equity method, as the Company sold part of the shares of KRS.
4. The Company has adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant guidance effective as of the beginning of the fiscal year ended November 30, 2022. Accordingly, the principal management indexes pertaining to the fiscal year ended November 30, 2022 onward have been adjusted to reflect the adoption of said accounting standard and relevant guidance.

(2) Non-consolidated principal management indexes for the five years ended November 30, 2024

Period ended	Nov. 2020	Nov. 2021	Nov. 2022	Nov. 2023	Nov. 2024
Net sales (millions of yen)	176,734	178,513	184,084	192,867	205,599
Ordinary income (millions of yen)	16,214	15,518	15,110	9,496	18,330
Profit (millions of yen)	9,794	11,009	12,644	9,776	13,380
Paid-in capital (millions of yen)	24,104	24,104	24,104	24,104	24,104
Total number of issued shares	150,000,000	141,500,000	141,500,000	141,500,000	141,500,000
Total net assets (millions of yen)	156,326	151,519	158,264	163,565	171,445
Total assets (millions of yen)	250,929	254,560	252,832	257,028	282,839
Net assets per share (yen)	1,092.88	1,090.03	1,138.56	1,176.71	1,233.40
Annual dividends per share, and interim dividends per share in brackets (yen)	40.0 [20.0]	47.0 [20.0]	47.0 [20.0]	50.0 [23.0]	54.0 [23.0]
Earnings per share (yen)	68.47	78.33	90.96	70.33	96.26
Earnings per share – diluted (yen)	—	—	—	—	—
Equity ratio (%)	62.3	59.5	62.6	63.6	60.6
Return on equity (%)	6.3	7.2	8.2	6.1	8.0
Price earnings ratio (times)	31.8	29.5	26.9	36.7	35.7
Dividend payout ratio (%)	58.4	60.0	51.7	71.1	56.1
Number of regular full-time employees, and average number of temporary employees in brackets	2,426 [569]	2,394 [537]	2,408 [538]	2,332 [499]	2,327 [439]
Total shareholder return (Comparative index: Dividend-included TOPIX) (%)	91.0 [105.8]	98.5 [118.7]	106.1 [125.5]	113.6 [154.0]	151.2 [178.0]
Highest stock price (yen)	2,496	2,813	2,558	2,648	3,896
Lowest stock price (yen)	1,783	2,123	2,083	2,116	2,414.5

(Notes) 1. Earnings per share – diluted is not presented because of no issue of potential shares.

2. The highest and lowest stock prices are those of the Prime Market of the Tokyo Stock Exchange from April 4, 2022, and of the First Section of the Tokyo Stock Exchange before that date.

3. The Company has adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant guidance effective as of the beginning of the fiscal year ended November 30, 2022. Accordingly, the principal management indexes pertaining to the fiscal year ended November 30, 2022 onward have been adjusted to reflect the adoption of said accounting standard and relevant guidance.

2. Nature of Business

The Kewpie Group (the "Group") consists of the Company, fifty-four (54) consolidated subsidiaries, twenty-seven (27) affiliated companies, and one other associated company. The Group's principal businesses are manufacturing and wholesaling of food products.

The business categories of the Group and the position of the Company and these principal associated companies in the relevant businesses are summarized below.

The business categories shown below are the same categories as the reporting segments.

(As of November 30, 2024)

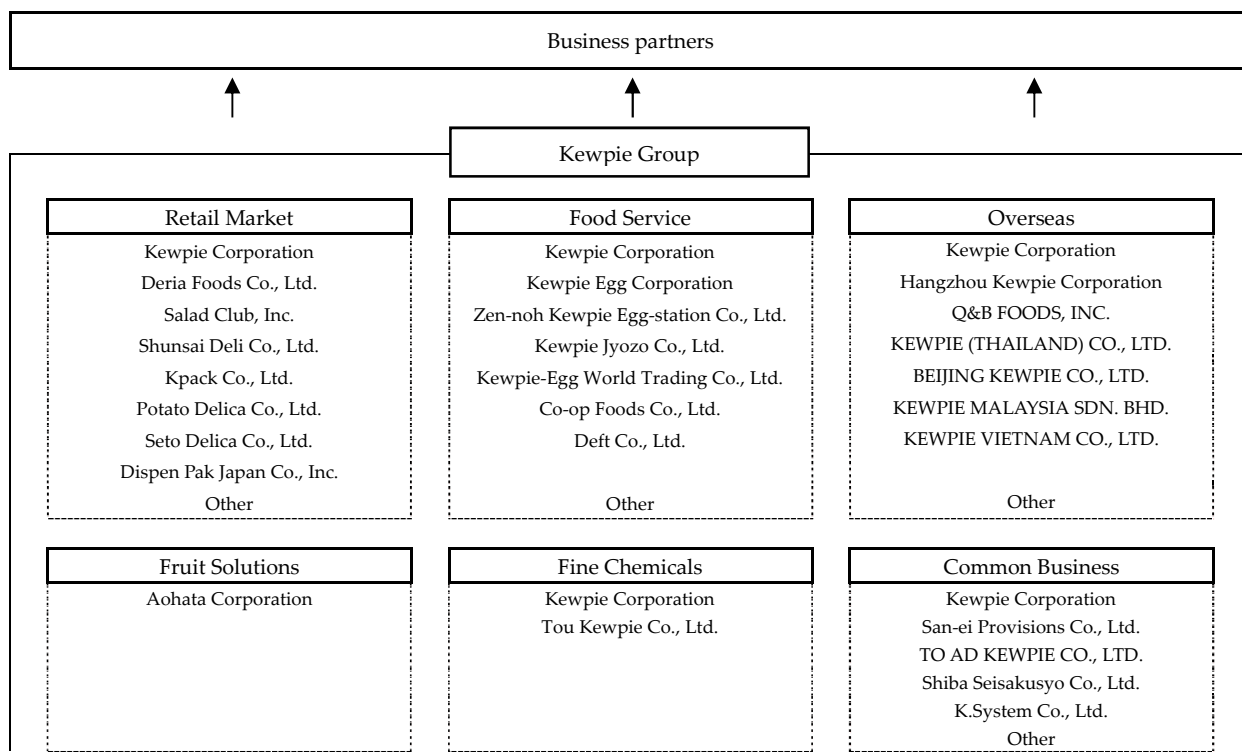
Business category	The Company and principal associated companies	Major handling items / services
Retail Market	Kewpie Corporation	Mayonnaise and dressings
	Kpack Co., Ltd.	
	Dispen Pak Japan Co., Inc.	Salads, delicatessen foods and others
	Deria Foods Co., Ltd.	
Food Service	Shunsai Deli Co., Ltd.	Packaged salads and others
	Salad Club, Inc.	
	Kewpie Corporation	Mayonnaise and dressings
	Kewpie Egg Corporation	Liquid egg, egg products and others
Overseas	Zen-noh Kewpie Egg-station Co., Ltd.	
	Kewpie Jyozo Co., Ltd.	Vinegar and others
	Co-op Foods Co., Ltd.	Prepared foods
	Kewpie Corporation	Mayonnaise and dressings
Fruit Solutions	Hangzhou Kewpie Corporation	
	BEIJING KEWPIE CO., LTD.	
	Q&B FOODS, INC.	
Fine Chemicals	KEWPIE (THAILAND) CO., LTD.	
	Aohata Corporation	Jams, fruit processed foods and others
	Kewpie Corporation	Hyaluronic acid and others
	Shiba Seisakusyo Co., Ltd.	Sale of food production equipment

The Group Business Network chart on the next page shows the relationships of the business activities of Group companies.

Aohata Corporation, a consolidated subsidiary, is listed on the Standard Market of the Tokyo Stock Exchange.

(Group Business Network)

As of November 30, 2024



3. Outline of Associated Companies

(1) Parent company

Not applicable.

(2) Consolidated subsidiaries

Trade name	Address	Paid-in capital/ equity investment	Business lines	Percentage of our voting rights	Relationship with the Company			
					Interlocking directors (D) or corporate auditors (A)	Finance from the Company	Operating transactions	Lease transactions
Kewpie Egg Corporation (Notes 1 & 4)	Chofu-shi, Tokyo	350 million yen	Production and sale of liquid, frozen and processed egg	100.0	D or A Employees 18	None	Purchase of products and raw materials, etc.	Leases of offices and factories
Deria Foods Co., Ltd. (Note 4)	Chofu-shi, Tokyo	50 million yen	Sale of salads and delicatessen foods	100.0	D or A Employees 36	None	Sale of goods and products	Leases of offices
Kewpie Jyozo Co., Ltd.	Chofu-shi, Tokyo	100 million yen	Production and sale of vinegar	100.0	D or A Employees 15	None	Purchase of products and raw materials	Leases of offices
San-ei Provisions Co., Ltd.	Chofu-shi, Tokyo	57 million yen	Sale of products for food service use	66.2	Employees 4	None	Sale of products and purchase of raw materials	Leases of offices
Co-op Foods Co., Ltd.	Chofu-shi, Tokyo	50 million yen	Production and sale of bottled, canned and retort pouch foods	100.0	Employees 3	None	Purchase of products	Leases of offices
Zen-noh Kewpie Egg-station Co., Ltd.	Goka-machi, Sashima-gun, Ibaraki	100 million yen	Production and sale of dried egg and liquid egg	100.0	D or A Employees 23	1,087 million yen	Purchase of raw materials	Leases of factories
Q&B FOODS, INC.	California, USA	4,800 thousand U.S. dollars	Production and sale of condiments	100.0 (100.0)	Employees 3	None	None	None
KEWPIE AMERICAS, INC.	Delaware, USA	7.17 U.S. dollars	Investment in and management of U.S. associates	100.0	Employees 3	None	None	None
Hashikami Kewpie Co., Ltd.	Hashikami-cho, Sannohe-gun, Aomori	10 million yen	Production and processing of foods; outsourced work	100.0	Employees 2	None	Consignment of production	Leases of factories
Dispen Pak Japan Co., Inc.	Minami-Ashigara-shi, Kanagawa	140 million yen	Production and sale of foods, subdividing and packing work	51.0	D or A Employees 14	None	Purchase of products	Leases of offices and factories
Shiba Seisakusyo Co., Ltd.	Kawasaki-ku, Kawasaki-shi, Kanagawa	20 million yen	Production of machinery and equipment	100.0	Employees 4	None	Purchase of machinery and equipment	None
Potato Delica Co., Ltd.	Azumino-shi, Nagano	50 million yen	Production of frozen and chilled foods	100.0 (0.9)	Employees 6	1,152 million yen	Purchase of products	Leases of factories
Deft Co., Ltd.	Shibuya-ku, Tokyo	10 million yen	Sale of condiments, frozen and processed foods	100.0	Employees 4	None	Sale of goods and products	Leases of offices
K.System Co., Ltd.	Chofu-shi, Tokyo	50 million yen	Consigned clerical work	80.0	Employees 4	None	Consignment of clerical work	Leases of offices
Kpack Co., Ltd.	Goka-machi, Sashima-gun, Ibaraki	30 million yen	Production and sale of condiments	100.0	D or A Employees 15	None	Purchase of products	Leases of offices
Tosu Kewpie Co., Ltd.	Tosu-shi, Saga	10 million yen	Production and processing of foods; outsourced work	100.0	Employees 2	None	Consignment of production	Leases of factories

Trade name	Address	Paid-in capital/ equity investment	Business lines	Percentage of our voting rights	Relationship with the Company			
					Interlocking directors (D) or corporate auditors (A)	Finance from the Company	Operating transactions	Lease transactions
Hangzhou Kewpie Corporation	Zhejiang Province, China	140 million yuan	Production and sale of condiments	72.0 (72.0)	Employees 6	None	None	None
Seto Delica Co., Ltd.	Seto-shi, Aichi	30 million yen	Production and sale of delicatessen foods	100.0 (100.0)	Employees 2	592 million yen	Sale of goods and products	None
Ishikari Delica Co., Ltd.	Teine-ku, Sapporo-shi, Hokkaido	30 million yen	Production and sale of delicatessen foods	100.0 (100.0)	Employees 5	None	Sale of goods and products	None
Hanshin Delica Co., Ltd.	Itami-shi, Hyogo	10 million yen	Production and sale of delicatessen foods	100.0 (100.0)	Employees 5	None	Sale of goods and products	Leases of factories
Salad Club, Inc.	Chofu-shi, Tokyo	300 million yen	Processing and sale of fresh vegetables	51.0	D or A Employees 2	None	Sale of goods and products	Leases of offices and factories
BEIJING KEWPIE CO., LTD. (Note 1)	Beijing, China	211 million yuan	Production and sale of condiments	72.0 (72.0)	Employees 6	None	None	None
Tosu Delica Co., Ltd.	Tosu-shi, Saga	10 million yen	Production and sale of delicatessen foods	100.0 (100.0)	Employees 4	None	Sale of goods and products	Leases of factories
Kewpie Ai Co., Ltd.	Chofu-shi, Tokyo	30 million yen	Consigned clerical work	100.0	Employees 5	20 million yen	Consignment of clerical work	Leases of offices
Kitakami Delica Co., Ltd.	Kitakami-shi, Iwate	20 million yen	Production and sale of delicatessen foods	100.0 (100.0)	Employees 5	None	Sale of goods and products	None
K.SS Co., Ltd.	Shibuya-ku, Tokyo	10 million yen	Planning, production and services for sales promotion	100.0	Employees 3	None	Consignment of sales	Leases of offices
KEWPIE (THAILAND) CO., LTD. (Note 5)	Bangkok, Thailand	268 million baht	Production and sale of condiments, vinegar, salads and processed foods	45.3	D or A Employees 4	None	None	None
Shunsai Deli Co., Ltd.	Akishima-shi, Tokyo	20 million yen	Production and sale of delicatessen foods	100.0 (100.0)	Employees 7	None	Sale of goods and products	Leases of factories
KEWPIE MALAYSIA SDN.BHD.	Malacca, Malaysia	57 million ringgit	Production and sale of condiments	70.0	Employees 4	None	None	None
KEWPIE VIETNAM CO., LTD.	Binh Duong, Vietnam	256.4 billion dong	Production and sale of condiments	80.0	Employees 4	None	Sale of goods and products	None
PT KEWPIE INDONESIA (Note 1)	West Java, Indonesia	532.9 billion rupiah	Production and sale of condiments	60.0 (1.7)	Employees 3	None	None	None
Kewpie-Egg World Trading Co., Ltd.	Chofu-shi, Tokyo	100 million yen	Sale of egg and processed egg	100.0 (51.0)	Employees 4	None	Purchase of raw materials	Leases of offices
Green Message Co., Ltd.	Yamato-shi, Kanagawa	100 million yen	Processing and sale of fresh vegetables	51.0	D or A Employees 4	475 million yen	Sale of products	None
Tou Kewpie Co., Ltd.	Shibuya-ku, Tokyo	10 million yen	Mail-order business	70.0	Employees 4	59 million yen	Sale of goods and products	None
Aohata Corporation (Notes 3, 5 & 6)	Takehara-shi, Hiroshima	915 million yen	Production and sale of jams and fruit processed foods	44.7 [11.1]	None	None	Purchase of products	Leases of offices

Trade name	Address	Paid-in capital/ equity investment	Business lines	Percentage of our voting rights	Relationship with the Company			
					Interlocking directors (D) or corporate auditors (A)	Finance from the Company	Operating transactions	Lease transactions
Nantong Kewpie Corporation (Note 1)	Jiangsu Province, China	184 million yuan	Production and sale of vinegar, processed egg and salads	72.0 (72.0)	Employees 6	None	None	None
Mosso Kewpie Poland Sp. z o.o. (Note 1)	Puchały, Poland	160,300 thousand Polish zloty	Production and sale of condiments	100.0	Employees 5	Liabilities for guarantee 1,748 million yen	None	None
TO AD KEWPIE CO., LTD. (Note 5)	Shibuya-ku, Tokyo	4 million yen	Agency service for advertising, publicity, and exhibitions	50.0	Employees 4	None	Advertising agency services	Leases of offices
Kewpie China Corporation (Note 1)	Beijing, China	723 million yuan	Financial management and business management of the Company's local subsidiaries in China	100.0	Employees 6	None	None	None
Guangzhou Kewpie Corporation (Note 1)	Guangdong Province, China	270 million yuan	Production and sale of condiments	72.0 (72.0)	Employees 6	None	None	None
Kewpie Philippines, Inc.	Manila, Philippines	50 million peso	Sale of condiments	100.0	Employees 3	Liabilities for guarantee 120 million yen	None	None
Tsukuba Egg Processing Corporation	Tsukuba-shi, Ibaraki	100 million yen	Production and sale of processed egg	51.0 (51.0)	Employees 2	None	None	None
KEWPIE SINGAPORE PTE. LTD.	Singapore, Singapore	1 million Singapore dollars	Sale of condiments	80.0	Employees 2	None	Sale of goods and products	None
Kewpie Trading Europe B.V.	Amsterdam, the Netherlands	181 thousand Euro	Sale of condiments	100.0	Employees 3	None	Sale of products	None
KEWPIE AUSTRALIA PTY. LTD.	New South Wales, Australia	1,500 thousand Australian dollars	Sale of condiments	100.0	Employees 2	None	None	None

(3) Equity-method affiliates

Trade name	Address	Paid-in capital/ equity investment	Business lines	Percentage of our voting rights	Relationship with the Company			
					Interlocking directors (D) or corporate auditors (A)	Finance from the Company	Operating transactions	Lease transactions
Summit Oil Mill Co., Ltd.	Mihama-ku, Chiba-shi, Chiba	97 million yen	Production of vegetable oil	49.0	Employees 2	None	Sale of products and purchase of raw materials	None
Kunimi Nosankako Co., Ltd.	Kunisaki-shi, Oita	80 million yen	Production and sale of frozen and chilled foods	20.6	Employees 2	35 million yen	Purchase of products	None
To Solutions Co., Ltd.	Chofu-shi, Tokyo	90 million yen	Plan, development, sale, maintenance and operations support of computer systems	20.0	Employees 2	None	Consignment of calculation work, etc.	Leases of offices and rental of office equipment
K.R.S. Corporation (Note 3)	Chofu-shi, Tokyo	4,063 million yen	Warehousing and transportation	43.6 (0.3)	D or A 1	None	Consignment of storage and transportation of products and raw materials of Group companies	Leases of offices, land and warehouses
S.Y. PROMOTION Co., Ltd. (Note 7)	Koto-ku, Tokyo	200 million yen	Transportation	37.4	Employee 1	None	Consignment of transportation services	None
K. Tis Corporation (Note 7)	Chofu-shi, Tokyo	82 million yen	Warehousing and transportation	—	None	None	None	None
Kewso Services Corporation (Note 7)	Chofu-shi, Tokyo	30 million yen	Sale of equipment for cars	—	None	None	Rental of cars for factories	Rental of cars for factories
San-ei Logistics Corporation (Note 7)	Akishima-shi, Tokyo	38 million yen	Transportation	—	None	None	None	None
AXIA-Logi Corporation (Note 7)	Hirakata-shi, Osaka	66 million yen	Transportation	—	None	None	None	None
San Family Corporation (Note 7)	Misato-shi, Saitama	99 million yen	Transportation	—	None	None	None	None
KAT Corporation (Note 7)	Hirakata-shi, Osaka	20 million yen	Transportation	—	None	None	None	None
Fresh Delica Network Corporation (Note 7)	Fuchu-shi, Tokyo	20 million yen	Transportation	49.0 (49.0)	Employees 2	None	None	Leases of parking lots
KSK Corporation (Note 7)	Utazu-cho, Ayauta-gun, Kagawa	20 million yen	Transportation	—	None	None	None	None
PT Kiat Ananda Cold Storage (Note 7)	West Java, Indonesia	21.4 billion rupiah	Warehousing	—	None	None	None	None
PT Ananda Solusindo (Note 7)	West Java, Indonesia	185.7 billion rupiah	Warehousing	—	None	None	None	None
PT Manggala Kiat Ananda (Note 7)	Jakarta, Indonesia	98.8 billion rupiah	Transportation	—	None	None	None	None
PT Trans Kontainer Solusindo (Note 7)	West Java, Indonesia	15 billion rupiah	Ship transportation	—	None	None	None	None

(Notes) 1. Kewpie Egg Corporation, BEIJING KEWPIE CO., LTD., PT KEWPIE INDONESIA, Nantong Kewpie Corporation, Mosso Kewpie Poland Sp. z o.o., Kewpie China Corporation, and Guangzhou Kewpie Corporation are classified under Japanese tax law as *tokutei kogaisha*, a special category of subsidiary.

2. The figures in parentheses under "Percentage of our voting rights" indicate the proportion of indirect ownership and are included in the respective figures above.
3. The companies file their own annual securities report to the Commissioner of the Financial Services Agency.
4. Net sales of Kewpie Egg Corporation (excluding sales from intra-group transactions) exceed 10% of the Company's consolidated net sales.
Major profit/loss information:

(1) Net sales	¥106,950 million
(2) Ordinary income	¥5,334 million
(3) Profit	¥3,335 million
(4) Total net assets	¥40,628 million
(5) Total assets	¥58,964 million

 Net sales of Deria Foods Co., Ltd. (excluding sales from intra-group transactions) exceed 10% of the Company's consolidated net sales.
Major profit/loss information:

(1) Net sales	¥64,970 million
(2) Ordinary income	¥2,628 million
(3) Profit	¥2,115 million
(4) Total net assets	¥7,340 million
(5) Total assets	¥19,408 million
5. KEWPIE (THAILAND) CO., LTD., Aohata Corporation and TO AD KEWPIE CO., LTD. are treated as subsidiaries, even though the voting rights held by the Company as a percentage of total voting rights are 50% or less, in view of the substantial control exerted over their management.
6. In the "Percentage of our voting rights" column, the figures shown in square brackets indicate the percentage of voting rights of closely related persons or persons whose consents are obtained, which are excluded from the respective figures above.
7. The companies are consolidated subsidiaries of KRS.

(4) Other associated company

Trade name	Address	Paid-in capital/ equity investment	Business lines	Percentage of their voting rights (Note)	Relationship with the Company			
					Interlocking directors (D) or corporate auditors (A)	Finance from the Company	Operating transactions	Lease transactions
NAKASHIMATO CO., LTD.	Shibuya-ku, Tokyo	50 million yen	Sale of various processed foods	16.1 (8.0)	D or A 2	None	Purchase of products, etc.	Leases of offices

(Note) The figure in parentheses under "Percentage of their voting rights" indicates the proportion of indirect ownership and is included in the respective figure above.

4. Employees

(1) The Company and its consolidated subsidiaries

(As of November 30, 2024)

Segment	Number of employees	
Retail Market	2,432	(2,806)
Food Service	3,270	(1,089)
Overseas	3,555	(79)
Fruit Solutions	438	(180)
Fine Chemicals	256	(63)
Common Business	333	(79)
Company-wide	233	(17)
Total	10,517	(4,313)

- (Notes) 1. The employee figure indicates registered regular employees and long-term special contract employees, excluding the Group employees dispatched outside the Group but including workers from outside employed within the Group on dispatch. The figure in parentheses indicates the annual average number of short-term contract non-regular employees and workers hired on a daily, weekly or seasonal basis, and is excluded from the figure above.
2. The Company-wide employee figure indicates the number of the employees belonging to administration divisions of the Company that cannot be categorized by specific segments.

(2) The labor union

Formed on July 14, 1962, the Kewpie labor union is the main labor union of the Group.

The labor-management relations are stable and there are no matters that should be reported.

(3) Proportions of female workers in management positions, percentages of male workers taking childcare leave, and differences in wages between male and female workers

◇ Proportions of female workers in management positions

(Current fiscal year)

Trade name	Proportions of female workers in management positions
Kewpie Corporation (the Company)	15.9%
Kewpie Egg Corporation	4.8%
Hashikami Kewpie Co., Ltd.	8.3%
Hanshin Delica Co., Ltd.	7.1%
Salad Club, Inc.	3.3%
Shunsai Deli Co., Ltd.	2.9%
Aohata Corporation	7.7%

- (Notes) 1. The figures were calculated in accordance with the provisions of the "Act on the Promotion of Women's Active Engagement in Professional Life" (Act No. 64 of 2015).
2. The aggregation is based on workers in each company, and workers seconded to other companies were included as employees of the company to which they were seconded.

◇ Percentages of male workers taking childcare leave

(Current fiscal year)

Trade name	Percentages of male workers taking childcare leave
Kewpie Corporation (the Company)	88.5%
Kewpie Egg Corporation	127.3%

- (Notes) 1. The figures were proportions of workers taking child care leave, etc. in the Article 71-4 Item 1 of the "Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members" (Ordinance of the Ministry of Labor No. 25 of 1991) calculated in accordance with the provisions of the "Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members" (Act No. 76 of 1991).
2. The aggregation is based on workers in each company, and workers seconded to other companies were included as employees of the company to which they were seconded.
3. The percentages of workers taking childcare leave may exceed 100% due to the gap between the fiscal year of a child's birth and the fiscal year in which childcare leave, etc. for that child began.

◇ Differences in wages between male and female workers

(Current fiscal year)

Trade name	Permanent workers	Non-permanent workers	Total workers
Kewpie Corporation (the Company)	61.5%	72.5%	59.1%
Kewpie Egg Corporation	69.5%	78.0%	65.6%
Hashikami Kewpie Co., Ltd.	80.5%	84.4%	67.6%
Hanshin Delica Co., Ltd.	80.4%	82.1%	60.8%
Salad Club, Inc.	78.0%	89.7%	74.8%
Shunsai Deli Co., Ltd.	72.5%	77.9%	57.3%
Aohata Corporation	64.5%	71.9%	56.0%

- (Notes) 1. The figures were calculated in accordance with the provisions of the "Act on the Promotion of Women's Active Engagement in Professional Life" (Act No. 64 of 2015).
2. The aggregation is based on those who belong to each company, and workers seconded to other companies were included as employees of the company from which they were seconded.
3. There is no difference in wages between men and women doing the same work and on the same grade. There are differences in wages due to proportions in management positions for permanent workers and due to a high proportion of women as non-permanent workers amongst the total workers.

II. Business Operations

1. Management Policy, Business Environment, Tasks Ahead, Etc.

The following outlines the Group's management policy, business environment, tasks ahead, etc.

Forward-looking statements included in this section are based on the Group's judgment of information available as of the end of the current fiscal year.

(1) Basic policy of Company management

The Group is a corporate group that focuses on the field of food, which is essential to people's lives. While cherishing the corporate motto and principles that have been passed down since our establishment, we aim to contribute to the food culture and health of the world through "great taste, empathy, and uniqueness".

Based on our 2030 Vision, which outlines our ideals for 2030, and our Medium-term Business Plan, which details our growth and development strategies, we will continue to expand our wide range of business activities. We will deliver unique products and services that are characteristic of the Group, and actively work to resolve social issues.

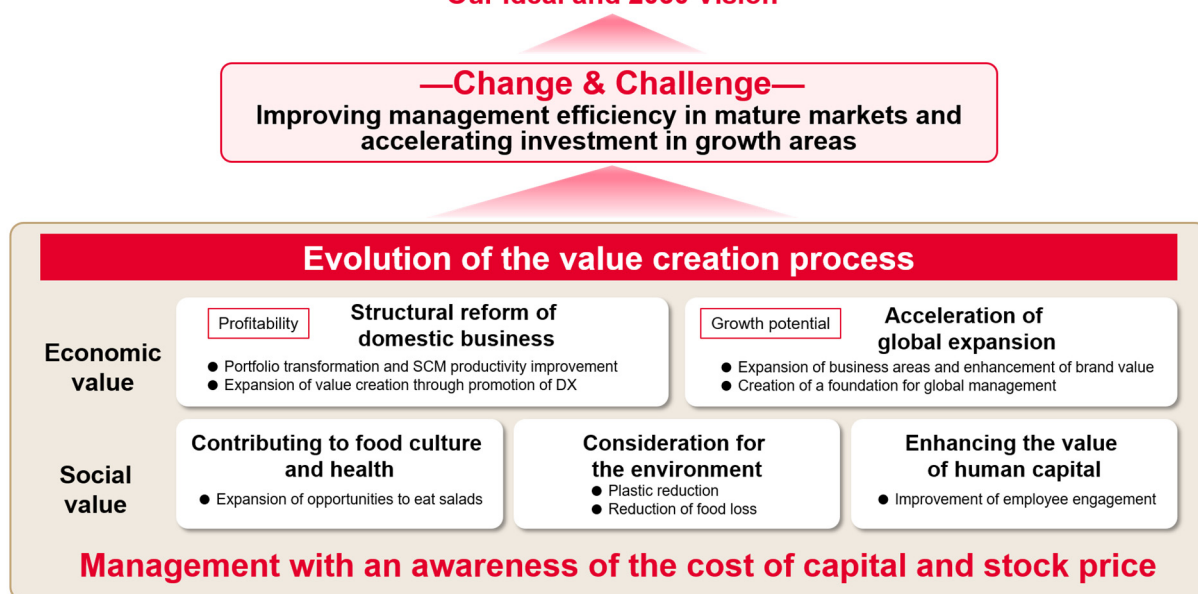
(2) Medium- to long-term business strategies, business environment, tasks ahead, etc.

[Medium-Term Business Plan]

The Group aims to contribute to the food culture and health of the world through "great taste, empathy, and uniqueness" and has established the "Kewpie Group 2030 Vision" as its long-term vision.

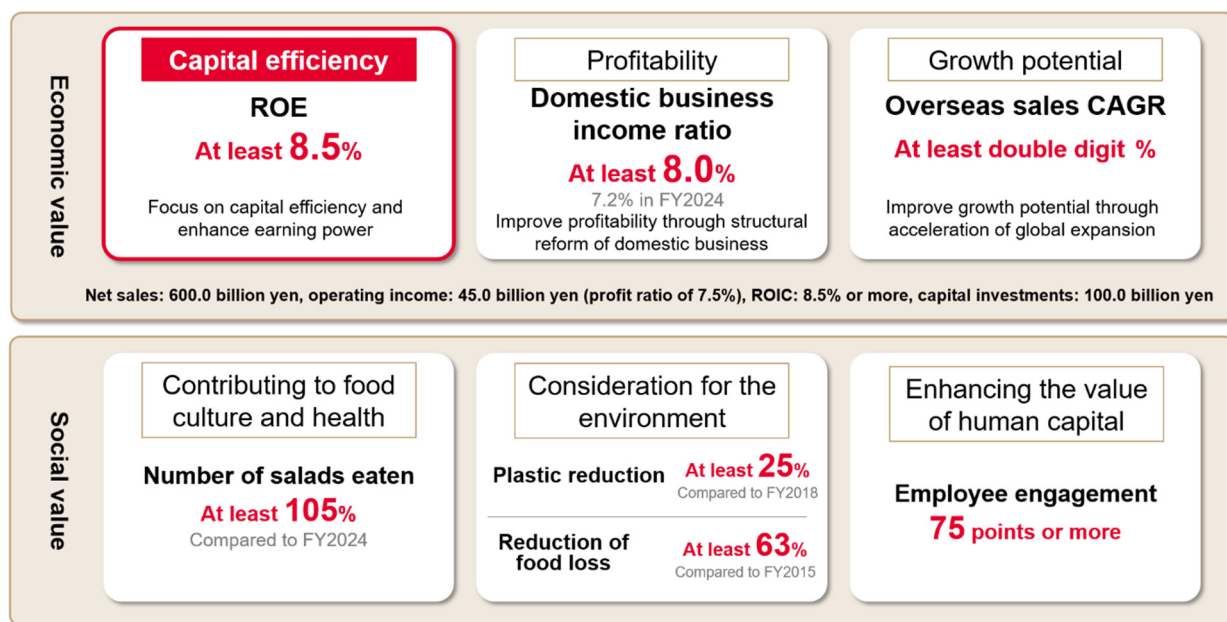
Under our FY2025–FY2028 Medium-term Business Plan, we will work on the theme of "—Change & Challenge—Improving management efficiency in mature markets and accelerating investment in growth areas". Along with "Structural reform of domestic business" and "Acceleration of global expansion", the Group will promote "Contributing to food culture and health", "Consideration for the environment", and "Enhancing the value of human capital", thereby creating both social and economic value and contributing to customers around the world.

Our Ideal and 2030 Vision

















[FY2025–FY2028 Medium-Term Business Plan — Key Indicators]

In the FY2025–FY2028 Medium-term Business Plan, the Group selected "ROE", "Domestic business income ratio", and "Overseas sales CAGR" as its key indicators of economic value, and while focusing on capital efficiency, the Group will enhance earning power for both the domestic and global businesses. The Group will also strive to achieve the management targets of "Number of salads eaten", "Plastic reduction", "Reduction of food loss" and "Employee engagement", treating these as indicators of social value.

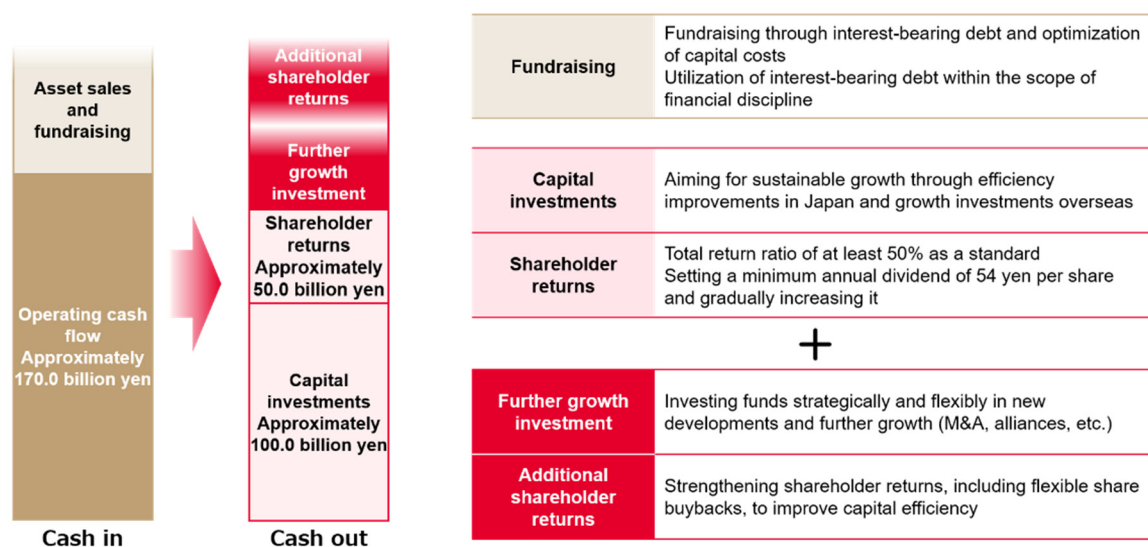


<Sustainability targets>

Key issues	Themes of initiatives	Indicators	Baseline	FY2024	FY2028 target	FY2030 target	Alignment with SDGs
Contributing to food culture and health	Contribution to extending healthy life expectancy	As a food partner for every person: • 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	At least 400 thousand people	At least 800 thousand people	At least 1,000 thousand people	
Effective use and recycling of resources	Reduction and effective utilization of food loss	Rate of reduction of food waste	FY2015	At least 50%	At least 63%	At least 65%	  
		Rate of effective utilization of unused portion of vegetables (Main vegetables: Cabbage, etc.)	Current year	At least 70%	At least 88%	At least 90%	
		Rate of product waste volume reduction	FY2015	At least 60%	At least 70%	At least 70%	
	Reduction and reuse of plastics	Rate of plastic volume reduction	FY2018	At least 8%	At least 25%	At least 30%	
	Sustainable use of water resources	Water usage (per-unit-basis) reduction rate	FY2020	At least 3%	At least 8%	At least 10%	
Dealing with climate change	Reduction of CO ₂ emissions	Reduction of CO ₂ emissions rate	FY2013	At least 30%	At least 46%	At least 50%	 
Conservation of biodiversity	Conservation of biodiversity	100% sustainable paper procurement rate by FY2025 (container packaging materials, printed booklets, sales promotion materials, office supplies)	Current year	—	At least 100%	At least 100%	 
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					 

[FY2025–FY2028 Medium-Term Business Plan — Cash Allocation]

As for cash allocation, the Group is targeting a cumulative amount of approximately ¥170.0 billion in operating cash flow for the four-year period. The Group also plans to conduct asset sales and fundraising during this period and aggressively allocate such funds to investments. The Group plans to allocate approximately ¥100.0 billion for capital investments. Moreover, as part of our targets for shareholder returns, the Group has set a minimum dividend payment of ¥54 and will gradually increase the amount during the plan's period. Also, the Group has set "at least 50%" as a standard for the cumulative four-year total return ratio. Furthermore, the Group plans to strengthen shareholder returns by including flexible share buybacks to achieve further growth investment and improve capital efficiency.



2. Sustainability Approach and Initiatives

The following outlines the Group's sustainability approach and initiatives.

Forward-looking statements included in this section are based on the Group's judgment of information available as of the end of the current fiscal year.

(1) Sustainability in general

The Group aims to continue helping create a better society by contributing to food culture and health of the world through great taste, empathy, and uniqueness. We recognize sustainability initiatives as important activities and help realize a sustainable society through the practice of our Corporate Philosophy and Group Policies, and implement our initiatives as a foundation for the sustainable growth of the Group, based on the "Kewpie Group Basic Policy on Sustainability".

Basic Policy on Sustainability

With an emphasis on the aspiration for "**love around the kitchen table**", we aim to address and resolve various issues through "great taste, empathy and uniqueness". We will create a future full of smiles by caring for people and the environment throughout the value chain, from product design and raw material procurement, to production, sales and consumption.

Contributing to Food Culture and Health

- Focusing on salads and eggs as key components of dietary habits, we contribute to extending the healthy life expectancy of people around the world through the pursuit and global promotion of nutrition and health benefits.
- Through food, we support the mental and physical health of children who will create the future.

Effective Use and Recycling of Resources

- As the only manufacturer in the world that makes effective use of the entire egg, we will continue to refine our technologies and create value.
- In proposing ways of eating and utilizing uneaten portions, we aim to become a globally unique "vegetable utilization manufacturer".
- To realize a recycling-oriented society in plastics, we will promote environmentally friendly product design and collaboration with external parties.
- Recognizing that water is a limited and precious resource, we will use it efficiently and reduce the environmental impact of water intake and discharge.
- We will develop extensive technologies matching demand information with production, transportation and delivery data information to eliminate food loss.

Deal with Climate Change

- We aim to reduce CO₂ emissions throughout the value chain, from the procurement of raw materials to product consumption.

Conservation of Biodiversity

- We will strive to minimize negative impacts on biodiversity and restore and regenerate ecosystems.

Sustainable Procurement

- In addition to safety, we will collaborate with business partners to promote stable procurement that takes into consideration environmental impacts and human rights.

Respect for Human Rights

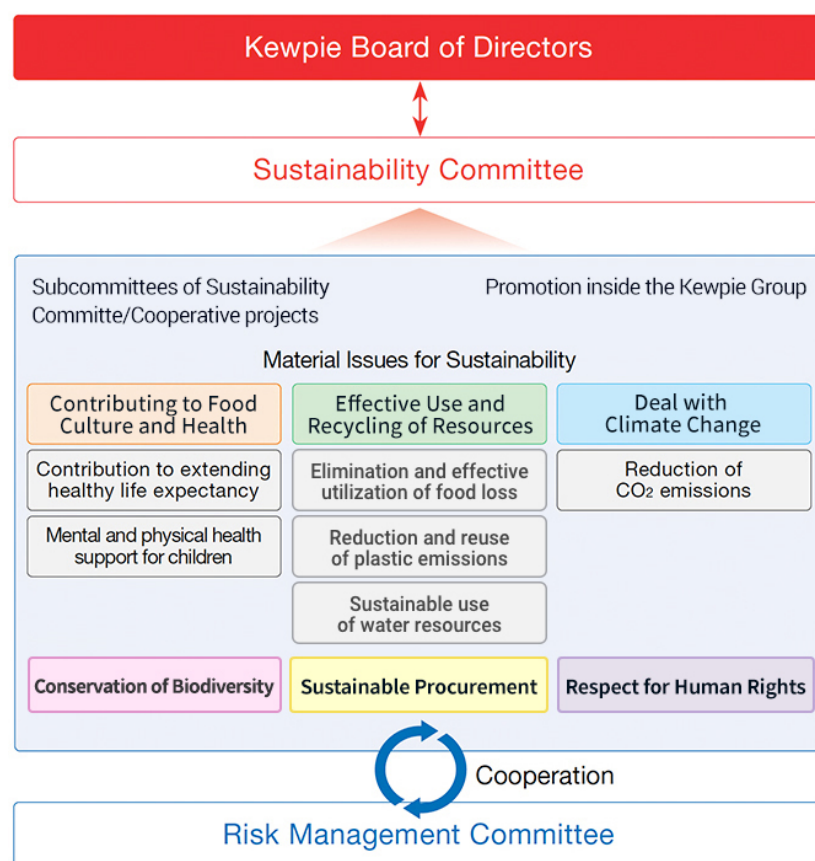
- We promote employee diversity and inclusion, protecting the human rights of everyone involved in our business.

1) Governance

The Sustainability Committee formulates policies and plans to achieve targets, as well as identifies important matters and promotes initiatives to address material issues, with authority delegated by the Management Committee (an advisory body to the Representative Director, President and Chief Executive Corporate Officer). The Sustainability Committee submits reports to the Board of Directors, and the Board of Directors discusses on the content of the Sustainability Committee's deliberations as appropriate, thereby ensuring supervision by the Board of Directors. In FY2024, the progress of our decarbonization efforts was reported at the meetings of the Board of Directors, and opinions were exchanged about future initiatives. In addition, the Sustainability Committee had four meetings to discuss the formulation of sustainability-related policies and plans including climate change initiatives, identification of important matters, and promotion of initiatives on material issues.

Sustainability Promotion System

Meeting bodies, other structures	Roles and responsibilities	Meetings held in FY2024
Board of Directors	Deliberation upon the Group's overall policy and most important matters, and supervision of sustainability-related issues (in general), including climate change	1/12 total
Sustainability Committee	Formulation of sustainability-related policies and plans including climate change initiatives, identification of important matters, and promotion of initiatives on material issues	4 total
Chairperson of the Sustainability Committee	Director and Executive Corporate Officer in Charge of Corporate	—



2) Strategy

Using backcasting from 2030 and considering our aims to realize the "Kewpie Group 2030 Vision" and contribute to SDGs, the Group has identified the following material issues for sustainability.

- Contributing to food culture and health
- Effective use and recycling of resources
- Deal with climate change
- Conservation of biodiversity
- Sustainable procurement
- Respect for human rights

We believe that these issues are important to both contribute to the realization of a sustainable society and achieve sustainable growth for the Group. We will periodically review our material issues in response to changes in the social and global environment.

We have also established sustainability targets that align with index material issues in accordance with the Kewpie Group Basic Policy on Sustainability, and we are actively carrying out efforts to achieve them.

(i) Contributing to food culture and health

In light of recent social changes, there is a growing awareness of health issues around the world. We believe that we can respond to this shift in awareness and create opportunities by promoting "Contribution to extending healthy life expectancy" and "Mental and physical health support for children".

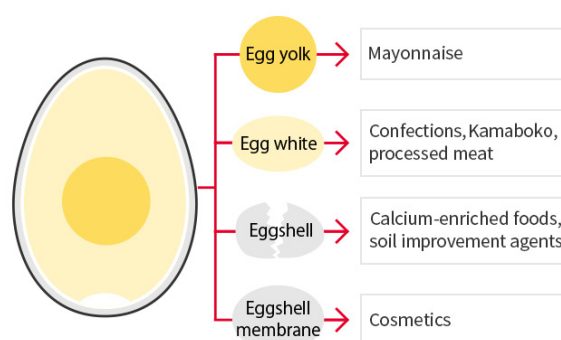
To maintain healthy dietary lifestyles throughout life, it is essential to integrate three key aspects in a well-balanced manner: nutrition, physical activity, and social participation. With respect to nutrition in particular, the Group advocates for tasty and well-balanced dietary lifestyles to address health issues with salads and eggs.

We also conduct various dietary educational activities such as lecture events, Mayonnaise Classes, Open Kitchen factory tours, and SDGs classes. We also launched a website, Food & Life Academy, with the purpose of helping children develop skills to learn, think, and make decisions independently about their dietary lifestyles.

(ii) Effective use and recycling of resources

In these days of food crisis and other risks, we believe that it is our crucial responsibility as a food manufacturer to make effective use of limited food resources and natural energy and avoid waste. In particular, we are actively engaged in initiatives such as elimination and effective utilization of food loss, reduction and reuse of plastic emissions, and sustainable use of water resources.

To ensure elimination and effective utilization of food loss, eggs are utilized 100% effectively. Egg yolks and egg whites serve as raw materials for products and food ingredients. Eggshells are also put to effective use in soil improvement agents and additives for calcium-enriched foods, while eggshell membranes find application in cosmetic products.



We have successfully converted unused portions of leafy vegetables (such as cabbage and lettuce residues) into stock feed for dairy cattle. In a joint research project between Kewpie Corporation and Tokyo University of Agriculture and Technology, it was reported that dairy cattle that were fed this feed produced greater yields of milk. Meanwhile, Salad Club Co., Ltd., a subsidiary that manufactures and sells packaged salads, also takes the unused parts of vegetables such as outer leaves and cores generated when producing packaged salads at its seven directly operated plants and turns them into feed and compost to be utilized by contracted farms and other customers. This approach ensures that all residues are reconverted into resources.

In terms of plastics used in our products, as part of our initiative to reduce and reuse plastic emissions, we are advancing efforts to decrease the use of petroleum-derived plastics by reducing container weight and using recycled plastics. We are also working with other companies to establish a recycling system for PET bottles with oil on them and mayonnaise bottles. This fiscal year, we conducted a bottle collection pilot test in collaboration with major retailers to establish and verify the technology.

With regard to sustainable use of water resources, we consider water a vital and limited resource that is indispensable to the continuation of our business, so we ensure its effective use and reduce the environmental impact when collecting and discarding water.



(iii) Deal with climate change

We disclose information on the risks and opportunities associated with climate change in accordance with the TCFD framework, as described in "(2) Initiatives for the Task Force on Climate-related Financial Disclosures (TCFD)" below. We believe it is critical to actively work for energy conservation and a shift to renewable energy sources across the entire value chain from procurement of raw materials to consumption, in order to reduce CO₂ emissions, a cause of climate change.

The Group is steadily installing renewable energy sources at its locations in Japan and abroad. We are also promoting the "visualization of energy use" by installing energy measurement devices in all processes at production sites, improving facility operation and thorough maintenance, and introducing energy-saving equipment to promote energy conservation. In addition, we are working to improve efficiency by shortening transportation and delivery distances and by improving load efficiency. We also implement eco-friendly driving, which consumes less fuel and offers greater safety. Furthermore, we are promoting a modal shift from long-distance truck transportation to rail and ship to reduce CO₂ emissions.

(iv) Conservation of biodiversity

The business operations of the Group are closely tied to an abundant natural environment. Upholding the spirit of "good products begin with good ingredients", we are thankful for nature's blessings, and we endeavor to preserve a natural environment that is bountiful and biologically diverse based on the Biodiversity Policy.

In April 2024, the Group endorsed the Taskforce on Nature-related Financial Disclosures (TNFD) and joined the TNFD Forum. While working to address issues, we have also launched a project to discover new opportunities and embed them into our corporate strategies. Applying the LEAP approach of the TNFD framework, we will analyze the major raw materials needed by the Group as well as direct operations (production sites).

TNFD Report

URL https://www.kewpie.com/en/sustainability/pdf/sustainability_20250116_tnfd.pdf

(v) Sustainable procurement

We recognize the need to consider the impact of our products on the environment and human rights not only in the Company but also throughout our supply chain. Efforts to minimize the impact in procurement are particularly important. Since the establishment of the Kewpie Group Fundamental Policy for Sustainable Procurement in 2018, we have been promoting procurement practices that take into account environmental and human rights

considerations. Having established the Supplier Guidelines, we collaborate with our suppliers to ensure stable procurement. This involves addressing supply chain issues related to safety, environmental concerns, and human rights based on mutual understanding. We also conducted a questionnaire survey of our main business partners to make sure that they are acting in accordance with the Supplier Guidelines. We are strengthening our cooperation with suppliers by holding individual interviews to understand more details as necessary based on the survey responses.

(vi) Respect for human rights

We recognize that all aspects of our business activities may, directly or indirectly, affect human rights, and we are committed to respecting the human rights of all the people involved in our business. To respect the human rights of all the people involved in our business, we have established the Kewpie Group Human Rights Policy. We have also identified risks that have been determined to be particularly material by external experts based on international standards on human rights and information obtained through interviews. The human rights risks identified are addressed by the Sustainability Committee, and actions are planned and implemented in cooperation with the relevant committees and departments. We have also established a helpline for reporting and consultation within our internal control system to detect violations and take corrective actions. If there is a violation, we implement remediation to prevent recurrence after consultation with the department concerned.

The Group's critical human rights risks that require particular attention and measures to prevent and mitigate them

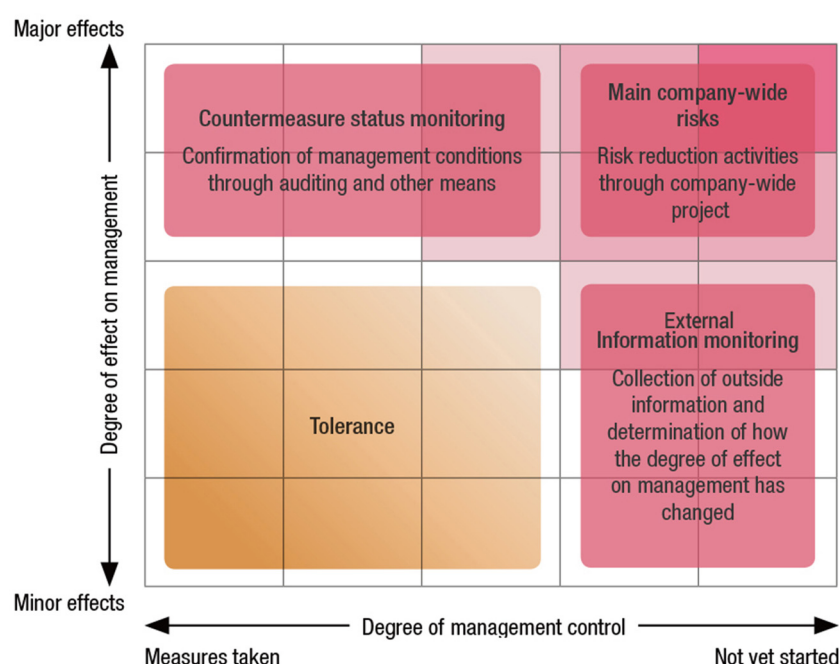
Risks	Scope				The Group's response & relevant URL
	Our own employees	Tier 1 suppliers	Raw material producers	Customers & consumers	
Occupational Health and Safety	○	○			https://www.kewpie.com/en/sustainability/human-rights/healthcare-management/#sec02
Forced or Compulsory Labor	○	○	○		https://www.kewpie.com/en/sustainability/human-rights/initiatives/
Child Labor	○	○	○		Same as above
Harassment	○	○			Same as above
Long Working Hours and Overwork	○				Routine time management Awareness raising and education
Infringement of Health and Safety Due to Product Defects				○	https://www.kewpie.com/en/qs/manufacture/

3) Risk management

We identify potential risks and opportunities by broadly examining changes in the internal or external business environment and assess them to determine material risks and opportunities. We assess each potential risk along two axes, degree of effect on management and degree of

management control, and select and prioritize the risks to be addressed on that basis. We endeavor to mitigate risks over which management control is insufficient despite having a significant effect on management, which are designated as main company-wide risks, through company-wide projects implemented on a priority basis. When the effect on management remains high despite countermeasures having an effect and the degree of management control increasing through our activities, we confirm the status of subsequent countermeasures through audits and other means. Even for risks that have a small effect on management and are not considered to be management issues, we collect external information with high sensitivity and endeavor to monitor the situation. In doing so, we monitor risks from both internal and external aspects, assess the severity of risks in response to changing conditions in a timely fashion, and strive to face risks in an agile manner.

Risk Assessment



The Group recognizes events with the potential to affect the continued and stable development of management as risks, and strives to enhance internal controls through the practice of risk management. Each department in charge continuously monitors individual risks, while the Risk Management Committee shares information related to risk factors that affect the Company as a whole to comprehensively manage the evaluation and prioritization of such risks, and formulate countermeasures. Specifically, we have positioned the following eight items as major risks and are working to manage and avoid them.

Eight Major Risks

- (i) Market trend (ii) Product liability (iii) System fault (iv) Overseas expansion
- (v) Procurement of principal ingredients (vi) Natural disasters and other such contingencies
- (vii) Human resources and labor-related (viii) Global environmental issues, climate changes

The corporate officer in charge of risk management regularly reports Company-wide risk assessments and risk response policies and status to the Board of Directors.

4) Indicators and targets

The Group has established sustainability targets for each theme of focus that the Group as a whole will address, tied to material issues for sustainability. All our employees are committed to

achieving our goals by maintaining an awareness of sustainability, practicing Group Philosophy, and enacting Group Policies.

◆ Sustainability targets

For details of the targets and the current progress, please refer to "II. Business Operations, 1. Management Policy, Business Environment, Tasks Ahead, Etc., <Sustainability targets>" and our website.

<https://www.kewpie.com/en/sustainability/management/materiality/>

(2) Initiatives for the Task Force on Climate-related Financial Disclosures (TCFD)

The Group endorses the Task Force on Climate-related Financial Disclosures (TCFD) and has joined the TCFD Consortium, which serves as a forum for collaborations among companies and financial institutions that support TCFD.

Internally, the Group created the TCFD Project and has engaged in its own initiatives since 2021.

(i) Governance

Governance for climate change is in accordance with 1) Governance. As an additional note, we have introduced internal carbon pricing (ICP) to strengthen the assessment and management of climate change-related risks and opportunities. The Sustainability Committee examines and approves the settings and revisions of ICP. The details are reported to the Board of Directors as appropriate and are deliberated as necessary, to ensure proper supervision by the Board of Directors.

(ii) Strategy

The Group identifies the various risks and opportunities associated with climate change in a short-, medium-, and long-term perspectives, according to their significance. We also periodically review our analysis and evaluation in light of changes in the external environment. For our analysis, we have identified two key scenarios in line with the scenarios published by Intergovernmental Panel on Climate Change (IPCC)*¹ and International Energy Agency (IEA)*². In the first scenario, the temperature will rise 1.5–2 degrees Celsius above pre-industrial levels by 2100, and environmental policies are developed (hereinafter referred to as the "Environmental Policy Progress Scenario"). In the second scenario, the temperature will rise 2.7–4 degrees Celsius above pre-industrial levels by 2100 and no additional measures are taken to address climate change (hereinafter referred to as the "BAU Scenario"). In the Contingency Scenario, the impact of climate change on our business in 2030 is calculated. We consider measures to deal with the risks and opportunities identified, incorporate them into our single-year plans and Medium-term Business Plans, and promote them.

*¹ IPCC

The Intergovernmental Panel on Climate Change (IPCC) is an intergovernmental organization established in 1988 by the World Meteorological Organization (WMO) and the United Nations Environment Programme (UNEP). It provides the scientific data needed for governments' climate change policies.

*² IEA

The International Energy Agency (IEA) is an autonomous organization established in 1974 after the first oil crisis within the framework of the Organization for Economic Cooperation and Development (OECD). It provides the medium- and long-term supply and demand forecasts needed for crafting energy policy.

• Applying scenario analysis

We will gradually expand the scope of the analysis in the Medium-term Business Plan. Our analysis plan is outlined below.

Fiscal Year	Scope
FY2021	Mayonnaise, sesame dressing
FY2022	Mayonnaise, dressings, eggs (liquid eggs, processed products)
FY2023	Mayonnaise, dressings, eggs, packaged salads (cabbage, lettuce)
FY2024	Mayonnaise, dressings, eggs, packaged salads, delicatessen foods (potato, carrot, onion)

In FY2024, we analyzed the climate change risks and opportunities in delicatessen foods (potatoes, carrots, and onions). Most notably, in terms of the main raw materials of these products (oil, egg, and vinegar), we recognized that crops, mainly grains, cabbage, lettuce, potatoes, carrots, and onions are affected by climate change. Thus, we are considering a strategy to reduce dependence on specific crops over the medium to long term.

- Major climate change risks and opportunities

<Environmental Policy Progress Scenario>

Strict environmental regulations and high carbon taxes will be introduced, and the world will achieve carbon neutrality. The agriculture, forestry, and fishery sectors will achieve zero CO₂ emissions, while suppliers' environmental response costs will rise. Consumers will become more health-conscious and will thus increase their intake of salads and other vegetables. In addition, the demand for more sustainable products will increase due to heightened environmental awareness. The risks and opportunities for the Group identified in the Environmental Policy Progress Scenario are as follows.

Risk items			Risks	Opportunities	Time ^{*3}	Impacts
Primary categories	Medium categories	Sub-categories				
Transition risks	Policy and legal	Introduction of carbon taxes	○		Medium-term	Medium
		Regulation of plastics and packaging	○		Medium-term	Small
		Valorization of unused resources		○	Medium-term	Medium
	Market	Increased demand for highly sustainable products		○	Medium-term	Large
		Increase in the procurement costs of environmentally friendly raw materials	○		Medium-term	Small

*3 Definition of timelines: Short-term: up to 2024; Medium-term: up to 2030; and Long-term: up to 2050

<BAU Scenario>

Despite the progress of low-carbonization initiatives, carbon neutrality will not be achieved by 2050 and temperature rise will increase the frequency and severity of natural disasters. Consequently, the frequency of flooding damage at suppliers' and companies' production sites will increase. Lower crop yields caused by heat stress will also lead to a rise in the cost of procuring raw materials. On the other hand, the demand for immune-related businesses and other services will grow with increasing temperatures. The risks and opportunities for the Group identified in the BAU Scenario are as follows.

Risk items			Risks	Opportunities	Time ^{*3}	Impacts
Primary categories	Medium categories	Sub-categories				
Physical risks	Chronic	Increased cost of procuring raw materials due to reduced crop yields caused by heat stress	○		Medium-term	Medium
	Acute	Damage to production facilities, power outages, and stagnation or suspension of operations due to flooding	○		Short- and long-term	Small to large
	Products and services	Increased demand for new products or businesses due to rising temperatures		○	Medium-term	Large

*3 Definition of timelines: Short-term: up to 2024; Medium-term: up to 2030; and Long-term: up to 2050

- Measures to address climate change risks and opportunities (● Preparing for risks; ○ Taking advantage of opportunities)

In response to the risks and opportunities identified through scenario analysis, we will promote the following themes/measures and utilize them to achieve sustainable growth.

- Respond to markets where environmental policies have progressed
 - Respond to increased demand for environmentally friendly products
 - Technological innovation to exploit agricultural products (vegetable oil) and other products
 - Conversion to a structure that is resilient to shifts in raw material markets
 - Weight reduction of container and packaging plastics
 - Use recycled plastics
 - Active introduction of recycled plastics and biomass plastics
 - Reduce environmental impact by proposing ways to use products
- Reduction and effective use of food loss
 - Effective use of unused parts of vegetables (conversion to feed and fertilizer)
- Increasing concern about infectious diseases caused by climate change
 - Expansion of acetic acid bacteria business
- Reduction of CO₂ emissions
 - Promotion of investments in low-carbon projects with the use of internal carbon pricing (ICP)
 - Capital investment using an indicator to achieve CO₂ emissions reduction (promotion of electrification, introduction of internal carbon pricing (ICP), etc.)
 - Review of heating and sterilization processes in the manufacturing process
 - Introduction and utilization of renewable energy, collaboration with suppliers
- Flood preparedness
 - Focused measures according to flood risk assessment
 - Business Continuity Plan (BCP) for main products in case of disaster






Utilization of internal carbon pricing (ICP)

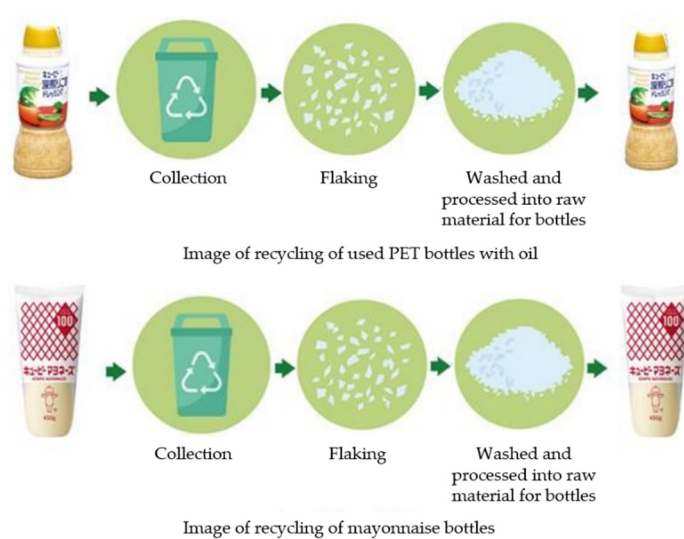
We have introduced ICP to evaluate climate change risks from a financial perspective and to promote investments in low-carbon projects. ICP is being used mainly for the following purposes:

- Consider carbon emission costs in capital investment decision making
- Promote investment in low-carbon technologies
- Raise awareness of climate change risks within the Company

We started to use an internal carbon price in FY2022, based on which we are formulating an environmental investment plan through to 2028. In the past, some investments in low-carbon projects struggled to get approved internally due to low returns on investment. However, with the introduction of an internal carbon price, we can demonstrate the total return on investment, including the Group's decarbonization itself, which we expect will accelerate our efforts toward decarbonization. Recently, investments in the installation of solar panels and other projects were decided based on the return on investment using the internal carbon price.

Below is a summary of the main initiatives in FY2024 related to the above measures.

Measure	○ Respond to markets where environmental policies have progressed								
Initiative	In early February, we started to add our original eco-label to products with environmentally friendly packaging, including dressings and soup bases.								
Summary	We have established environmentally friendly standards on container packaging, and products that meet these standards will be packaged with the Group's original eco-label.								
	<table><thead><tr><th>Details</th><th>Eco Label Criteria</th></tr></thead><tbody><tr><td>Reduced plastic usage</td><td>Reduced amount of plastic used by 5% or more (using 2018 as the base year)</td></tr><tr><td>Recycled plastic</td><td>Recycled plastic materials comprise 25% or more of total plastic by weight</td></tr><tr><td>Biomass plastic</td><td>Biomass plastic comprises 10% or more of plastic used, by weight</td></tr></tbody></table>	Details	Eco Label Criteria	Reduced plastic usage	Reduced amount of plastic used by 5% or more (using 2018 as the base year)	Recycled plastic	Recycled plastic materials comprise 25% or more of total plastic by weight	Biomass plastic	Biomass plastic comprises 10% or more of plastic used, by weight
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	Recycled plastic	Recycled plastic materials comprise 25% or more of total plastic by weight							
Biomass plastic	Biomass plastic comprises 10% or more of plastic used, by weight								
<div></div> <p>Example of products using Eco Label</p>									
<div><div></div><div></div><div></div><div></div><p>Labeling example of Kewpie Group Eco Label</p></div>									

Measure	○ Use recycled plastics
Initiatives	<ul style="list-style-type: none"> • Establishing a recycling system of PET bottles with oil on them (dressing bottles, etc.) • Establishing a recycling system for mayonnaise bottles
Summary	<p>There is concern that PET bottles with oil on them may be left with oil during the recycling washing process, affecting the quality of recycled PET. The recycling system has not been implemented in society. In addition, mayonnaise bottles in Japan are mainly made of polyethylene (PE), a plastic material that is widely used for food packaging, but because PE is often combined with other materials and types of materials, a horizontal recycling system similar to that used for PET beverage bottles has not been implemented in society.</p> <p>By working together to address these issues beyond the boundaries of the corporate sector, we aim to create a society in which such bottles can be recycled as a resource. This fiscal year, in order to establish and verify the technology, we conducted a bottle collection pilot test at retail stores for the efficient collection of samples.</p>  <p>Image of recycling of used PET bottles with oil</p> <p>Image of recycling of mayonnaise bottles</p>

(iii) Risk management

For details of risk management for climate change, please refer to "II. Business Operations, 2. Sustainability Approach and Initiatives, (1) Sustainability in general, 3) Risk management".

(iv) Indicators and targets

For details of indicators used for assessing and managing risks and opportunities posed by climate change, please refer to "II. Business Operations, 2. Sustainability Approach and Initiatives, (1) Sustainability in general, 4) Indicators and targets".

(3) Human capital

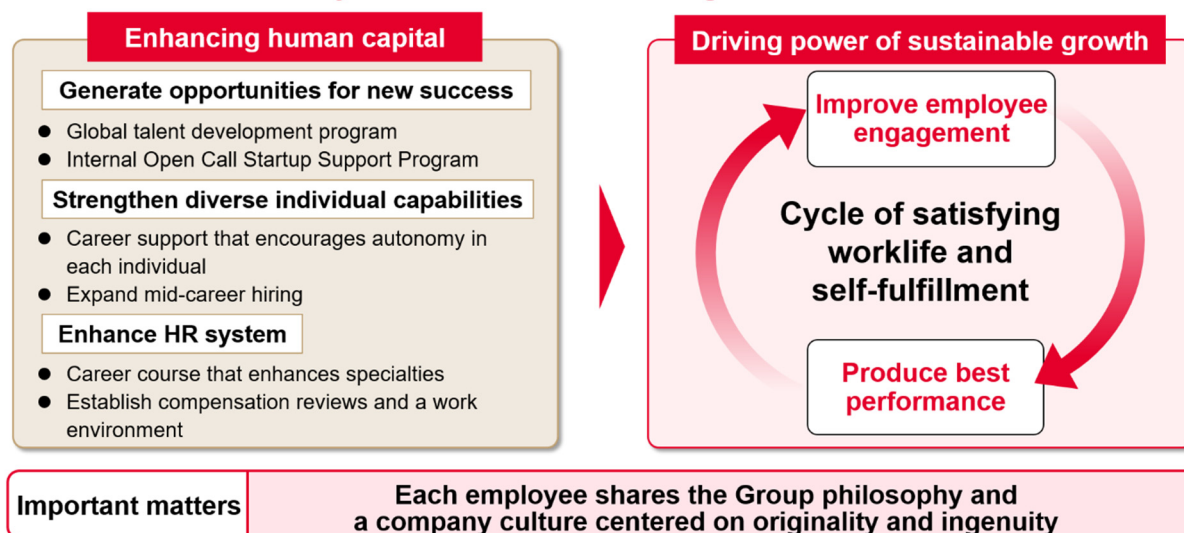
(i) Human resource development policy

The Group operates its business in a wide range of areas across the globe. To prepare for future shifts in the market environment and to expand our growth areas, we recognize the need for more diverse human resources with various skills and experiences. The Group has set "Developing a framework for empowering a diverse range of talent" as a key theme in the Medium-term Business Plan in order to foster motivated human resources who will be able to play active roles in our sustainable growth. We create opportunities to understand diversity, equity and inclusion, create opportunities for diverse employees to play an active role, and create career and learning mechanisms that give employees a sense of self-growth. Through all of these

efforts, we work to create a corporate culture that supports each employee's individuality and motivation to grow, and in which individuals can fully demonstrate their abilities.

The strengths that support the Group's sustainable growth lie in each and every employee who shares the philosophy we have carefully nurtured, together with our corporate culture centered on originality and ingenuity. Under the next Medium-term Business Plan, which begins in FY2025, we will actively invest in human capital to further increase its value.

Looking toward sustainable growth, support efforts for each person to examine their own lifestyles and take on challenges toward self-fulfillment



We will enhance human capital from three perspectives: generating opportunities for new success, strengthening diverse individual capabilities, and enhancing the human resource system. Through these initiatives, we aim to improve employee engagement and produce the best performance. With employees' satisfying worklife and the challenges toward self-fulfillment through work as a driving force for sustainable growth, we will improve productivity and create new value.

(ii) Development of and initiatives for the working environment

◇ Creating opportunities for understanding diversity and inclusion

• Active dialogue and provision of opportunities

We have developed the KEEP20 initiative within the Group, in which 20% of the participants of important meetings, including the Management Committee, are made up of diverse human resources (in terms of age, gender, skills, and careers). The goal is to stimulate discussion and foster innovation by drawing out different perspectives. For both traditional participants and newcomers, it is an opportunity to gain new insights and knowledge.

• Diversity and engagement perception survey

Since 2017, we have conducted the diversity questionnaire among Group employees to assess their perceptions of diversity, fairness, and acceptance. The results are steadily improving, and in FY2024, more than 95% of employees responded that they empathize with the promotion of diversity. We also plan to position the engagement survey as an indicator to measure the effect of investment in human capital in the Medium-term Business Plan that starts from FY2025, and work to improve the score. The survey results will be analyzed in four categories: "environment in which they work", "sense of contribution and acceptance at work", "significance of and motivation for working at their workplace", and "sense of growth in the workplace". The analysis results, together with the results of the above diversity questionnaire, will be shared openly within the Group and used to foster an environment that empowers the diverse human resources within the Group.

Engagement Score*1: Targets and Results

	FY2024 Results	FY2028 Target
Engagement score (The Group in Japan*2)	69 pts	75 pts

*1 The engagement score is based on an employee survey conducted on their views of the work environment, sense of contribution, significance for working, and sense of growth. The survey results are then analyzed by a third-party organization to calculate the score on a scale of 100 points.

*2 Starting with the next Medium-term Business Plan, we will expand the scope to include the entire Group, including overseas.

◇ Creating opportunities for diverse employees to play active roles

• Providing opportunities to take on challenges

In allocating human resources to areas that the Group has positioned as priority strategies, such as overseas and DX, we have implemented an in-house recruiting system for all Group employees. We are actively advancing our efforts to identify and recruit highly motivated employees who are committed to achieving their career aspirations. In 2024, we implemented a selective overseas human resources development program for employees who wish to take on the challenge of overseas business. We are working to create opportunities for training and learning for overseas postings.

We also continue to promote the Kewpie Startup Program, an in-house initiative to create new business plans, which we have been conducting since 2012. In FY2024, we invited lecturers from outside the Company to hold workshops on ideation and development of a business creation mindset. From FY2025 onward, we will call for business ideas that create social and economic value based on the three domains that the Group will focus on even further in the future, "salad", "wellness", and "sustainability", to realize individual employees' ideas and create new businesses.

• Supporting the advancement of female employees

To ensure that female employees, who account for approximately half of the Group's workforce, can fully participate in the business, we promote the development of female career-track positions, the introduction of a career-track system that does not require relocation, the conversion of regional positions to career-track positions, and the provision of support for training newly-appointed managers at study sessions for female managers. In addition to personnel and labor systems, we aim to become a company where motivated female employees and those in dual-income families can continue to work and find success with peace of mind by changing the Company's management and culture.

Ratio of Female Managers: Targets and Results

	FY2022 Results	FY2023 Results	FY2024 Results	FY2025 Target	FY2030 Target
Ratio of female managers (Kewpie only*)	12.5%	14.5%	15.9%	18%	30%
(Reference: Including the Group overseas)	17.5%	19.5%	20.3%	23%	30%

* Starting with the next Medium-term Business Plan, we will expand the scope to include the entire Group, including overseas, and set its target for the ratio of female managers.

◇ Creating career and learning mechanisms that give employees a sense of self-growth

• Supporting employees' self-realization

We have implemented the Career Self-Declaration Scheme to empower employees with greater career autonomy. Leveraging the diverse business domains within the Group, we are fostering an environment where employees can achieve self-realization through their work. Specifically, we are actively working a quantitative improvement in the rate of self-declaration by creating

opportunities to learn about the roles and jobs in each department and facilitating transfers of employees to workplaces of their choice.

Under the next Medium-term Business Plan, we will introduce a new personnel system that will enable a diverse range of talent to produce higher performance, and develop a human resources development system to strengthen expertise. We will promote not only growth through transfers, but also initiatives that encourage each individual to plan for professional development and support them to realize their aspirations.

Career Self-Declaration Realization Rate*1: Targets and Results

	FY2021 Results	FY2022 Results	FY2023 Results	FY2024 Results	FY2025 Target	FY2030 Target
Self-declaration rate (Kewpie only*2)	8%	10%	14%	18%	22%	30%

*1 This is the percentage of employees who work in their desired roles, out of those who requested a change of positions.

*2 Starting with the next Medium-term Business Plan, we will gradually expand the introduction of the Career Self-Declaration Scheme to Group companies and promote its implementation.

- Expansion of career support (Self-Career Dock)

In FY2024, we launched the Self-Career Dock program. The program aims to encourage employees to review their careers through "Career Training" and then obtain advice in one-on-one "Career Consulting Interview" with outside experts, so that they can explore their career plans on their own initiative. In the current fiscal year, we conducted approximately 500 interviews. In the future, we will gradually expand the scope of the program and make it a continuous initiative for the entire Group.

3 Operational Risks

Various factors relating to the business operations and financial information of the Group described in the Annual Securities Report that may exert a significant effect on the decisions of investors are shown in the list below.

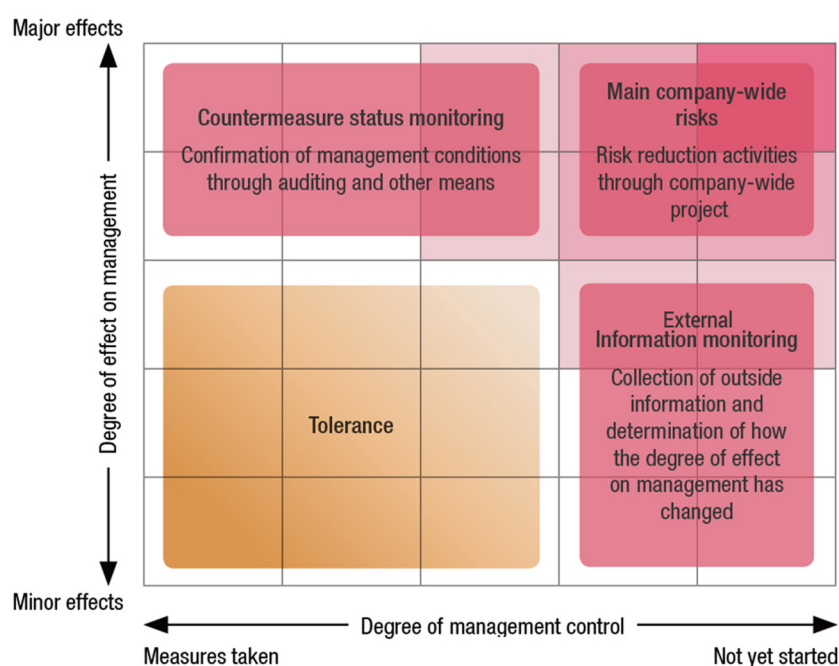
The Group, recognizing the risks inherent in the Group's business, takes all reasonable measures to inhibit or avoid the occurrence of risks. To such ends, the risk management basic policy has set specific, systematic procedures for managing the Company's risk, under which each responsible unit exercises continuous oversight of each individual risk factor. The Management Committee, Risk Management Committee, and Sustainability Committee assume tasks that include sharing information, assessing risk, setting priorities, and engaging in countermeasures. In that regard, the Management Committee addresses major risks that could affect near-term financial results, the Risk Management Committee addresses Company-wide risks, and the Sustainability Committee addresses social and environmental risks, including those with respect to climate change. In addition, the corporate officer in charge of risk management regularly reports to the Board of Directors regarding matters that include policies and developments regarding Company-wide risk assessment and response.

Risk Management Structure



With respect to priority risk assessment and selection, we identify potential risks by broadly examining changes in the internal or external business environment and assess them to determine material risks. We assess each potential risk along two axes, degree of effect on management and degree of management control, and select and prioritize the risks to be addressed on that basis. We endeavor to mitigate risks over which management control is insufficient despite having a significant effect on management, which are designated as main company-wide risks, through company-wide projects implemented on a priority basis. When the effect on management remains high despite countermeasures having an effect and the degree of management control increasing through our activities, we confirm the status of subsequent countermeasures through audits and other means. Even for risks that have a small effect on management and are not considered to be management issues, we collect external information with high sensitivity and endeavor to monitor the situation. In doing so, we monitor risks from both internal and external aspects, assess the severity of risks in response to changing conditions in a timely fashion, and strive to face risks in an agile manner.

Risk Assessment



Nevertheless, the Group's credibility, business performance and financial position may be substantially affected should an event occur that is beyond the control of the Group. An overview of the risks involved is given in the list below, but this is not intended to be an exhaustive list of all risks attendant on the Group's business operations.

Forward-looking statements included in this section are based on the Group's judgment of information available as of the end of the current fiscal year.

Event	Risks	Measures to address risks
Market trend	<p>The following are the main risks that may have a progressively greater impact on the Group's business over the long term.</p> <ul style="list-style-type: none"> • Long-term market contraction due to decreasing population in Japan • Shrinking salad market due to vegetable price volatility and changes in consumer awareness 	<p>In Japan, we achieve sustainable growth by flexibly responding to the market through a dual system of the "Retail Market Business" and the "Food Service Business". We aim to create business opportunities by leveraging the Group's ability to expand its business into home-cooked meals, ready-made foods and restaurant sectors, expanding the possibilities of salads and eggs and contributing to the extension of healthy life expectancy. We are promoting the cultivation of the market and demand by promptly proposing ideas for food products and services that address customer concerns about dietary lifestyles and create new dietary scenes. Specifically, we have made major changes to our sales organization structure to strengthen our marketing and proposal capabilities further. We also set up the Sengawa SHIPYARD, a testing site for small-scale trials of manufacturing methods for new products. Furthermore, in addition to exploring untapped sales channels such as, in particular, drugstores with growth potential, we are carrying out initiatives in the Direct to Consumer (D2C) market by strengthening our digital marketing capability.</p> <p>As for our overseas operations, we will focus on China, Southeast Asia, and North America, in which we will expand our marketing focus toward the middle class demographic from the affluent demographic, which is the Group's current customer base. We will also strengthen our digital communication and marketing functions to achieve greater rates of recognition and product use of "KEWPIE brand". We are investing our management resources intensively into areas that include human resources, product development, marketing and governance to achieve sustainable growth.</p>

Event	Risks	Measures to address risks
<p>Procurement of principal ingredients (main raw materials, energy and general raw materials)</p>	<ul style="list-style-type: none"> • Procurement of vegetable oils has short-term and long-term risks of price volatility due to fluctuations in market prices of soybeans and rapeseed, foreign exchange rates, supply and demand, and other factors. • Procurement of shell eggs also has risks of price volatility and procurement difficulties caused by factors including sudden outbreaks of avian influenza, changes in the number of laying hens, and long-term trends in shell egg consumption. • Procurement of other raw materials used by the Group has risks of price volatility due to international economic trends, supply and demand balance, exchange rate fluctuations, geopolitical risks, and other factors. <p>Moreover, if the initiatives geared to sustainable procurement based on social considerations are perceived as inadequate, its reputation may gradually diminish.</p>	<p>In order to reduce the impact of a spike in raw material prices, the Group has been working on initiatives such as revising product prices, adding value, improving production efficiency, and establishing a procurement system based on the Group collaboration. In addition, the Group is working to shift to a business structure that is less susceptible to the effects of market prices for main raw materials.</p> <p>As for procurement of shell eggs, we take steps that include arranging a combination of scheduled annual volume purchases with producers in respective regions with a focus on major egg producers, fixed-price contracts, and spot contract purchases on the open market. Moreover, we have also established a framework encompassing nationwide procurement and egg-breaking plants that provides coverage through plants in other regions should restrictions be placed on shipments amid an outbreak of avian influenza in some geographic areas. In addition, we have a system in place that enables us to procure eggs even from overseas, as the situation requires. With regard to cost increases due to avian influenza outbreaks and the risks associated with decreases in profits due to production cutbacks, we are working to improve profitability by adding value to our products, while securing raw materials and product inventory, taking into account the timing of these occurrences.</p> <p>From the perspective of medium- to long-term sustainability, we are working on the issue of animal welfare for egg-laying hens in cooperation with related industries and governments.</p> <p>For sustainable procurement based on social considerations, we have established the Group's "Fundamental Policy for Sustainable Procurement" and are working to examine not only the quality of raw materials but also their impact on the environment and human rights in the supply chain. To realize the Fundamental Policy for Sustainable Procurement, we have established the Kewpie Group Supplier Guidelines. With these guidelines, we aim to achieve sustainable procurement and shared prosperity with our suppliers by resolving issues in the supply chain based on mutual understanding.</p>

Event	Risks	Measures to address risks
Product liability	<p>As for incidents causing damage to the health of consumers, such as the insertion of foreign matter into products and false or mistaken indications on product labels, we always regard them as serious risks.</p>	<p>Insistence on the highest product quality has been our most fundamental concern since the Group was established. Accordingly, we rigorously and systematically enhance product quality assurance systems by acquiring Food Safety System Certification (FSSC 22000), engaging in trans-group quality monitoring, developing product quality assurance and traceability systems that make use of factory automation, self-monitoring, and constructing quality standard document control systems for procured ingredients focused on insistence on meeting our safety and hygiene standards.</p> <p>In addition, we place great importance on ensuring a high level of awareness and understanding regarding product quality among our employees. To this end, the Group helps employees acquire necessary knowledge and technology and instills them an insistence on the highest product quality by offering them training opportunities such as on-the-job training and training sessions. Accordingly, the Group takes appropriate measures to provide safe and high-quality products, which is the foundation of the persistent business development.</p>
Natural disasters and other such contingencies	<p>We expect the impact of natural disasters such as massive typhoons, floods caused by torrential and prolonged rains, and large-scale earthquakes to be even more significant. Specifically, we assume they could pose the following risks:</p> <ul style="list-style-type: none"> • Damage to manufacturing and distribution facilities, equipment, etc. • Difficulties procuring raw materials and energy • Shortages of human resources necessary for operations 	<p>We are working on measures that entail establishing business continuity plans (BCP) to go into effect in the event of any crisis extending across the Group, leveraging our experience involving natural disasters.</p> <p>We have prepared manuals pertaining to respective disaster types in preparation for the potential occurrence of a crisis scenario. This has involved efforts that include developing frameworks for setting up operations in Kansai area that substitute for those of the Tokyo Head Office, establishing emergency communications networks and stockpiling supplies, reinforcing production and distribution facilities, developing systems for confirming available production capacity in the event of a contingency, and developing site redundancies in relation to our core products with respect to production, as well as the functions of raw material procurement and order acceptance.</p> <p>To ensure that such operations perform effectively, we also carry out large-scale disaster response training sessions (initial response training, product supply training, and safety verification training).</p>

Event	Risks	Measures to address risks
System fault	<p>We have been facing the possibility that our business activities could be significantly affected by system disruptions caused by cyberattacks involving sophisticated means externally.</p>	<p>The Group maintains a system that applies multiple layers of security to safeguard against cyberattacks, which entails blocking unsolicited e-mail and unauthorized access, and implementing endpoint detection and response (EDR) systems that monitor information networks around the clock in the course of pinpointing behavior of suspicious computer code and preventing its execution.</p> <p>We also seek to develop literacy of our employees, which involves regularly conducting simulation-based training in responding to email attacks and offering education on information security. Such efforts also involve having the Information Promotion Committee disseminate relevant information to maintain a high level of information security awareness among our employees.</p>
Human resources and labor-related	<p>Regarding human resources and labor, we always assume the following risks:</p> <ul style="list-style-type: none"> • Labor shortages at manufacturing sites • Harassment • Decline in employee engagement • Lack of specialized human resources 	<p>The Group takes steps to secure and retain human resources that involve engaging in ongoing recruitment, upgrading employee education, and developing optimal working environments. Specifically, we promote streamlined operations and labor savings by replacing labor-intensive and complex tasks with machines and robots. In addition, we have extended our range of employment in part by developing working environments that enable foreign nationals to work more effectively.</p> <p>We are taking steps to reduce our exposure to labor-related risk. This has involved developing workplace environments where employees are able to balance their careers and family life, thereby enabling every employee at all of our locations to work with peace of mind, actively using remote work, developing optimal work schedules and appropriately implementing labor controls pursuant to laws and regulations, providing thorough employee education on harassment prevention, and establishing an internal reporting system (helpline).</p> <p>In addition to these efforts, to foster motivated human resources who will be able to play an active role for our sustainable growth, the Group has developed a framework for empowering a diverse range of talent, while at the same time actively recruiting and appointing external human resources with high expertise.</p>

Event	Risks	Measures to address risks
Overseas expansion	<p>Regarding overseas expansion, we mainly assume the following risks:</p> <ul style="list-style-type: none"> • Problems stemming from vulnerable business foundation • Information leakage due to inadequate information management • Damage to competitiveness and brand image caused by circulation of counterfeit goods • Geopolitical risks 	<p>Our overseas subsidiaries also implement on-site education and various training programs with the aim of instilling the Group's philosophy. We are also developing internal control systems to strengthen our business foundation. More specifically, this has entailed efforts that involve clarifying decision-making authority; establishing and operating various regulations and systems such that include rules on contracts and regulations management, as well as accounting and financial regulations, anti-bribery regulations, and personnel evaluation systems; adopting an internal reporting system; establishing business continuity plans (BCP); and implementing crisis management training sessions.</p> <p>We have also adopted rules on our handling and security of corporate information and important technical information, and are building a solid ICT network.</p> <p>We are taking countermeasures against counterfeit goods that involve eliminating from the market products that infringe on our trademark rights and misleading products of other companies, while also seeing to it that we do not confer the right to file for malicious trademarks.</p> <p>We examine the political and economic situation and trends in laws and regulations in the regions where our production sites are located, and consider and implement necessary measures for each area. We are also prepared for country risks arising from international situations in terms of dealing with tangible and intangible assets, diversifying raw material procurement risks, protecting intellectual property, and evacuating employees.</p>
Global environmental issues, climate changes	<p>Regarding global environmental issues and climate changes, we mainly assume the following risks:</p> <ul style="list-style-type: none"> • Difficulties in procuring raw materials and rising costs • Strengthening CO₂ emission regulation • Rising energy costs • Damage to production lines caused by torrential rainfall and flooding <p>If the Group's efforts and responses to these sustainability issues are perceived as inadequate, its reputation may gradually diminish.</p>	<p>In the environment aspect, the Group has identified "Effective use and recycling of resources", "Deal with climate change", and "Conservation of biodiversity" as material issues regarding sustainability and the entire Group is working on them.</p> <p>The Group's operations are highly dependent on the blessings of nature and are accordingly susceptible to various effects of changes in the global environment and climate change, including lower harvest yields, reduced quality of ingredients, and surging prices. We have been proceeding with initiatives that include flexibly adjusting prices, optimizing our product portfolio with the aim of shifting to a structure that is resilient to raw materials market volatility, and building a procurement framework by coordinating efforts of Group companies. We will address and respond to events related to changes in the global environment and climate change as management risks, while at the same time identifying new opportunities and incorporating them into our corporate strategies.</p> <p>For further information, please refer to "2. Sustainability Approach and Initiatives".</p>

4. Management Analysis of Financial Position, Operating Results and Cash Flows

(1) Overview of operating results, etc.

The overview of the Group's financial position, operating results and cash flows (the "operating results, etc.") for the current fiscal year is as follows:

A. Financial position and operating results

During the current fiscal year, the Group saw a gradual recovery trend in its business environment due to factors such as an increase in inbound consumption and a stabilization of prices in the shell egg market. On the other hand, the outlook has remained uncertain because of the risk of an economic slowdown caused by unstable international conditions, the high prices of raw materials and energy, rising logistics and labor costs, and foreign exchange rate trends. Under these circumstances, we have invested resources overseas and accelerated the expansion of the KEWPIE brand's recognition, particularly in the markets of China, Southeast Asia, and North America. In Japan, we have continued to respond to the diversifying needs of our customers, while also working to improve profitability and productivity. In addition, we have expanded our investments for the future to achieve sustainable growth.

Net sales for the current fiscal year increased due to a recovery in sales of condiments and delicatessen foods, centered on core domestic products, and an increase in their unit price resulting from price revisions, in addition to sustained growth overseas. Operating income grew due to an increase in sales of egg products, the mitigation of the impact of a spike in main raw material prices, and a rise in income accompanying the growth overseas. Ordinary income and profit attributable to owners of parent increased due to a rise in operating income.

Our consolidated financial results for the current fiscal year were as follows:

(Millions of yen)

	Previous fiscal year (From December 1, 2022 to November 30, 2023)	Current fiscal year (From December 1, 2023 to November 30, 2024)	Change (amount)	Change (ratio)
Net sales	455,086	483,985	28,899	6.4%
Operating income	19,694	34,329	14,635	74.3%
Ordinary income	20,490	36,874	16,384	80.0%
Profit attributable to owners of parent	13,174	21,419	8,245	62.6%

◇ Business overview by segment

[Breakdown of net sales]

(Millions of yen)

	Previous fiscal year (From December 1, 2022 to November 30, 2023)	Current fiscal year (From December 1, 2023 to November 30, 2024)	Change (amount)	Change (ratio)
Retail Market	177,395	186,747	9,352	5.3%
Food Service	165,336	170,086	4,750	2.9%
Overseas	78,277	92,199	13,922	17.8%
Fruit Solutions	16,953	17,001	48	0.3%
Fine Chemicals	11,170	11,382	212	1.9%
Common Business	5,953	6,568	615	10.3%
Total	455,086	483,985	28,899	6.4%

[Breakdown of operating income]

(Millions of yen)

	Previous fiscal year (From December 1, 2022 to November 30, 2023)	Current fiscal year (From December 1, 2023 to November 30, 2024)	Change (amount)	Change (ratio)
Retail Market	9,939	14,277	4,338	43.6%
Food Service	4,135	11,951	7,816	189.0%
Overseas	10,308	14,366	4,058	39.4%
Fruit Solutions	320	197	(123)	(38.4)%
Fine Chemicals	1,040	572	(468)	(45.0)%
Common Business	1,209	1,352	143	11.8%
Company-wide expenses	(7,259)	(8,388)	(1,129)	—
Total	19,694	34,329	14,635	74.3%

<Retail Market>

- Sales increased thanks to factors including higher unit prices resulting from condiment price revisions and a recovery in sales of delicatessen foods.
- Operating income increased thanks to the mitigation of the impact of a spike in main raw material prices.

<Food Service>

- Sales increased thanks to higher sales of value-added condiments and egg products.
- Operating income increased thanks to the mitigation of the impact of a spike in main raw material prices and a rise in their sales.

<Overseas>

- Sales increased amid steady performance in China, Southeast Asia, and North America.
- Operating income increased thanks to a recovery from the previous fiscal year's impact of COVID-19 in China and the expansion of branded products in North America.

<Fruit Solutions>

- Sales increased but operating income decreased due to the impact of surging prices of raw materials, etc., despite strong sales of jams and spreads for home use.

<Fine Chemicals>

- Sales increased but operating income decreased due to a rise in costs of mail order sales, despite higher sales of raw materials.

<Common Business>

- Both sales and operating income increased due to higher sales of manufacturing machinery for food manufacturers.

◇ Status of financial position

- Total assets increased by ¥36,366 million year on year to ¥462,372 million.

This was mainly due to an ¥11,529 million increase in cash and deposits, a ¥7,267 million increase in notes and accounts receivable – trade, an ¥8,000 million increase in securities, a ¥7,173 million increase in construction in progress, and an ¥8,954 million increase in assets for retirement benefits.

- Total liabilities increased by ¥16,032 million year on year to ¥130,734 million.

This was mainly due to an ¥11,363 million increase in notes and accounts payable – trade, a ¥14,929 million decrease in short-term loans payable, a ¥7,641 million increase in accounts payable – other, a ¥3,095 million increase in accrued income taxes, a ¥4,716 million increase in long-term loans payable, and a ¥2,766 million increase in deferred tax liabilities.

- Total net assets increased by ¥20,335 million year on year to ¥331,638 million.

This was mainly due to a ¥14,469 million increase in earned surplus and a ¥5,197 million increase in accumulated adjustments for retirement benefits.

B. Status of cash flows

Cash and cash equivalents at the end of the current fiscal year amounted to ¥80,512 million, which represents an increase of ¥18,079 million from the end of the previous fiscal year.

Status of cash flows is as follows:

Net cash provided by operating activities came to ¥63,126 million for the current fiscal year, compared with ¥23,725 million provided in the previous fiscal year. This was the result of profit before income taxes of ¥33,638 million, depreciation and amortization of ¥17,536 million, an increase in notes and accounts payable – trade of ¥11,487 million, and an increase in notes and accounts receivable – trade of ¥7,416 million.

Net cash used in investing activities amounted to ¥23,893 million for the current fiscal year, compared with ¥17,721 million used in the previous fiscal year. This was the result of purchases of tangible fixed assets of ¥18,124 million and payments into time deposits of ¥11,231 million.

Net cash used in financing activities amounted to ¥21,126 million for the current fiscal year, compared with ¥9,514 million used in the previous fiscal year. This was the result of repayment of long-term loans payable of ¥15,285 million and cash dividends paid of ¥6,950 million.

Movements in the principal cash flow-related indicators of the Group, on a consolidated basis, are as follows.

	FY2020	FY2021	FY2022	FY2023	FY2024
Equity ratio (%)	52.8	64.5	66.4	66.2	65.4
Equity ratio based on market value (%)	68.5	84.2	84.3	84.2	103.4
Interest-bearing debt to cash flows ratio (year)	2.3	1.1	1.2	1.4	0.4
Interest coverage ratio (times)	103.7	159.0	110.6	61.1	202.5

(Definition)

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

(Notes)

1. Each index is calculated based on consolidated financial figures.
2. Total market value of the stock is calculated by multiplying the final market price by the number of issued shares at the end of fiscal year (excluding treasury stock).
3. Interest-bearing debt includes all consolidated balance sheet-reported liabilities on which interest is paid.

4. 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.
5. In the fiscal year ended November 30, 2021, the Company finalized the provisional accounting treatment for business combinations. Accordingly, each figure pertaining to the fiscal year ended November 30, 2020 reflects the finalization of the provisional accounting treatment.

(2) Analysis and discussions of the status of the operating results, etc. from the viewpoint of management

The contents of analysis and discussions of the status of the Group's operating results, etc., from the viewpoint of management are as follows. Forward-looking statements included in this section are based on information available as of the end of the current fiscal year.

A. Summary of significant accounting policies and estimates

The consolidated financial statements of the Group have been prepared in accordance with generally accepted accounting principles in Japan, and necessarily include amounts based on estimates, judgements and assumptions by management regarding period-end balances of assets and liabilities, as well as income and expenses for the reporting period. The Group has continuously estimated, judged and assumed based on a number of factors that are considered to be reasonable under the past business results and surrounding conditions. Because of uncertainty unique to estimates, actual results could differ from these estimates.

The significant accounting policies adopted for the consolidated financial statements are described in "V. Financial Information". We consider the following significant accounting policies to have a material effect on our significant judgements and estimates.

a) Impairment losses on fixed assets

For fixed assets owned, each management accounting unit, on which revenue and expenditure are continuously monitored such as a company, business, and office, is, in principle, classified as one asset-grouping unit. The Group identifies indicators of impairment by asset group. The future cash flows used to determine whether impairment losses should be recognized and the value in use are calculated with reasonable assumptions based on information about external factors such as the business environment and internal information used by the Group. If an estimated amount deviates from actual value due to future changes in the market environment, impairment losses may be incurred.

Details regarding the significant assumptions used in calculating estimated future cash flows are given in "V. Financial Information, 1. Consolidated Financial Statements, (1) Consolidated financial statements, Notes, Significant accounting estimates".

b) Allowances for doubtful accounts

To provide for a possible bad-debt loss, the Group provides the expected uncollectible amount as allowances for doubtful accounts. The said amount is calculated by using credit-loss prediction ratios based on historical data for general accounts receivable, and by reference to the individual collectability for special receivables, such as those in danger of being uncollectible. If our customers' ability to pay falls due to financial deterioration in the future, larger allowance or bad-debt loss will be recognized.

c) Impairment losses on investment securities

Investment securities other than stocks, etc. without market value are stated at fair value, while stocks, etc. without market value are stated at cost. The Group recognizes impairment losses on the investment securities based on reasonable criteria as those securities other than

stocks, etc. without market value are exposed to the risk of price fluctuation of the stock market and stocks, etc. without market value are exposed to the possibility of deterioration of the business performance of companies in which the Group has invested.

Because of the above criteria, posting of additional impairment losses would be necessary if fall in market or deterioration of the Group's investment destination cause further losses or defaults to occur in the future.

d) Deferred tax assets

Deferred tax assets are reported in the amount deemed collectible based on reasonable assessment of future taxable income and consideration of the collectability. Changes in estimated collectible amounts, however, could have an effect on earnings due to reversal of or additional provision to deferred tax assets.

B. Perception, analysis and discussions of the status of the operating results, etc. for the current fiscal year

a) Analysis of financial position and operating results

Details regarding analysis of the Group's financial position and operating results for the current fiscal year are given in "4. Management Analysis of Financial Position, Operating Results and Cash Flows, (1) Overview of operating results, etc., A. Financial position and operating results".

b) Sources of cash and liquidity

(i) Cash flow analysis

Details regarding the overview of the Group's cash flows during the current fiscal year are given in "4. Management Analysis of Financial Position, Operating Results and Cash Flows, (1) Overview of operating results, etc., B. Status of cash flows".

(ii) Demand for funds

The Group strives to procure financing and ensure liquidity in order to meet demand for funds particularly for capital investment, business investment, debt repayment and working capital, with the aim of further increasing corporate value.

(iii) Procurement of funds

The Group appropriates necessary funds by means of internal financing, and otherwise arranges financing through bank borrowings and corporate bond issuance when faced with a shortfall of funds.

(iv) Liquidity of funds

The Group arranges overdraft facilities with multiple financial institutions. In addition, the Group centrally manages surplus funds of the Company and the Group's domestic consolidated subsidiaries, and has accordingly adopted a cash management system with the aim of enhancing funding efficiency and reducing financing costs.

c) Progress made in achieving target management indexes

The Group developed a Medium-term Business Plan that covers the four years starting from FY2021. Under the Plan, the Group set the following targets to be achieved in the plan's final fiscal year ended November 30, 2024: return on equity (ROE) of at least 8%, operating income ratio of 7.5%, and annualized growth ratio in overseas net sales (on a local currency basis) of at least 10%.

In the current fiscal year, return on equity (ROE) was 7.3% and operating income ratio was 7.1%, both falling short of the targets, but growth ratio in overseas net sales (on a local currency basis) was 11% higher than the previous year, achieving the target.

◇ Management indexes

	FY2024	FY2024 Targets
ROE (Return on equity)	7.3%	At least 8%
Operating income ratio	7.1%	7.5%
Growth ratio in overseas net sales (Local currency basis)	(Year to Year) 11%	(Annualized rate) At least 10%

5. Material Contracts

There are no material contracts to report for the reporting period.

6. Research and Development

In seeking to bring healthy and enjoyable diets and lifestyle to our customers around the world, the Group engages in research and development across fields of study that mainly focus on human health, the wellbeing of our planet, and creating diets and lifestyles of the future. We aim to achieve the "Kewpie Group 2030 Vision" and the creation of the future beyond it, based on the core technologies we have cultivated in various fields including mayonnaise and dressings.

In the field of human health, we are focusing on increasing added value in terms of health functions and nutrition. We launched *Choline EX*, a supplement expected to maintain some of the cognitive functions by utilizing egg yolk choline, after receiving approval as a food with function claims. We presented evidence on "*Sarapan*", a new way of eating that reduces the rise in blood glucose levels after meals, at the Japanese Society of Clinical Nutrition, and disseminated new findings to society. We also elucidated the mechanism by which we perceive the bitterness of bell peppers and how egg yolk protein can suppress this bitterness, and presented our findings in collaboration with the University of Tokyo at the Japan Society for Bioscience, Biotechnology, and Agrochemistry (JSBBA).

To support the wellbeing of our planet, we are working to recycle plastic resources and reduce CO₂ emissions. This fiscal year, we launched a pilot test for the in-store collection and horizontal recycling of used mayonnaise bottles in collaboration with Ajinomoto Co., Inc. and Ito-Yokado Co., Ltd. We also started another pilot test for the in-store collection and horizontal recycling of used dressing bottles in collaboration with The Nisshin OilliO Group, Ltd. and AEON CO., LTD. Furthermore, by expanding the use of bottles made from recycled PET resin, we expect to reduce plastic use by approximately 430 tons per year. This initiative won the Food Packaging Award at the Japan Packaging Contest 2024.

Leading our efforts to create diets and lifestyles of the future, we presented the results of clinical trials on allergen-reduced eggs at the Japanese Society of Pediatric Allergy and Clinical Immunology. Having been selected for the Ministry of Agriculture, Forestry and Fisheries' SBIR Phase 3, we began full-scale

applied research. In the category of production technology, we have implemented automated lid-closing technology at the Group's delicatessen food plant. We have also joined The Future Food Factory Consortium, contributing to the efficiency and quality improvement of the food industry as a whole.

Total research and development expenses for the Group for the current fiscal year amounted to ¥3,865 million.

The following is a summary of the research and development activities by the reporting segments.

(1) Retail Market

In the Retail Market Business, we develop new products and also improve our existing products, which enables us to make proposals with respect to further enhancing palatability and functionality of such products and expanding applications involving such products.

In the category of mayonnaise, we launched the new *GREEN KEWPIE Plant based Mayonnaise type seasoning* to meet the growing demand for plant-based foods. We also launched *Kewpie Lemon tartar with ample ingredients* that goes well with a wide range of dishes, contributing to the rising demand during the summer. In addition, we improved the smoky flavor of *Kewpie Smoked Mayonnaise* and relaunched it, further increasing customer satisfaction.

In the category of dressings, we have added a large-volume (1,000 ml) version and a half-calorie version to the popular *Kewpie Deep-roasted Sesame Dressing* to meet customer needs. We also renewed our non-oil dressing series with a new concept that cuts salt and sugar content by 25%, providing new value to health-conscious consumers.

In the cooking category, we improved *Aeru Pasta Sauce with Cod Roe* and *Aeru Pasta Sauce with Spicy Cod Roe*, strengthening the pasta category. We also launched the new product, *Aeru Pasta Sauce with Yuzu-scented Japanese-style Cod Roe*, offering a Japanese-style sauce with which customers can enjoy the refreshing flavor of yuzu. As the plant-based foods, we introduced *GREEN KEWPIE Plant based Bolognese sauce* and *GREEN KEWPIE Plant based Carbonara sauce*.

In the category of baby foods and nursing care foods, we expanded the *Yasai to Nakayoshi* series and launched the new products, *Kewpie Yasai to Nakayoshi Oyakodon-style Seasoning Mix* and *Salmon Fried Rice-style Seasoning Mix*.

In the category of salads and delicatessen foods, Salad Club, Inc. rolled out a process to extend the freshness of its packaged salads to increase their expiration dates. We also launched *Shredded Cabbage Extra-Fine Cut* and *Coarsely Chopped Cabbage Dice Cut* as part of our efforts to reduce food loss. Deria Foods Co., Ltd. launched *Vegetable Potato Salad* under the *Delia* brand as a new challenge to improve the brand value in the delicatessen foods market.

In the field of ready-made foods, we continued to develop upcycled products for specific users, as we did last year. By utilizing uneaten portions of vegetables, which have previously been disposed of or ground into livestock feed, we introduced *Chilled Tomato Soup* with a texture of "carrot pulp", the waste produced in the process of making carrot juice, and *Pumpkin Soup* with a unique sweetness produced by grating cabbage cores. We also worked with producers and processors in Hokkaido and launched *Broccoli Soup*, for which we used the flower buds and stems generated during the sorting and processing of broccoli as ingredients. In addition, we developed two products in the *KEWPIE-NO-TAMAGO Eaten with Negidare* series by applying the technology used in the development of extended shelf-life salads to processed egg products. As a product unique to our company, which has technology for processing salads and eggs, these products became bigger hits than expected as they can be served as a side dish for dinner or a snack to go with drinks, and also can easily be a hearty bowl dish when served on rice. In addition, we have started trial sales of *Hao Chi Tamago*, a cooking kit containing liquid egg and ingredients, on Amazon Fresh.

(2) Food Service

In the Food Service Business, we develop unique products aimed at addressing issues that users in this business face, such as surging raw material prices and labor shortages, and roll out products that meet a wide range of needs to achieve both palatability and functionality.

In the dressing category, we launched two new products, *Triple Zero Non-oil Japanese Style* and *Non-oil Citrus*, with zero calories, fat and sugar, reflecting the health-consciousness of consumers. For restaurants and delicatessens, we also introduced two new products: *Gu-tappuri Sauce Garlic Onion* and *Yuzu Soy Sauce*. The sauce with an ingredient-rich texture, made possible with our unique grating technology, helps create new dishes. In addition, we launched *GREEN KEWPIE Soy-Tuna Filling* for the bakery industry to meet the demand for plant-based foods. At hotels and restaurants, three sauces are gaining attention as they add color and a homemade touch to the finishing process of dishes: *Kewpie Dress Up Sauce Parsley & Kale*, *Apple & Celery*, and *Carrot & Lemon*. We also renewed four products that make it easy to serve authentic pasta, including *Snowman Carbonara Sauce Base* and *Hoshienu Pasta Sauce Cod Roe (Pakitte)*, to improve their ease of use and taste even more.

In the category of extended shelf-life salads, we developed *Salad by Kewpie Egg and Macaroni Salad*. This product is characterized by its egg flavor and homemade feel, and is being increasingly used for gratin dishes and bakery items in addition to salads. We also launched *Snowman Smooth textured Chawanmushi (Oboro-like)* and *Snowman Fluffy and Creamy Oyako-don Seasoning Mix*, which offer both convenience and high quality. *Snowman Ryotei-style Series Tamagoyaki* and *Dashimaki Tamago* use a selective dashi stock to create a fluffy and juicy texture.

Kewpie Jyozo Co., Ltd. released a limited quantity of Western-style vinegar, *Riche Fermenter Wine Vinegar 2024*, by making the most of the functionality of brewed vinegar. This is the highest-grade vinegar made from Japanese wine, and this year two types of red and white wine vinegar are available, both of which are made from wine produced by the Lumiere Winery in Yamanashi Prefecture. We have also added 1L PET bottles of tomato vinegar and enhance vinegar for the restaurant sectors, to promote their use in a wide range of applications. For the delicatessen, cooked rice, and processed foods categories, we launched *Taiwanese-style Spicy Base* that balances great taste and shelf life. This product is characterized by its "addictive garlic flavor" and "persistent chili spice", and we have also suggested common recipes with our egg products. In addition, we developed a seasoning liquid for flavored rice that combines two types of soy sauce and homemade dashi for the sushi rice market, introducing it as a highly versatile product.

(3) Overseas

Overseas, we are promoting development that meets local tastes and trends, centered on development bases in each country.

In China, we launched a product series from already available *Fat Free Salad Dressing* and added two new products, *Sweet and sour flavor* and *Garlic Flavor*. With these products, we aim to capture demand not only for vegetable salads, but also for a wide range of meal menus. In addition, as part of our efforts to strengthen the Food Service category, we have established a new base in Shanghai and enhanced our system to respond quickly to customer needs.

In Vietnam, we aim to expand the market by leveraging our position as the leading manufacturer in the dressing market. In particular, in response to the growing health consciousness, we launched the first health-oriented sesame dressing in Vietnam, providing new value.

In Indonesia, we have expanded the yogurt-flavored mayonnaise, which has been popular in the Food Service channel, to the retail market for home use. With this, we aim to further expand the opportunities for mayonnaise use in the home, beyond fruit salads and other dishes.

In Thailand, we launched a truffle dressing that captures the trend in the restaurant market, proposing ways to make salads more enjoyable. In addition, in response to the growing health consciousness, we have developed to offer a mayonnaise-type seasoning with 50% less fat.

(4) Fruit Solutions

In the Fruit Solutions Business, we aim to support mental and physical health through the consumption of fruit. To this end, we have been engaged in research and development from a multifaceted perspective, including aroma and color, textures, nutritional function, convenience, and environment. In this fiscal year, we created new scenarios for consuming fruit in everyday life, and worked to further expand the market.

We launched two new frozen fruit products in the *Aohata Marukajuri* series. Taking it straight out of the freezer, one can eat these chunks of fruit with one hand. This series features a new sensation of enjoyment and juiciness with its style of eating while squeezing. It is an easy way to enjoy fruit in busy everyday life.

In the category of jams and spreads, we added three seasonal products to the popular *55 Jam* series, offering the enjoyment of choosing from a variety of fruit combinations. In addition, we fully renewed a total of six products in the *Aohata Spoon Free* fruit spread series, which comes in a bottle that can be used easily without a spoon.

(5) Fine Chemicals

In the Fine Chemicals Business, we have been engaging in research and product development with respect to maximizing the potential of our original performance ingredients, including hyaluronic acid, egg components and acetic acid bacteria. Through these materials, we are providing new value to the market and contributing to improvements in health and quality of life.

In the hyaluronic acid category, we promoted the development of new functions of modified hyaluronic acid through joint research with external research institutions.

In the acetic acid bacteria category, we launched a *Deare Plus* supplement that claims to improve immune function, which has received approval for labeling as a food with function claims. We have also proposed the functions of acetic acid bacteria to users who purchase the raw materials, and worked to revitalize the acetic acid bacteria market.

(6) Common Business

Not applicable.

III. Facilities and Equipment

1. Investments in Facilities and Equipment

As a result of continuous investments to augment, upgrade and streamline facilities, the Group invested a total of ¥20,586 million in facilities and equipment during the current fiscal year. These investments were part of the Company's efforts to preserve the environment and were made for the purpose of improving product safety, reducing production costs, and developing products that meet customers' needs.

Investments in facilities and equipment by segment were as follows:

Segment	Amount of capital investment (millions of yen)	Main contents
Retail Market	3,719	Production lines of condiments, salads and delicatessen foods and others
Food Service	4,877	Production lines of condiments and egg products and others
Overseas	10,468	Production lines of condiments and others
Fruit Solutions	355	Production lines of jams and fruit processed foods and others
Fine Chemicals	390	Production lines of hyaluronic acid and others
Common Business	395	Software and others
Other	379	Kewpie Group core systems and others

(Notes) 1. The amounts of capital investment include investment in intangible fixed assets and long-term prepaid expenses.

2. The amount stated for "Other" is that of investment in Kewpie Group core systems prior to being allocated to the reporting segments.

There were no sales or removals of facilities and equipment that have a significant impact on production capacity.

2. Principal Facilities and Equipment

Investments in facilities and equipment, and the number of employees working at each site as of November 30, 2024 are as follows:

(1) The Company

Site	Segment	Facilities and equipment	Book value (millions of yen)						Number of employees
			Buildings and structures	Machinery, equipment and vehicles	Land (m ²)	Lease assets	Other	Total	
Hashikami Factory (Hashikami-cho, Sannohe-gun, Aomori)	Retail Market Food Service	For foods	485	1,235	553 (46,365)	—	35	2,309	1 (—)
Goka Factory (Goka-machi, Sashima-gun, Ibaraki)	Retail Market Food Service Fine Chemicals	For foods	6,001	2,601	3,791 (241,431)	83	64	12,541	338 (110)
Nakagawara Factory (Fuchu-shi, Tokyo)	Retail Market Food Service Overseas	For foods	4,285	1,740	405 (43,484)	6	51	6,489	161 (105)
Kobe Factory (Higashinada-ku, Kobe-shi, Hyogo)	Retail Market Food Service Overseas	For foods	5,755	3,342	1,601 (16,776)	20	56	10,777	119 (20)
Izumisano Factory (Izumisano-shi, Osaka)	Retail Market Food Service Overseas	For foods	1,357	1,915	663 (18,576)	19	20	3,976	110 (52)
Tosu Factory (Tosu-shi, Saga)	Retail Market Food Service Overseas	For foods	2,016	807	363 (53,958)	1	29	3,218	1 (—)
Head Office (Shibuya-ku, Tokyo)	—	For others	524	0	— (—)	13	62	599	711 (93)
Complex of facilities (Chofu-shi, Tokyo)	—	For others	4,916	117	138 (16,510)	28	274	5,473	242 (19)
Complex of facilities (Itami-shi, Hyogo)	—	For others	6,746	345	2,337 (37,919)	11	67	9,508	— (—)
Tokyo Branch of Metropolitan General Office and other 8 branches and 13 sales offices	—	For others	58	—	— (—)	0	20	79	644 (40)
Kansai SLC (Higashinada-ku, Kobe-shi, Hyogo)	Common Business	For warehousing and distribution system	2,620	190	6,075 (47,252)	—	2	8,889	— (—)

(2) Domestic subsidiaries

Trade name	Site	Segment	Facilities and equipment	Book value (millions of yen)						Number of employees
				Buildings and structures	Machinery, equipment and vehicles	Land (m ²)	Lease assets	Other	Total	
Kewpie Egg Corporation	Head Office, Factory, Sales Office, etc. (Chofu-shi, Tokyo, etc.)	Food Service	For foods	4,958	9,195	4,632 (127,048)	356	159	19,302	1,807 (430)
Deria Foods Co., Ltd.	Head Office, Branch, etc. (Chofu-shi, Tokyo, etc.)	Retail Market	For foods	1,869	8	217 (13,790)	—	8	2,104	221 (69)
Kewpie Jyozo Co., Ltd.	Head Office and Factory (Chofu-shi, Tokyo, etc.)	Food Service	For foods	1,468	1,492	2,163 (69,749)	16	86	5,227	175 (99)
Co-op Foods Co., Ltd.	Head Office and Factory (Chofu-shi, Tokyo, etc.)	Food Service	For foods	764	734	108 (36,990)	14	12	1,634	95 (51)
Zen-noh Kewpie Egg-station Co., Ltd.	Head Office and Factory (Goka-machi, Sashima-gun, Ibaraki, etc.)	Food Service	For foods	1,210	1,133	405 (10,287)	3	34	2,787	235 (46)
Dispen Pak Japan Co., Inc.	Head Office and Factory (Minami-Ashigara-shi, Kanagawa, etc.)	Retail Market	For foods	251	658	836 (7,697)	—	15	1,761	112 (85)
Potato Delica Co., Ltd.	Head Office and Factory (Azumino-shi, Nagano)	Retail Market	For foods	1,206	783	487 (28,825)	27	25	2,530	93 (155)
Kpack Co., Ltd.	Head Office and Factory (Goka-machi, Sashima-gun, Ibaraki, etc.)	Retail Market	For foods	234	1,026	— (—)	2	11	1,275	125 (89)
Seto Delica Co., Ltd.	Head Office and Factory (Seto-shi, Aichi)	Retail Market	For foods	210	186	— (—)	628	5	1,030	72 (176)
Salad Club, Inc.	Head Office, Factory, Branch, etc. (Chofu-shi, Tokyo, etc.)	Retail Market	For foods	1,559	1,769	117 (9,782)	3	33	3,483	339 (614)
Shunsai Deli Co., Ltd.	Head Office and Office (Akishima-shi, Tokyo, etc.)	Retail Market	For foods	520	802	200 (4,761)	—	38	1,562	208 (485)
Aohata Corporation	Head Office, Factory, Sales Office, etc. (Takehara-shi, Hiroshima, etc.)	Fruit Solutions	For foods	1,253	1,348	1,356 (66,725)	—	54	4,013	438 (180)
Tsukuba Egg Processing Corporation	Head Office and Factory (Tsukuba-shi, Ibaraki)	Food Service	For foods	3	21	— (—)	1,346	2	1,374	15 (1)

(3) Foreign subsidiaries

Trade name	Site	Segment	Facilities and equipment	Book value (millions of yen)						Number of employees
				Buildings and structures	Machinery, equipment and vehicles	Land (m ²)	Lease assets	Other	Total	
Q&B FOODS, INC.	California, USA, etc.	Overseas	For foods	85	726	306 (92,031)	—	13	1,132	168 (—)
Hangzhou Kewpie Corporation	Zhejiang Province, China	Overseas	For foods	478	1,101	— (—)	243	87	1,911	556 (—)
BEIJING KEWPIE CO., LTD.	Beijing, China	Overseas	For foods	565	1,274	— (—)	100	32	1,973	594 (—)
KEWPIE (THAILAND) CO., LTD.	Bangkok, Thailand	Overseas	For foods	639	745	176 (103,440)	40	479	2,081	1,166 (—)
KEWPIE MALAYSIA SDN.BHD.	Malacca, Malaysia	Overseas	For foods	608	569	— (—)	41	16	1,235	221 (29)
PT KEWPIE INDONESIA	West Java, Indonesia	Overseas	For foods	1,245	127	393 (25,902)	49	16	1,832	140 (40)
Nantong Kewpie Corporation	Jiangsu Province, China	Overseas	For foods	1,303	660	— (—)	—	20	1,985	116 (—)
Mosso Kewpie Poland Sp. z o.o.	Puchały, Poland	Overseas	For foods	596	120	293 (72,478)	37	0	1,048	120 (—)
Guangzhou Kewpie Corporation	Guangdong Province, China	Overseas	For foods	1,864	1,308	— (—)	—	11	3,184	52 (—)

(Notes regarding above-mentioned (1) The Company, (2) Domestic subsidiaries and (3) Foreign subsidiaries)

1. "Other" listed under Book value includes tools, furniture and fixtures (construction in progress is excluded).
2. Under Number of employees, the figures in parentheses indicate the number of temporary employees.
3. In addition to the above, major intangible assets include the following:

Site	Segment	Facilities and equipment	Book value (millions of yen)
			Software
Head Office, etc. (Shibuya-ku, Tokyo)	—	Kewpie Group core systems	12,352

IV. The Company

1. Shares

(1) Number of authorized and issued shares

a) Authorized shares

Class	Number of authorized shares
Common stock	500,000,000
Total	500,000,000

b) Issued shares

Class	Number of issued shares		Stock exchange	Remarks
	End of period (Nov. 30, 2024)	Filing date (Feb. 28, 2025)		
Common stock	141,500,000	141,500,000	Tokyo Stock Exchange (Prime Market)	<ul style="list-style-type: none"> • Ordinary shares of the Company with no restrictions on shareholders' rights • Number of shares per unit: 100
Total	141,500,000	141,500,000	—	—

(2) Stock acquisition rights

a) Stock options

Not applicable.

b) Rights plan

Not applicable.

c) Other information about stock acquisition rights

Not applicable.

(3) Exercise of bonds with stock acquisition rights containing a clause for exercise price revision

Not applicable.

(4) Principal shareholders

(As of November 30, 2024)

Trade name	Address	Number of the Company's shares held (A) (thousands)	Ratio of (A) to the total number of issued shares (excluding treasury stock) (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	8-1, Akasaka 1-chome, Minato-ku, Tokyo	16,001	11.51
NAKASHIMATO CO., LTD.	4-13, Shibuya 1-chome, Shibuya-ku, Tokyo	11,286	8.12
TOHKA CO., LTD.	4-13, Shibuya 1-chome, Shibuya-ku, Tokyo	11,122	8.00
Custody Bank of Japan, Ltd. (Trust account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	7,154	5.15
Kieikai Research Foundation	4-13, Shibuya 1-chome, Shibuya-ku, Tokyo	4,251	3.06
Sumitomo Mitsui Banking Corporation	1-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo	3,208	2.31
Nippon Life Insurance Company (standing proxy: The Master Trust Bank of Japan, Ltd.)	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo (8-1, Akasaka 1-chome, Minato-ku, Tokyo)	3,039	2.19
The Dai-ichi Life Insurance Company, Limited (standing proxy: Custody Bank of Japan, Ltd.)	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo (8-12, Harumi 1-chome, Chuo-ku, Tokyo)	3,012	2.17
Nakato Scholarship Foundation	4-13, Shibuya 1-chome, Shibuya-ku, Tokyo	2,494	1.79
T&A Co., Ltd.	4-13, Shibuya 1-chome, Shibuya-ku, Tokyo	2,032	1.46
Total	—	63,602	45.76

- (Notes) 1. The Company holds 2,498,321 shares of treasury stock.
2. The ratio of number of the Company's shares held is calculated excluding the treasury stock.
3. The change report on large-volume holdings offered for public inspection on October 22, 2021 notes that SMBC Nikko Securities Inc. and other holders jointly held shares as of October 15, 2021 as follows. As the Company cannot confirm the beneficial ownership or number of shares held by SMBC Nikko Securities Inc. and other holders as of November 30, 2024, they are not considered in the above table.
The details of the change report on large-volume holdings are as follows:

Trade name	Address	Number of the Company's shares held (A) (thousands)	Ratio of (A) to the total number of issued shares (%)
Sumitomo Mitsui Banking Corporation	1-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo	3,208	2.27
Sumitomo Mitsui DS Asset Management Company, Limited	17-1, Toranomon 1-chome, Minato-ku, Tokyo	1,599	1.13
Total	—	4,807	3.40

4. The change report on large-volume holdings offered for public inspection on November 1, 2021 notes that Mitsubishi UFJ Financial Group, Inc. and other holders jointly held shares as of October 25, 2021 as follows. As the Company cannot confirm the beneficial ownership or number of shares held by Mitsubishi UFJ Financial Group, Inc. and other holders as of November 30, 2024, they are not considered in the above table.

The details of the change report on large-volume holdings are as follows:

Trade name	Address	Number of the Company's shares held (A) (thousands)	Ratio of (A) to the total number of issued shares (%)
MUFG Bank, Ltd.	7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	998	0.71
Mitsubishi UFJ Trust and Banking Corporation	4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo	4,728	3.34
Mitsubishi UFJ Kokusai Asset Management Co., Ltd.	12-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo	817	0.58
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	9-2, Otemachi 1-chome, Chiyoda-ku, Tokyo	348	0.25
Total	—	6,892	4.87

5. The change report on large-volume holdings offered for public inspection on June 22, 2022 notes that Mizuho Bank, Ltd. and other holders jointly held shares as of June 15, 2022 as follows. As the Company cannot confirm the beneficial ownership or number of shares held by Mizuho Bank, Ltd. and other holders as of November 30, 2024, they are not considered in the above table.

The details of the change report on large-volume holdings are as follows:

Trade name	Address	Number of the Company's shares held (A) (thousands)	Ratio of (A) to the total number of issued shares (%)
Mizuho Bank, Ltd.	5-5, Otemachi 1-chome, Chiyoda-ku, Tokyo	3,159	2.23
Asset Management One Co., Ltd.	8-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo	2,630	1.86
Total	—	5,790	4.09

6. The change report on large-volume holdings offered for public inspection on December 21, 2023 notes that Nomura Securities Co., Ltd. and other holders jointly held shares as of December 15, 2023 as follows. As the Company cannot confirm the beneficial ownership or number of shares held by Nomura Securities Co., Ltd. and other holders as of November 30, 2024, they are not considered in the above table.

The details of the change report on large-volume holdings are as follows:

Trade name	Address	Number of the Company's shares held (A) (thousands)	Ratio of (A) to the total number of issued shares (%)
Nomura Securities Co., Ltd.	13-1, Nihonbashi 1-chome, Chuo-Ku, Tokyo	374	0.26
Nomura International plc	1 Angel Lane, London EC4R 3AB, United Kingdom	280	0.20
Nomura Asset Management Co., Ltd.	2-1 Toyosu 2-chome, Koto-ku, Tokyo	6,662	4.71
Total	—	7,317	5.17

7. The change report on large-volume holdings offered for public inspection on July 19, 2024 notes that Sumitomo Mitsui Trust Bank, Limited and other holders jointly held shares as of July 15, 2024 as follows. As the Company cannot confirm the beneficial ownership or number of shares held by Sumitomo Mitsui Trust Bank, Limited and other holders as of November 30, 2024, they are not considered in the above table.

The details of the change report on large-volume holdings are as follows:

Trade name	Address	Number of the Company's shares held (A) (thousands)	Ratio of (A) to the total number of issued shares (%)
Sumitomo Mitsui Trust Bank, Limited	4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo	3,073	2.17
Sumitomo Mitsui Trust Asset Management Co., Ltd.	1-1, Shiba-koen 1-chome, Minato-ku, Tokyo	2,486	1.76
Nikko Asset Management Co., Ltd.	7-1, Akasaka 9-chome, Minato-ku, Tokyo	1,548	1.09
Total	—	7,108	5.02

2. Acquisition of the Company's Treasury Stock

[Types of shares repurchased]

Shares of common stock repurchased as defined by Article 155, Item 7 of the Companies Act

(1) Purchase of treasury stock based on a resolution by the General Meeting of Shareholders

Not applicable.

(2) Purchase of treasury stock based on a resolution by the Board of Directors

Not applicable.

(3) Purchase of treasury stock not based on a resolution by the General Meeting of Shareholders or the Board of Directors

Shares of common stock repurchased in accordance with the provisions of Article 155, Item 7 of the Companies Act

Item	Number of shares	Total price (yen)
Shares repurchased during the current fiscal year	1,363	4,362,286
Shares repurchased during the specified period	113	366,536

(Note) "Shares repurchased during the specified period" does not include shares resulting from the purchase of treasury stock less than one unit between February 1, 2025 and the document filing date of the Annual Securities Report.

(4) Disposal of repurchased shares and balance of treasury stock

Item	Current fiscal year		Specified period	
	Number of shares	Total disposal value (yen)	Number of shares	Total disposal value (yen)
Number of shares repurchased via solicitation	—	—	—	—
Number of repurchased shares retired	—	—	—	—
Repurchased shares transferred via a merger, share exchange, share issuance or division of the company	—	—	—	—
Other	—	—	—	—
Balance of treasury stock held	2,498,321	—	2,498,434	—

(Note) "Balance of treasury stock held" in "Specified period" does not include shares resulting from the purchase of treasury stock less than one unit between February 1, 2025 and the document filing date of the Annual Securities Report.

3. Dividend Policy

The Company maintains a basic policy of providing returns to its shareholders with top priority on dividend payments, 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 flexibly repurchasing and retiring treasury stock, giving consideration to factors such as stock price trends and financial conditions.

As for internal reserves, the Company endeavors to adequately secure them to strengthen its financial position and provide an adequate supply of funds for future expansion. Additionally, from a medium- to long-term perspective, the Company will promote capital investments, digital transformation (DX), and new development investments, focusing on efficiency improvements in Japan and growth investments overseas. The Articles of Incorporation of the Company stipulate that the Company can pay dividends from surplus twice a year, comprised of interim and year-end dividends, based on the resolution by 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 FY2024, with the assumption that the annual dividend per share would be ¥45 or more, the Company aims to set a target for the consolidated dividend payout ratio of 35% or more and accumulated total return ratio over four fiscal years of 50% or more.

For the fiscal year ended November 30, 2024, the Company decided to distribute an annual dividend of ¥54 per share, consisting of an interim dividend of ¥23 and a year-end dividend of ¥31, with a consolidated dividend payout ratio of 35.0%. As a result, the total shareholder return ratio over four years is 55%.

4. Corporate Governance

(1) Overview of corporate governance

(a) Basic policy regarding corporate governance

The Company defines corporate governance of the Group as a mechanism to ensure transparent and fair management, as well as swift and resolute decision-making and implementation, in order to achieve sustainable growth and enhance corporate value, while putting into practice the Group philosophy and taking into consideration the positions of various stakeholders, including customers, employees, business partners, shareholders and investors, and local communities.

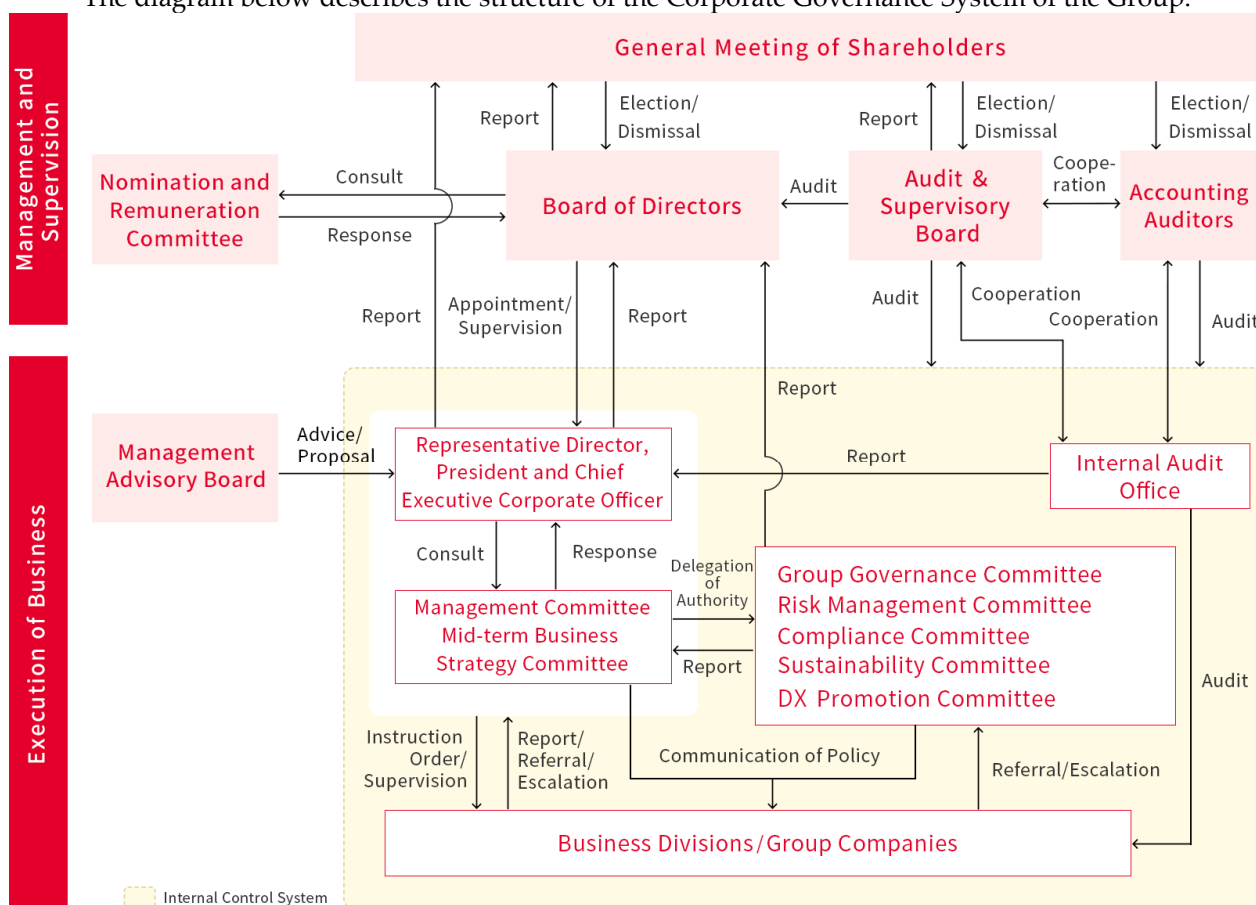
The Company recognizes the importance of establishing corporate governance that leverages the unique qualities of the Group. In line with its Corporate Governance Policy*, the Company continuously reviews and enhances its governance framework while valuing dialogue with various stakeholders.

* The Corporate Governance Policy outlines the Company's approach to corporate governance. For more details, please refer to the Company website.

<https://www.kewpie.com/company/promise/governance/>

(b) Overview of corporate governance structure

The diagram below describes the structure of the Corporate Governance System of the Group.



- The Company is a company with an Audit & Supervisory Board as its institutional design under the Companies Act. The audit function of the Board of Directors of the Company is strengthened under the institutional design. The Company adopts a corporate officer system to clarify roles and responsibilities and expedite management. The Company sets the terms of directors and corporate officers at one year in order to clarify management responsibilities

each fiscal year and establish a management structure that can respond swiftly to changes in the business environment.

1) Management and Supervision

- The Board of Directors consists of five standing directors and four outside directors, composed mainly of corporate officers who can take a broad view of the overall Group. The Board of Directors makes decisions on important management matters, including the Group's policies and strategies (Medium-term Business Plan, etc.), and supervises the execution of duties by directors and corporate officers.
- The Audit & Supervisory Board consists of two standing corporate auditors and three outside corporate auditors.

Through exchanging opinions with the Representative Director, President and Chief Executive Corporate Officer, participating in important meetings and committees, reports from officers in charge and responsible personnel of each business division, and on-site inspections, etc., the Audit & Supervisory Board monitors how the Company's internal control system is maintained and operated. In addition, the Board collaborates with Accounting Auditors and the internal auditing unit, including regularly sharing information with them.

- For details of the members of the Board of Directors and the Audit & Supervisory Board, and corporate officers, please refer to "(2) Officers".
- The Company has established the Nomination and Remuneration Committee as an advisory body to the Board of Directors with the aim of enhancing objectivity, adequacy and transparency regarding matters such as the composition of the Board of Directors and the methods of nomination and compensation of directors and other officers, so that it may contribute to the Group's medium- to long-term growth and improvement of its corporate value. The committee consists of no fewer than five members (limited to the Company's directors and corporate auditors), and at least half of its members are outside officers (but only those who satisfy the independence criteria). The chairman of the committee shall be appointed by the resolution of the Nomination and Remuneration Committee from among its members who are outside directors, and such person shall undertake chairmanship of the committee.

For information about the committee members, please refer to "◇ Status of Activities of the Nomination and Remuneration Committee".

2) Execution of Business

- The Group's overall policy and most important matters are decided after deliberation by the Company's Board of Directors or the Management Committee (or the Mid-term Business Strategy Committee). For important and specialized issues across the Group, specified important meetings and committees to which authority has been delegated by the Management Committee are responsible for formulating policies and promoting initiatives, leading to swift and appropriate decision-making and implementation. In particular, functions related to internal control are mainly shared by the following important meetings and committees.

Meeting	Organizer	Main roles
Management Committee	Representative Director, President and Chief Executive Corporate Officer	This is an important meeting that deliberates and monitors important matters (including business risks) related to Group management. Inside directors and corporate officers are the main participating members.
Mid-term Business Strategy Committee	Representative Director, President and Chief Executive Corporate Officer	This is an important meeting where members, mainly executive directors, deliberate on important matters especially relevant to the promotion of the Medium-term Business Plan, among other matters listed above.
Group Governance Committee	Director and Corporate Officer (In Charge of Group Governance)	This is an important committee whose main role is to formulate policies, determine priority issues, and promote initiatives for the establishment of appropriate Group governance. It promotes measures such as appropriate decision-making and the development of group company management systems.
Risk Management Committee	Director and Corporate Officer (In Charge of Risk Management)	This is an important committee whose main role is to formulate policies, determine priority issues, and promote initiatives for risk management of the entire Group. It consolidates information on company-wide risks and oversees the evaluation, prioritization, and countermeasures of such risks.
Compliance Committee	Director and Corporate Officer (In Charge of Compliance)	This is an important committee whose main role is to establish a compliance system for the entire Group, determine priority issues, and promote compliance initiatives. In addition to identifying any issues related to compliance, it formulates plans, raises awareness, conducts training, etc. related to promoting compliance.
Sustainability Committee	Director and Corporate Officer (In Charge of Sustainability Promotion)	This is an important committee whose main role is to formulate policies, determine priority issues, and promote initiatives for achieving sustainability in accordance with the Group Policies. It formulates Basic Policy on Sustainability and works on priority social and environmental issues based on this policy.
DX Promotion Committee	Corporate Officer and Senior General Manager of Digital Transformation Division	This is an important committee whose main role is to develop a policy of digital strategy for the entire Group, optimize resource allocation (cost, systems, etc.), and develop and promote a policy of human resources development for DX. Through the Information Promotion Committee, an organization under its direct control, it maintains information security for the entire Group, improves the IT environment, and promotes IT literacy education and IT utilization.

- The Company has also established its Management Advisory Board as an advisory body to the Company's Representative Director, President and Chief Executive Corporate Officer,

composed of experts from outside the Company. It was set up with the goal of obtaining advice and recommendations so that the Group may boost the soundness, fairness and transparency of its management and thus better serve society and its customers. For information about the board members, please refer to "◇ Management Advisory Board".

- The Internal Audit Office does, from a perspective of legality and rationality, coordinate with staff members in each division or department in charge of auditing duties relating to product quality, environmental protection, safety, and labor to conduct internal audits of the Group's management and operation systems for overall management activities and the execution status of duties. In addition, it implements the evaluation of the effectiveness of internal control over financial reporting in accordance with the nomination by the Company's Representative Director, President and Chief Executive Corporate Officer.

(c) Reason for adopting the Group's corporate governance structure

The Company regularly reviews its corporate governance system, including its institutional design.

As a corporate group that plays a role in the food sector, the Group has developed a widespread and extensive presence in the industry encompassing home-cooked meals, ready-made foods, and restaurant sectors, and a variety of sales channels, offering a diverse range of products and services. In light of the Company's business conditions, we believe that it is important to build a management structure in which management is led by executive directors who are well versed in the Company's operations and take a broad view of the overall Group, while at the same time, from the perspective of management transparency and fairness, outside officers can use their own knowledge and experience to express frank views and opinions from an independent standpoint and supervise management, with particular attention to "stakeholders' viewpoints, interests and requests", "conflicts of interest between the Company and its officers and major shareholders", and "the suitability of the internal control system".

Therefore, under the institutional design of a company with an Audit & Supervisory Board, at least one-third of the directors consists of independent outside directors, and a majority of the Audit & Supervisory Board consists of independent outside officers. Further, the Company established the Nomination and Remuneration Committee chaired by an independent outside director, with a majority of its members being independent outside officers.

Currently, four outside directors and three outside corporate auditors actively speak from an objective and neutral standpoint at meetings of the Board of Directors and on other occasions, and their influence on decision-making is significant, with outside officers playing an important role in the supervision of executive directors.

In addition, the effectiveness of the auditing function is ensured by having independent auditors, who are able to perform the auditing function independently, centered on the standing corporate auditors, identify the actual status of the Group's operations and take prompt corrective measures through on-site inspections and participating in meetings.

Given the above, we believe that it is appropriate at this time to continue with the current structure and take measures to ensure the transparency and fairness of management and strengthen the supervisory function, and to further enhance the effectiveness of corporate governance.

(d) Other matters concerning corporate governance

◇ Status of activities of the Board of Directors

The Company held 12 meetings of the Board of Directors during the current fiscal year, and the attendance of individual directors is as follows:

Name	Title	Number of attendances
Amane Nakashima	Chairman	12/12
Mitsuru Takamiya	Representative Director	12/12
Ryota Watanabe	Director	12/12
Yoshinori Hamachiyo	Director	12/12
Shinichiro Yamamoto	Director	12/12
Shinya Hamasaki	Director	12/12
Hitoshi Kashiwaki	Outside Director	12/12
Atsuko Fukushima	Outside Director	12/12
Kuniko Nishikawa	Outside Director	9/10
Harold George Meij	Outside Director	10/10

Note: Kuniko Nishikawa and Harold George Meij were newly elected and assumed office at the 111th Ordinary General Meeting of Shareholders held on February 28, 2024, and their attendance at the Board of Directors meetings held after their appointment is shown.

Please refer to (3) Initiatives carried out during the current fiscal year of ◇ Evaluation of the effectiveness of the Board of Directors for the details of the Board of Directors' deliberations and discussions during the current fiscal year.

◇ Evaluation of the effectiveness of the Board of Directors

The Company conducts an annual evaluation of the effectiveness of the Board of Directors, including the operation of the board, agenda content, and deliberation status. Based on the results, discussions are held at the board level, and initiatives for improvement are implemented. The Company implemented an evaluation of the effectiveness of the Board of Directors (eighth evaluation) for FY2023 from December 2023 through January 2024, and worked to improve the operation of the Board of Directors based on those results in FY2024. A summary of this process is as follows:

(1) Implementation methods and details

<Implementation Methods>

- A questionnaire survey was conducted for all officers, with responses analyzed and evaluated by the Board of Directors Office and an external organization. The results were reported and shared with the Board of Directors, followed by an exchange of opinions among attending officers during the Board meeting.

<Survey Details>

- The survey asked how the Board of Directors should function more effectively to address key issues for the sustainable growth of the Group, as set at the beginning of the year (including the management direction for the FY2025–FY2028 Medium-term Business Plan and the promotion of sustainability).
- Additionally, questions were set regarding the operation of the Board of Directors, meetings outside the Board of Directors, and initiatives such as one-on-one meetings between executives and outside officers.
- The effectiveness of the Nomination and Remuneration Committee, the advisory body of the Board of Directors, was also evaluated.

(2) Evaluation results

<Overall Evaluation>

- The operation and activities of the Board of Directors, as well as the activities of the Nomination and Remuneration Committee, are generally appropriate. The key issues of the Board of Directors are appropriately set, and discussions have been conducted largely in accordance with the annual plan, ensuring thorough deliberation. As a result,

the deliberations of the Board are evaluated as contributing to the medium- to long-term enhancement of corporate value.

- Additionally, meetings outside the Board of Directors and one-on-one discussions between executives and outside officers were also recognized as contributing to the effectiveness of the Board.

<Challenges for Future Initiatives>

- During the deliberations of the Board of Directors and the effectiveness evaluation, the following opinions were raised, highlighting key challenges for future initiatives:
 - While discussions on the formulation of the FY2025–FY2028 Medium-term Business Plan starting in FY2025 have started early and the overall direction of management has been shared, further consideration is needed regarding specific strategies.
 - There are challenges in the feedback process from the executive side in response to opinions from the Board of Directors.
 - A review and discussion of the market-oriented business structure, the core initiative of the FY2021–FY2024 Medium-term Business Plan, is necessary.
 - Further discussions are needed within the Board of Directors regarding the integration of sustainability and business strategy.

(3) Initiatives carried out during the current fiscal year

Based on the results of the effectiveness evaluation, the Board of Directors for FY2024 established key issues to be discussed and an annual plan under the following policy and has engaged in repeated discussions. Additionally, efforts outside the Board of Directors have continued while exploring better approaches.

<Policy for Initiatives>

With an awareness of the interconnections between key issues and ensuring feedback from the executive side to the Board of Directors, the Company has decided to:

- Focus discussions on the formulation and execution of specific strategies and challenges for the FY2025–FY2028 Medium-term Business Plan, and
- Establish KPIs and implement a cycle of execution and monitoring.

<Key Issues>

- The FY2024 strategy discussions for the FY2025–FY2028 Medium-term Business Plan set key issues including improving domestic profitability, enhancing overseas revenue generation, human resource strategy and investment in human capital, ESG management, review of the market-oriented business structure, risk management, sustainability, and DX strategy.

Going forward, the Company will implement an evaluation of the effectiveness of the Board of Directors every year and work to build a management framework that contributes to the medium- to long-term development of the Group.

In December 2024, the ninth effectiveness evaluation for the current fiscal year was conducted. The evaluation method remains the same as in FY2023, utilizing a questionnaire format for all directors and other officers, assessing the initiatives of FY2024 and identifying future challenges.

Following the analysis and evaluation of the responses, the results were reported and shared with the Board of Directors, where discussions were held. Based on the feedback, the Board will further refine the future challenges and specific initiatives for FY2025, striving for continuous improvement.

◇ Status of activities of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee, in consultation with the Board of Directors, deliberates and, if necessary, adopts resolutions on the following matters:

- (1) Structure of the management systems and member composition of the Board of Directors;
- (2) Criteria for election and dismissal of directors, corporate auditors, and corporate officers;
- (3) Nomination of respective candidates for positions as directors and corporate auditors;
- (4) Criteria for evaluating directors and corporate officers;
- (5) Design of compensation systems for directors and corporate officers; and
- (6) Other matters regarding the Group's corporate governance as deemed necessary by the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee met five times in the current fiscal year. The committee resolved matters such as directors' bonuses, the future management structure, and revisions to the director/corporate auditor compensation system, including the introduction of a stock-based compensation plan. Additionally, multiple discussions were held regarding the method of setting director/corporate auditor compensation and the direction of performance evaluations.

The committee's members shall be elected by the resolution of the Board of Directors, and their term of office shall expire at the conclusion of the Company's first Ordinary General Meeting of Shareholders to be held subsequent to their appointment. The chairman and committee members and their attendance during the current fiscal year are as follows:

	Name	Title	Number of attendances
Chairman	Hitoshi Kashiwaki	Outside Director	5/5
Members	Atsuko Fukushima	Outside Director	5/5
	Kazumine Terawaki	Outside Corporate Auditor	5/5
	Kuniko Nishikawa	Outside Director	4/5
	Harold George Meij	Outside Director	5/5
	Amane Nakashima	Chairman	5/5
	Mitsuru Takamiya	Representative Director, President and Chief Executive Corporate Officer	5/5
	Shinichiro Yamamoto	Director, Executive Corporate Officer	5/5

As of the report submission date, the Nomination and Remuneration Committee has held discussions on the succession plan for the management team, specifically regarding the direction of plans for identifying potential successors to the current management and for developing candidates for the next generation of leadership.

As of the filing date of this Report, the committee's chairman and its members are as listed below. The majority of the committee members are independent outside directors, and the chairman is also selected from among the outside directors.

<Chairman>

- Hitoshi Kashiwaki, Outside Director

<Members>

- Atsuko Fukushima, Outside Director
- Kuniko Nishikawa, Outside Director
- Harold George Meij, Outside Director
- Amane Nakashima, Chairman
- Mitsuru Takamiya, Representative Director, President and Chief Executive Corporate Officer
- Shinichiro Yamamoto, Director, Executive Corporate Officer

◇ Management Advisory Board

The Company has also established its Management Advisory Board as an advisory body to the Company's Representative Director, President and Chief Executive Corporate Officer, composed of experts from outside the Company. It was set up with the goal of obtaining advice and recommendations so that the Group may boost the soundness, fairness and transparency of its management and thus better serve society and its customers.

The Management Advisory Board meets regularly twice per year, with additional special meetings held as necessary.

As of the filing date of this Report, outside members are as listed below.

<Outside Members>

- Ms. Chieko Matsuda, Professor, Graduate School of Management at Tokyo Metropolitan University
- Ms. Yumiko Kamada, CEO of ONE · GLOCAL Ltd.
- Ms. Rina Akimoto, CEO of vivid garden Inc.
- Mr. Tomohiro Takefumi, Representative Director and President, WithGreen, INC.

◇ Policies and procedures for election and dismissal of executives and nomination of Director and Corporate Auditor candidates

<Policy for Nomination of Director Candidates>

The Board of Directors of the Company, in working to follow the mandate of the shareholders, shall have responsibilities to respect corporate philosophy, promote sustainable corporate growth and the improvement of corporate value over the medium to long term, and enhance earnings power and capital efficiency. Concerning the election of directors, the Board of Directors has set forth the following criteria through which the persons deemed capable of fulfilling these responsibilities are nominated as candidates.

(Inside Director)

1. Must respect the corporate philosophy of the Company and embody these values.
2. Must possess abundant knowledge on domestic and international market trends concerning the Group business.
3. Must possess excellent competency in objective managerial judgment and business execution that contributes beneficially to the Group's management direction.

(Outside Director)

1. Must provide a guiding role in particular fields, such as corporate management, legal affairs, overseas, human resource development, and ESG and possess abundant experience and expertise in such fields.
2. Must have high affinity with the corporate philosophy and business of the Company, and possess the ability to express opinions, provide guidance and advice, and carry out supervision with respect to the inside directors when deemed timely and appropriate to do so.
3. Must secure sufficient time to perform duties as an outside director of the Company.

<Policy for Nomination of Corporate Auditor Candidates>

The corporate auditors, in working to follow the mandate of the shareholders, shall have responsibilities to strive to prevent occurrences of infringements of laws and regulations and the Articles of Incorporation and maintain and improve the soundness of the Group's management and its trust from society. Concerning the election of corporate auditors, the Board of Directors

has set forth the following criteria through which the persons deemed capable of fulfilling these responsibilities are nominated as candidates.

(Inside Corporate Auditor)

1. Must respect the corporate philosophy of the Company and embody these values.
2. Must maintain a stance of fairness and possess the capability to fulfill auditing duties.
3. Must have an overall grasp of the Group operations and be able to propose management tasks.

(Outside Corporate Auditor)

1. Must provide a guiding role in particular fields, such as corporate management, accounting, legal affairs, overseas, human resource development, and ESG and possess abundant experience and expertise in such fields.
2. Must have high affinity with the corporate philosophy and business of the Company, and possess the ability to express opinions, provide guidance, and carry out supervision with respect to the directors from an objective and fair standpoint.
3. Must secure sufficient time to perform duties as an outside corporate auditor of the Company.

<Procedures for Nomination of Corporate Officer Candidates>

Concerning the nomination of candidates for directors and corporate auditors, the Board of Directors will deliberate and decide after discussions in a meeting of the Nomination and Remuneration Committee.

As for candidates for corporate auditors, election propositions for the General Meeting of Shareholders must be approved by the Audit & Supervisory Board pursuant to stipulations in the Companies Act.

<Policies and Procedures for Dismissal of Corporate Officers>

The Board of Directors of the Company may seek resignation or otherwise dismiss a corporate officer (including corporate officers with special titles such as President at the top) in the event that any one of the following items applies. Matters involving dismissal of a corporate officer are to be deliberated on and decided by the Board of Directors, subsequent to discussion in a meeting of the Nomination and Remuneration Committee.

1. The individual has engaged in an act of fraud, impropriety, perfidy or breach of trust as a corporate officer;
2. The individual has shown a lack of competence as a corporate officer;
3. The professional duties of a corporate officer performed by the individual have been insufficient in terms of implementation or results thereof, and the Board of Directors has deemed that it would be inappropriate for him or her to continue performing his or her duties as a corporate officer; or
4. The individual has behaved or otherwise engaged in language and conduct unbecoming to a corporate officer.

◇ The Company's policy regarding the necessary skills (experience and expertise), diversity, and scale for the Board of Directors

1. The Company aims to strike a good balance of experience, expertise, and attributes among its overall officers (directors and corporate auditors).

The Company aims to ensure that experience and expertise that are currently in shortage among officers are provided, including those held by non-officers.

2. Inside directors are composed mainly of corporate officers who can take a broad view of the overall Group.
3. The maximum term of service of an outside officer is ten (10) years in order to maintain their independency; however, care shall be taken to ensure terms of service are appropriate from the perspective of emphasizing their understanding of the food business and the Company.
4. The number of directors shall be up to twelve (12), and outside directors shall make up one third or more of the total number of directors.

◇ Status of individuals who have retired from the position of Representative Director, President and Chief Executive Corporate Officer, etc.

The Company has not currently appointed an Executive Corporate Adviser. If the President and Chief Executive Corporate Officer recognizes a specific business need, the Company shall, in accordance with the required internal procedures, delegate a retired President and Chief Executive Corporate Officer as an Executive Corporate Adviser, or a retired officer as a Corporate Adviser.

The Executive Corporate Adviser, mainly for the smooth succession of management, shall provide advice where requested by the President and Chief Executive Corporate Officer, and shall fulfill other duties as requested by the President and Chief Executive Corporate Officer, including industry group activities and activities to maintain relationships with business partners. Furthermore, a Corporate Adviser will be delegated particularly when there is a specific mission to be requested based on the Corporate Adviser's knowledge and experience during their time as officer.

Neither the Executive Corporate Adviser nor the Corporate Adviser have authority in the decision-making process of management, neither do they attend meetings of the Management Committee or other internal meetings.

The terms shall be in principle a one-year term with a maximum of two years for the Executive Corporate Adviser and a maximum of one year for the Corporate Adviser, meaning retired officers do not maintain long-term business relationships with the Company.

Furthermore, in terms of internal procedures, the delegation of the Executive Corporate Adviser requires a resolution by the Board of Directors, and the delegation of the Corporate Adviser requires a decision by the President and Chief Executive Corporate Officer reported to the Board of Directors.

◇ Progress made in establishing internal control system

The Company, through the Board of Directors, has passed the following resolutions concerning a basic policy for building an internal control system.

(1) The Group's framework for the system of business execution

The Company shall establish a Management Committee, an advisory body to the Representative Director, President and Chief Executive Corporate Officer, to deliberate on important matters for the Group as a whole. In addition, the Company shall also establish Market Businesses in charge of the retail, food service, and overseas markets, tasked with formulating and promoting the Group's strategies in each market, and with formulating, disseminating, and monitoring important policies of the entire Group by establishing various important meetings and committees commissioned by the Management Committee for each important theme and area across the Group.

- (2) System to ensure that execution of duties by directors and employees of the Company and its subsidiaries complies with laws and regulations and the Articles of Incorporation

- a. As the Group has declared its corporate spirit under its Corporate Motto and Corporate Principles shown below and come to foster a corporate culture by making executive officers and employees alike aware of the ongoing and thorough training programs over many years, the directors of the Company and its subsidiaries must also respect that corporate culture in their management decisions. In addition, the Corporate Motto and Principles, together with our Ideal described below, have been established as the Group's philosophy, and shall be the most important basic values and aspirations for the directors and employees of the Company and its subsidiaries.

(Corporate Motto)

RAKU-GYOU-KAI-ETSU

(Corporate Principles)

- Act on moral principles
- Strive for originality and ingenuity
- Look after parent's well being

(Words to remember) "The world is fairer than you imagine"

(Our Ideal)

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

- b. The Group has established the Group Policies (comprised of the Code of Ethics and Code of Conduct) and compliance regulations so that directors and employees of the Company and its subsidiaries act in compliance with laws and regulations, the Articles of Incorporation and the corporate philosophy of the Group, and directors and employees of the Company and its subsidiaries are obligated to comply with these.
- c. The Group assigns the Company's corporate officer in charge of compliance to oversee the Compliance Committee. Thus, the Company strives to improve its Group-wide compliance systems and identify any issues with those systems, while formulating plans, raising awareness, conducting training, etc. related to promoting compliance led by that committee. The Company's corporate officer in charge of compliance regularly reports to the Company's Board of Directors regarding the related activities.
- d. The Group has set up a helpline at the Company, which can be contacted both from within and outside the Company (including lawyers), as an internal reporting system in accordance with the Whistleblower Protection Act. Upon receiving a report or notice from the reporting or consultation services, the Company's corporate officer in charge of compliance instructs the Compliance Investigation Committee to investigate the facts and, if the committee finds a violation of a law or rule, it will discuss with the relevant department and decide upon corrective actions and measures to prevent reoccurrence. In addition to making an announcement within the Company that includes disciplinary action, the Compliance Investigation Committee shall carry out Group-wide measures to prevent reoccurrence of such event.
- e. The Group shall, as a member of society, never become involved with anti-social forces that are a menace to social order and security, and shall resolutely refuse improper solicitation.
- (3) System to ensure storage and management of information relating to the execution of duties of directors of the Company and its subsidiaries
- a. The Group shall implement operations for the proper preservation and management (including disposal) of documents and other information relating to the execution of

duties of directors by using documents or electronic records created in accordance with document management rules, the regulations on the use of Company information, basic principles on the protection of personal information, and other rules and manuals related to the storage and management of such information, and when required, the Company's director in charge of corporate shall inspect the state of such operation and review the respective rules.

- b. At all times, directors and corporate auditors of the Company shall be able to view these documents or electronic records.
- (4) System for rules relating to management of risks of the Group's loss and other rules
- a. The Group shall follow its risk management basic policy with respect to each individual risk, and continuously monitor the organization etc. associated with the risk. In addition, the Company shall gather information related to company-wide risks of the entire Group at the Risk Management Committee, which is chaired by the Company's corporate officer in charge of risk management. The Risk Management Committee shall evaluate, and manage the overall order of priority of the risks, and the committee chairman shall regularly report the evaluation and response status of company-wide risks of the entire Group to the Company's Board of Directors.
 - b. The Group shall create a crisis management manual, first identifying and categorizing specific crisis and then establishing information transmission and emergency response systems that provide a quick and proper response in times of emergency. In the event of a major crisis, the Company shall strive to respond rapidly and appropriately by quickly establishing an Emergency Headquarters headed by a pre-designated director from the Company in charge of each category of crisis.
 - c. The Group regards sustainability activities as an important issue in contributing to the realization of a sustainable society and sustainable growth of the Group, and promotes sustainability initiatives based on the Basic Policy on Sustainability, which is determined through discussions by the Board of Directors. Each company and organization within the Group shall promote the Group's sustainability activities under the direction of the Sustainability Committee. The Sustainability Committee shall set material issues on sustainability for the Group, monitor their progress, and support their realization.
 - d. To construct a system necessary to ensure the properness of financial reporting, the Group shall establish various provisions related to financial reporting and aim to enhance internal controls related to financial reporting by conducting educational programs and promoting awareness of compliance with accounting standards and other related laws and regulations. Moreover, each responsible business division in charge of finance reporting, shall cooperate with the Company's corporate auditors and construct a scheme for regularly evaluating and improving the state of the design and operation of this system.
 - e. The Internal Audit Office shall, from a perspective of legality and rationality, coordinate with staff members in each division or department in charge of auditing duties relating to product quality, environmental protection, safety, and labor to conduct internal audits of the Group's management and operation systems for overall management activities and the execution status of duties. In addition, the Internal Audit Office shall execute an effectiveness assessment on the internal controls related to financial reporting in accordance with the nomination by the Company's Representative Director, President and Chief Executive Corporate Officer.

- (5) System to ensure directors of the Company and its subsidiaries can efficiently execute their duties
 - a. While providing group-wide management targets to be shared by directors and employees and working to ensure group-wide permeation of such, the Group, aiming to achieve these management targets, shall strive to achieve an optimized organization through restructuring and the Company's Representative Director, President and Chief Executive Corporate Officer shall appoint persons in charge of such duties for each business division by the resolution of the Company's Board of Directors. By delegating authority to the aforesaid persons in charge of such duties, it shall be possible to quickly and appropriately make decisions and execute duties.
 - b. With regard to execution of duties based on the resolution of the Company's Board of Directors, the respective scope of responsibility and decision-related procedures shall be provided based on the approval criteria of the Company and its subsidiaries.
 - c. In accordance with the basic policy on execution of duties that was resolved by the Company's Board of Directors, specific measures for promoting the Group's management activities shall be entrusted to scheduled or unscheduled discussions held in the Company's Management Committee or each important meeting and committee, in order to achieve swift and appropriate decision-making and execution of duties.
 - d. In order to achieve sustainable growth for the Group, the Group has positioned digital transformation (DX) as a key management issue, and will promote the transformation of its business models and business processes through the use of digital technology. Each company and organization within the Group shall promote the Group's DX initiatives under the direction of the DX Promotion Committee. The DX Promotion Committee shall be responsible for orienting the Group's digital strategy and resource allocation, setting and supporting priority targets, developing a promotion system, and promoting digital literacy education.
- (6) System necessary to ensure properness of operations in the Group
 - a. The Group shall, based on Basic Way of Thinking for Group Management, share consolidated management targets and policy on business operations of the corporate group at the Group Joint Management Committee and in meetings of different Market Businesses. Moreover, the entire Group shall work toward optimization with respect to the organization and human resources, and financing. Also, with regard to execution of duties, the Company shall define areas of authority for managing subsidiaries based on the approval criteria of the Group, and shall also streamline delegation of authority while achieving balance with Group management.
 - b. The Company's subsidiaries shall make monthly reports on the status of progress of business plans to the Company's corporate officer in charge of their company. Moreover, directors of the Company who have been dispatched as directors of a subsidiary and are present at the subsidiary's Board of Directors' meeting shall report to the above-mentioned corporate officers in charge regarding the status of discussions by the subsidiary's Board of Directors and management issues.
 - c. In the Group, the Group Governance Committee, chaired by the Company's corporate officer in charge of group governance, shall be responsible for developing a policy of establishing appropriate group governance, deciding on material issues, and promoting initiatives.
 - d. Aohata Corporation, which is a subsidiary of the Company, will share with the Company consolidated management goals and closely exchange information on risk management and compliance. However, in view of the fact that it has formed its own corporate group in addition to being listed on the Tokyo Stock Exchange, it will build its own system to ensure the appropriateness of business.

(7) System to ensure effectiveness of audits performed by corporate auditors

a. Placement of employees to assist in the Company's corporate auditor duties

The Company's Internal Audit Office executes internal auditing of matters requested by the Company's corporate auditors through deliberation with the Company's Audit & Supervisory Board and reports the results of such audits to the Company's Audit & Supervisory Board. Moreover, if the Company's corporate auditors request to appoint an employee to assist in such duties, the Company shall expeditiously comply with such a request.

b. Independence from the directors of employees who assist in the Company's corporate auditor duties and ensuring effectiveness of the Company's corporate auditor instructions conveyed to such employees

Employees belonging to the Company's Internal Audit Office who receive a request from the Company's corporate auditors to carry out necessary internal auditing duties shall not receive instructions or orders that relate to such internal auditing from directors etc. except the Company's director in charge of the Internal Audit Office. Moreover, when employees are assigned to assist in the Company's corporate auditor duties, the employees shall not receive instructions or orders from anyone other than the Company's corporate auditors, in order to ensure their independence.

c. System for reporting to the Company's corporate auditors including system for the Company's directors and employees, and officers and employees of the Company's subsidiaries to report to the Company's corporate auditors

1) The Company's directors and employees, and officers and employees of the Company's subsidiaries shall report the information necessary to respond to requests from the Company's corporate auditor in accordance with the stipulation of the Company's Audit & Supervisory Board.

2) The subjects of the information matters mentioned in the previous paragraph are mainly:

- Content of agenda items for resolution at each company's general meeting of shareholders
- Status of activities at each unit concerning the construction of the Company's internal control system
- Status of activities of the Company's Internal Audit Office, staff members in each division or department in charge of auditing duties, and corporate auditors of subsidiaries
- Material accounting policies and accounting standards of the Company and changes thereof
- Details of announcements of operating results and operating forecasts, and details of material disclosure documents
- Operation and details of reports and consultation of the internal reporting system
- Behavior in violation of laws and regulations or the Articles of Incorporation, or fraudulent behavior
- Matters entailing risk of inflicting substantial damage on the Company or a subsidiary thereof

3) The Company shall establish a system that enables directors, employees, and officers and employees of subsidiaries to make anonymous reports to and consult the Company's corporate auditors as the Company's "helpline" internal reporting system.

- d. System to ensure that persons who have reported as aforementioned in section (7) c. above are not treated disadvantageously for making such reports

When a person has made a report to the Company's corporate auditors, the Company shall not subject that person to disadvantageous treatment for having made the report. This shall also be thoroughly enforced at subsidiaries.

- e. Policy on procedures for prepaying or reimbursing expenses incurred by the Company's corporate auditors in the course of executing their duties, and other matters involving handling of expenses or debts incurred through execution of such duties

- 1) The Company shall undertake budgetary measures annually with respect to audit expenses necessary to ensure the smooth execution of the Company's corporate auditor duties.

- 2) The Company shall cover extraordinary expenses claimed by the Company's corporate auditors, such as those incurred in enlisting the cooperation of outside specialists (such as lawyers and accountants), unless the nature of the expense claimed is deemed unreasonable.

- f. Other system necessary to ensure auditing of the Company's corporate auditors is effectively executed

- 1) The Company's Board of Directors shall require the Company's Audit & Supervisory Board to report on the audit policies, important audit matters, and audit method, etc., of respective fiscal years, and this information shall be shared.

- 2) The Company's directors, employees, and officers and employees of the Company's subsidiaries shall cooperate appropriately with requests for interviews from the Company's corporate auditors. Moreover, the Representative Director, President and Chief Executive Corporate Officer shall have regular opportunities to exchange opinions with the Company's Audit & Supervisory Board.

- 3) Committees, the Internal Audit Office, and staff members in each division or department in charge of auditing duties contributing to the construction of the internal control system shall respect the opinions of each corporate auditor as they pertain to ensuring that the audit by the corporate auditors is effective.

◇ Progress made in operating the internal control system

Details regarding the operational status of the internal control system for the current fiscal year are summarized as follows.

- (1) Operational status based on the Group's framework for the system of business execution
 - The Management Committee meetings were held 12 times. In addition, as important meetings, the Compliance Committee met four times and the Group Governance Committee met five times.
 - To promote themes pursued through group collaboration, a policy was formulated, communicated, monitored, and reported in meetings led by the executive officer in charge. These actions were carried out in accordance with the operational framework of the business execution system, ensuring appropriate implementation.
- (2) Operations based on the system to ensure that execution of duties by directors and employees of the Company and its subsidiaries complies with laws and regulations and the Articles of Incorporation
 - As part of efforts to foster a corporate culture that respects the Group philosophy, the training system was restructured, and new Group philosophy training was conducted in an attempt to respond to changes in work styles and the business environment.

Additionally, Group philosophy training for overseas group companies continued to be implemented.

- In Japan, as a measure against power harassment, small-scale discussion-based training was conducted at the workplace level to promote mutual understanding.
- (3) Operations based on the system to ensure storage and management of information relating to the execution of duties of directors of the Company and its subsidiaries
- In response to information security risks associated with DX promotion, the information security regulations were reviewed, and an internal certification program was introduced. The Company's director in charge of corporate conducted checks on the implementation status. Additionally, as part of cybersecurity measures, multiple rounds of simulated phishing email training were conducted, and follow-up sessions were provided based on the results.
 - As regulations regarding the handling of personal information and other data have been strengthened overseas, policies in alignment with local laws and regulations have been developed.
- (4) Operations based on the system for rules relating to management of risks of the Group's loss and other rules
- The Risk Management Committee met three times. Company-wide risks were discussed at the committee, and risk reduction was worked on. To respond to the rapidly changing business environment, measures for medium- to long-term risks surrounding the Group have been reflected in the FY2025–FY2028 Medium-term Business Plan.
 - The Sustainability Committee was held four times. At the committee, based on the recognition that addressing environmental issues requires a long-term perspective, a new environmental vision was formulated, looking ahead to 2050.
 - Since the recycling system for PET bottles used in dressings and cooking oils has not yet been widely implemented in society, we have started collaborating with other companies to promote resource circulation in this area.
- (5) Operations based on the system to ensure directors of the Company and its subsidiaries can efficiently execute their duties
- The Company reviewed its approval criteria to ensure prompt and appropriate decision-making and business execution. Additionally, to enhance the transparency and efficiency of procedures, the implementation of an approval document system was started.
 - To create synergies across the Group through DX, a digital strategy roadmap was developed for each department, and progress was monitored through the DX Promotion Committee.
- (6) Operations based on the system necessary to ensure properness of operations in the Group
- In the "Overseas Governance Project" led by the Group Governance Committee, the Company is working on building an overseas governance structure to ensure swift and agile business promotion by overseas group companies, as well as appropriate control from Japan. As part of this initiative, global governance guidelines and approval standards have been developed by region.

◇ Overview of content of limited liability contract

In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act and Article 28 of the Articles of Incorporation, the Company and its outside directors have entered into a limited liability contract. Also, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act and Article 38 of the Articles of Incorporation, the Company and each of its outside corporate auditors have entered into a limited liability contract. The amount of

maximum liability stipulated in the contract is determined by each of the respective items under Article 425, Paragraph 1 of the Companies Act.

However, the limitation of liability is applicable only in cases where the outside directors and outside corporate auditors have performed their respective duties in good faith and without gross negligence.

◇ Overview of content of directors and officers liability insurance

The Company has entered into a directors and officers liability insurance policy with an insurance company as provided for in Article 430-3, Paragraph 1 of the Companies Act. The policy covers losses and such costs as related litigation expenses incurred from claims for damages borne by the insured where they receive a claim for damages from a shareholder or third party. The Company fully bears the insurance premiums for all insured parties.

Major officers who execute business, including directors, corporate auditors, and corporate officers, of the Company shall be named as an insured with respect to the insurance policy. The term of contract is one year.

◇ Number of Directors

The Articles of Incorporation of the Company stipulate that the number of Company's directors is limited to not more than 12 members.

◇ Election and Dismissal of Directors

The Articles of Incorporation of the Company stipulate that election and dismissal of directors shall be made by a majority of the votes of the shareholders present at the meeting where the shareholders holding one-third or more of the votes of the shareholders entitled to exercise their votes at such shareholders meeting are present, and prohibits the resolution of election of directors based on cumulative voting.

◇ Agenda at the General Meeting of Shareholders that can be decided by the Board of Directors

As for matters listed in the items of Article 459, Paragraph 1 of the Companies Act regarding dividends from surplus, the Articles of Incorporation of the Company stipulate that the Board of Directors reserves the right to make a resolution unless otherwise provided for in laws and regulations. This is intended to realize mobile implementation of measures regarding dividend and capital policy.

◇ Exceptional agenda for resolutions at the General Meeting of Shareholders

As for exceptional agenda at the General Meeting of Shareholders provided for in Article 309, Paragraph 2 of the Companies Act, the Articles of Incorporation of the Company stipulate that the resolutions of those General Meetings of Shareholders shall be made by two-thirds or more of the votes of the shareholders present at the meeting where the shareholders holding one-third or more of the votes of the shareholders entitled to exercise their votes at such shareholders meeting are present. This is intended to facilitate the operation of the General Meetings of Shareholders by relaxing the restrictions imposed by the required number of shareholders present.

◇ Fundamental policy on control of the Company

I. Fundamental policy on what the person(s) should be like to control the determination of the financial and business policies of the Company

1. Source of the Company's corporate value

(1) Group philosophy

The Company has advocated the following corporate motto and corporate principles as its spirit of foundation and provided them in its Articles of Incorporation for the continuance of contributing to the people's healthy dietary life by placing first priority on security and safety as a fundamental principle in its business activities:

(Corporate Motto)

RAKU-GYOU-KAI-ETSU

(Corporate Principles)

- Act on moral principles
- Strive for originality and ingenuity
- Look after parent's well being

The Group, aiming to be a group contributing to the food culture and health of the world through "great taste, empathy and uniqueness", has engaged in businesses for the retail market, food service, overseas, fruit solution, and fine chemicals as well as common businesses.

(2) Actions based on the Group's management philosophy

The Group has stipulated the Group policies to ensure that all officers and employees take actions in compliance with our management philosophy, and published values we respect and behaviors to be expected. The Group has maintained its attitude of giving first priority to quality since its foundation, and through wholeheartedly delivering the selective products and services unique to the Group, endeavors to enhance its corporate value.

(3) Strength of business development

Since the launch of the first domestically produced mayonnaise in 1925, the Company has constantly endeavored to cultivate and expand the market of salad condiments through commercialization of dressings, among others and has maintained a large brand share as a leading manufacturer. In addition, the Company sells jams and pasta sauces, as well as baby foods and health foods. In 1998, the Company launched universal-design foods (or foods for the sick and aged). As stated above, the Company, as a pioneer in the food industry, has always taken the initiative in developing quality products according to various stages of diets, which we believe is the driving force to cultivate the powers of its brand highly trusted by customers.

Since the launch of its mayonnaise, the Company has supplied eggs, the main ingredient of mayonnaise, as liquid eggs, to process manufacturers. In 1955, the Company launched mayonnaise for commercial use and since the 1960s, has dealt in chilled products and prepared foods and has sold cut vegetables. Thus, we also believe that the Group's strength lies in not only the quality and palatability of its products, but its continued proposal of the joy of eating in the broad areas of home meal, home-meal replacement and eating-out.

Our overseas business began in 1982 by establishing a company which operates the condiments business in the United States, and since then we have expanded the business to China, Southeast Asia and Europe. By developing products and proposing menus that meet a variety of needs, we are expanding the market of mayonnaise and dressing and are adding new categories that incorporate technologies cultivated in Japan.

Since its formation in 1919, the Company has regarded the "insistence on high quality", "capabilities of developing products ahead of customer needs" and "seeking of synergies in each business development" as the sources of its corporate value. Furthermore, as represented in its corporate motto "RAKU-GYOU-KAI-ETSU (the idea that people who have the same ambitions enjoy working together, endure struggles together and rejoice together)", all officers and employees share the attitude of overcoming difficulties with originality and ingenuity to achieve their common targets in business activities and sharing these joys. We believe this attitude should be perpetuated as a corporate culture that may sustain the source of the Company's corporate value.

2. Details of the fundamental policy

The Company considers that in the event that its shares are to be purchased for the purpose of a large purchase, it should be left to the final judgment of the shareholders whether or not the Company will agree thereto, and does not deny any import or effect of vitalization of its corporate activities through a change in the controlling interest.

However, for the management of the Group, it is essential to have a good understanding of a broad range of know-how and accumulated experience, as well as the relationships fostered with its stakeholders, including customers and employees. Without such good understanding, it would be impossible to properly judge the shareholder value that may be raised in the future.

In fact, some large purchase may cause permanent damage to the Company and materially injure its corporate value and the common interests of its shareholders. We, responsible for the management of the Company, recognize that we are naturally responsible for protecting the fundamental philosophy and brands of the Company and the interests of shareholders and other stakeholders from such large purchase.

Therefore, we believe that the nature of those who control decisions on the Company's financial and business policies should also be reviewed from the perspective of whether they can maintain and develop the source of the Company's corporate value as indicated in 1. above over the medium to long term, and increase the Company's corporate value and the common interests of its shareholders.

(The aforementioned fundamental policy on what the person(s) should be like to control the determination of the financial and business policies of the Company will be referred to as the "Fundamental Policy" hereinafter.)

II. Special measures to facilitate the implementation of the Company's Fundamental Policy

To encourage many investors to invest in the Company on a continued, long-term basis, the Company has implemented the following measures to facilitate the enhancement of its corporate value and the common interests of its shareholders.

1. Formulation of the Group's long-term vision and its Medium-term Business Plan

For the formulation of the Group's long-term vision and its Medium-term Business Plan, please refer to Chapter II. Business Operations, 1. Management Policy, Business Environment, Tasks Ahead, Etc., (2) Medium- to long-term business strategies, business environment, tasks ahead, etc.

2. Streamlining of corporate governance

To continuously increase its corporate value and the common interests of its shareholders through efficient and sound management, the Group regards the streamlining of its organizations, schemes and systems of management and timely and proper implementation of necessary measures as one of the most important management challenges.

The Company sets the term of directors and corporate officers at one year in order to clarify management responsibilities each fiscal year and establish a management structure that can respond swiftly to changes in the business environment. Additionally, to further strengthen its audit system, the Company employs five corporate auditors (members of the Audit & Supervisory Board), including three outside corporate auditors.

In August 2018, the Company established its Nomination and Remuneration Committee as an advisory body to the Board of Directors with the aim of enhancing objectivity, adequacy and transparency regarding factors such as the composition of the Board of Directors and methods of nomination and compensation of directors and other officers. The committee is to consist of no fewer than five members, and at least half of its membership is to be comprised of outside directors and outside corporate auditors (the "outside officers") who meet the independence criteria defined by the Company. Moreover, the committee's chairman is to be selected from among those committee members who are outside directors.

The Company has also established its Management Advisory Board as an advisory body to the Representative Director, President and Chief Executive Corporate Officer, composed of experts from outside the Company. It was set up with the goal of obtaining advice and recommendations so that the Group may boost the soundness, fairness and transparency of its management and thus better serve society and its customers.

III. Measures to prevent the determination of the financial and business policies of the Company from being controlled by any inadequate person in consideration of the Fundamental Policy

The Company resolved at the Board of Directors' meeting held in December 2022 not to continue the "defense plan against large purchase actions of the shares of the Company (takeover defense plan)" introduced in February 2008, and abolished it at the conclusion of the 110th Ordinary General Meeting of Shareholders held in February 2023, the deadline for its renewal.

However, we recognize that it is a serious responsibility of the management entrusted by our shareholders to make adequate preparations against large purchase actions that may damage our corporate value and the common interests of its shareholders.

In the event of a sudden large purchase of the shares, for the shareholders who are required to judge the adequacy of the price for the acquisition offered by the purchaser in a short period, we consider it vital to be provided with adequate and sufficient information from both the purchaser and the Board of Directors of the Company. Moreover, for the shareholders in considering whether or not to continue holding the shares of the Company, we believe that such information as the impact of the acquisition on the Company, the details of the management policy and business plans when the purchaser proposes to participate in the management of the Company, past investing activities of the purchaser and the opinion of the Board of Directors as to the acquisition will be important for making a decision.

Therefore, in the event of a large purchase action that may damage the corporate value of the Company and the common interests of its shareholders, the Company will continue to request the person conducting the purchase to provide time and information necessary and sufficient for the shareholders to make an appropriate judgment as to whether or not the purchase is appropriate. We will also take measures (including so-called takeover defense plan) that we consider feasible and appropriate at the time, within the scope permitted by the Financial Instruments and Exchange Law, the Companies Act, and other relevant laws and regulations, with the utmost respect for the opinions of independent outside officers.

- IV. The initiatives described in II. and III. above complying with the Fundamental Policy, not impairing the common interests of the shareholders of the Company and not aiming to maintain the position of the officers of the Company, and the reasons therefore

The initiatives described in II. above are intended to maintain and increase the Company's corporate value and the common interests of its shareholders, and are precisely those that contribute to the realization of the Fundamental Policy.

Moreover, the initiatives described in III. above are intended to maintain the Company's corporate value and the common interests of its shareholders and comply with the Fundamental policy. This is achieved by ensuring that, in the event of a large purchase action of the Company's shares, the shareholders have the necessary information and time to decide whether or not to accept such purchase, and by taking measures such as negotiations with the purchaser on behalf of the shareholders.

Therefore, the Company's Board of Directors believes that these initiatives do not impair the common interests of the shareholders of the Company, nor are they intended to maintain the position of the officers of the Company.

When taking necessary measures, including takeover defense plan, against a large purchase action that may damage the Company's corporate value and the common interests of its shareholders, we believe that the impartiality and neutrality of such decisions will be ensured, since decisions will be made with the utmost respect for the opinions of independent outside officers.

(2) Officers

Outside Officers

◇ Number of Officers

The Company has four outside directors and three outside corporate auditors.

◇ Special interests with the Company and independence criteria

Outside Director Mr. Hitoshi Kashiwaki has abundant experience and deep insight as a corporate executive of an operating company. In addition, Mr. Kashiwaki is an Outside Director of Matsuya Co., Ltd. and TBS HOLDINGS, INC. There is no special interest between the Company and the said companies. He satisfies the Company's "Independence Criteria for Outside Officers" as well. Consequently, there is no risk of this having an impact on his independence.

Outside Director Ms. Atsuko Fukushima has abundant experience and deep insight as a journalist. In addition, Ms. Fukushima is External Director of Hulic Co., Ltd. and Outside Director of Nagoya Railroad Co., Ltd. and Calbee, Inc. There is no special interest between the Company and the said companies. She satisfies the Company's "Independence Criteria for Outside Officers" as well. Consequently, there is no risk of this having an impact on her independence.

Outside Director Ms. Kuniko Nishikawa has abundant experience and deep insight as a management consultant and business executive. Ms. Nishikawa is President and Representative Director of FIRSTSTAR Healthcare Inc., and an Outside Director of The Gunma Bank, Ltd., AIG Japan Holdings KK and Panasonic Corporation. There is no special interest between the Company and the said companies. She satisfies the Company's "Independence Criteria for Outside Officers" as well. Consequently, there is no risk of this having an impact on her independence.

Outside Director Mr. Harold George Meij has abundant experience and deep insight in corporate management with a focus on marketing, and has been responsible for leading management reforms. Mr. Meij is an Outside Director of Earth Corporation and Panasonic Corporation, and an Advisor of Sanrio Company, Ltd. There is no special interest between the Company and the said companies. He satisfies the Company's "Independence Criteria for Outside Officers" as well. Consequently, there is no risk of this having an impact on his independence.

Outside Corporate Auditor Mr. Kazumine Terawaki has specialist knowledge and broad insight as a legal expert. Although Mr. Terawaki is an Outside Director of SHIBAURA MACHINE CO., LTD. and Kajima Corporation, there are no special interests between the Company and these companies. In addition, he satisfies the Company's "Independence Criteria for Outside Officers" and there is no risk of this having an impact on his independence.

Outside Corporate Auditor Ms. Mika Kumahira has experience in corporate management, including overseas, as well as an advanced insight into organizational reform and leadership development. Although Ms. Kumahira is Representative Director of Atech Kumahira Co., Ltd. and an Outside Director of NITTAN Corporation and Cybozu, Inc., there are no special interests between the Company and these companies. In addition, she satisfies the Company's "Independence Criteria for Outside Officers" and there is no risk of this having an impact on her independence.

Outside Corporate Auditor Mr. Akihiro Ito has abundant experience and deep insight as a person in charge of accounting and financing of an operating company and as a corporate auditor. Although Mr. Ito is an Outside Audit & Supervisory Board Member of KAMEDA SEIKA CO., LTD., there are no special interests between the Company and the said company. In addition,

he satisfies the Company's "Independence Criteria for Outside Officers" and there is no risk of this having an impact on his independence.

Outside Directors Mr. Hitoshi Kashiwaki and Ms. Kuniko Nishikawa, as well as Outside Corporate Auditors Mr. Kazumine Terawaki, Ms. Mika Kumahira, and Mr. Akihiro Ito, have shareholdings in the Company; however, as the percentage of the total number of issued shares of the Company is negligible and has no impact on management, there is no special interest between either of them and the Company.

The Company stipulates the following as its criteria on independence of outside officers.

<Independence Criteria for Outside Officers>

To judge the independence of outside directors and outside corporate auditors under the Companies Act, in addition to the requirements stipulated by Tokyo Stock Exchange, Inc., we confirm the following criteria for independent officers:

- 1) A major shareholder of the Group (holding 10% or more of voting rights either directly or indirectly), or a person who executes business for a major shareholder of the Group (*1)
- 2) A person/entity for which the Group is a major client, or a person who executes business for such person/entity (*2)
- 3) A major client of the Group or a person who executes business for such client (*3)
- 4) A person who executes business for a major lender of the Group (*4)
- 5) A representative employee or employee of the accounting auditor for the Group
- 6) A provider of expert services, such as a consultant, attorney at law, or certified public accountant, who receives cash or other assets exceeding ¥10 million in one (1) business year other than director/corporate auditor compensation from the Group
- 7) A person/entity receiving contributions from the Group exceeding ¥10 million in one (1) business year, or a person who executes business for such person/entity
- 8) A person to whom any one (1) of 1) to 7) above has applied in the past three (3) business years
- 9) Where any of 1) to 8) apply to a key person, the spouse or relative within two (2) degrees of kinship of such person (*5)
- 10) A person with a special reason other than the preceding items that will prevent the person from performing their duties as an independent outside officer, such as the potential for a conflict of interest with the Company

*1 A "person who executes business" means an executive director, executive officer, executive, or other employee, etc.

*2 A "person/entity for which the Group is a major client" means a person/entity who receives payments from the Group amounting to at least the higher of either 2% of their consolidated net sales or ¥100 million.

*3 A major client of the Group means a client that makes payments to the Group amounting to at least 2% of the Group's consolidated net sales.

*4 A "major lender of the Group" means a lender named as a major lender in the Group's Business Report.

*5 A "key person" means a director (excluding outside directors), corporate auditor (excluding outside corporate auditors), executive officer, executive, or other person in the rank of senior general manager or above, or a corporate officer corresponding to these positions.

The Company registered seven individuals with Tokyo Stock Exchange, Inc. as independent officers who pose no risk involving a conflict of interests with ordinary shareholders: Mr. Hitoshi Kashiwaki, Ms. Atsuko Fukushima, Ms. Kuniko Nishikawa, and Mr. Harold George Meij as Outside Directors, and Mr. Kazumine Terawaki, Ms. Mika Kumahira, and Mr. Akihiro Ito as Outside Corporate Auditors.

- ◇ The Company's policy regarding the function and role played by outside officers for corporate governance

The Company elects outside directors and outside corporate auditors to ensure that the monitoring function provided to the management is objective and neutral, and receive opinions and guidance from them concerning the overall management of the Company from a standpoint independent from the Company.

The Company stipulates "Policies and procedures for election and dismissal of executives and nomination of Director and Corporate Auditor candidates", based on which it nominates candidates. To fulfill the responsibilities as an outside officer of the Company, an outside officer may concurrently serve as an officer at other companies, and such concurrent officer positions at listed companies other than the Company shall be limited to three or fewer companies in principle.

The Company has received active opinions and guidance from outside directors and outside corporate auditors at the Board of Directors' meetings and the Nomination and Remuneration Committee meetings regarding overall management including management, legal affairs, overseas, human resource development, and ESG on the basis of objectivity and neutrality. The Company judges that the current system provides a sufficient monitoring function provided to the management of the Company from an outside perspective.

For "Policies and procedures for election and dismissal of executives and nomination of Director and Corporate Auditor candidates", please refer to (d) Other matters concerning corporate governance of (1) Overview of corporate governance.

- ◇ Mutual coordination between supervision or audits by outside directors or outside corporate auditors, and internal audits, audits by corporate auditors and accounting audits; as well as relationships with the internal control division

Outside officers demonstrate supervisory functions mainly through participating in the Board of Directors' meetings and the Nomination and Remuneration Committee meetings (and the Audit & Supervisory Board meetings for outside corporate auditors). The Company works to enhance the provision of information and occasions to exchange opinions to outside officers in order to strengthen their supervisory functions.

Meetings are held between the Audit & Supervisory Board and the Representative Director, President and Chief Executive Corporate Officer of the Company on a regular basis. These meetings are utilized to exchange opinions regarding proposals covering the whole range of the Company's overall management. In addition, through participating in important meetings, reports from officers in charge and responsible personnel of each division, and on-site inspections, etc., outside officers understand the Company's situation and monitor how the Company's internal control system is maintained and operated. In addition, outside directors also participate in activities conducted by corporate auditors as part of performance audits and work to see the Company as it is. The Audit & Supervisory Board also receives an explanation of the audit plan from the Accounting Auditors at the start of the fiscal year, interviews them for the status of the audit as needed during the fiscal year, and receives a report of the audit result at the end of the fiscal year, in a collaborative manner. Furthermore, the Audit & Supervisory Board coordinates closely with the internal auditing unit through regular meetings and other events and through sharing broader information and opinions with each other to enhance the quality and efficiency of audits. Annual plans of audits by corporate auditors (as to basic policy and priority audit items, etc.) are shared at the Board of Directors.

Issues concerning and efforts made in connection with internal control, such as risk management, compliance and sustainability, are reported to the Board of Directors from time to

time, where opinions are also exchanged with outside officers.

(3) Status of audits

(a) Status of corporate auditor audits

1) Organization, members

In the current fiscal year, the Audit & Supervisory Board consists of five members: two standing corporate auditors and three outside corporate auditors.

Mr. Akihiro Ito, an Outside Corporate Auditor, has experience as a CFO (Chief Financial Officer) of a listed company and has considerable knowledge of finance and accounting.

The backgrounds of each corporate auditor, as well as their attendance at the Audit & Supervisory Board and Board of Directors meetings held during the current fiscal year, are as follows.

Name	Backgrounds or main activities	Attendance status for the current fiscal year	
		Audit & Supervisory Board	Board of Directors
Standing Corporate Auditor Hidekazu Oda	In addition to his broad operational experience in sales, corporate planning, and IR, as the General Manager of the Internal Audit Office of the Company, he has led and driven internal auditing and compliance throughout the Group in Japan and overseas and the evaluation of the effectiveness of internal control over financial reporting.	13/13 (100%)	12/12 (100%)
Standing Corporate Auditor Kyoichi Nobuto	He has experience in legal affairs and stock operations, and as General Manager of Legal Department, he has focused on reducing the Group's legal risks and building a governance structure.	13/13 (100%)	12/12 (100%)
Outside Corporate Auditor Kazumine Terawaki	He actively provides valuable opinions and suggestions on overall business management, including internal control systems such as compliance and risk management, based on his specialist knowledge and broad insight as a legal expert.	13/13 (100%)	12/12 (100%)
Outside Corporate Auditor Mika Kumahira	She actively provides valuable opinions and suggestions on overall business management based on her experience in company management inside and outside of Japan and her broad knowledge about corporate transformation and leadership development.	13/13 (100%)	12/12 (100%)
Outside Corporate Auditor Akihiro Ito	He actively provides valuable opinions and suggestions on overall management based on his abundant experience as an auditor of operating companies and broad knowledge of corporate planning and profit structure reform, with a focus on accounting and finance.	13/13 (100%)	12/12 (100%)

2) Status of main activities by corporate auditors and the Audit & Supervisory Board

The Audit & Supervisory Board held meetings once a month in principle for the current fiscal year, prior to the Board of Directors meetings in accordance with the Rules on Audit & Supervisory Board (with an average duration of one hour and three minutes per meeting). Specific matters considered and shared through deliberations and reporting are as follows:

Deliberated matters	The development of auditing policies and audit plans; the allocation of duties; consent to the proposal for the election of corporate auditors; decisions about audit reports by the Audit & Supervisory Board; the election of specified corporate auditors; decisions about the proposals for the election, non-reelection and dismissal of Accounting Auditors; consent to audit fees for Accounting Auditors; and other matters
Reported matters	The Board of Directors' meeting agenda; the details of important management meetings including those of the Management Committee, Mid-term Business Strategy Committee, Risk Management Committee, and Sustainability Committee; the results of site inspections on the offices of the Company and Group companies; the details of meetings with the internal auditing unit and others; the status of activities in internal control-related departments; audit plans, reviews and results by Accounting Auditors; pre-concurrence of non-assurance services by Accounting Auditors; and other matters

The Audit & Supervisory Board determines the auditing policies as well as the division of responsibilities among corporate auditors, and each corporate auditor complies with the Board's policy directives and sits in on meetings of the Board of Directors, Management Committee and other important management meetings. Corporate auditors hear business reports from individual directors and peruse the documents employed in the process of reaching decisions on important matters. They also physically or remotely visit the Head Office divisions, important offices, and subsidiaries, receive business reports, and audit the status of operations and assets. (During the current fiscal year, on-site audits were conducted at 44 domestic and overseas business locations.) Furthermore, the (two) standing corporate auditors also serve as corporate auditors for the main domestic subsidiaries (except for one listed subsidiary).

Meetings are held between the Audit & Supervisory Board and the Representative Director, President and Chief Executive Corporate Officer of the Company on a timely basis. These meetings are utilized to exchange opinions regarding proposals covering the whole range of the Company's business activities.

In light of the importance of the so-called three-pillar audit system (internal audits, corporate auditors' audits, and accounting audits), the Audit & Supervisory Board also receives an explanation of the audit plan from the Accounting Auditor, Ernst & Young ShinNihon LLC, at the start of the fiscal year, interviews them regarding the status of the audit as needed during the fiscal year, and receives a report of the audit results at the end of the fiscal year. The Audit & Supervisory Board discussed with the Accounting Auditor regarding key audit matters (KAM) arising from audits, received reports about how the audits were performed, and requested an explanation as needed. Furthermore, the Audit & Supervisory Board coordinates closely with the internal auditing unit through regular meetings and other events and through sharing broader information and opinions with each other to enhance the quality and efficiency of audits. Additionally, reports are received regularly from the responsible personnel in the internal auditing unit regarding the content and handling of reports and consultations made through the internal reporting system, and the operation of the internal reporting system is monitored.

In addition, at the year-end, several evaluation items about the effectiveness of audit activities were submitted for exchanging opinions among corporate auditors, to reflect the outcome in the audit plan for the following fiscal year.

(b) Status of internal audits

a. Internal audit organization and personnel

The Internal Audit Office consists of 14 members with a wide range of experience in areas such as sales, production, quality assurance, research and development, IT, corporate planning, accounting and finance, labor, general affairs, risk management, and overseas assignments. As part of efforts to enhance the knowledge and capabilities of internal audit members, insights are absorbed through co-sourcing audits conducted in collaboration with external consulting firms. Additionally, individuals with prior internal audit experience at other companies are actively hired as career personnel, aiming to elevate the overall level of the Internal Audit Office. They actively participate in regular study sessions with internal

audit leaders from different industries, as well as individual seminars and training sessions on internal auditing, in order to gather information. Preparation for compliance with global internal audit standards is progressing, and efforts are made towards passing third-party external quality assessments of internal auditing.

b. Internal audit procedures and relationship with the internal control division

All operations of the Company and its domestic and overseas subsidiaries are subject to internal audits. Some subsidiaries have their own internal auditing units, and reporting meetings are regularly held with those units to appropriately coordinate and improve the audit level across the entire group. The Company's Internal Audit Office relies on the internal audit results from those subsidiaries.

The Company's annual audits are based on the medium-term audit plan. In the process of developing the audit plan, the status of the internal controls within the Group and future risks are identified through regular meetings with specialized staff departments (such as quality assurance, environment, safety, human resources/labor, accounting/finance, legal, risk management, IT, sustainability, etc.), as well as K.System Co., Ltd., which handles indirect operations such as human resources, accounting, and general affairs within the Group. Based on these meetings, key audit topics are planned in response to requests from the Representative Director, President and Chief Executive Corporate Officer, and the corporate officer in charge of the Internal Audit Office or corporate auditors. In individual internal audits, in addition to the key audit topics, audits are conducted systematically, taking into account the results of previous audits. Additionally, audits are conducted efficiently by utilizing remote audits, with on-site visits as the basic approach.

c. Efforts to ensure the effectiveness of internal audits

The results of individual audits are summarized in audit reports, which are then presented to the corporate officer in charge of the Internal Audit Office, relevant departments, and their overseeing directors to promote improvements and ensure that appropriate measures are taken. Additionally, follow-up audits are conducted within one year to assess the implementation of the corrective actions. The results of these individual audits and the follow-up status are also shared with relevant specialized staff departments and standing corporate auditors.

The Group's internal audits are focused on compliance audits (so-called conformance audits), and the results of the audits are integrated into the monitoring activities of the Compliance Committee, which is linked to the Group's compliance activities to reduce risks. The Representative Director, President and Chief Executive Corporate Officer is provided with a report on the internal audit results for the year. Internal audit results are summarized every six months and reported to the management committee and subsidiary presidents, linking findings to responsive actions and efforts to reduce risks. In parallel with these meetings and committees, regular meetings are held with the headquarters management departments overseeing first-line operations, such as sales offices, branches, and factories, to discuss the results of internal audits and encourage responses to risks. Additionally, to further ensure the effectiveness of internal audits, discussions are underway within the Group Governance Committee.

Moreover, based on the nomination of the Representative Director, President and Chief Executive Corporate Officer, evaluations of the effectiveness of internal controls related to financial reporting are conducted, with annual plans and results being reported to and approved by the Board of Directors.

d. Mutual collaboration with corporate auditors and Accounting Auditor

In addition to sharing internal audit reports with the standing corporate auditors, regular quarterly meetings are held to share audit results mutually, opinions on internal controls and risk management are exchanged, and improvement of audit quality and efficiency is worked

on. Internal audit results are reported to the Audit & Supervisory Board twice a year, on a regular basis.

Meetings were held once every six months with the Accounting Auditor to exchange opinions as necessary based on the internal audit results.

(c) Status of accounting audit

a. Name of audit firm

Ernst & Young ShinNihon LLC

b. Successive audit period

1971 onward

c. Names & titles of CPAs

Masayuki Aida

Designated and Engagement Partner

Junichiro Tsuruta

Designated and Engagement Partner

Reiko Takezawa

Designated and Engagement Partner

d. Composition of persons who assisted in audit work

Audit work for the Company during the current fiscal year was assisted by 77 persons, comprising 26 CPAs and 51 other persons.

e. Policy and reason for selection of audit firm

In accordance with the auditing standards for corporate auditors, the Company's Audit & Supervisory Board selected the audit firm having comprehensively considered the status of the execution of duties, the audit system, independence, expertise, and quality control systems of the Accounting Auditors, as well as whether the audit fees were rational and appropriate.

The Audit & Supervisory Board shall dismiss an accounting auditor with the unanimous consent of corporate auditors if the accounting auditor is deemed to fall under any of the items of Article 340, Paragraph 1 of the Companies Act. In this case, a corporate auditor selected by the Audit & Supervisory Board will report the dismissal of the accounting auditor and the reasons for dismissal at the first General Meeting of Shareholders convened after the dismissal.

If the Audit & Supervisory Board finds it difficult for the accounting auditor to properly execute its duties, or if it otherwise deems it necessary, the Audit & Supervisory Board shall decide on the content of a proposal for the dismissal or non-reelection of the accounting auditor, and the Board of Directors shall submit such proposal to the General Meeting of Shareholders based on such decision.

f. Evaluation of audit firm by the corporate auditors and the Audit & Supervisory Board

In addition to considering whether the audit firm qualifies under the standard given in the selection policy for accounting auditor, the Company's Audit & Supervisory Board also evaluated the audit firm from the perspective of appropriately carrying out communication with the management, corporate auditors, Accounting and Financing Division, and Internal Audit Office, etc., audits of the entire Group, and response to risk of fraud, etc. through regular auditing activities. As a result, the Audit & Supervisory Board determined that Ernst & Young ShinNihon LLC is qualified to be the accounting auditor.

(d) Fees for auditing

a. Fees for auditing certificated public accountants

Classification	Previous fiscal year		Current fiscal year	
	Fees for audit or attestation services (millions of yen)	Fees for non-audit services (millions of yen)	Fees for audit or attestation services (millions of yen)	Fees for non-audit services (millions of yen)
The Company	99	2	98	2
Consolidated subsidiaries	29	—	35	—
Total	128	2	133	2

For services other than those provided in Article 2, Paragraph 1 of the Certified Public Accountants Law, the Company entrusts to the auditing certificated public accountants advisory services regarding preparation of the English-language financial statements, and pays fees to the auditing certificated public accountants for those services, in the previous fiscal year and current fiscal year.

b. Fees for Ernst & Young, part of the same network as the auditing certificated public accountants (excluding the fees in a. above)

Classification	Previous fiscal year		Current fiscal year	
	Fees for audit or attestation services (millions of yen)	Fees for non-audit services (millions of yen)	Fees for audit or attestation services (millions of yen)	Fees for non-audit services (millions of yen)
The Company	11	0	12	0
Consolidated subsidiaries	52	2	60	2
Total	64	3	72	2

For services other than those provided in Article 2, Paragraph 1 of the Certified Public Accountants Law (non-audit services), the Company entrusts to Ernst & Young, part of the same network as the auditing certificated public accountants, advisory services regarding tax affairs, and pays fees to Ernst & Young for those services, in the previous fiscal year and current fiscal year. Furthermore, details of non-audit services at consolidated subsidiaries include entrustment of services related to tax affairs, and the consolidated subsidiaries pay fees to Ernst & Young for those services.

c. Other important details on fees for audit or attestation services

Not applicable.

d. Policy for determining fees for auditing

The fees to auditing certificated public accountants of the Company are determined based on a verification of the scope, content and days, etc. of the audit plan of the auditing certificated public accountants and approved by the Audit & Supervisory Board in accordance with the provisions of the Companies Act.

e. Reason for Audit & Supervisory Board's agreement with Accounting Auditors' fees

The Company's Audit & Supervisory Board examined whether the Accounting Auditors' audit plan, the status of execution of the accounting audit, and the grounds for estimation of the audit fee were appropriate. As a result, the fees and so forth for the Accounting Auditors were judged to be appropriate and the Board has agreed with them according to Article 399, Paragraph 1 of the Companies Act.

(4) Compensation of officers

(a) Policy concerning compensation amounts of officers and calculation method thereof

◇ Policy concerning compensation amounts of officers and calculation method thereof

At the 112th Ordinary General Meeting of Shareholders held on February 27, 2025, it was resolved to introduce a new restricted stock remuneration plan for directors (other than outside directors) of the Company (the "Eligible Directors"). The purpose of this plan is that the Eligible Directors can share the benefits and risks of stock price movement with shareholders, be further motivated towards contributing to corporate value enhancement more than ever before and promote further sharing of value with shareholders.

The rationale and calculation methods with respect to compensation of the directors and corporate auditors have been deliberated at the Nomination and Remuneration Committee, and determined by a Board of Directors resolution on February 27, 2025 as follows:

1) Rationale and procedures for compensation of officers, and corporate officers

- a) The Company discusses the rationale (system design) at the meeting of Nomination and Remuneration Committee (an advisory body to the Board of Directors in which at least half of the Committee members are outside officers who satisfy "Independence Criteria" separately defined by the Company, and whose chairman is an outside director), and improves its objectivity, appropriateness and transparency.
- b) The Company institutes a compensation system for compensation of inside directors that consists of monthly remuneration, bonuses and stock-based compensation, and the system is linked with the Company's performance and reflects their responsibilities and achievements.
- c) The total amount of bonuses paid to inside directors and the amount paid to individual inside directors must be approved by the Board of Directors.
- d) The amounts of compensations paid to outside directors and corporate auditors (inside and outside) shall respectively be fixed and no bonuses or stock-based compensation will be paid.

2) Calculation method for monthly remuneration

- a) A monthly remuneration for director duties of inside directors will be paid at a flat rate; provided, however, that a separate, additional remuneration will be paid to the persons with representative authority.
- b) The monthly remuneration for corporate officers should be set at a suitable level that takes into consideration the Company's management environment, etc. and corresponds to the rank (President, Senior Executive Corporate Officer, Executive Corporate Officer, and Senior Corporate Officer).

3) Calculation method for bonuses

- a) The base amount of bonus for directors and corporate officers shall be determined according to their rank. The weight of the base amount of bonus against total annual remuneration amount is to be 30%.
- b) The bonus will be paid with adjustments upwards or downwards to the base amount based on performance of each, in conjunction with results of consolidated operating income and achievements in their duties as an officer.

4) Calculation method for stock-based compensation

- a) The base amount of stock-based compensation for directors and corporate officers shall be determined according to their rank. The weight of the base amount of stock-based compensation against total annual remuneration is to be 10%.

- b) Regarding the base amount of stock-based compensation, it will be adjusted by a maximum of $\pm 20\%$ for the following fiscal year, based on the achievement level of specific items within the key indicators of the Medium-term Business Plan (economic value and social value) over a two-year period.

The policy for the above calculation method will be implemented starting from FY2025, and for the current fiscal year, it is as follows.

- 1) Rationale and procedures for compensation of officers, and corporate officers
 - a) The Company institutes a compensation system for compensation of directors and corporate officers that consists of monthly remuneration and bonuses, and the system is linked with the Company's performance and reflects their responsibilities and achievements.
 - b) The Company discusses the rationale (system design) at the meeting of Nomination and Remuneration Committee (an advisory body to the Board of Directors in which at least half of the Committee members are outside officers who satisfy "Independence Criteria" separately defined by the Company, and whose chairman is an outside director), and improves its objectivity, appropriateness and transparency.
 - c) The total amount of bonuses paid to directors and the amount paid to individual directors must be approved by the Board of Directors.
 - d) The amounts of compensations paid to outside directors and corporate auditors (inside and outside) shall respectively be fixed and no bonuses will be paid.
- 2) Calculation method for monthly remuneration
 - a) A monthly remuneration for director duties of inside directors will be paid at a flat rate; provided, however, that a separate, additional remuneration will be paid to the persons with representative authority.
 - b) The monthly remuneration for corporate officers should be set at a suitable level that takes into consideration the Company's management environment, etc. and corresponds to the rank (President, Senior Executive Corporate Officer, Executive Corporate Officer, and Senior Corporate Officer).
- 3) Calculation method for bonuses
 - a) The bonus amount is calculated according to the rank of the director and corporate officer, using such indicators as consolidated operating income and the degree of achievement of the target income of the areas they are responsible for and target themes in the Medium-term Business Plan.
 - b) During the respective fiscal years covered under the FY2021–FY2024 Medium-term Business Plan, the Company has set the weight of bonuses of President and Chief Executive Corporate Officer to 35% and other directors to 30% of the basic amount of total annual remuneration with the aim of establishing a structure that realizes sustainable growth of the Group. In addition, criteria and allocations with respect to performance evaluation indicators set for each director are to align with the intent of the Medium-term Business Plan.
 - c) The Company may increase or decrease the bonus amount paid for the final fiscal year of the Medium-term Business Plan by up to 30%, depending on the individual progress made in achieving the performance evaluation indicators (from economic, social, and employee perspectives) previously set for each director for the final fiscal year.

During the respective fiscal years covered under the FY2021–FY2024 Medium-term Business Plan, the Company has set the performance evaluation indicators and the allocation

ratio as follows based on which directors' bonuses are calculated, to be aligned to the management goals set forth in the Medium-term Business Plan:

(Chairman, President, and Directors other than those in charge of markets)

Consolidated operating income (50%)	Target themes in the Medium-term Business Plan for each director (50%)
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(Directors in charge of markets)

Consolidated operating income (30%)	Operating income of the area of responsibility (30%)	Target themes in the Medium-term Business Plan for each director (40%)
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The amount of bonuses paid to each director is obtained by multiplying a base bonus amount for each corporate rank (fixed amount) by the rate of achievement of individual performance evaluation indicators, and multiplying the same amount by the rate of allocation, and calculating the total of these amounts.

The actual consolidated operating income, a performance evaluation indicator common to individual directors, was ¥34,329 million (¥25,500 million in the initial plan). The achievement of target themes in the Medium-term Business Plan is evaluated within a range from 50% to 150%.

An individual bonus amount paid is reviewed and approved at the Nomination and Remuneration Committee by comparing with the calculation criteria in a fair and transparent manner, and therefore, the Board of Directors understands that the amount is consistent with the "Policy for Determining Compensation of Directors, Corporate Auditors, and Corporate Officers" and its calculation method.

◇ Mission and activities of the Nomination and Remuneration Committee

One of the duties assumed by the Nomination and Remuneration Committee from the Board of Directors is to deliberate on matters such as the evaluation standard for directors and corporate officers and the basic design of the compensation system, and to make resolutions on them as necessary.

In the current fiscal year, the Nomination and Remuneration Committee deliberated at its December 2024 meeting on the director evaluation and director bonus amounts (total amount and individual amounts).

- (b) The total compensation of officers by type, total compensation by classification, and number of people receiving compensation

Type of officers		Number of people receiving compensation	Total compensation by classification (millions of yen)		Total compensation (millions of yen)
			Fixed compensation	Performance-linked compensation	
Directors	Excluding outside directors	6	166	108	274
	Outside directors	5	46	—	46
Sub-total		11	212	108	320
Corporate auditors	Excluding outside corporate auditors	2	42	—	42
	Outside corporate auditors	3	30	—	30
Sub-total		5	73	—	73
Total		16	285	108	393

- (Notes)
- As for director compensation, the total of monthly compensation (a fixed amount for each corporate rank) and that of bonuses, and the amount paid to individual directors are determined at the Board of Directors. The limit amount for compensation of directors including bonuses was resolved to be within ¥500 million per year (within ¥80 million per year for outside directors) at the 108th Ordinary General Meeting of Shareholders held on February 25, 2021. The Company had nine directors including three outside directors at the conclusion of said General Meeting of Shareholders.
 - The monthly compensation amounts paid to individual corporate auditors are decided by consulting with corporate auditors. The limit amount for compensation of corporate auditors was resolved to be within ¥8 million per month at the 81st Ordinary General Meeting of Shareholders held on February 25, 1994. The Company had four corporate auditors at the conclusion of said General Meeting of Shareholders.
 - The above monthly compensation includes the payment made to one director who retired at the conclusion of the 111th Ordinary General Meeting of Shareholders.
 - The bonuses in the table above are for six directors excluding outside directors as of the end of the current fiscal year, and were determined at the Board of Directors in consideration of the corporate performance, etc. of the current fiscal year and based on deliberation at the Nomination and Remuneration Committee. The ratio of the total bonus amount paid to directors against the sum of the base bonus amount (fixed amount for each corporate rank) for individual directors is 145.4%.
 - Besides the compensation amounts listed above, the employee salary (including bonuses) of those serving concurrently as employee and director is ¥11 million.

- (c) The total amount of compensation, etc. paid by the Group to each officer

No details are provided as there are no individuals whose total amount of compensation, etc. paid by the Group exceeds ¥100 million.

(5) Status of shareholdings

- (a) Standards and rationale for classification of investment shares

The Company classifies investment shares held for the purpose of receiving profit through fluctuations in stock prices or dividends related to the shares as investment shares held for pure investment, and investment shares held for any other reason as investment shares held for purposes other than pure investment.

- (b) Investment shares held for purposes other than pure investment

- a. Holding policy and method to inspect justification for holding, and details of inspection made at a meeting of the Board of Directors, etc. related to the propriety of holding individual issues

The Company will maintain cross-shareholdings only in the case that they are deemed to assist in the continuous development and increase in corporate value in the medium to long term of the Group, taking maintenance and strengthening of relationships with business partners, and business operation requirements and economic justification into consideration. When inspecting the economic justification, the generation of necessary profits will be inspected using the cost of holding and transaction volume of each cross-shareholding, taking dividend income into consideration.

Furthermore, the Company inspects the significance of holding individual cross-shareholdings based on this standard for judgment every year at the meeting of the Board of Directors, and will proceed to sell issues that are judged to have little significance.

Based on an inspection by the Board of Directors, all shares of nine issues have been sold, and a portion of shares of four issues have been sold for the current fiscal year.

b. Number of issues and book value on the balance sheet

	Number of issues (issues)	Book value on the balance sheet (millions of yen)
Unlisted stocks	25	1,379
Stocks other than unlisted stocks	44	25,037

(Issues with which the number of shares increased during the current fiscal year)

	Number of issues (issues)	Total acquisition price related to the increase in shares	Reasons for the increase in shares
Unlisted stocks	2	147	The Company invested as it judged that the investment would contribute to enhancing its corporate value
Stocks other than unlisted stocks	11	12	Regular purchase at business partner shareholding association

(Issues with which the number of shares decreased during the current fiscal year)

	Number of issues (issues)	Total sale price related to the decrease in shares
Unlisted stocks	2	80
Stocks other than unlisted stocks	11	248

c. Number of specified investment shares and stocks regarded as holding shares by issuance name, and information related to the book value on the balance sheet

We perform a quantitative assessment on an individual issue basis to see the quantitative effects of holding it, but do not present the effects from the perspective of business confidentiality because the transaction volume of the issuer is used to calculate the effects.

In addition, the Board of Directors examines both qualitative and quantitative effects of holding individual issues every year based on the above section "(b) a. Holding policy and method to inspect justification for holding, and details of inspection made at a meeting of the Board of Directors, etc. related to the propriety of holding individual issues".

Specified investment shares

Issue	Current fiscal year	Previous fiscal year	Purpose of holding, outline of business alliance, etc., quantitative effect of holding, and reason for increase in number of shares	Holding of the Company's shares
	Number of shares	Number of shares		
	Book value on the balance sheet (millions of yen)	Book value on the balance sheet (millions of yen)		
NICHIREI CORPORATION	1,554,500	1,554,500	For the purpose of increasing future corporate value through mutual initiatives.	Yes
	6,687	5,011		
KATO SANGYO CO., LTD.	840,300	840,300	For the purpose of maintaining and strengthening a stable business relationship, and increasing future corporate value through mutual initiatives.	Yes
	3,751	3,932		
KIKKOMAN CORPORATION (Note 2)	1,870,000	374,000	For the purpose of maintaining and strengthening a stable purchasing relationship, and increasing future corporate value through mutual initiatives.	Yes
	3,070	3,390		
NISSHIN SEIFUN GROUP INC.	1,003,981	1,003,981	For the purpose of increasing future corporate value through mutual initiatives.	Yes
	1,835	2,057		
SAHA PATHANA INTER-HOLDING PUBLIC CO., LTD.	5,719,331	5,719,331	For the purpose of maintaining and strengthening joint business operations overseas, and increasing future corporate value through mutual initiatives.	No
	1,540	1,661		
SAHA PATHANAPIBUL PUBLIC CO., LTD.	5,219,737	5,219,737	For the purpose of maintaining and strengthening joint business operations overseas, and increasing future corporate value through mutual initiatives.	No
	1,348	1,362		
Sumitomo Mitsui Financial Group, Inc. (Note 3)	337,449	112,483	For the purpose of maintaining and strengthening a stable financial relationship, and increasing future corporate value through mutual initiatives.	No
	1,243	816		
Seven & i Holdings Co., Ltd. (Note 4)	373,800	124,600	For the purpose of maintaining and strengthening a stable business relationship, and increasing future corporate value through mutual initiatives.	No
	973	684		
Mitsubishi UFJ Financial Group, Inc.	495,500	495,500	For the purpose of maintaining and strengthening a stable financial relationship, and increasing future corporate value through mutual initiatives.	No
	887	621		

Issue	Current fiscal year	Previous fiscal year	Purpose of holding, outline of business alliance, etc., quantitative effect of holding, and reason for increase in number of shares	Holding of the Company's shares
	Number of shares	Number of shares		
	Book value on the balance sheet (millions of yen)	Book value on the balance sheet (millions of yen)		
Mizuho Financial Group, Inc.	180,720	180,720	For the purpose of maintaining and strengthening a stable financial relationship, and increasing future corporate value through mutual initiatives.	No
	683	453		
TOHO Co., Ltd.	110,000	110,000	For the purpose of maintaining and strengthening a stable business relationship, and increasing future corporate value through mutual initiatives.	Yes
	304	340		
Dai-Ichi Life Holdings, Inc.	74,200	74,200	For the purpose of maintaining and strengthening a stable financial relationship, and increasing future corporate value through mutual initiatives.	No
	300	228		
AEON CO., LTD.	80,472	79,120	For the purpose of maintaining and strengthening a stable business relationship, and increasing future corporate value through mutual initiatives. Furthermore, the number of shares held increased due to participation in this company's business partner shareholding association.	No
	289	242		
Morozoff Limited	60,000	60,000	For the purpose of maintaining and strengthening a stable business relationship, and increasing future corporate value through mutual initiatives.	Yes
	265	233		
Sumitomo Mitsui Trust Group, Inc. (Note 5)	43,806	21,903	For the purpose of maintaining and strengthening a stable financial relationship, and increasing future corporate value through mutual initiatives.	No
	164	121		
TAKARA HOLDINGS INC.	125,000	125,000	For the purpose of increasing future corporate value through mutual initiatives.	Yes
	161	151		
Central Forest Group, Inc.	62,100	61,918	For the purpose of maintaining and strengthening a stable business relationship, and increasing future corporate value through mutual initiatives. Furthermore, the number of shares held increased due to participation in this company's business partner shareholding association.	No
	150	112		
Showa Sangyo Co., Ltd.	53,600	53,600	For the purpose of maintaining and strengthening a stable purchasing relationship, and increasing future corporate value through mutual initiatives.	Yes
	148	164		

Issue	Current fiscal year	Previous fiscal year	Purpose of holding, outline of business alliance, etc., quantitative effect of holding, and reason for increase in number of shares	Holding of the Company's shares
	Number of shares	Number of shares		
	Book value on the balance sheet (millions of yen)	Book value on the balance sheet (millions of yen)		
ITOCHU-SHOKUHIN Co., Ltd.	20,000	20,000	For the purpose of maintaining and strengthening a stable business relationship, and increasing future corporate value through mutual initiatives.	Yes
	139	143		
Rengo Co., Ltd.	134,000	134,000	For the purpose of maintaining and strengthening a stable purchasing relationship, and increasing future corporate value through mutual initiatives.	Yes
	118	125		
internet infinity INC.	240,000	240,000	For the purpose of increasing future corporate value through mutual initiatives.	No
	116	93		
MARUICHI Co., Ltd.	103,314	102,583	For the purpose of maintaining and strengthening a stable business relationship, and increasing future corporate value through mutual initiatives.	Yes
	111	125	Furthermore, the number of shares held increased due to participation in this company's business partner shareholding association.	
ARCS COMPANY, LIMITED	37,020	37,020	For the purpose of maintaining and strengthening a stable business relationship, and increasing future corporate value through mutual initiatives.	No
	92	100		
YOSHINOYA HOLDINGS CO., LTD.	28,168	28,129	For the purpose of maintaining and strengthening a stable business relationship, and increasing future corporate value through mutual initiatives.	No
	91	91	Furthermore, the number of shares held increased due to participation in this company's business partner shareholding association, while it decreased due to the partial sale of shares.	
YAMAE GROUP HOLDINGS CO., LTD.	37,080	35,875	For the purpose of maintaining and strengthening a stable business relationship, and increasing future corporate value through mutual initiatives.	No
	76	124	Furthermore, the number of shares held increased due to participation in this company's business partner shareholding association.	
VALOR HOLDINGS CO., LTD.	31,600	31,600	For the purpose of maintaining and strengthening a stable business relationship, and increasing future corporate value through mutual initiatives.	No
	68	74		
YUTAKA FOODS CORPORATION	31,200	31,200	For the purpose of maintaining and strengthening a stable business relationship, and increasing future corporate value through mutual initiatives.	Yes
	66	54		

Issue	Current fiscal year	Previous fiscal year	Purpose of holding, outline of business alliance, etc., quantitative effect of holding, and reason for increase in number of shares	Holding of the Company's shares
	Number of shares	Number of shares		
	Book value on the balance sheet (millions of yen)	Book value on the balance sheet (millions of yen)		
TRIAL Holdings, Inc. (Note 6)	20,000	20,000	For the purpose of maintaining and strengthening a stable business relationship, and increasing future corporate value through mutual initiatives.	No
	63	4		
OIE SANGYO CO., LTD.	25,200	25,200	For the purpose of maintaining and strengthening a stable business relationship, and increasing future corporate value through mutual initiatives.	No
	49	47		
Satoh & Co., Ltd.	28,800	28,800	For the purpose of maintaining and strengthening a stable business relationship, and increasing future corporate value through mutual initiatives.	No
	48	43		
NAKAMURAYA CO., LTD.	14,700	14,700	For the purpose of maintaining and strengthening a stable business relationship, and increasing future corporate value through mutual initiatives.	Yes
	46	45		
J-OIL MILLS, INC.	16,400	16,400	For the purpose of maintaining and strengthening a stable purchasing relationship, and increasing future corporate value through mutual initiatives.	Yes
	35	32		
H2O RETAILING CORPORATION (Note 7)	14,831	13,957	For the purpose of maintaining and strengthening a stable business relationship, and increasing future corporate value through mutual initiatives.	No
	30	19	Furthermore, the number of shares held increased due to participation in this company's business partner shareholding association.	
MARUDAI FOOD CO., LTD.	12,183	12,065	For the purpose of maintaining and strengthening a stable business relationship, and increasing future corporate value through mutual initiatives.	No
	20	19	Furthermore, the number of shares held increased due to participation in this company's business partner shareholding association.	
HAGOROMO FOODS CORPORATION	6,446	6,862	For the purpose of increasing future corporate value through mutual initiatives.	Yes
	19	20	Furthermore, the number of shares held increased due to participation in this company's business partner shareholding association, while it decreased due to the partial sale of shares.	
TOYO SUISAN KAISHA, LTD.	1,000	1,000	For the purpose of maintaining and strengthening a stable business relationship, and increasing future corporate value through mutual initiatives.	Yes
	10	7		

Issue	Current fiscal year	Previous fiscal year	Purpose of holding, outline of business alliance, etc., quantitative effect of holding, and reason for increase in number of shares	Holding of the Company's shares
	Number of shares	Number of shares		
	Book value on the balance sheet (millions of yen)	Book value on the balance sheet (millions of yen)		
YAMANAKA CO., LTD.	9,100	22,000	For the purpose of maintaining and strengthening a stable business relationship, and increasing future corporate value through mutual initiatives. The number of shares held decreased due to the partial sale of shares.	No
	5	15		
Maruyoshi Center Inc.	1,000	1,000	For the purpose of maintaining and strengthening a stable business relationship, and increasing future corporate value through mutual initiatives.	No
	4	3		
RETAIL PARTNERS CO., LTD.	3,000	3,000	For the purpose of maintaining and strengthening a stable business relationship, and increasing future corporate value through mutual initiatives.	No
	3	5		
OOMITSU CO., LTD.	5,281	5,199	For the purpose of maintaining and strengthening a stable business relationship, and increasing future corporate value through mutual initiatives. Furthermore, the number of shares held increased due to participation in this company's business partner shareholding association.	No
	3	3		
Olympic Group Corporation	5,500	5,500	For the purpose of maintaining and strengthening a stable business relationship, and increasing future corporate value through mutual initiatives.	No
	2	2		
YAMATO HOLDINGS CO., LTD.	1,000	1,000	For the purpose of increasing future corporate value through mutual initiatives.	Yes
	1	2		
YAKO Co., Ltd.	100	100	For the purpose of maintaining and strengthening a stable business relationship, and increasing future corporate value through mutual initiatives.	No
	0	0		
SHOKUBUN CO., LTD.	850	52,481	For the purpose of maintaining and strengthening a stable business relationship, and increasing future corporate value through mutual initiatives. Furthermore, the number of shares held increased due to participation in this company's business partner shareholding association, while it decreased due to the partial sale of shares.	No
	0	14		
Inageya Co., Ltd.	—	128,806	No shares in the company were held as of November 30, 2024.	No
	—	193		

Issue	Current fiscal year	Previous fiscal year	Purpose of holding, outline of business alliance, etc., quantitative effect of holding, and reason for increase in number of shares	Holding of the Company's shares
	Number of shares	Number of shares		
	Book value on the balance sheet (millions of yen)	Book value on the balance sheet (millions of yen)		
KISOJI CO., LTD.	—	21,100	No shares in the company were held as of November 30, 2024.	No
	—	52		
Sagami Holdings Corporation	—	10,000	No shares in the company were held as of November 30, 2024.	No
	—	13		
FUJICCO CO., LTD.	—	4,000	No shares in the company were held as of November 30, 2024.	No
	—	7		
HURXLEY CORPORATION	—	9,200	No shares in the company were held as of November 30, 2024.	No
	—	6		
ALBIS Co., Ltd.	—	2,000	No shares in the company were held as of November 30, 2024.	No
	—	5		
KEY COFFEE INC	—	1,000	No shares in the company were held as of November 30, 2024.	No
	—	2		

(Notes) 1. A "—" indicates that the Company does not hold the issue.

- The above number of shares of KIKKOMAN CORPORATION is after the share split of common stock on a 5-for-1 basis, effective on April 1, 2024.
- The above number of shares of Sumitomo Mitsui Financial Group, Inc. is after the share split of common stock on a 3-for-1 basis, effective on October 1, 2024.
- The above number of shares of Seven & i Holdings Co., Ltd. is after the share split of common stock on a 3-for-1 basis, effective on March 1, 2024.
- The above number of shares of Sumitomo Mitsui Trust Group, Inc. is after the share split of common stock on a 2-for-1 basis, effective on January 1, 2024.
- The shares of TRIAL Holdings, Inc. were held previously, but due to its new listing, they have been included in the specified investment shares from the current fiscal year.
- H2O RETAILING CORPORATION has made KANSAI FOOD MARKET LTD. a wholly owned subsidiary through a share exchange as of July 31, 2024. Through this share exchange, common stocks of H2O RETAILING CORPORATION are allocated on a 1-for-1 basis for each common stock of KANSAI FOOD MARKET LTD. held by the Company.

Stocks regarded as holding shares

Issue	Current fiscal year	Previous fiscal year	Purpose of holding, outline of business alliance, etc., quantitative effect of holding, and reason for increase in number of shares	Holding of the Company's shares
	Number of shares	Number of shares		
	Book value on the balance sheet (millions of yen)	Book value on the balance sheet (millions of yen)		
TOYO SUISAN KAISHA, LTD.	728,000	728,000	For the purpose of maintaining and strengthening a stable business relationship.	Yes
	7,647	5,729		
Seven & i Holdings Co., Ltd. (Note 3)	1,455,000	485,000	For the purpose of maintaining and strengthening a stable business relationship.	No
	3,788	2,665		
SUMITOMO CORPORATION	654,000	654,000	For the purpose of increasing future corporate value through mutual initiatives.	No
	2,098	2,027		
Mitsubishi Shokuhin Co., Ltd.	299,000	299,000	For the purpose of maintaining and strengthening a stable business relationship.	No
	1,436	1,453		
Kyowa Kirin Co., Ltd.	475,000	475,000	For the purpose of increasing future corporate value through mutual initiatives.	No
	1,180	1,157		
AEON CO., LTD.	220,000	220,000	For the purpose of maintaining and strengthening a stable business relationship.	No
	790	673		
YAMATO HOLDINGS CO., LTD.	219,000	219,000	For the purpose of increasing future corporate value through mutual initiatives.	Yes
	378	579		

- (Notes) 1. Specified investment shares and stocks regarded as holding shares are not added together at the stage of selecting the top issues in terms of book value on the balance sheet.
2. Stocks regarded as holding shares are put into a trust to cover retirement benefit obligations. The amounts presented in the "Book value on the balance sheet" column are obtained by multiplying the market value as of the end of the current fiscal year by the number of shares that confer the power to exercise voting rights. The information presented in the "Purpose of shareholding" column describes the power the Company holds with respect to such shares.
3. The above number of shares of Seven & i Holdings Co., Ltd. is after the share split of common stock on a 3-for-1 basis, effective on March 1, 2024.

(c) Investment shares for pure investment purposes

Not applicable.

V. Financial Information

1. Preparation of the consolidated financial statements

The consolidated financial statements of the Company were prepared in accordance with the Regulation on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Order of the Ministry of Finance No. 28 of 1976).

2. Audit

The audits were performed by Ernst & Young ShinNihon LLC on the consolidated financial statements for the fiscal year (from December 1, 2023 to November 30, 2024) in accordance with Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Law.

3. Special measures for ensuring appropriateness of consolidated financial statements

The Company carries out special measures for ensuring appropriateness of consolidated financial statements. Specifically, for the purpose of both ensuring that the Company has an appropriate grasp of the contents of the accounting standards, and establishing a system by which it is possible to accurately respond to changes in accounting standards, the Company became a member of the Financial Accounting Standards Foundation, deepens its understanding of accounting standards and takes measures in response to new accounting standards.

Consolidated Financial Statements

(1) Consolidated financial statements

(a) Consolidated Balance Sheets

	(Millions of yen)	
	Previous fiscal year (As of November 30, 2023)	Current fiscal year (As of November 30, 2024)
Assets		
Current assets		
Cash and deposits	66,610	78,139
Notes and accounts receivable – trade	*1 64,515	*1 71,782
Securities	2,000	10,000
Purchased goods and products	27,939	25,172
Work in process	2,064	1,948
Raw materials and supplies	13,990	12,741
Other	5,329	4,529
Allowances for doubtful accounts	(370)	(588)
Total current assets	182,080	203,727
Fixed assets		
Tangible fixed assets		
Buildings and structures	*4 159,074	*4 159,972
Accumulated depreciation	(97,560)	(100,477)
Net book value	61,514	59,494
Machinery, equipment and vehicles	*4 152,809	*4 153,476
Accumulated depreciation	(111,556)	(114,753)
Net book value	41,252	38,722
Land	*4 30,762	*4 29,475
Lease assets	5,817	5,655
Accumulated depreciation	(2,253)	(2,258)
Net book value	3,564	3,396
Construction in progress	7,093	14,266
Other	*4 13,256	*4 13,555
Accumulated depreciation	(11,244)	(11,513)
Net book value	2,011	2,042
Total tangible fixed assets	146,199	147,398
Intangible fixed assets		
Goodwill	182	—
Software	13,768	13,686
Other	1,856	5,316
Total intangible fixed assets	15,807	19,003
Investments and other assets		
Investment securities	*2 48,975	*2 51,178
Long-term loans receivable	595	136
Assets for retirement benefits	25,630	34,584
Deferred tax assets	2,308	2,011
Other	*2 4,499	*2 4,422
Allowances for doubtful accounts	(91)	(90)
Total investments and other assets	81,918	92,243
Total fixed assets	243,926	258,645
Total assets	426,006	462,372

	(Millions of yen)	
	Previous fiscal year (As of November 30, 2023)	Current fiscal year (As of November 30, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	33,414	44,777
Short-term loans payable	17,200	2,271
Accounts payable – other	17,577	25,218
Accrued expenses	2,291	2,013
Accrued income taxes	2,330	5,425
Reserves for bonuses	1,650	1,883
Reserves for directors' bonuses	71	121
Other	*5 6,835	*5 9,529
Total current liabilities	81,372	91,239
Non-current liabilities		
Bonds	10,000	10,000
Long-term loans payable	784	5,500
Lease obligations	3,807	3,785
Deferred tax liabilities	12,766	15,532
Liabilities for retirement benefits	2,107	2,004
Asset retirement obligations	275	273
Other	3,588	2,398
Total non-current liabilities	33,330	39,494
Total liabilities	114,702	130,734
Net assets		
Shareholders' equity		
Paid-in capital	24,104	24,104
Capital surplus	28,638	28,412
Earned surplus	209,740	224,209
Treasury stock	(5,842)	(5,847)
Total shareholders' equity	256,639	270,878
Accumulated other comprehensive income		
Unrealized holding gains (losses) on securities	11,939	13,501
Unrealized gains (losses) on hedges	(2)	(9)
Foreign currency translation adjustments	7,037	6,454
Accumulated adjustments for retirement benefits	6,269	11,466
Total accumulated other comprehensive income	25,244	31,413
Non-controlling interests	29,419	29,346
Total net assets	311,303	331,638
Total liabilities and net assets	426,006	462,372

(b) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income

	(Millions of yen)			
	Previous fiscal year (From December 1, 2022 to November 30, 2023)		Current fiscal year (From December 1, 2023 to November 30, 2024)	
Net sales	*1	455,086	*1	483,985
Cost of sales	*2	332,755	*2	336,217
Gross profit		122,330		147,767
Selling, general and administrative expenses	*3, *4	102,636	*3, *4	113,437
Operating income		19,694		34,329
Non-operating income				
Interest income		534		686
Dividends income		474		564
Equity in earnings of affiliates		—		1,371
Insurance return		434		11
Other		906		868
Total non-operating income		2,350		3,502
Non-operating expenses				
Interest expenses		393		295
Provision of allowances for doubtful accounts		203		207
Equity in losses of affiliates		343		—
Other		614		455
Total non-operating expenses		1,554		958
Ordinary income		20,490		36,874
Extraordinary gains				
Gain on sales of shares of subsidiaries and associates	*5	2,968	*5	145
Gains on extinguishment of tie-in shares		—		124
Gains on sales of investment securities		758		111
Gains on sales of fixed assets	*6	20	*6	54
Other		432		17
Total extraordinary gains		4,178		453
Extraordinary losses				
Losses on disposal of fixed assets	*7	733	*7	1,501
Impairment losses	*8	1,484	*8	948
Losses on valuation of investment securities		4		815
Other		370		423
Total extraordinary losses		2,593		3,689
Profit before income taxes		22,075		33,638
Income taxes		5,851		9,083
Income taxes – deferred		699		144
Total income taxes		6,550		9,228
Profit		15,524		24,410
Profit attributable to non-controlling interests		2,350		2,990
Profit attributable to owners of parent		13,174		21,419

Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Previous fiscal year (From December 1, 2022 to November 30, 2023)	Current fiscal year (From December 1, 2023 to November 30, 2024)
Profit	15,524	24,410
Other comprehensive income		
Unrealized holding gains (losses) on securities	2,483	1,444
Unrealized gains (losses) on hedges	0	(0)
Foreign currency translation adjustments	1,364	(273)
Adjustments for retirement benefits	4,272	5,128
Share of other comprehensive income of entities accounted for using equity method	345	224
Total other comprehensive income	* 8,465	* 6,522
Comprehensive income	23,989	30,933
(Breakdown)		
Comprehensive income attributable to owners of parent	21,174	27,588
Comprehensive income attributable to non-controlling interests	2,814	3,344

(c) Consolidated Statements of Changes in Net Assets

Previous fiscal year (From December 1, 2022 to November 30, 2023)

(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	28,634	203,515	(5,840)	250,413
Changes of items during the fiscal year					
Dividends from surplus			(6,950)		(6,950)
Profit attributable to owners of parent			13,174		13,174
Purchase of treasury stock				(2)	(2)
Purchase of shares of consolidated subsidiaries					
Change in ownership interest of parent due to transactions with non-controlling interests		4			4
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	—	4	6,224	(2)	6,226
Balance at the end of the current fiscal year	24,104	28,638	209,740	(5,842)	256,639

	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	9,348	(1)	5,911	1,985	17,244	26,965	294,623
Changes of items during the fiscal year							
Dividends from surplus							(6,950)
Profit attributable to owners of parent							13,174
Purchase of treasury stock							(2)
Purchase of shares of consolidated subsidiaries							—
Change in ownership interest of parent due to transactions with non-controlling interests							4
Net changes of items other than shareholders' equity	2,591	(0)	1,125	4,283	8,000	2,453	10,454
Total changes of items during the fiscal year	2,591	(0)	1,125	4,283	8,000	2,453	16,680
Balance at the end of the current fiscal year	11,939	(2)	7,037	6,269	25,244	29,419	311,303

Current fiscal year (From December 1, 2023 to November 30, 2024)

(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	28,638	209,740	(5,842)	256,639
Changes of items during the fiscal year					
Dividends from surplus			(6,950)		(6,950)
Profit attributable to owners of parent			21,419		21,419
Purchase of treasury stock				(4)	(4)
Purchase of shares of consolidated subsidiaries		(230)			(230)
Change in ownership interest of parent due to transactions with non-controlling interests		3			3
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	—	(226)	14,469	(4)	14,238
Balance at the end of the current fiscal year	24,104	28,412	224,209	(5,847)	270,878

	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	11,939	(2)	7,037	6,269	25,244	29,419	311,303
Changes of items during the fiscal year							
Dividends from surplus							(6,950)
Profit attributable to owners of parent							21,419
Purchase of treasury stock							(4)
Purchase of shares of consolidated subsidiaries							(230)
Change in ownership interest of parent due to transactions with non-controlling interests							3
Net changes of items other than shareholders' equity	1,561	(7)	(582)	5,196	6,168	(72)	6,095
Total changes of items during the fiscal year	1,561	(7)	(582)	5,196	6,168	(72)	20,334
Balance at the end of the current fiscal year	13,501	(9)	6,454	11,466	31,413	29,346	331,638

(d) Consolidated Statements of Cash Flows

	(Millions of yen)	
	Previous fiscal year (From December 1, 2022 to November 30, 2023)	Current fiscal year (From December 1, 2023 to November 30, 2024)
Cash flows from operating activities		
Profit before income taxes	22,075	33,638
Depreciation and amortization	16,935	17,536
Impairment losses	1,484	948
Amortization of goodwill	182	182
Retirement benefit expenses	(150)	823
Equity in losses (earnings) of affiliates	343	(1,371)
Losses (gains) on extinguishment of tie-in shares	—	(124)
Increase (decrease) in liabilities for retirement benefits	(977)	(290)
Decrease (increase) in assets for retirement benefits	(929)	(2,557)
Increase (decrease) in reserves for directors' bonuses	(3)	50
Increase (decrease) in reserves for bonuses	129	213
Increase (decrease) in allowances for doubtful accounts	220	216
Interest and dividends income	(1,009)	(1,251)
Interest expenses	393	295
Losses (gains) on sales of investment securities	(758)	(107)
Losses (gains) on sales of shares of subsidiaries	(2,968)	(145)
Losses (gains) on valuation of investment securities	4	815
Losses (gains) on sales and disposal of fixed assets	713	1,439
Decrease (increase) in notes and accounts receivable – trade	(4,775)	(7,416)
Decrease (increase) in inventories	(6,555)	4,229
Increase (decrease) in notes and accounts payable – trade	162	11,487
Increase (decrease) in accounts payable – other	393	4,967
Increase (decrease) in accrued consumption taxes	1,116	2,308
Increase (decrease) in long-term accounts payable	338	(168)
Other	723	1,353
Sub-total	27,090	67,072
Proceeds from compensation	1,661	—
Settlement received	167	—
Interest and dividends income received	1,308	1,515
Interest paid	(388)	(311)
Income taxes paid	(7,121)	(6,228)
Income taxes refund	1,007	1,078
Net cash provided by (used in) operating activities	23,725	63,126

	(Millions of yen)	
	Previous fiscal year (From December 1, 2022 to November 30, 2023)	Current fiscal year (From December 1, 2023 to November 30, 2024)
Cash flows from investing activities		
Purchases of tangible fixed assets	(15,164)	(18,124)
Proceeds from sales of tangible fixed assets	94	1,436
Purchases of intangible fixed assets	(2,281)	(5,803)
Purchases of investment securities	(1,325)	(169)
Proceeds from sales of investment securities	1,139	337
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	—	1,291
Proceeds from sales of shares of subsidiaries and associates	3,440	—
Net decrease (increase) in short-term loans receivable	(74)	(26)
Payments of long-term loans receivable	(44)	(27)
Collection of long-term loans receivable	1	20
Payments into time deposits	(5,567)	(11,231)
Proceeds from withdrawal of time deposits	2,184	9,782
Other	(124)	(1,379)
Net cash provided by (used in) investing activities	(17,721)	(23,893)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(1,179)	172
Repayment of lease obligations	(726)	(738)
Proceeds from long-term loans payable	—	5,000
Repayment of long-term loans payable	(285)	(15,285)
Proceeds from share issuance to non-controlling shareholders	1,044	—
Cash dividends paid	(6,950)	(6,950)
Cash dividends paid to non-controlling interests	(1,411)	(2,623)
Purchase of treasury stock	(2)	(4)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(594)
Other	(2)	(102)
Net cash provided by (used in) financing activities	(9,514)	(21,126)
Effects of exchange rate changes on cash and cash equivalents	607	(27)
Increase (decrease) in cash and cash equivalents	(2,902)	18,079
Cash and cash equivalents at the beginning of the fiscal year	65,335	62,433
Cash and cash equivalents at the end of the fiscal year	* 62,433	* 80,512

Notes

Significant Matters Forming the Basis for the Preparation of Consolidated Financial Statements

1. Consolidated subsidiaries

The Company has forty-five (45) consolidated subsidiaries. The significant consolidated subsidiaries are Kewpie Egg Corporation, Deria Foods Co., Ltd., Kewpie Jyozo Co., Ltd., Salad Club, Inc., Aohata Corporation, Hangzhou Kewpie Corporation, BEIJING KEWPIE CO., LTD. and Q&B FOODS, INC.

In the current fiscal year, KEWPIE AUSTRALIA PTY. LTD. was newly included in the scope of consolidation due to its new establishment. On the other hand, Co-op Foods Co., Ltd. (Kyushu) and Soka Delica Co., Ltd. have been excluded from consolidation due to the transfer of shares of this company.

As a consequence, one company was added and two companies were excluded.

Among the nine (9) non-consolidated subsidiaries, the principal one is Hotdog Corporation. These companies are excluded from consolidation, because each of the amount of their total assets, net sales, profit and loss and earned surplus (based on the Company's ownership percentage) does not have a significant effect on the consolidated financial statements of the Company.

2. Application of the equity method

An equity method is applied to the investments in seventeen (17) affiliated companies. The significant affiliate under the equity method is KRS.

The investments in Hotdog Corporation and nine other non-consolidated subsidiaries, as well as EGG TRUST JAPAN K.K. and ten other affiliated companies are not accounted for by the equity method, since each of the amounts of profit and loss and earned surplus (based on the Company's ownership percentage) does not have a significant effect on the consolidated financial statements of the Company.

3. Fiscal years of consolidated subsidiaries

Among consolidated subsidiaries of the Company, the fiscal year end of nine foreign consolidated subsidiaries is September 30 and that of six foreign consolidated subsidiaries is December 31.

Six foreign subsidiaries whose fiscal year end is December 31 are consolidated based on their provisional financial statements closing as at September 30. Other nine foreign subsidiaries are consolidated based on the financial statements as at their fiscal year end.

However, significant transactions of those subsidiaries recognized during the period after their provisional financial closing (September 30) to the fiscal year end of the Company's consolidated financial statements (November 30) are reflected in the consolidated financial statements.

4. Accounting policies

(1) Basis and method of valuation of significant assets

(a) Securities

1. Held-to-maturity bonds are stated at amortized cost (by the straight-line method).
2. Shares in subsidiaries and affiliated companies not subject to the equity method are stated at cost, determined by the moving average method.
3. Other securities other than stocks, etc. without market value are stated at fair value. (Revaluation differences are all transferred directly to net assets. Selling costs are calculated by the moving average method.) Stocks, etc. without market value are stated at cost, determined by the moving average method.

(b) Derivatives

Stated at fair value.

Hedge accounting is applied to hedge transactions that meet the requirements thereof.

(c) Inventories

Purchased goods and products, work in process, raw materials and supplies are principally stated at moving average cost (the method to write off a book value to reflect a decreased profitability).

(2) Depreciation and amortization of significant depreciable and amortizable assets

(a) Tangible fixed assets (excluding lease assets)

Tangible fixed assets are depreciated by the straight-line method.

The main useful lives are as follows.

Buildings and structures:	2–50 years
Machinery, equipment and vehicles:	2–10 years

(b) Intangible fixed assets (excluding lease assets)

Intangible fixed assets are amortized by the straight-line method.

The main useful life is as follows.

Software:	5–10 years
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(c) Lease assets

Lease assets in finance lease transactions other than those which are deemed to transfer the ownership of lease assets to lessees are calculated by the straight-line method by considering the lease period to be useful life and the residual value to be zero.

Foreign consolidated subsidiaries that adopted IFRS have applied IFRS 16 "Leases", and foreign consolidated subsidiaries that adopted U.S. GAAP have applied U.S. GAAP ASU 2016-02 "Leases". Due to this application, lessees, in principle, record all leases as assets and liabilities on the balance sheets, and the straight-line method is adopted for depreciation of right-of-use assets recorded under assets.

(3) Accounting standards for significant allowances

(a) Allowances for doubtful accounts

To provide for losses on bad debts, the Group sets aside an estimated uncollectable amount, by taking into consideration the possible credit loss rate in the future based on the actual loss rate in respect of general credits, and the particular possibilities of collection in respect of possible non-performing credits and other specific claims.

(b) Reserves for bonuses

To provide for the payment of bonuses to employees, reserves for bonuses are provided according to the expected amount of the payment which attributes to the current fiscal year.

(c) Reserves for directors' bonuses

To provide for the payment of bonuses to directors, reserves for directors' bonuses are provided according to the estimated amounts payable at the end of the current fiscal year.

(4) Accounting standards for significant revenues and expenses

The Group's main businesses are "Retail Market Business", "Food Service Business", "Overseas Business", "Fruit Solutions Business" and "Fine Chemicals Business".

(a) Retail Market

The Company sells merchandise or products that include mayonnaise, dressings, pasta sauces, salads, delicatessen foods, packaged salads, baby foods and nursing care foods in the retail market. The primary performance obligation is the obligation to deliver merchandise or products to the customer, and the Company determines that control is transferred to the customer at the time of delivery of the merchandise or products. However, in the cases that the control over merchandise or products should be transferred to the customer within a normal delivery period, revenue is recognized at the time of shipment. In addition, revenue is measured at an amount

calculated by deducting sales returns, discounts, rebates, etc. from consideration promised in a contract with the customer, and does not contain any significant interest component.

(b) Food Service

The Company sells merchandise or products that include mayonnaise, dressings, vinegar, liquid egg, frozen egg, dried egg and egg processed foods in the food service market. The primary performance obligation is the obligation to deliver merchandise or products to the customer, and the Company determines that control is transferred to the customer at the time of delivery of the merchandise or products. However, in the cases that the control over merchandise or products should be transferred to the customer within a normal delivery period, revenue is recognized at the time of shipment. In addition, revenue is measured at an amount calculated by deducting sales returns, discounts, rebates, etc. from consideration promised in a contract with the customer, and does not contain any significant interest component.

(c) Overseas

The Company sells merchandise or products that include mayonnaise and dressings in the overseas markets which include China, Southeast Asia and North America. The primary performance obligation is the obligation to deliver merchandise or products to the customer, and revenue is recognized at the time when merchandise or products are delivered. However, revenue from export sales is recognized at the time when risk is transferred to the customer based on the trade terms provided for in the Incoterms and others. In addition, revenue is measured at an amount calculated by deducting sales returns, discounts, rebates, etc. from consideration promised in a contract with the customer, and does not contain any significant interest component.

(d) Fruit Solutions

The Company sells merchandise or products that include jams for household use, frozen processed fruit products, and fruit processed foods for industrial use. The primary performance obligation is the obligation to deliver merchandise or products to the customer, and the Company determines that control is transferred to the customer at the time of delivery of the merchandise or products. However, in the cases that the control over merchandise or products should be transferred to the customer within a normal delivery period, revenue is recognized at the time of shipment. In addition, revenue is measured at an amount calculated by deducting sales returns, discounts, rebates, etc. from consideration promised in a contract with the customer, and does not contain any significant interest component.

(e) Fine Chemicals

The Company sells merchandise or products that include hyaluronic acid and egg yolk lecithin used as an ingredient for pharmaceuticals, cosmetics and food products. The primary performance obligation is the obligation to deliver merchandise or products to the customer, and the Company determines that control is transferred to the customer at the time of delivery of the merchandise or products. However, in the cases that the control over merchandise or products should be transferred to the customer within a normal delivery period, revenue is recognized at the time of shipment. In addition, revenue is measured at an amount calculated by deducting sales returns, discounts, rebates, etc. from consideration promised in a contract with the customer, and does not contain any significant interest component.

(5) Accounting for retirement benefits

(a) Periodic allocation method for projected retirement benefits

In calculating retirement benefit obligations, the method of allocating the projected retirement benefits to the period up to the end of the current fiscal year is the benefit formula basis.

(b) Method of accounting for actuarial gains or losses and prior service costs

Prior service costs are amortized by the straight-line method principally over twelve (12) years based on the average remaining employees' service years at the time of accrual.

Actuarial gains or losses are amortized by the straight-line method principally over twelve (12) years based on the average remaining employees' service years at each fiscal year, and their amortizations start from the next fiscal year of the respective accrual years.

In addition, if the amount of pension plan assets exceeds that of retirement benefit obligations for pension plan, it is recorded as assets for retirement benefits on the consolidated balance sheet.

(6) Significant methods of hedge accounting

(a) Hedge accounting method

Deferral hedge is adopted in hedge accounting.

Allocation method is adopted for transactions that meet the requirements for that method.

(b) Hedging instruments

Hedging instruments are forward exchange contracts.

(c) Hedged items

Hedged items are purchase transactions in foreign currencies.

(d) Hedging policy

The Company enters into forward exchange contracts to hedge risks from fluctuations in foreign exchange rates.

In addition, the Group never makes use of them for the purpose of speculative transactions.

(e) Assessment of the effectiveness of hedge accounting

Control procedures of hedge transactions are executed according to the Company's internal rules. The effectiveness of the hedge is analyzed by comparing movements in the fair value of hedged items with those of hedging instruments, assessed and strictly controlled.

(7) Method and period for amortization of goodwill

Goodwill is amortized on a straight-line basis over its estimated useful life during which its effect will be realized. However, goodwill is expensed as incurred if immaterial.

(8) Scope of cash in the consolidated statements of cash flows

Cash in the consolidated statements of cash flows (cash and cash equivalents) consists of cash in hand, bank deposits which can be withdrawn freely, and short-term investments which can be easily converted into cash and matures within three months from the acquisition date on which they are at little risk of changes in value.

(Significant accounting estimates)

Valuation of fixed assets of Kewpie Egg Corporation

For fixed assets on certain asset groups of Kewpie Egg Corporation, an indicator of impairment was identified at the end of the current fiscal year, as a result of the effects of the spread of avian influenza and a significant drop in the market price of land. However, no impairment losses were recognized, since undiscounted future cash flows of these asset groups exceeded the book value of the fixed assets in determining whether impairment losses are recognized.

1. Amount recorded in consolidated financial statements for the current fiscal year

	Previous fiscal year	Current fiscal year
Book value of fixed assets on relevant asset groups	¥4,737 million	¥4,248 million

2. Information on the content of significant accounting estimates for identified items

(1) Method for calculating estimated future cash flows and major assumptions

In recognizing and measuring impairment losses, future cash flows were calculated based on business plans, which were formulated incorporating sales volume and gross margin per unit as major assumptions, on the premise of stable balance between egg supply and demand.

(2) Impact on consolidated financial statements for the next fiscal year

If business performance declines due to the spread of avian influenza, and consequently actual results deviate from an estimated amount of future cash flows, impairment losses could be recorded.

(Accounting standards not yet adopted)

(Accounting Standard for Current Income Taxes, etc.)

- "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022)
- "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No. 25, October 28, 2022)
- "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022)

1. Summary

In February 2018, ASBJ issued ASBJ Statement No. 28, "Partial Amendments to Accounting Standard for Tax Effect Accounting", etc. ("ASBJ Statement No. 28, etc."), which completed the transfer of practical guidelines on tax effect accounting at the Japanese Institute of Certified Public Accountants to the ASBJ. In the course of deliberation, the following two issues, which were to be reviewed again after the release of ASBJ Statement No. 28, etc., were discussed and released.

- Reporting category of tax expense (taxation on other comprehensive income)
- Tax effect on the sales of shares of subsidiaries, etc. (shares of subsidiaries or affiliates) when group corporation taxation is applied

2. Timing of adoption

The Group will adopt these ASBJ statements and guidance from the beginning of the fiscal year ending November 30, 2025.

3. Effect of adoption of accounting standards

There is no significant effect on the consolidated financial statements from adopting the Accounting Standard for Current Income Taxes, etc.

(Accounting Standard for Leases, etc.)

- "Accounting Standard for Leases" (ASBJ Statement No. 34, September 13, 2024)
- "Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33, September 13, 2024), etc.

1. Summary

As part of its efforts for ensuring that Japanese GAAP is consistent with international accounting standards, the ASBJ conducted a review, taking into consideration international accounting standards, toward the development of the Accounting Standard for Leases for recognizing assets and liabilities for all leases held by a lessee. As a basic policy, the ASBJ issued the Accounting Standard for Leases, etc., which were developed with the aim of being simple and highly convenient by incorporating only the key provisions of IFRS 16 instead of all the provisions, despite being based on the single accounting model of IFRS 16, while also making revisions basically unnecessary even when the provisions of IFRS 16 are applied for non-consolidated financial statements.

Regarding the method for allocating the lessee's lease expenses in the lessee's accounting treatment, a single accounting model is applied for recording the depreciation related to right-of-use assets and the amount equivalent to the interest on lease liabilities for all leases regardless of whether a lease is a finance lease or an operating lease. This is the same as under IFRS 16.

2. Timing of adoption

The Group will adopt these ASBJ statements and guidance from the beginning of the fiscal year ending November 30, 2028.

3. Effect of adoption of accounting standards

The effect of adoption of the Accounting Standard for Leases, etc. on the consolidated financial statements is currently under evaluation.

(Changes in presentation)

(Consolidated Statements of Income)

"Losses on valuation of investment securities" included in "Other" under "Extraordinary losses" in the previous fiscal year, has been presented as a separate item under "Extraordinary losses" from the current fiscal year, because it now accounts for more than 10% of total non-operating income. The consolidated financial statements of the previous fiscal year have been reclassified to reflect this change in presentation.

As a result, in the consolidated statements of income, ¥4 million, which was presented in "Other" under "Extraordinary losses" in the previous fiscal year was reclassified as "Losses on valuation of investment securities".

(Consolidated Statements of Cash Flows)

"Losses (gains) on valuation of investment securities" included in "Other" under "Cash flows from operating activities" in the previous fiscal year, has been presented as a separate item from the current fiscal year due to the increased materiality. The consolidated financial statements of the previous fiscal year have been reclassified to reflect this change in presentation.

As a result, in the consolidated statement of cash flows, ¥728 million, which was presented in "Other" under "Cash flows from operating activities" in the previous fiscal year, has been reclassified as ¥4 million in "Losses (gains) on valuation of investment securities" and ¥723 million in "Other".

"Proceeds from sales of tangible fixed assets" included in "Other" under "Cash flows from investing activities" in the previous fiscal year has been presented as a separate item from the current fiscal year due to the increased materiality. The consolidated financial statements of the previous fiscal year have been reclassified to reflect this change in presentation.

As a result, in the consolidated statement of cash flows, ¥(30) million, which was presented in "Other" under "Cash flows from investing activities" in the previous fiscal year, has been reclassified as ¥94 million in "Proceeds from sales of tangible fixed assets" and ¥(124) million in "Other".

Consolidated Balance Sheets

*1 Notes receivable - trade and accounts receivable - trade include receivables arising from contracts with customers as follows:

	Previous fiscal year (As of November 30, 2023)	Current fiscal year (As of November 30, 2024)
Notes receivable - trade	¥ 15 million	¥ 28 million
Accounts receivable - trade	¥ 64,500 million	¥ 71,754 million

*2 Investments in unconsolidated subsidiaries and affiliated companies are as follows:

	Previous fiscal year (As of November 30, 2023)	Current fiscal year (As of November 30, 2024)
Investment securities (stocks)	¥ 22,850 million	¥ 23,810 million
Other (Investments in capital)	¥ 205 million	¥ 217 million

*3 Contingent liabilities

Loans from financial institutions, that the Group guarantees under joint signature for employees are as follows:

Guarantee obligations

	Previous fiscal year (As of November 30, 2023)	Current fiscal year (As of November 30, 2024)
Employees (loan)	¥ 136 million	¥ 119 million

*4 Amount of reduction entry

Accumulated reduction entry of tangible fixed assets deducted from acquisition cost of tangible fixed assets using funds from government subsidy, etc. is as follows:

	Previous fiscal year (As of November 30, 2023)	Current fiscal year (As of November 30, 2024)
Buildings and structures	¥ 615 million	¥ 957 million
Machinery, equipment and vehicles	¥ 798 million	¥ 1,914 million
Land	¥ 117 million	¥ 144 million
Other	¥ 4 million	¥ 11 million
Total	¥ 1,536 million	¥ 3,027 million

*5 Other liabilities include contract liabilities as follows:

	Previous fiscal year (As of November 30, 2023)	Current fiscal year (As of November 30, 2024)
Contract liabilities	¥ 169 million	¥ 692 million

Consolidated Statements of Income

- *1 Net sales is not separately presented for revenue arising from contracts with customers and other revenue.

The amount of revenue arising from contracts with customers is provided in Note "Segment Information" in the consolidated financial statements.

- *2 The inventory balance at the end of the fiscal year is presented after the book value was written down when its carrying amount becomes unrecoverable and the following losses on valuation of inventories are included in cost of sales.

Previous fiscal year (From December 1, 2022 to November 30, 2023)	Current fiscal year (From December 1, 2023 to November 30, 2024)
¥ 271 million	¥ 210 million

- *3 Main components of selling, general and administrative expenses are as follows:

	Previous fiscal year (From December 1, 2022 to November 30, 2023)	Current fiscal year (From December 1, 2023 to November 30, 2024)
Transportation and warehousing expenses	¥ 27,952 million	¥ 30,424 million
Sales promotion expenses	¥ 4,073 million	¥ 5,187 million
Research and development expenses	¥ 3,956 million	¥ 3,865 million
Advertising expenses	¥ 10,320 million	¥ 12,316 million
Payroll expenses	¥ 22,437 million	¥ 24,014 million
Depreciation expenses	¥ 2,938 million	¥ 3,730 million
Provision of reserves for bonuses	¥ 826 million	¥ 979 million
Retirement benefit expenses	¥ 621 million	¥ 65 million
Provision of allowances for doubtful accounts	¥ 70 million	¥ 26 million

- *4 Total amount of research and development expenses included in general and administrative expenses

	Previous fiscal year (From December 1, 2022 to November 30, 2023)	Current fiscal year (From December 1, 2023 to November 30, 2024)
Research and development expenses	¥ 3,956 million	¥ 3,865 million

- *5 Gain on sales of shares of subsidiaries and associates

Previous fiscal year (From December 1, 2022 to November 30, 2023)

This was due to the sale of shares of NAKASHIMATO CO., LTD., the Company's other associated company.

Current fiscal year (From December 1, 2023 to November 30, 2024)

This was due to the sale of all shares of Co-op Foods Co., Ltd. (Kyushu), which was held by Co-op Foods Co., Ltd., a consolidated subsidiary of the Company.

*6 Gains on sales of fixed assets consists of the following:

	Previous fiscal year (From December 1, 2022 to November 30, 2023)		Current fiscal year (From December 1, 2023 to November 30, 2024)	
Land		—	¥	27 million
Machinery, equipment and vehicles	¥	15 million	¥	18 million
Buildings and structures	¥	3 million	¥	7 million
Other	¥	0 million	¥	0 million
Total	¥	20 million	¥	54 million

*7 Losses on disposal of fixed assets consists of the following:

	Previous fiscal year (From December 1, 2022 to November 30, 2023)		Current fiscal year (From December 1, 2023 to November 30, 2024)	
Machinery, equipment and vehicles	¥	574 million	¥	920 million
Buildings and structures	¥	77 million	¥	410 million
Other	¥	81 million	¥	170 million
Total	¥	733 million	¥	1,501 million

*8 Impairment losses

The Group recognized impairment losses for the following group of assets.

Previous fiscal year (From December 1, 2022 to November 30, 2023)

Location	Use	Item	Impairment losses (millions of yen)
Toyota-shi, Aichi	Factory	Land, buildings, machinery, etc.	1,172
Shirakawa-shi, Fukushima	Factory	Machinery, equipment, etc.	150
Other			161
Total			1,484

In principle, each management accounting unit, on which revenue and expenditure are continuously monitored such as a company, business, and office, is classified as one asset-grouping unit.

During the current fiscal year, decisions were made regarding the restructuring of production sites after the closure of the Koromo Factory in Toyota-shi, Aichi. As part of this restructuring, the production functions of the Company's Koromo Factory will be transferred to other production sites.

In line with this, the Company wrote down the book value of buildings and other assets of the Koromo Factory to their recoverable amount, and the relevant write-down amount of ¥1,172 million is recorded as impairment losses.

The recoverable amount is measured by the net sales value. However, as the asset has difficulty finding an alternative use or being sold, the net sales value is assessed as zero.

The Company decided to withdraw from the plant factory business in Shirakawa-shi, Fukushima, due to its aging and declining profitability. In line with this, the Company wrote down the book value of buildings and other assets of the factory to their recoverable amount, and the relevant write-down amount of ¥150 million is recorded.

The recoverable amount is measured by the net sales value. However, as the asset has difficulty finding an alternative use or being sold, the net sales value is assessed as zero.

Current fiscal year (From December 1, 2023 to November 30, 2024)

Location	Use	Item	Impairment losses (millions of yen)
Fukaya-shi, Saitama	Leased assets	Buildings, machinery, equipment, etc.	480
Niigata-shi, Niigata	Factory	Land, buildings, machinery, etc.	467
Total			948

In principle, each management accounting unit, on which revenue and expenditure are continuously monitored such as a company, business, and office, is classified as one asset-grouping unit.

In the current fiscal year, the Company wrote down the book value of the leased assets in Fukaya-shi, Saitama, to their recoverable amount due to a decrease in the expected future cash flows. As such, the relevant write-down amount of ¥480 million is recorded as impairment losses.

The recoverable amount is measured by the net sales value. However, as the asset has difficulty finding an alternative use or being sold, the net sales value is assessed as zero.

The Company wrote down the book value of the factory in Niigata-shi, Niigata, to its recoverable amount following the decision to close it. As such, the relevant write-down amount of ¥467 million is recorded as impairment losses. The recoverable amount is measured by the net sales value based on the estimated sales value.

Consolidated Statements of Comprehensive Income

* Reclassification adjustments and income tax effects related to other comprehensive income

	Previous fiscal year (From December 1, 2022 to November 30, 2023)			Current fiscal year (From December 1, 2023 to November 30, 2024)		
Unrealized holding gains (losses) on securities:						
Amount arising during the fiscal year	¥	4,249	million	¥	2,198	million
Reclassification adjustments	¥	(671)	million	¥	(107)	million
Before income tax effects	¥	3,577	million	¥	2,091	million
Amount of income tax effects	¥	(1,094)	million	¥	(646)	million
Unrealized holding gains (losses) on securities	¥	2,483	million	¥	1,444	million
Unrealized gains (losses) on hedges:						
Amount arising during the fiscal year	¥	0	million	¥	(1)	million
Reclassification adjustments		—			—	
Before income tax effects	¥	0	million	¥	(1)	million
Amount of income tax effects	¥	(0)	million	¥	1	million
Unrealized gains (losses) on hedges	¥	0	million	¥	(0)	million
Foreign currency translation adjustments:						
Amount arising during the fiscal year	¥	1,364	million	¥	(273)	million
Reclassification adjustments		—			—	
Foreign currency translation adjustments	¥	1,364	million	¥	(273)	million
Adjustments for retirement benefits:						
Amount arising during the fiscal year	¥	6,324	million	¥	8,321	million
Reclassification adjustments	¥	(150)	million	¥	(894)	million
Before income tax effects	¥	6,173	million	¥	7,426	million
Amount of income tax effects	¥	(1,901)	million	¥	(2,298)	million
Adjustments for retirement benefits	¥	4,272	million	¥	5,128	million
Share of other comprehensive income of entities accounted for using equity method:						
Amount arising during the fiscal year	¥	329	million	¥	202	million
Reclassification adjustments	¥	15		¥	21	million
Share of other comprehensive income of entities accounted for using equity method	¥	345	million	¥	224	million
Total other comprehensive income	¥	8,465	million	¥	6,522	million

Consolidated Statements of Changes in Net Assets

Previous fiscal year (From December 1, 2022 to November 30, 2023)

1. Total numbers and periodic changes of issued shares and treasury stock by class

	Number of shares at the beginning of the current fiscal year	Increase in number of shares	Decrease in number of shares	Number of shares at the end of the current fiscal year
Issued shares				
Common stock	141,500,000	—	—	141,500,000
Total	141,500,000	—	—	141,500,000
Treasury stock				
Common stock	2,495,894	1,064	—	2,496,958
Total	2,495,894	1,064	—	2,496,958

(Note) The number of shares of treasury stock (common stock) increased due to the acquisition of shares less than one (1) unit.

2. Dividend

(1) Dividends paid in the current fiscal year

(Resolution)	Type of share	Total amounts of dividends (millions of yen)	Dividends per share (yen)	Record date	Effective date
The Board of Directors' meeting held on January 20, 2023	Common stock	3,753	27.00	November 30, 2022	February 6, 2023
The Board of Directors' meeting held on June 30, 2023	Common stock	3,197	23.00	May 31, 2023	August 7, 2023

(2) Dividends with record date during the current fiscal year but to be effective in the following fiscal year

(Resolution)	Type of share	Total amounts of dividends (millions of yen)	Dividend resource	Dividends per share (yen)	Record date	Effective date
The Board of Directors' meeting held on January 19, 2024	Common stock	3,753	Earned surplus	27.00	November 30, 2023	February 8, 2024

Current fiscal year (From December 1, 2023 to November 30, 2024)

1. Total numbers and periodic changes of issued shares and treasury stock by class

	Number of shares at the beginning of the current fiscal year	Increase in number of shares	Decrease in number of shares	Number of shares at the end of the current fiscal year
Issued shares				
Common stock	141,500,000	—	—	141,500,000
Total	141,500,000	—	—	141,500,000
Treasury stock				
Common stock	2,496,958	1,363	—	2,498,321
Total	2,496,958	1,363	—	2,498,321

(Note) The number of shares of treasury stock (common stock) increased due to the acquisition of shares less than one (1) unit.

2. Dividend

(1) Dividends paid in the current fiscal year

(Resolution)	Type of share	Total amounts of dividends (millions of yen)	Dividends per share (yen)	Record date	Effective date
The Board of Directors' meeting held on January 19, 2024	Common stock	3,753	27.00	November 30, 2023	February 8, 2024
The Board of Directors' meeting held on June 28, 2024	Common stock	3,197	23.00	May 31, 2024	August 5, 2024

(2) Dividends with record date during the current fiscal year but to be effective in the following fiscal year

(Resolution)	Type of share	Total amounts of dividends (millions of yen)	Dividend resource	Dividends per share (yen)	Record date	Effective date
The Board of Directors' meeting held on January 20, 2025	Common stock	4,309	Earned surplus	31.00	November 30, 2024	February 7, 2025

Consolidated Statements of Cash Flows

- * Reconciliation between "Cash and cash equivalents at the end of the fiscal year" and "Cash and deposits" on the consolidated balance sheets

	Previous fiscal year (From December 1, 2022 to November 30, 2023)	Current fiscal year (From December 1, 2023 to November 30, 2024)
Cash and deposits	¥ 66,610 million	¥ 78,139 million
Time deposits with maturity over three months	¥ (6,177) million	¥ (7,627) million
Securities	¥ 2,000 million	¥ 10,000 million
Cash and cash equivalents at the end of the fiscal year	¥ 62,433 million	¥ 80,512 million

Lease Transactions

1. Finance lease transactions (Lessee)

Finance lease transactions that do not transfer ownership

(a) Details of lease assets

Lease assets mainly consist of production lines in the Foods business.

(b) Depreciation method for lease assets

Depreciation method for lease assets was stated in "4. Accounting policies (2) Depreciation and amortization of significant depreciable and amortizable assets" under Significant Matters Forming the Basis for the Preparation of Consolidated Financial Statements.

2. Operating lease transactions

Future lease payments related to non-cancellable operating lease transactions

(Millions of yen)

	Previous fiscal year (As of November 30, 2023)	Current fiscal year (As of November 30, 2024)
Due within one year	111	132
Due over one year	111	576
Total	223	709

(Note) Foreign consolidated subsidiaries that adopted U.S. GAAP have applied U.S. GAAP ASU 2016-02 "Leases" effective from the previous fiscal year. Lease transactions for which assets and liabilities are recognized in the consolidated balance sheet are not included.

Financial Instruments

1. Matters relating to the status of financial instruments

(1) Policy in relation to financial instruments

The Group raises required funds through bank loans and bond issues according to its equipment investment plan. Floating money is invested in highly secure financial assets and short-term operating funds are provided by bank loans. The Group uses derivatives to hedge risks, as described below, and has a policy not to conduct speculative trading.

(2) Details of financial instruments and related risks

Notes and accounts receivable – trade, which are receivables, are exposed to credit risks of customers. Securities and investment securities, which mainly consist of stocks of companies with which the Group has business or other relationships, are exposed to market fluctuation risk.

Substantially all of notes and accounts payable – trade, which are payables, have payment due dates within one year. Some payables in relation to import of raw materials are denominated in foreign currencies and exposed to foreign currency risk, which is hedged by using forward exchange contracts when necessary. Short-term loans payable are funds raised principally in relation to business transactions and long-term loans payable, bonds and lease obligations in finance lease transactions are funds raised principally for necessary equipment investment.

Derivatives are forward exchange contracts to hedge foreign currency risk involving payables in foreign currencies. With regard to hedging instruments, hedged items, hedge policies, the method of assessment of the effectiveness of hedges etc., please refer to the above "4. Accounting policies: (6) Significant methods of hedge accounting" under "Significant Matters Forming the Basis for the Preparation of Consolidated Financial Statements".

(3) Risk management system relating to financial instruments

(i) Management of credit risk

The Company, through its operation management division and accounting and financing division, periodically monitors the conditions of its major customers and manages the due dates and outstanding balances to early detect or reduce credits that may become uncollectable due to the deterioration of its financial conditions. Likewise, its consolidated subsidiaries manage their receivables.

With regard to derivatives, the Company perceives very little credit risk as it enters into transactions solely with financial institutions with high ratings.

(ii) Management of market risk

The Group uses forward exchange contracts to hedge foreign currency risk involving payables in foreign currencies. The Company's risk management relating to such derivatives is conducted by its Division of Production and Financial Department pursuant to its internal rules and all of the trading results are reported to the General Manager of the Financial Department. With regard to its consolidated subsidiaries, such risk management is conducted principally by their respective administration divisions and the trading results are reported to the respective directors of the subsidiaries responsible therefor.

With regard to securities and investment securities, the Group periodically obtains information on the market values and financial conditions of the issuers (customer companies) and reviews the holding of securities other than held to maturity on a continuous basis by taking into consideration the market conditions and the relationships with the client companies.

(iii) Management of liquidity risk relating to financing

The Group manages liquidity risk by preparing and updating cash flow projections on a timely basis, by arranging overdraft facilities with several financial institutions, and by maintaining certain levels of liquidity through a cash management system.

(4) Supplementary explanation of matters relating to the fair values of financial instruments, etc.

As the estimation of fair values of financial instruments incorporates variable factors, adopting different assumptions may change the values. In addition, the contract amount of financial derivative transactions in itself, described in Note "Financial Derivative Transactions", should not be considered indicative of the market risks associated with the financial derivative transactions.

2. Matters concerning fair values, etc. of financial instruments

The following table shows amounts for items recorded in the consolidated balance sheet along with their fair values and the variances.

Previous fiscal year (As of November 30, 2023)

	Book value on the consolidated balance sheet (millions of yen)	Fair value (millions of yen)	Variance (millions of yen)
(1) Securities and investment securities (*2)	33,408	35,304	1,896
Total assets	33,408	35,304	1,896
(2) Bonds	10,000	9,883	(116)
(3) Long-term loans payable (*3)	16,070	16,040	(30)
(4) Lease obligations	4,565	4,848	282
Total liabilities	30,636	30,772	136
Derivatives (*4)			
Derivatives to which hedge accounting is not applied	(0)	(0)	—
Derivatives to which hedge accounting is applied	(4)	(4)	—
Total derivatives	(5)	(5)	—

Current fiscal year (As of November 30, 2024)

	Book value on the consolidated balance sheet (millions of yen)	Fair value (millions of yen)	Variance (millions of yen)
(1) Securities and investment securities (*2)	43,978	58,949	14,971
Total assets	43,978	58,949	14,971
(2) Bonds	10,000	9,841	(158)
(3) Long-term loans payable (*3)	5,784	5,706	(78)
(4) Lease obligations	4,650	4,873	222
Total liabilities	20,435	20,421	(14)
Derivatives (*4)			
Derivatives to which hedge accounting is not applied	—	—	—
Derivatives to which hedge accounting is applied	(6)	(6)	—
Total derivatives	(6)	(6)	—

(*1) Notes on cash and deposits, notes and accounts receivable - trade, notes and accounts payable - trade, short-term loans payable (excluding the current portion of long-term loans payable), accounts payable - other, and accrued income taxes are omitted, because they are cash, and their fair value approximates the book value as a result of their short settlement period.

(*2) Stocks, etc. without market value are not included in "(1) Securities and investment securities". The balance sheet amounts of these financial instruments are as follows:

Category	Previous fiscal year (millions of yen)	Current fiscal year (millions of yen)
Unlisted stocks	17,566	17,200

(*3) Long-term loans payable include the current portion of long-term loans payable.

(*4) Net receivables and payables resulting from derivatives are presented in net amounts.

1. Expected redemption amount of monetary receivables and securities with maturity dates reaching after the fiscal year end of the Company's consolidated financial statements

Previous fiscal year (As of November 30, 2023)

	Within one year (millions of yen)	Over one year to five years (millions of yen)	Over five years to 10 years (millions of yen)	Over 10 years (millions of yen)
Cash and deposits	66,600	—	—	—
Notes and accounts receivable – trade	64,515	—	—	—
Securities and investment securities				
Other securities with maturity				
Others	2,000	—	—	—
Total	133,116	—	—	—

Current fiscal year (As of November 30, 2024)

	Within one year (millions of yen)	Over one year to five years (millions of yen)	Over five years to 10 years (millions of yen)	Over 10 years (millions of yen)
Cash and deposits	78,125	—	—	—
Notes and accounts receivable – trade	71,782	—	—	—
Securities and investment securities				
Other securities with maturity				
Others	10,000	—	—	—
Total	159,907	—	—	—

2. Scheduled repayment amounts for bonds, long-term loans payable, lease obligations, and other interest-bearing debt after the fiscal year end of the Company's consolidated financial statements

Previous fiscal year (As of November 30, 2023)

	Within one year (millions of yen)	Over one year to two years (millions of yen)	Over two years to three years (millions of yen)	Over three years to four years (millions of yen)	Over four years to five years (millions of yen)	Over five years (millions of yen)
Short-term loans payable	1,914	—	—	—	—	—
Bonds	—	—	10,000	—	—	—
Long-term loans payable	15,285	284	500	—	—	—
Lease obligations	758	617	534	462	328	1,864
Total	17,958	902	11,034	462	328	1,864

Current fiscal year (As of November 30, 2024)

	Within one year (millions of yen)	Over one year to two years (millions of yen)	Over two years to three years (millions of yen)	Over three years to four years (millions of yen)	Over four years to five years (millions of yen)	Over five years (millions of yen)
Short-term loans payable	1,986	—	—	—	—	—
Bonds	—	10,000	—	—	—	—
Long-term loans payable	284	5,500	—	—	—	—
Lease obligations	865	737	622	470	348	1,606
Total	3,136	16,237	622	470	348	1,606

3. Breakdown of fair value of financial instruments by level

Fair values of financial instruments are categorized into three (3) levels based on the observability and significance of the inputs related to fair value measurement.

Level 1 fair value: fair value measured with observable valuation inputs related to fair value measurement which are quoted prices of assets or liabilities subject to the measurement of fair value that are formed in active markets.

Level 2 fair value: fair value measured with observable valuation inputs related to fair value measurement other than the inputs in Level 1.

Level 3 fair value: fair value measured using unobservable valuation inputs related to fair value measurement.

When multiple inputs that have a significant impact on the measurement of fair value are used, the fair value is categorized to the level with the lowest priority in the measurement of fair value among the levels to which each input belongs.

(1) Financial instruments recorded on the consolidated balance sheets at fair value

Previous fiscal year (As of November 30, 2023)

Category	Fair value (millions of yen)			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Other securities				
Stocks	23,526	—	—	23,526
Other	—	2,000	—	2,000
Total assets	23,526	2,000	—	25,526
Derivatives				
Currency derivatives	—	(5)	—	(5)
Total derivatives	—	(5)	—	(5)

Current fiscal year (As of November 30, 2024)

Category	Fair value (millions of yen)			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Other securities				
Stocks	25,663	—	—	25,663
Other	—	10,000	—	10,000
Total assets	25,663	10,000	—	35,663
Derivatives				
Currency derivatives	—	(6)	—	(6)
Total derivatives	—	(6)	—	(6)

(2) Financial instruments other than those recorded on the consolidated balance sheets at fair value

Previous fiscal year (As of November 30, 2023)

Category	Fair value (millions of yen)			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Shares of affiliated companies	9,778	—	—	9,778
Total assets	9,778	—	—	9,778
Bonds	—	9,883	—	9,883
Long-term loans payable	—	16,040	—	16,040
Lease obligations	—	4,848	—	4,848
Total liabilities	—	30,772	—	30,772

Current fiscal year (As of November 30, 2024)

Category	Fair value (millions of yen)			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Shares of affiliated companies	23,286	—	—	23,286
Total assets	23,286	—	—	23,286
Bonds	—	9,841	—	9,841
Long-term loans payable	—	5,706	—	5,706
Lease obligations	—	4,873	—	4,873
Total liabilities	—	20,421	—	20,421

(Notes) Explanation of valuation techniques and inputs related to fair value measurement

Securities and investment securities

Listed stocks are valued using the quoted price. Listed stocks are traded on active markets, and accordingly their fair values are categorized as Level 1. The fair value of jointly managed designated money trusts is measured based on the price provided by counterparty financial institutions, and is categorized as Level 2.

Derivatives

The fair value of forward exchange contracts is measured using fair value indicated by counterparty financial institutions, which is measured using observable valuation inputs such as exchange rates, and is therefore categorized as Level 2.

Bonds

The fair value of bonds issued by the Company is measured based on the present value of the total principal and interest, discounted at a rate that would be applied for a new similar issuance, and is categorized as Level 2.

Long-term loans payable

The fair value of long-term loans payable is measured based on the present value of the total principal and interest, discounted at a rate that would be applied for a new similar borrowing, and is categorized as Level 2.

Lease obligations

The fair value of lease obligations is measured based on the present value of the total principal and interest classified by a certain period of time, discounted at a rate that would be applied for a new similar lease transaction, and is categorized as Level 2.

Securities

1. Other securities

Previous fiscal year (As of November 30, 2023)

	Description	Balance sheet amount (millions of yen)	Acquisition cost (millions of yen)	Variance (millions of yen)
Securities whose balance sheet amount exceeds their acquisition cost	(1) Stocks	23,456	6,884	16,571
	(2) Bonds			
	(a) Government and local bonds	—	—	—
	(b) Corporate bonds	—	—	—
	(c) Other	—	—	—
	(3) Other	—	—	—
	Sub-total	23,456	6,884	16,571
Securities whose acquisition cost exceeds their balance sheet amount	(1) Stocks	70	78	(7)
	(2) Bonds			
	(a) Government and local bonds	—	—	—
	(b) Corporate bonds	—	—	—
	(c) Other	—	—	—
	(3) Other	2,000	2,000	—
	Sub-total	2,070	2,078	(7)
Total		25,526	8,962	16,563

(Note) With regard to the Company's shareholdings of unlisted stocks (¥2,598 million reported on the consolidated balance sheet), as these stocks, etc. do not have market prices, these stocks are not included in "Other securities" in the above table.

Current fiscal year (As of November 30, 2024)

	Description	Balance sheet amount (millions of yen)	Acquisition cost (millions of yen)	Variance (millions of yen)
Securities whose balance sheet amount exceeds their acquisition cost	(1) Stocks	25,652	6,965	18,686
	(2) Bonds			
	(a) Government and local bonds	—	—	—
	(b) Corporate bonds	—	—	—
	(c) Other	—	—	—
	(3) Other	—	—	—
	Sub-total	25,652	6,965	18,686
Securities whose acquisition cost exceeds their balance sheet amount	(1) Stocks	11	15	(4)
	(2) Bonds			
	(a) Government and local bonds	—	—	—
	(b) Corporate bonds	—	—	—
	(c) Other	—	—	—
	(3) Other	10,000	10,000	—
	Sub-total	10,011	10,015	(4)
Total		35,663	16,981	18,682

(Note) With regard to the Company's shareholdings of unlisted stocks (¥1,704 million reported on the consolidated balance sheet), as these stocks, etc. do not have market prices, these stocks are not included in "Other securities" in the above table.

2. Other securities sold during the fiscal year

Previous fiscal year (From December 1, 2022 to November 30, 2023)

Description	Aggregate sales amount (millions of yen)	Gains (millions of yen)	Losses (millions of yen)
(1) Stocks	1,393	758	—
(2) Bonds			
(a) Government and local bonds	—	—	—
(b) Corporate bonds	—	—	—
(c) Other	—	—	—
(3) Other	—	—	—
Total	1,393	758	—

Current fiscal year (From December 1, 2023 to November 30, 2024)

Description	Aggregate sales amount (millions of yen)	Gains (millions of yen)	Losses (millions of yen)
(1) Stocks	329	111	3
(2) Bonds			
(a) Government and local bonds	—	—	—
(b) Corporate bonds	—	—	—
(c) Other	—	—	—
(3) Other	—	—	—
Total	329	111	3

3. Securities for which impairment losses are recognized

Previous fiscal year (From December 1, 2022 to November 30, 2023)

Impairment losses of ¥234 million were recognized for securities (¥129 million for investments in capital of subsidiaries and associates, ¥99 million for shares of subsidiaries and associates, and ¥4 million for other securities).

In the recognition of impairment losses, total impairment is recognized when the fair value at the end of the fiscal year has fallen 50% or more of the acquisition cost. When the fair value has fallen between 30% and 50%, an impairment of the amount deemed necessary by taking into account recoverability etc. is recognized. In principle, impairment losses are recognized for stocks, etc. without market value, whose actual value at the end of the fiscal year has declined by 50% or more compared to the acquisition cost, except for cases in which recovery is deemed probable.

Current fiscal year (From December 1, 2023 to November 30, 2024)

Impairment losses of ¥815 million were recognized for securities (¥815 million for other securities).

In the recognition of impairment losses, total impairment is recognized when the fair value at the end of the fiscal year has fallen 50% or more of the acquisition cost. When the fair value has fallen between 30% and 50%, an impairment of the amount deemed necessary by taking into account recoverability etc. is recognized. In principle, impairment losses are recognized for stocks, etc. without market value, whose actual value at the end of the fiscal year has declined by 50% or more compared to the acquisition cost, except for cases in which recovery is deemed probable.

Financial Derivative Transactions

1. Financial derivative transactions to which the hedge accounting is not adopted

Currency derivatives

Previous fiscal year (As of November 30, 2023)

Classification	Transaction type	Contract amount		Fair value (millions of yen)	Gains or losses on valuation (millions of yen)
		Total (millions of yen)	Over one year (millions of yen)		
Transactions other than market transactions	Purchased forward exchange contracts— Euro	232	—	(0)	(0)

Current fiscal year (As of November 30, 2024)

Not applicable.

2. Financial derivative transactions to which the hedge accounting is adopted

Currency derivatives

Previous fiscal year (As of November 30, 2023)

Hedge accounting method	Transaction type	Principle hedged item	Contract amount		Fair value (millions of yen)
			Total (millions of yen)	Over one year (millions of yen)	
Allocation method for forward exchange contracts, etc.	Purchased forward exchange contracts— U.S. dollar	Accounts payable – trade	254	—	(3)
	Euro		734	—	(0)
	Total		988	—	(4)

Current fiscal year (As of November 30, 2024)

Hedge accounting method	Transaction type	Principle hedged item	Contract amount		Fair value (millions of yen)
			Total (millions of yen)	Over one year (millions of yen)	
Allocation method for forward exchange contracts, etc.	Purchased forward exchange contracts— U.S. dollar	Accounts payable – trade	931	—	17
	Euro		585	—	(20)
	RMB		138	—	(3)
	Total		1,655	—	(6)

Retirement Benefits

1. Summary of retirement benefit plans

In order to fund the retirement benefits to employees, the Company and some of its consolidated subsidiaries have funded and non-funded defined benefit plans, a retirement benefit advance payment system and a defined contribution plan.

In the defined benefit corporate pension plans (all of which are funded plans), payments are lump sums or pensions based on salaries and service periods, or lump sums or pensions through a point system.

In some of the defined benefit corporate pension plans, trusts to cover retirement benefit obligations have been established.

In the lump-sum retirement payment systems (all of which are non-funded plans), payments as retirement benefits are lump sums based on salaries and service periods, or lump sums through a point system.

In the defined benefit corporate pension plans and the lump-sum retirement payment systems at some consolidated subsidiaries, liabilities for retirement benefits and retirement benefit expenses are calculated by the simplified method.

2. Defined benefit plan

(1) Reconciliation between the balance at the beginning of the fiscal year and the balance at the end of the fiscal year of retirement benefit obligations

	Previous fiscal year (From December 1, 2022 to November 30, 2023)		Current fiscal year (From December 1, 2023 to November 30, 2024)	
Balance of retirement benefit obligations at the beginning of the fiscal year	¥	63,033 million	¥	59,904 million
Service costs	¥	2,751 million	¥	2,430 million
Interest costs	¥	628 million	¥	791 million
Actuarial gains or losses incurred	¥	(2,611) million	¥	(3,053) million
Retirement benefits paid	¥	(3,911) million	¥	(3,106) million
Other	¥	14 million	¥	(530) million
Balance of retirement benefit obligations at the end of the fiscal year	¥	59,904 million	¥	56,435 million

(Note) Retirement benefit expenses of the consolidated subsidiaries that apply the simplified method are included in "Service costs".

(2) Reconciliation between the balance at the beginning of the fiscal year and the balance at the end of the fiscal year of pension plan assets

	Previous fiscal year (From December 1, 2022 to November 30, 2023)		Current fiscal year (From December 1, 2023 to November 30, 2024)	
Balance of pension plan assets at the beginning of the fiscal year	¥	78,849 million	¥	83,427 million
Expected return on pension plan assets	¥	1,869 million	¥	1,927 million
Actuarial gains or losses incurred	¥	3,712 million	¥	4,862 million
Contributions by the employer	¥	2,062 million	¥	1,803 million
Retirement benefits paid	¥	(3,026) million	¥	(2,953) million
Other	¥	(39) million	¥	(52) million
Balance of pension plan assets at the end of the fiscal year	¥	83,427 million	¥	89,016 million

- (3) Reconciliation between the balances of retirement benefit obligations and pension plan assets at the end of the fiscal year, and liabilities for retirement benefits and assets for retirement benefits recognized in the consolidated balance sheet

	Previous fiscal year (From December 1, 2022 to November 30, 2023)	Current fiscal year (From December 1, 2023 to November 30, 2024)
Retirement benefit obligations for funded plans	¥ 57,965 million	¥ 54,366 million
Pension plan assets	¥ (83,427) million	¥ (89,016) million
	¥ (25,462) million	¥ (34,649) million
Retirement benefit obligations for non-funded plans	¥ 1,939 million	¥ 2,069 million
Net amount of liabilities (assets) recognized on the consolidated balance sheet	¥ (23,523) million	¥ (32,580) million
Liabilities for retirement benefits	¥ 2,107 million	¥ 2,004 million
Assets for retirement benefits	¥ (25,630) million	¥ (34,584) million
Net amount of liabilities (assets) recognized on the consolidated balance sheet	¥ (23,523) million	¥ (32,580) million

- (4) Amounts of retirement benefit expenses and their components

	Previous fiscal year (From December 1, 2022 to November 30, 2023)	Current fiscal year (From December 1, 2023 to November 30, 2024)
Service costs	¥ 2,751 million	¥ 2,430 million
Interest costs	¥ 628 million	¥ 791 million
Expected return on pension plan assets	¥ (1,869) million	¥ (1,927) million
Amortization of actuarial gains or losses	¥ (180) million	¥ (959) million
Amortization of prior service costs	¥ 30 million	¥ 65 million
Retirement benefit expenses for defined benefit plans	¥ 1,360 million	¥ 400 million

(Note) Retirement benefit expenses of the consolidated subsidiaries that apply the simplified method are included in "Service costs".

- (5) Adjustments for retirement benefits

The components of the items recorded in adjustments for retirement benefits (before tax effect) are as follows:

	Previous fiscal year (From December 1, 2022 to November 30, 2023)	Current fiscal year (From December 1, 2023 to November 30, 2024)
Prior service costs	¥ (30) million	¥ (470) million
Actuarial gains or losses	¥ (6,143) million	¥ (6,956) million
Total	¥ (6,173) million	¥ (7,426) million

- (6) Accumulated adjustments for retirement benefits

The components of the items recorded in accumulated adjustments for retirement benefits (before tax effect) are as follows:

	Previous fiscal year (As of November 30, 2023)	Current fiscal year (As of November 30, 2024)
Unrecognized prior service costs	¥ 125 million	¥ (344) million
Unrecognized actuarial gains or losses	¥ (8,310) million	¥ (15,267) million
Total	¥ (8,184) million	¥ (15,611) million

(7) Pension plan assets

a) Main components of pension plan assets

The ratio of main categories to total pension plan assets is as follows:

	Previous fiscal year (As of November 30, 2023)	Current fiscal year (As of November 30, 2024)
Bonds	23%	23%
Stocks	40%	42%
Insurance assets (general account)	4%	4%
Cash and deposits	10%	9%
Other	23%	22%
Total	100%	100%

(Note) Total pension plan assets include retirement benefit trusts established for corporate pension plans of 20% for the previous fiscal year and 23% for the current fiscal year.

b) Method to determine long-term expected rate of return

The long-term expected rate of return on pension plan assets is determined in consideration of the present and expected pension plan asset allocation and the present and long-term expected rate of return on the various assets that comprise the pension plan assets.

(8) Actuarial assumptions

Major actuarial assumptions

	Previous fiscal year (As of November 30, 2023)	Current fiscal year (As of November 30, 2024)
Discount rate	1.4% to 1.5%	1.8%
Long-term expected rate of return on pension plan assets	1.5% to 3.0%	1.5% to 3.0%

Expected rates of salary increase are based on an index of salary increase by age, primarily calculated using the base date of May 31, 2023.

3. Defined contribution plans and retirement benefit advance payment systems

At the Company and its consolidated subsidiaries, the required contribution amount to the defined contribution plans is ¥902 million for the previous fiscal year and ¥924 million for the current fiscal year, and the amount paid under the retirement benefit advance payment systems is ¥90 million for the previous fiscal year and ¥90 million for the current fiscal year.

Stock Options, Etc.

1. Of the transactions that grant shares as compensation for directors, etc., description, scale, and movement of advance grant-type restricted stock

The Company

Not applicable.

Consolidated subsidiary (Aohata Corporation)

(1) Description of advance grant-type restricted stock

	2022 advance grant-type restricted stock	2023 advance grant-type restricted stock	2024 advance grant-type restricted stock
Title and number of grantees	Four directors of Aohata Corporation	Four directors of Aohata Corporation	Four directors of Aohata Corporation
Number of shares granted by class of stock	Common stock 3,342 shares	Common stock 3,209 shares	Common stock 3,709 shares
Grant date	March 18, 2022	March 30, 2023	March 28, 2024
Vesting conditions	To continuously hold the position of director of Aohata Corporation or other positions determined by the Board of Directors of Aohata Corporation from the grant date (March 18, 2022) to the vesting date (the close of the ordinary general meeting of shareholders of Aohata Corporation for the fiscal year ended November 30, 2022).	To continuously hold the position of director of Aohata Corporation or other positions determined by the Board of Directors of Aohata Corporation from the grant date (March 30, 2023) to the vesting date (the close of the ordinary general meeting of shareholders of Aohata Corporation for the fiscal year ended November 30, 2023).	To continuously hold the position of director of Aohata Corporation or other positions determined by the Board of Directors of Aohata Corporation from the grant date (March 28, 2024) to the vesting date (the close of the ordinary general meeting of shareholders of Aohata Corporation for the fiscal year ended November 30, 2024).
Requisite service period	From the grant date (March 18, 2022) to the vesting date (the close of the ordinary general meeting of shareholders of Aohata Corporation for the fiscal year ended November 30, 2022).	From the grant date (March 30, 2023) to the vesting date (the close of the ordinary general meeting of shareholders of Aohata Corporation for the fiscal year ended November 30, 2023).	From the grant date (March 28, 2024) to the vesting date (the close of the ordinary general meeting of shareholders of Aohata Corporation for the fiscal year ended November 30, 2024).

	2022 advance grant-type restricted stock	2023 advance grant-type restricted stock	2024 advance grant-type restricted stock
Title and number of grantees	Four directors of Aohata Corporation	One director of Aohata Corporation	One director of Aohata Corporation
Number of shares granted by class of stock	Common stock 6,683 shares	Common stock 823 shares	Common stock 399 shares
Grant date	March 18, 2022	March 30, 2023	March 28, 2024
Vesting conditions	To continuously hold the position of director of Aohata Corporation or other positions determined by the Board of Directors of Aohata Corporation from the grant date (March 18, 2022) to the vesting date (the date on which the financial results for the fiscal year ended November 30, 2024 are disclosed), and to exceed certain performance targets set by the Board of Directors of Aohata Corporation.	To continuously hold the position of director of Aohata Corporation or other positions determined by the Board of Directors of Aohata Corporation from the grant date (March 30, 2023) to the vesting date (the date on which the financial results for the fiscal year ended November 30, 2024 are disclosed), and to exceed certain performance targets set by the Board of Directors of Aohata Corporation.	To continuously hold the position of director of Aohata Corporation or other positions determined by the Board of Directors of Aohata Corporation from the grant date (March 28, 2024) to the vesting date (the date on which the financial results for the fiscal year ended November 30, 2024 are disclosed), and to exceed certain performance targets set by the Board of Directors of Aohata Corporation.
Requisite service period	From the grant date (March 18, 2022) to the vesting date (the close of the ordinary general meeting of shareholders of Aohata Corporation for the fiscal year ended November 30, 2024).	From the grant date (March 30, 2023) to the vesting date (the close of the ordinary general meeting of shareholders of Aohata Corporation for the fiscal year ended November 30, 2024).	From the grant date (March 28, 2024) to the vesting date (the close of the ordinary general meeting of shareholders of Aohata Corporation for the fiscal year ended November 30, 2024).

(2) Scale and movement of advance grant-type restricted stock

a) Amounts and accounts of expenses

(Millions of yen)

	Previous fiscal year (From December 1, 2022 to November 30, 2023)	Current fiscal year (From December 1, 2023 to November 30, 2024)
Selling, general and administrative expenses, and compensation for directors	13	14

b) Number of shares

The figures are for the advance grant-type restricted stock with outstanding unvested shares during the previous fiscal year (ended November 30, 2023) and the current fiscal year (ended November 30, 2024).

Previous fiscal year (From December 1, 2022 to November 30, 2023)

	2022 advance grant-type restricted stock	2023 advance grant-type restricted stock
Balance at end of previous fiscal year (shares)	10,025	—
Granted (shares)	—	4,032
Forfeited (shares)	1,285	—
Vested (shares)	3,342	—
Unvested (shares)	5,398	4,032

Current fiscal year (From December 1, 2023 to November 30, 2024)

	2022 advance grant-type restricted stock	2023 advance grant-type restricted stock	2024 advance grant-type restricted stock
Balance at end of previous fiscal year (shares)	5,398	4,032	—
Granted (shares)	—	—	4,108
Forfeited (shares)	—	—	—
Vested (shares)	—	3,209	—
Unvested (shares)	5,398	823	4,108

c) Price information

	2022 advance grant-type restricted stock	2023 advance grant-type restricted stock	2024 advance grant-type restricted stock
Fair value on grant date (yen)	2,334	2,439	2,519

2. Method of estimating fair value on grant date

In order to eliminate arbitrariness, the fair value is the closing price of the Aohata Corporation's common stock on the Tokyo Stock Exchange on the grant date.

3. Method of estimating the number of shares to be vested

Since it is difficult to reasonably estimate the number of advance grant-type restricted stock to be forfeited in the future, the Company adopts a method that reflects only the actual number of shares forfeited.

Tax Effect Accounting

1. The principal details of deferred tax assets and liabilities are as follows:

	Previous fiscal year (As of November 30, 2023)	Current fiscal year (As of November 30, 2024)
Deferred tax assets		
Unrealized gains	¥ 1,690 million	¥ 1,716 million
Refund obligation	¥ 639 million	¥ 686 million
Reserves for bonuses	¥ 215 million	¥ 340 million
Accrued enterprise taxes	¥ 176 million	¥ 296 million
Liabilities for retirement benefits	¥ 1,858 million	¥ 1,997 million
Established amount for trust to cover retirement benefit obligations	¥ 1,084 million	¥ 1,084 million
Losses on valuation of golf course memberships	¥ 96 million	¥ 96 million
Tax loss carryforwards	¥ 2,256 million	¥ 1,541 million
Depreciation	¥ 764 million	¥ 813 million
Impairment losses	¥ 1,239 million	¥ 1,082 million
Other	¥ 1,761 million	¥ 1,945 million
Sub-total deferred tax assets	¥ 11,785 million	¥ 11,601 million
Valuation allowance	¥ (3,822) million	¥ (3,381) million
Total deferred tax assets	¥ 7,963 million	¥ 8,220 million
Deferred tax liabilities		
Assets for retirement benefits	¥ (8,348) million	¥ (11,217) million
Differences on valuation of fixed assets	¥ (379) million	¥ (379) million
Reserves for reduction entry of property by purchase	¥ (1,069) million	¥ (1,047) million
Unrealized holding gains on securities	¥ (4,934) million	¥ (5,607) million
Other	¥ (3,690) million	¥ (3,489) million
Total deferred tax liabilities	¥ (18,422) million	¥ (21,741) million
Net deferred tax assets (liabilities)	¥ (10,458) million	¥ (13,521) million

2. The reconciliation between the statutory tax rate and effective tax rate

	Previous fiscal year (As of November 30, 2023)	Current fiscal year (As of November 30, 2024)
Statutory tax rate	The note is omitted since the	30.6%
(Adjustments)	difference between the	
Changes in valuation allowance	statutory tax rate and effective	1.0%
Expenses not deductible permanently	tax rate is 5% or less of the	1.5%
Income not taxable permanently	statutory tax rate.	(0.8)%
Inhabitant tax levied per capita		0.3%
Tax deduction		(2.7)%
Tax rate differences with overseas subsidiaries		(2.6)%
Other		(0.0)%
Effective tax rate		27.4%

Asset Retirement Obligations

Asset retirement obligations recorded on the consolidated balance sheets

1. Summary of relevant asset retirement obligations

The obligation to restore, etc. based on real estate lease contracts for factories, warehouses, etc.

2. Method for calculating the amount of relevant asset retirement obligations

The amount of asset retirement obligations is calculated by estimating the period of use as six to forty years following acquisition, and then using a discount rate of 1.49% to 5.75%.

3. Changes in amounts of relevant asset retirement obligations

	Previous fiscal year (From December 1, 2022 to November 30, 2023)		Current fiscal year (From December 1, 2023 to November 30, 2024)	
Balance at the beginning of the fiscal year	¥	267 million	¥	275 million
Increase due to purchases of tangible fixed assets	¥	4 million	¥	— million
Adjustments to interest	¥	3 million	¥	3 million
Decrease due to exclusion from consolidation	¥	— million		(4) million
Other increase (decrease)	¥	— million	¥	0 million
Balance at the end of the fiscal year	¥	275 million	¥	273 million

Revenue Recognition

1. The information on disaggregation of revenue arising from contracts with customers

The information on disaggregation of revenue arising from contracts with customers is as stated in Note "Segment Information".

2. Information as a basis for understanding revenue arising from contracts with customers

Information as a basis for understanding revenue arising from contracts with customers is as stated in Note "Significant Matters Forming the Basis for the Preparation of Consolidated Financial Statements:

4. Accounting policies: (4) Accounting standards for significant revenues and expenses".

3. Information on the relationship between the satisfaction of performance obligations under contracts with customers and cash flows arising from these contracts, and the amount and timing of revenue expected to be recognized in subsequent fiscal years from contracts with customers that exist at the end of the current fiscal year

(1) Balances of receivables arising from contracts with customers and contract liabilities

The ending balance of receivables arising from contracts with customers is as stated in "Notes on Consolidated Balance Sheets: *1 Notes receivable – trade and accounts receivable – trade include receivables arising from contracts with customers as follows". In addition, the ending balance of contract liabilities arising from contracts with customers is as stated in "Notes on Consolidated Balance Sheets: *5 Other liabilities includes contract liabilities as follows". The amount of revenue recognized in the previous fiscal year that was included in the contract liabilities balance at the beginning of the fiscal year was ¥451 million, and the amount of revenue recognized in the current fiscal year that was included in the contract liabilities balance at the beginning of the fiscal year was ¥169 million.

(2) Transaction price allocated to the remaining performance obligations

Applying the practical expedients, the Group has omitted the statement of information on remaining performance obligations because there is no significant transaction within the Group with a predicted term of contract exceeding one (1) year. Considerations arising from contracts with customers contain no significant amount that is not included in transaction prices.

Segment Information

Segment Information

1. Outline of reporting segments

The Company has organized reporting segments according to markets into "Retail Market", "Food Service", "Overseas", "Fruit Solutions", "Fine Chemicals" and "Common Business" out of constituent operational units of the Group, for each of which the separate financial information is available and which are regularly reviewed by 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, frozen processed fruit products, 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:	Sells food products and food production equipment.

2. Method used to calculate amounts of net sales, profit or loss, assets, liabilities and others by the reporting segment

Accounting treatment applied to the reporting segments is generally the same with what is described in "Significant Matters Forming the Basis for the 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.

3. Information on amounts of net sales, profit or loss, assets, liabilities and others by reporting segment and information on disaggregation of revenue

Previous fiscal year (From December 1, 2022 to November 30, 2023)

(Millions of yen)

	Retail Market	Food Service	Overseas	Fruit Solutions	Fine Chemicals	Common Business	Total	Adjustments (Note 1)	Consolidated (Note 2)
Net sales									
Revenue arising from contracts with customers	177,395	165,336	78,277	16,953	11,170	5,953	455,086	—	455,086
Other revenue	—	—	—	—	—	—	—	—	—
Net sales to external customers	177,395	165,336	78,277	16,953	11,170	5,953	455,086	—	455,086
Intersegment net sales or transfers	887	4,708	1,297	294	381	11,374	18,944	(18,944)	—
Total	178,282	170,045	79,574	17,247	11,551	17,328	474,030	(18,944)	455,086
Segment profit	9,939	4,135	10,308	320	1,040	1,209	26,954	(7,259)	19,694
Segment assets	103,384	127,231	74,072	17,637	8,972	45,360	376,659	49,346	426,006
Others									
Depreciation and amortization	4,976	6,449	2,864	895	495	911	16,592	342	16,935
Investment in affiliates accounted for by equity method	1,898	—	—	—	—	20,229	22,127	—	22,127
Increase in tangible and intangible fixed assets	4,471	6,400	5,339	278	289	398	17,176	670	17,846

(Notes) 1. Adjustments are as follows:

- (i) "Adjustments" of ¥(7,259) 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 the reporting segments.
 - (ii) "Adjustments" of ¥49,346 million in "Segment assets" mainly includes company-wide assets of ¥53,321 million and elimination of intersegment receivables and payables of ¥(2,407) million. Major items in company-wide assets are surplus operating funds of the Company (cash and deposits and securities) and long-term investment funds (investment securities).
 - (iii) "Adjustments" of ¥342 million in "Depreciation and amortization" is mainly related to company-wide assets unallocated to the reporting segments.
 - (iv) "Adjustments" of ¥670 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".

Current fiscal year (From December 1, 2023 to November 30, 2024)

(Millions of yen)

	Retail Market	Food Service	Overseas	Fruit Solutions	Fine Chemicals	Common Business	Total	Adjustments (Note 1)	Consolidated (Note 2)
Net sales									
Revenue arising from contracts with customers	186,747	170,086	92,199	17,001	11,382	6,568	483,985	—	483,985
Other revenue	—	—	—	—	—	—	—	—	—
Net sales to external customers	186,747	170,086	92,199	17,001	11,382	6,568	483,985	—	483,985
Intersegment net sales or transfers	815	4,319	—	313	386	11,199	17,034	(17,034)	—
Total	187,562	174,405	92,199	17,315	11,768	17,768	501,020	(17,034)	483,985
Segment profit	14,277	11,951	14,366	197	572	1,352	42,717	(8,388)	34,329
Segment assets	110,431	127,641	83,336	17,351	9,463	44,994	393,218	69,153	462,372
Others									
Depreciation and amortization	5,371	6,422	3,201	863	447	892	17,200	336	17,536
Investment in affiliates accounted for by equity method	1,898	—	—	—	—	21,506	23,405	—	23,405
Increase in tangible and intangible fixed assets	5,427	6,609	10,468	600	462	442	24,012	379	24,391

(Notes) 1. Adjustments are as follows:

- (i) "Adjustments" of ¥(8,388) 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 the reporting segments.
 - (ii) "Adjustments" of ¥69,153 million in "Segment assets" mainly includes company-wide assets of ¥73,949 million and elimination of intersegment receivables and payables of ¥(2,983) million. Major items in company-wide assets are surplus operating funds of the Company (cash and deposits and securities) and long-term investment funds (investment securities).
 - (iii) "Adjustments" of ¥336 million in "Depreciation and amortization" is mainly related to company-wide assets unallocated to the reporting segments.
 - (iv) "Adjustments" of ¥379 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".

Related Information

Previous fiscal year (From December 1, 2022 to November 30, 2023)

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
376,808	31,553	21,262	18,046	7,414	455,086

(2) Tangible fixed assets

(Millions of yen)

Japan	China	Southeast Asia	North America	Other	Total
125,006	9,906	5,664	4,610	1,011	146,199

3. Information by major customers

It is omitted here since there is no customer that accounted for 10% or more of net sales reported in the consolidated statements of income.

Current fiscal year (From December 1, 2023 to November 30, 2024)

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
391,785	36,008	25,884	20,822	9,484	483,985

(2) Tangible fixed assets

(Millions of yen)

Japan	China	Southeast Asia	North America	Other	Total
117,705	9,141	10,480	9,012	1,058	147,398

3. Information by major customers

It is omitted here since there is no customer that accounted for 10% or more of net sales reported in the consolidated statements of income.

Information on Impairment Losses on Fixed Assets by Reporting Segment

Previous fiscal year (From December 1, 2022 to November 30, 2023)

(Millions of yen)

	Retail Market	Food Service	Overseas	Fruit Solutions	Fine Chemicals	Common Business	Total	Adjustments	Total
Impairment losses	210	1,083	81	—	—	109	1,484	—	1,484

Current fiscal year (From December 1, 2023 to November 30, 2024)

(Millions of yen)

	Retail Market	Food Service	Overseas	Fruit Solutions	Fine Chemicals	Common Business	Total	Adjustments	Total
Impairment losses	—	467	—	—	—	480	948	—	948

Information on Amortization of Goodwill and Unamortized Balance by Reporting Segment

Previous fiscal year (From December 1, 2022 to November 30, 2023)

(Millions of yen)

	Retail Market	Food Service	Overseas	Fruit Solutions	Fine Chemicals	Common Business	Total	Adjustments	Total
Amortization in the current fiscal year	—	—	—	182	—	—	182	—	182
Unamortized balance at the end of the current fiscal year	—	—	—	182	—	—	182	—	182

Current fiscal year (From December 1, 2023 to November 30, 2024)

(Millions of yen)

	Retail Market	Food Service	Overseas	Fruit Solutions	Fine Chemicals	Common Business	Total	Adjustments	Total
Amortization in the current fiscal year	—	—	—	182	—	—	182	—	182
Unamortized balance at the end of the current fiscal year	—	—	—	—	—	—	—	—	—

Information on Gains on Negative Goodwill by Reporting Segment

Previous fiscal year (From December 1, 2022 to November 30, 2023)

Not applicable.

Current fiscal year (From December 1, 2023 to November 30, 2024)

Not applicable.

Related Party Transactions

Related party transactions

- (1) Transactions between the company filing the consolidated financial statements and related parties
Officers and principal individual shareholders of the company filing the consolidated financial statements, etc.

Previous fiscal year (From December 1, 2022 to November 30, 2023)

Category	Corporate / individual name	Address	Paid-in capital/ equity investment (millions of yen)	Principal business	Ratio of voting rights owned by the Company (owned in the Company)	Business relationship	Transaction	Transaction amount (millions of yen)	Account	Ending balance (millions of yen)
Company whose officer(s) and his/her close relative(s) own a majority of the voting rights (including the subsidiary of the company)	NAKASHIMATO CO., LTD. (Note 2)	Shibuya-ku, Tokyo	50	Sale of various processed foods	Direct: 5.0% Direct: 8.1% Indirect: 8.0%	Purchase of products, sale of goods and products and payment of brand use fees Interlocking officers	Purchase of products	427	Notes and accounts payable – trade	55
							Sale of goods and products	44	Notes and accounts receivable – trade	8
							Payment of brand use fees	400	Current assets (Other)	28
							Purchase of promotional items	18	Accounts payable – other	56
							Purchase of supplies	15		
							Lease of property	13		
							Receipt of dividends	9		
							Sales of shares (Note 5)	3,440		
Company whose officer(s) and his/her close relative(s) own a majority of the voting rights (including the subsidiary of the company)	TOHKA CO., LTD. (Note 3)	Shibuya-ku, Tokyo	100	Business of renting property / Leasing business	Direct: 8.0%	Rent of the office, etc. and purchase of lease assets Interlocking officers	Rent of property	983	Investments and other assets (Other)	946
									Current assets (Other)	73
									Accounts payable – other	7
									Current liabilities (Other)	12
									Non-current liabilities (Other)	17
Company whose officer(s) and his/her close relative(s) own a majority of the voting rights (including the subsidiary of the company)	nakato co., ltd (Note 3)	Minato-ku, Tokyo	10	Wholesale of liquors and foods	None	Sale of goods and products	Sale of goods and products	32	Notes and accounts receivable – trade	19

Category	Corporate / individual name	Address	Paid-in capital/ equity investment (millions of yen)	Principal business	Ratio of voting rights owned by the Company (owned in the Company)	Business relationship	Transaction	Transaction amount (millions of yen)	Account	Ending balance (millions of yen)
Company whose officer(s) and his/her close relative(s) own a majority of the voting rights (including the subsidiary of the company)	To Solutions Co., Ltd. (Note 4)	Chofu-shi, Tokyo	90	Plan, development, sale, maintenance and operations support of computer systems	Direct: 20.0%	Outsourcing of computing work Interlocking officers	Payment of IT-related expense	3,800	Current assets (Other)	123
							Purchase of software	1,501	Accounts payable – other	691
							Lease of property	53	Current liabilities (Other)	40
							Purchase of lease assets	56	Non-current liabilities (Other)	69

- (Notes) 1. In principle, the terms of all transactions are determined individually upon consultation by reference to market prices, etc., as with other transactions in general.
2. Amane Nakashima, Chairman of the Company, and his close relatives and a company in which they own a majority of voting rights directly own 89.1% of the voting rights of the company.
3. The company in which Amane Nakashima, Chairman of the Company, and his close relatives own a majority of voting rights directly owns 100.0% of the voting rights of the company.
4. The company in which Amane Nakashima, Chairman of the Company, and his close relatives own a majority of voting rights directly owns 80.0% of the voting rights of the company.
5. The sales amount of shares is determined by basing it on the valuation of the shares conducted by an independent third-party valuation specialist.

Current fiscal year (From December 1, 2023 to November 30, 2024)

Category	Corporate / individual name	Address	Paid-in capital/ equity investment (millions of yen)	Principal business	Ratio of voting rights owned by the Company (owned in the Company)	Business relationship	Transaction	Transaction amount (millions of yen)	Account	Ending balance (millions of yen)
Company whose officer(s) and his/her close relative(s) own a majority of the voting rights (including the subsidiary of the company)	NAKASHIMATO CO., LTD. (Note 2)	Shibuya-ku, Tokyo	50	Sale of various processed foods	Direct: 5.0% Direct: 8.1% Indirect: 8.0%	Purchase of products and sale of goods and products Interlocking officers	Purchase of products	352	Notes and accounts receivable – trade	7
							Sale of goods and products	37	Current assets (Other)	26
							Purchase of promotional items	35	Accounts payable – other	62
							Purchase of supplies	15		
							Lease of property	13		
							Receipt of dividends	5		
							Purchase of trademark rights (Note 6)	3,800		
Company whose officer(s) and his/her close relative(s) own a majority of the voting rights (including the subsidiary of the company)	TOHKA CO., LTD. (Note 3)	Shibuya-ku, Tokyo	100	Business of renting property / Leasing business	Direct: 8.0%	Rent of the office, etc. and purchase of lease assets Interlocking officers	Rent of property	1,016	Leasehold deposits	920
							Purchase of lease assets	17	Current assets (Other)	70
									Accounts payable – other	6
									Current liabilities (Other)	13
Company whose officer(s) and his/her close relative(s) own a majority of the voting rights (including the subsidiary of the company)	nakato co., ltd (Note 3)	Minato-ku, Tokyo	10	Wholesale of liquors and foods	None	Sale of goods and products and purchase of products	Sale of goods and products	42	Notes and accounts receivable – trade	18
							Purchase of products	90	Notes and accounts payable – trade	95
Company whose officer(s) and his/her close relative(s) own a majority of the voting rights (including the subsidiary of the company)	To Solutions Co., Ltd. (Note 4)	Chofu-shi, Tokyo	90	Plan, development, sale, maintenance and operations support of computer systems	Direct: 20.0%	Outsourcing of computing work Interlocking officers	Payment of IT-related expense	3,623	Accounts payable – other	490
							Purchase of software	1,554	Current assets (Other)	183
							Lease of property	46	Current liabilities (Other)	35
							Purchase of lease assets	19	Non-current liabilities (Other)	47
							Receipt of dividends	36		

Category	Corporate / individual name	Address	Paid-in capital/ equity investment (millions of yen)	Principal business	Ratio of voting rights owned by the Company (owned in the Company)	Business relationship	Transaction	Transaction amount (millions of yen)	Account	Ending balance (millions of yen)
Foundation for which officer(s) and his/her close relative(s) serve as representative director	Kewpie Mirai Tamago Foundation (Note 5)	Shibuya-ku, Tokyo	—	Support project for dietary education activity groups	None	Donation of goods and products Interlocking officers	Payment of donations	16	—	—

- (Notes)
1. In principle, the terms of all transactions are determined individually upon consultation by reference to market prices, etc., as with other transactions in general.
 2. Amane Nakashima, Chairman of the Company, and his close relatives and a company in which they own a majority of voting rights directly own 89.1% of the voting rights of the company.
 3. The company in which Amane Nakashima, Chairman of the Company, and his close relatives own a majority of voting rights directly owns 100.0% of the voting rights of the company.
 4. The company in which Amane Nakashima, Chairman of the Company, and his close relatives own a majority of voting rights directly owns 80.0% of the voting rights of the company.
 5. This foundation aims to contribute to realization of a healthy society by making donations to organizations that engage in dietary education activities and create places to stay through food. The amount of donations made to the foundation is determined through joint discussion of the relevant parties.
 6. The purchase price of trademark rights related to various brands is determined by referring to evaluations calculated by independent third-party organizations.

(2) Transactions between consolidated subsidiaries of the company filing the consolidated financial statements and related parties

Officers and principal individual shareholders of the company filing the consolidated financial statements, etc.

Previous fiscal year (From December 1, 2022 to November 30, 2023)

Category	Corporate / individual name	Address	Paid-in capital/ equity investment (millions of yen)	Principal business	Ratio of voting rights owned by the Company (owned in the Company)	Business relationship	Transaction	Transaction amount (millions of yen)	Account	Ending balance (millions of yen)
Company whose officer(s) and his/her close relative(s) own a majority of the voting rights (including the subsidiary of the company)	NAKASHIMATO CO., LTD. (Note 2)	Shibuya-ku, Tokyo	50	Sale of various processed foods	Direct: 5.0% Direct: 8.1% Indirect: 8.0%	Purchase of products and sale of goods and products Interlocking officers	Purchase of products	436	Notes and accounts payable – trade	55
							Sale of goods and products	42	Notes and accounts receivable – trade	7
							Rent of property	15	Current assets (Other)	33
									Accounts payable – other	6
Company whose officer(s) and his/her close relative(s) own a majority of the voting rights (including the subsidiary of the company)	TOHKA CO., LTD. (Note 3)	Shibuya-ku, Tokyo	100	Business of renting property / Leasing business	Direct: 8.0%	Rent of the office, etc. and purchase of lease assets Interlocking officers	Rent of property	161	Investments and other assets (Other)	91
							Interest paid	13	Accounts payable – other	0
							Purchase of lease assets	22	Current liabilities (Other)	108
									Non-current liabilities (Other)	606
Company whose officer(s) and his/her close relative(s) own a majority of the voting rights (including the subsidiary of the company)	nakato co., ltd (Note 3)	Minato-ku, Tokyo	10	Wholesale of liquors and foods	None	Sale of goods and products and purchase of products	Sale of goods and products	221	Notes and accounts receivable – trade	30
							Purchase of products	41	Notes and accounts payable – trade	2
Company whose officer(s) and his/her close relative(s) own a majority of the voting rights (including the subsidiary of the company)	To Solutions Co., Ltd. (Note 4)	Chofu-shi, Tokyo	90	Plan, development, sale, maintenance and operations support of computer systems	Direct: 20.0%	Outsourcing of computing work Interlocking officers	Payment of IT-related expense	1,377	Accounts payable – other	178
							Purchase of software	90	Current liabilities (Other)	10
									Non-current liabilities (Other)	7

(Notes) 1. In principle, the terms of all transactions are determined individually upon consultation by reference to market prices, etc., as with other transactions in general.

2. Amane Nakashima, Chairman of the Company, and his close relatives and a company in which they own a majority of voting rights directly own 89.1% of the voting rights of the company.

3. The company in which Amane Nakashima, Chairman of the Company, and his close relatives own a majority of voting rights directly owns 100.0% of the voting rights of the company.

4. The company in which Amane Nakashima, Chairman of the Company, and his close relatives own a majority of voting rights directly owns 80.0% of the voting rights of the company.

Current fiscal year (From December 1, 2023 to November 30, 2024)

Category	Corporate / individual name	Address	Paid-in capital/ equity investment (millions of yen)	Principal business	Ratio of voting rights owned by the Company (owned in the Company)	Business relationship	Transaction	Transaction amount (millions of yen)	Account	Ending balance (millions of yen)
Company whose officer(s) and his/her close relative(s) own a majority of the voting rights (including the subsidiary of the company)	NAKASHIMATO CO., LTD. (Note 2)	Shibuya-ku, Tokyo	50	Sale of various processed foods	Direct: 5.0% Direct: 8.1% Indirect: 8.0%	Purchase of products and sale of goods and products Interlocking officers	Purchase of products	339	Notes and accounts payable – trade	6
							Sale of goods and products	43	Notes and accounts receivable – trade	7
							Payment of dividends	239	Accounts payable – other	9
							Rent of property	16		
Company whose officer(s) and his/her close relative(s) own a majority of the voting rights (including the subsidiary of the company)	TOHKA CO., LTD. (Note 3)	Shibuya-ku, Tokyo	100	Business of renting property / Leasing business	Direct: 8.0%	Rent of the office, etc. and purchase of lease assets Interlocking officers	Rent of property	120	Investments and other assets (Other)	44
							Interest paid	11	Accounts payable – other	0
									Current liabilities (Other)	108
									Non-current liabilities (Other)	492
Company whose officer(s) and his/her close relative(s) own a majority of the voting rights (including the subsidiary of the company)	nakato co., ltd (Note 3)	Minato-ku, Tokyo	10	Wholesale of liquors and foods	None	Sale of goods and products and purchase of products	Sale of goods and products	194	Notes and accounts receivable – trade	43
							Purchase of products	116	Notes and accounts payable – trade	79
Company whose officer(s) and his/her close relative(s) own a majority of the voting rights (including the subsidiary of the company)	To Solutions Co., Ltd. (Note 4)	Chofu-shi, Tokyo	90	Plan, development, sale, maintenance and operations support of computer systems	Direct: 20.0%	Outsourcing of computing work Interlocking officers	Payment of IT-related expense	1,549	Accounts payable – other	219

- (Notes) 1. In principle, the terms of all transactions are determined individually upon consultation by reference to market prices, etc., as with other transactions in general.
2. Amane Nakashima, Chairman of the Company, and his close relatives and a company in which they own a majority of voting rights directly own 89.1% of the voting rights of the company.
3. The company in which Amane Nakashima, Chairman of the Company, and his close relatives own a majority of voting rights directly owns 100.0% of the voting rights of the company.
4. The company in which Amane Nakashima, Chairman of the Company, and his close relatives own a majority of voting rights directly owns 80.0% of the voting rights of the company.

Per Share Information

		Previous fiscal year (From December 1, 2022 to November 30, 2023)	Current fiscal year (From December 1, 2023 to November 30, 2024)
Net assets per share	(yen)	2,027.90	2,174.74
Earnings per share	(yen)	94.78	154.10

(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, 2023)	Current fiscal year (As of November 30, 2024)
Total net assets	(millions of yen)	311,303	331,638
Amount subtracted from total net assets	(millions of yen)	29,419	29,346
[Non-controlling interests]	(millions of yen)	[29,419]	[29,346]
Net assets attributable to common stock at the end of the fiscal year	(millions of yen)	281,884	302,292
Number of shares of common stock at the end of the fiscal year	(thousand shares)	139,003	139,001

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

		Previous fiscal year (From December 1, 2022 to November 30, 2023)	Current fiscal year (From December 1, 2023 to November 30, 2024)
Profit attributable to owners of parent	(millions of yen)	13,174	21,419
Amounts not attributable to common shareholders	(millions of yen)	—	—
Profit attributable to owners of parent attributable to common stock	(millions of yen)	13,174	21,419
Weighted average number of shares of common stock	(thousand shares)	139,003	139,002

(Significant subsequent events)

Transfer of fixed assets

Based on the resolution of the Board of Directors meeting held on September 30, 2024, the Company entered into a real estate sales contract on September 30, 2024, and transferred the following fixed assets as of January 23, 2025.

1. Reason for the transfer of fixed assets

In order to effectively utilize management resources and strengthen its financial structure, the Company has transferred the following fixed assets.

2. Details of the assets transferred

Subject and location of assets	Gains on transfer	Current status
Subject: Land 41,407.24 m ² Location: Nichinan-cho 2-chome, Toyota-shi, Aichi, Japan	¥11.9 billion	Site of a former factory

Note: The Company refrains from disclosing the transfer price and the book value based on the arrangements with the transferee.

3. Outline of the transferee

Name	ES-CON JAPAN Ltd.
Location	10-4, Toranomom 2-chome, Minato-ku, Tokyo, Japan
Name and title of representative	Takatoshi Ito, President & Representative Director
Relationship with the Company	There are no capital, personnel or business relationships between the Company and the transferee, and the transferee is not a related party of the Company.

4. Schedule of the transfer

Date of Board resolution:	September 30, 2024
Date of contract:	September 30, 2024
Date of delivery:	January 23, 2025

5. Future outlook

As a result of the transfer of the above fixed assets, the Company expects to record gains on sales of fixed assets as extraordinary gains in the financial results for the first quarter of the fiscal year ending November 30, 2025.

(e) Consolidated Supplementary Statements

1. Description of bonds

Corporate name	Issue	Issue date	Beginning balance (millions of yen)	Ending balance (millions of yen)	Interest rate per annum (%)	Pledged	Maturity date
The Company	The 3rd Unsecured Bonds	February 15, 2019	10,000	10,000	0.230	None	February 13, 2026
Total	—	—	10,000	10,000	—	—	—

(Note) The aggregate amount that will be redeemed in annual maturities after the fiscal year end of the Company's consolidated financial statements is as follows:

Within one year (millions of yen)	Over one year to two years (millions of yen)	Over two years to three years (millions of yen)	Over three years to four years (millions of yen)	Over four years to five years (millions of yen)	Over five years (millions of yen)
—	10,000	—	—	—	—

2. Description of bank loans etc.

Item	Beginning balance (millions of yen)	Ending balance (millions of yen)	Average interest rate per annum (%)	Repayment date
Short-term loans payable	1,914	1,986	6.788	—
Current portion of long-term loans payable	15,285	284	0.313	—
Current portion of lease obligations	758	865	3.454	—
Long-term loans payable	784	5,500	0.318	From December 2025 to May 2026
Long-term lease obligations	3,807	3,785	2.487	From December 2025 to November 2050
Other interest-bearing debt	—	—	—	—
Total	22,550	12,422	—	—

(Notes) 1. Average interest rates are calculated by using interest rates and balance of loans payable at the end of the current fiscal year.

2. The annual aggregate amount of long-term loans payable and lease obligations repaid after the fiscal year end of the Company's consolidated financial statements is as follows:

	Over one year to two years (millions of yen)	Over two years to three years (millions of yen)	Over three years to four years (millions of yen)	Over four years to five years (millions of yen)	Over five years (millions of yen)
Long-term loans payable	5,500	—	—	—	—
Lease obligations	737	622	470	348	1,606

3. Description of asset retirement obligations

The amounts of asset retirement obligations at the beginning and the end of the current fiscal year are omitted pursuant to the provisions of Article 92-2 of the Regulation on Consolidated Financial Statements, since they are at or below one percent of the total amounts of liabilities and net assets at the beginning and the end of the current fiscal year, respectively.

(2) Other

Quarterly information for the current fiscal year

(Cumulative period)	Three months	Six months	Nine months	Fiscal year
Net sales (millions of yen)	114,632	236,834	360,911	483,985
Profit before income taxes (millions of yen)	8,951	19,458	31,038	33,638
Profit attributable to owners of parent (millions of yen)	6,038	12,513	19,756	21,419
Earnings per share (yen)	43.44	90.02	142.13	154.10

(Accounting period)	First quarter	Second quarter	Third quarter	Fourth quarter
Earnings per share (yen)	43.44	46.58	52.11	11.96

"Translation"

Independent Auditors' Audit Report and Internal Control Audit Report

February 27, 2025

The Board of Directors
KEWPIE KABUSHIKI-KAISHA
(Kewpie Corporation)

Ernst & Young ShinNihon LLC
Tokyo Office, Japan

Designated and Engagement Partner	<u>Masayuki Aida</u> Certified Public Accountant
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Designated and Engagement Partner	<u>Junichiro Tsuruta</u> Certified Public Accountant
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Designated and Engagement Partner	<u>Reiko Takezawa</u> Certified Public Accountant
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<Audit of the Consolidated Financial Statements>

Opinion

Pursuant to Paragraph 1 of Article 193-2 of the Financial Instruments and Exchange Law of Japan, we have audited the consolidated financial statements of KEWPIE KABUSHIKI-KAISHA presented in "Financial Information" from December 1, 2023 to November 30, 2024, namely, the consolidated balance sheet, the consolidated statements of income, the consolidated statements of comprehensive income, the consolidated statements of changes in net assets, the consolidated statements of cash flows, the significant matters forming the basis for the preparation of consolidated financial statements, other notes and the consolidated supplementary statements, all expressed in yen.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of KEWPIE KABUSHIKI-KAISHA and its consolidated subsidiaries as at November 30, 2024, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Trademark right acquisition transaction with related parties	
Description of the Key Audit Matter	Auditor's Response
<p>As described in the Note (Related Party Transactions), the Company acquired trademark rights related to various brands from NAKASHIMATO CO., LTD., which is a related party (a company whose officer and his close relatives own a majority of the voting rights), for ¥3,805 million as of December 1, 2023. In acquiring these trademark rights, the Company determined the transaction price by referring to the valuation results of the trademark rights assessed by a third-party valuation institution. Since this acquisition of the trademark rights is a significant transaction with a related party that is outside of the Company's ordinary course of business, it involves difficulties to determine whether the terms of the transaction were at arm's length, and there is a potential risk of arbitrary decisions intervening, which may affect the financial position and operating results of the Company.</p> <p>Accordingly, we determined evaluating the business rationale and the transaction price of the acquisition of the trademark rights to be a key audit matter.</p>	<p>The audit procedures we performed to evaluate the business rationale and the transaction price of the acquisition of the trademark rights from NAKASHIMATO CO., LTD. include the following, among others:</p> <ul style="list-style-type: none"> - In order to evaluate the business rationale of acquiring the trademark rights from the related party, we inquired management of the purpose of the transaction, gained an understanding of the terms of the transaction by inspecting the agreement and reviewed the minutes of the Board of Directors meeting. - We reviewed the minutes of the Board of Directors meeting to understand how the transaction price was determined and examined the process leading to its determination. - In order to evaluate the transaction price, with the involvement of our valuation specialists of our network of firm, we reviewed the valuation report of the trademark rights, and evaluated competence, capabilities and objectivity of the third-party valuation specialist used by management. In addition, we evaluated the valuation of the trademark rights reported in the valuation report by gaining an understanding of the valuation methodology and the process applied by the valuation specialist used by the management.

Other Information

The other information comprises the information included in the Annual Securities Report but does not include the consolidated financial statements, non-consolidated financial statements and our audit report thereon. Management is responsible for preparation and disclosure of the other information. The corporate auditor and the Audit & Supervisory Board are responsible for overseeing the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Corporate Auditors and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating of such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Corporate auditors and the Audit & Supervisory Board are responsible for overseeing the directors' performance of duties within the designing and operating of the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the decisions of users taken on the basis of the consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider, in making those risk assessments, internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates and related notes by management.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and the notes thereto are in accordance with accounting principles generally accepted in Japan, as well as evaluate the overall presentation, structure and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly represent the underlying transactions and accounting events.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with corporate auditors and the Audit & Supervisory Board regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide corporate auditors and the Audit & Supervisory Board with a statement that we have complied with the ethical requirements in Japan regarding independence that are relevant to our audit of the financial statements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, convey details of any measures taken in order to eliminate obstruction factors or any safeguards applied in order to reduce obstruction factors to an acceptable level.

From the matters communicated with corporate auditors and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current fiscal year and therefore the key audit matters. We describe these matters in our audit report unless laws or regulation preclude public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Audit of Internal Control>

Opinion

Pursuant to Paragraph 2 of Article 193-2 of the Financial Instruments and Exchange Law of Japan, we also have audited the accompanying Management's Report on Internal Control over Financial Reporting for the consolidated financial statements as at November 30, 2024 of KEWPIE KABUSHIKI-KAISHA and its consolidated subsidiaries (the "Company") (the "Management's Report").

In our opinion, the Management's Report referred to above, which represents that internal control over financial reporting of the consolidated financial statements as at November 30, 2024 is effective, presents fairly, in all material respects, the result of the management's assessment on internal control over financial reporting in conformity with assessment standards for internal control over financial reporting generally accepted in Japan.

Basis for Audit Opinion

We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Our responsibilities for internal control over financial reporting under those standards are further described in the "Auditor's Responsibilities for the Audit of the Internal Control" section. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management, Corporate Auditors and the Audit & Supervisory Board for the Management's Report

Management is responsible for designing and operating internal control over financial reporting, and the preparation and fair presentation of the Management's Report in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

Corporate auditors and the Audit & Supervisory Board are responsible for monitoring and verifying the design and operation status of internal control over financial reporting.

Internal control over financial reporting may not completely prevent or detect misstatements.

Auditor's Responsibilities for the Audit of the Internal Control

Our responsibilities are to obtain reasonable assurance about whether the Management's Report is free from material misstatement and to issue an internal control audit report that includes our opinions on the Management's Report based on our internal control audit from an independent point of view.

In accordance with auditing standards for internal control over financial reporting generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Perform audit procedures to obtain audit evidence about the results of the assessment of internal control over financial reporting in the Management's Report. The procedures selected depend on the auditor's judgment, including the significance of effects on the reliability of financial reporting.
- Evaluate disclosures on scope, procedures and conclusions of management's assessment of internal control over financial reporting, as well as evaluate the overall presentation of the Management's Report.
- Obtain sufficient and appropriate audit evidence about the results of the assessment of internal control over financial reporting in the Management's Report. We are responsible for the direction, supervision and performance of the audit of the Management's Report. We remain solely responsible for our audit opinion.

We communicate with corporate auditors and the Audit & Supervisory Board regarding the planned scope and timing of the internal control audit, the results of the internal control audit, any significant deficiencies identified in internal control to be disclosed, the results of corrective actions against the deficiencies, and other matters required by auditing standards for internal control.

We also provide corporate auditors and the Audit & Supervisory Board with a statement that we have complied with the ethical requirements in Japan regarding independence that are relevant to our audit of the internal control, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, convey details of any measures taken in order to eliminate obstruction factors or any safeguards applied in order to reduce obstruction factors to an acceptable level

<Information on Audit Fees>

The amounts of fees for audit or attestation services and fees for non-audit services for the Company and its subsidiaries paid to us and the members of our network are stated in "(3) Status of audits" in "Corporate Governance" under "The Company".

Conflicts of Interest

We have no interest in the Company and its consolidated subsidiaries which should be disclosed in compliance with the Certified Public Accountants Act.

* The above Independent Auditors' Audit Report and Internal Control Audit Report are translations of the original reports, which are based on Paragraph 1 and Paragraph 2, respectively, of Article 193-2 of the Financial Instruments and Exchange Law of Japan.

VI. Stock Information of Reporting Company

Fiscal year	From December 1 to November 30		
The Ordinary General Meeting of Shareholders	Held in February		
Record date	November 30		
Dividend record dates	May 31, November 30		
Shares per trading unit	100 shares		
Purchase of shares less than one unit:			
Handling office	(Special account) Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Business Planning Department 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo		
Agent	(Special account) Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Business Planning Department 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo		
Shareholders' contacts	—		
Stock transfer fee	(Note 1)		
Newspaper for announcements	The Company shall publish its public notices by electronic means. However, if it is impossible to post electronic public notices because of an accident or other unavoidable circumstances, the public notices shall be made by publication in the Nikkei. URL for public notice: https://www.kewpie.com/company/		
Shareholder privileges	The Company provides a gift around early March to those shareholders who are recorded in the shareholder registry as of November 30, and who have held at least one trading unit (100 shares) of the Company's shares in accordance with the gift criteria presented below.		
	Number of shares held	Continued holding period	Details of benefits
	100 shares to 499 shares	Six months or more	Group products valued at ¥1,000
		Three years or more	Group products valued at ¥1,500
	500 shares or more	Six months or more	Group products valued at ¥3,000
		Three years or more	Group products valued at ¥5,000
	* A shareholder who has kept holding the Company's shares for six months or more is defined as a shareholder who has been registered in the shareholder registry as of May 31 and November 30 under the same shareholder number on two or more consecutive occasions. A shareholder who has kept holding the Company's shares for three years or more is defined as a shareholder who has been registered in the shareholder registry as of May 31 and November 30 under the same shareholder number on seven or more consecutive occasions.		

(Notes) 1. The calculating method below shall be used to determine fees for purchase of shares less than one unit on the basis of the method below, in which total purchase fees per trading unit are divided by the total number of shares purchased and multiplied by the number of shares held by the shareholder.

(Calculation Method) Purchase prices per share, determined by the final TSE market price, are multiplied by the number of shares per trading unit, and the sum total amount derived therefrom is applied, as in the following table, to find the percentage fee charged.

Total amount	Percentage fee
¥1 million or less	1.150%
Over ¥1 million – ¥5 million	0.900%
Over ¥5 million – ¥10 million	0.700%
Over ¥10 million – ¥30 million	0.575%
Over ¥30 million – ¥50 million	0.375%

(Amounts of less than ¥1 are rounded down.)

However, if the purchase fee per trading unit calculated above is less than ¥2,500, the fee shall be ¥2,500.

2. In accordance with the Articles of Incorporation, the Company's shareholders cannot exercise rights other than those listed below for shares less than one unit.
 - (1) Rights listed in items of Article 189, Paragraph 2 of the Companies Act
 - (2) Right to receive allocation of shares for subscription or stock acquisition rights for subscription in accordance with the number of shares owned
 - (3) Right stipulated by Article 166, Paragraph 1 of the Companies Act to request acquisition of shares with rights to acquire new shares

The information contained in this report is derived from Kewpie Corporation's (the "Company") Management's Report on Internal Control over Financial Reporting in Japanese filed with the Commissioner of the Financial Services Agency on February 28, 2025 in accordance with the Financial Instruments and Exchange Law, and has been translated into English for the convenience of readers outside Japan.

Document Title:	Management's Report on Internal Control over Financial Reporting
Corporate Name:	KEWPIE KABUSHIKI-KAISHA
English Corporate Name:	Kewpie Corporation
Name and Title of Representative:	Mitsuru Takamiya Representative Director President and Chief Executive Corporate Officer
Location of Head Office:	4-13, Shibuya 1-chome, Shibuya-ku, Tokyo 150-0002, Japan

1. Basic Framework of Internal Control over Financial Reporting

The Representative Director, President and Chief Executive Corporate Officer Mitsuru Takamiya is responsible for designing and operating the Company's internal control over financial reporting. He designs and operates internal control over financial reporting in accordance with the basic framework of internal control presented in "On the Setting of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting (Council Opinions)" issued by the Business Accounting Council.

Internal control achieves its objectives to a reasonable extent given that all individual components of internal control are integrated and function as a whole. Internal control over financial reporting for consolidated financial statements may not completely prevent or detect misstatements in financial reporting.

2. Scope of Assessment, Assessment Date and Assessment Procedure

Assessment of internal control over financial reporting was carried out as of November 30, 2024, which is the final day of the Company's business year, in accordance with generally accepted assessment standards for internal control over financial reporting.

In this assessment, the business processes to be assessed are selected after an assessment of internal control that has a significant impact on overall financial reporting on a consolidated basis ("company-level internal control") is carried out, and in consideration of the results of the said assessment. In assessing the said business processes, an assessment of the effectiveness of internal control is conducted by identifying the key controls that would have a material impact on the reliability of financial reporting after analyzing the selected business processes and by assessing the status of design and operation of the said key controls.

The scope of assessment of internal control over financial reporting is determined to be the scope that is necessary from the viewpoint of materiality of the impact on the reliability of financial reporting regarding the Company, its consolidated subsidiaries and its equity-method affiliates. The materiality of the impact on the reliability of financial reporting is determined in consideration of the materiality of quantitative and qualitative impacts. The scope of assessment of business process-level internal control is determined reasonably in light of the results of an assessment of company-level internal control carried out with respect to the Company and its 11 consolidated subsidiaries. Other consolidated subsidiaries and equity-method affiliates are not included in the scope of assessment of company-level internal control as they are deemed to be immaterial in terms of quantitative and qualitative materiality.

To determine the scope of assessment of business process-level internal control, "significant business locations" are selected. They are composed of business locations determined in descending order based on their net sales levels in the current fiscal year (after elimination of intra-group transactions) until their combined amount reaches approximately two thirds of consolidated net sales in the current fiscal year (as a result, three companies were selected), as well as other significant outsourced business locations. At the selected significant business locations, business processes leading to net sales, accounts receivable-trade, inventories and accounts payable-trade which are deemed as accounting items that are closely associated with a company's business purpose, are included in the scope of the assessment. In addition, the scope of assessment includes other business locations as well as selected significant business locations with respect to certain business processes. Specifically, business processes that have a high risk of misstatement and relate to significant accounting items involving estimates and forecasts, and business processes relating to a business or operation dealing with high-risk transactions, are added to the scope of assessment as business processes with substantial significance in terms of effects on financial reporting, regardless of whether they occur at selected significant business locations.

3. Assessment Result

As a result of the above assessment, we judge that the Company's internal control over its financial reporting is effective as of November 30, 2024.