

2019-2021 Kewpie Group's Medium-term Business Plan

**Working to maintain growth in Japan
and accelerate growth overseas**

January 11, 2019

Kewpie Corporation

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2019-2021 Medium-term Business Plan

(Ninth medium-term business plan)

Kewpie Group's Ideal and 2030 Vision

Our Ideal: We aim to be a group contributing to the food culture and health of the world through “great taste, empathy, and uniqueness.”

World

**Leading company
in salad and egg businesses**

~Bringing the Kewpie Group's hopes to the world~

2030 VISION

Eating with a smile together with Kewpie

Customers

Everybody's food partner

~From a food manufacturer to a food culture manufacturer~

Community

**Supporting children's
pleasure in food**

~Becoming a group that faces the children who will create the future~

Group Management Policies

Working to maintain growth in Japan
and accelerate growth overseas

Japan

Promoting our products,
centering on the three
businesses, as integral
parts of our daily meals

Condiments and
Processed Foods

Salad and
Delicatessen

Egg

Overseas

Accelerating business
expansion, particularly in
China and South East
Asia

Strengthening the business foundation for better
adaptability to environmental changes

Key Indicators

2019-2021 Ninth Medium-term Business Plan
Key Indicators

11/18

11/21

Operating
Income Ratio

5.8%



6.5%
and higher

ROE

8.1%



8.5%
and higher

Japan

Operating income
ratio for three
businesses in Japan

8.0%



8.8%

Condiments and
Processed Foods

Salad and
Delicatessen

Egg

Overseas

Sales growth
rate in China
and South East Asia
(annual average growth rate)

10% or more

Performance Targets

Aiming for 11.5 billion yen growth in net sales and 4.9 billion yen increase in operating income

| | 11/18 | 11/21Target | Increase (Decrease) | Annual average growth rate |
|---|-----------|-------------|------------------------|-------------------------------|
| Net Sales | 573.5 ¥bn | 585.0 ¥bn | 11.5 ¥bn | 0.7% |
| Domestic | 525.5 | 519.1 | (6.4) | (0.4) |
| Overseas | 48.0 | 65.9 | 17.9 | 11.1 |
| Operating Income | 33.1 ¥bn | 38.0 ¥bn | 4.9 ¥bn | 4.7% |
| Domestic | 36.6 | 39.0 | 2.4 | 2.1 |
| Overseas | 3.6 | 6.3 | 2.8 | 20.5 |
| Company-wide expenses | (7.1) | (7.3) | (0.2) | — |
| Operating Income Ratio | 5.8% | 6.5% | 0.7% | — |
| Ordinary Income | 34.3 ¥bn | 39.0 ¥bn | 4.7 ¥bn | 4.4% |
| Net income attributable to parent company shareholders | 18.3 ¥bn | 21.4 ¥bn | 3.1 ¥bn | 5.4% |
| ROE (Return on equity) | 8.1% | 8.5% | 0.4% | — |
| ROA (Return on assets) | 8.2% | 8.5% | 0.3% | — |
| EBITDA (Operating income + Depreciation expenses) | 51.3 ¥bn | 59.0 ¥bn | 7.7 ¥bn | 4.8% |

* Figures for the new business segments are used for fiscal 2018.

* Overseas figures cover the period from October through September and include exports from Japan (exports from Japan cover the period from December through November).

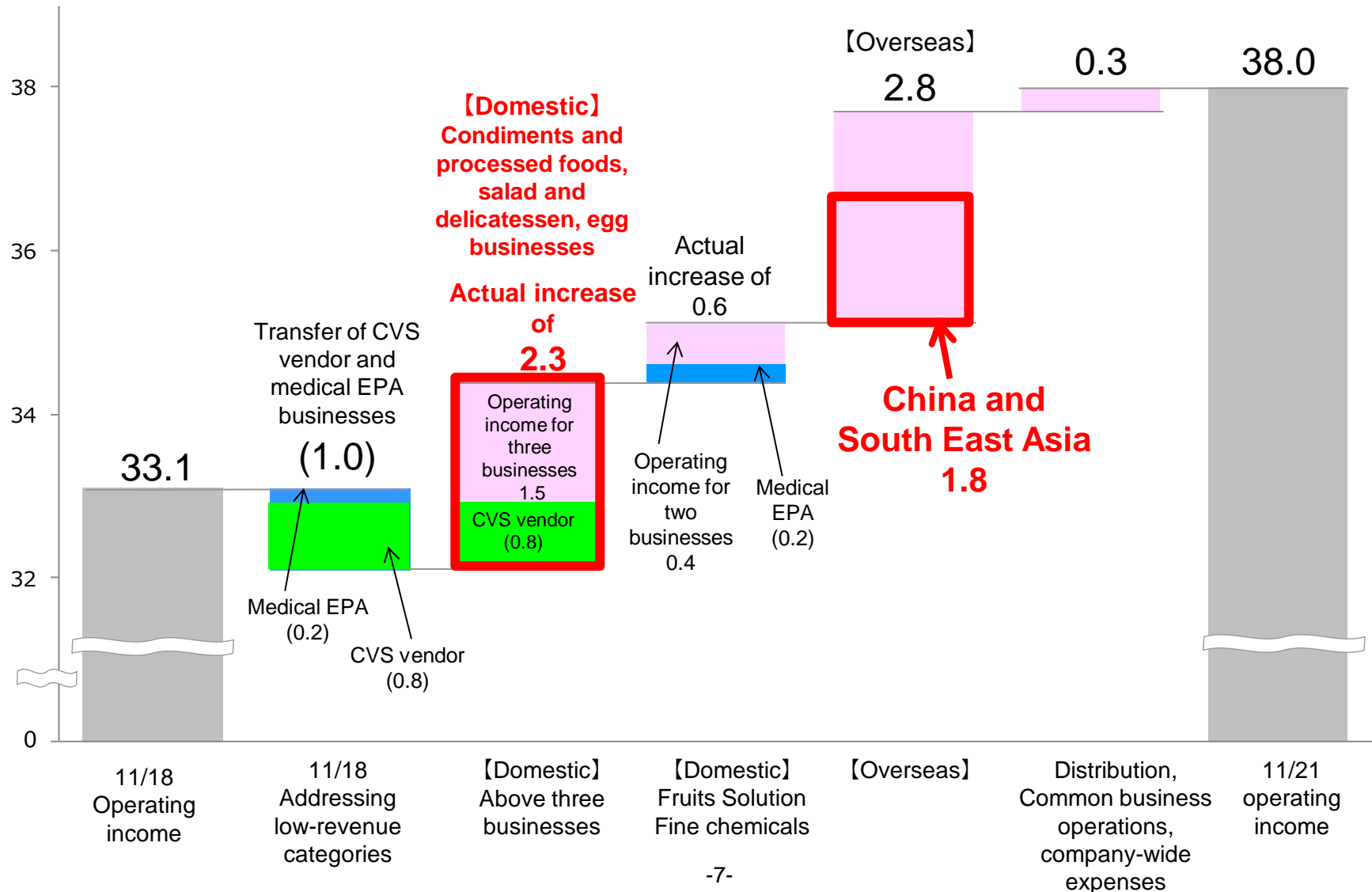
Increase (Decrease) for overseas figures includes the impact of the exchange rate (which gained net sales by 0.9 billion yen and operating income by 0.1 billion yen).

* The impact of the transfer of the CVS vendor business and medical EPA business carried out in fiscal 2018 (which lost net sales by 29.2 billion yen and operating income by 1 billion yen) is included.

Factors Causing Increase (Decrease) in Operating Income

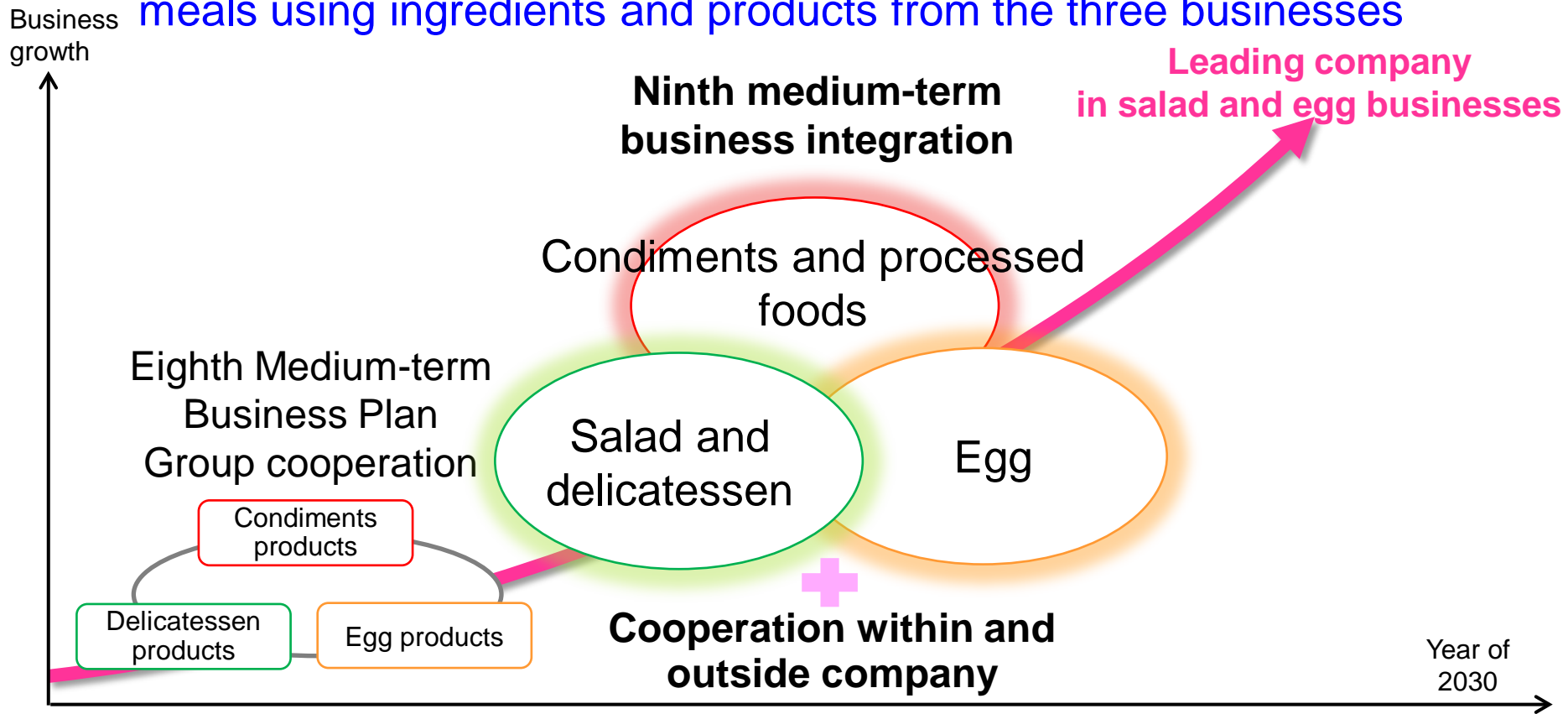
4.1 billion yen generated from the three domestic business segments and growth in China and South East Asia

(¥bn)



Maintain Growth in Japan (As Integral Parts of Our Daily Meals)

Promoting our products as integral parts of our daily meals by offering meals using ingredients and products from the three businesses



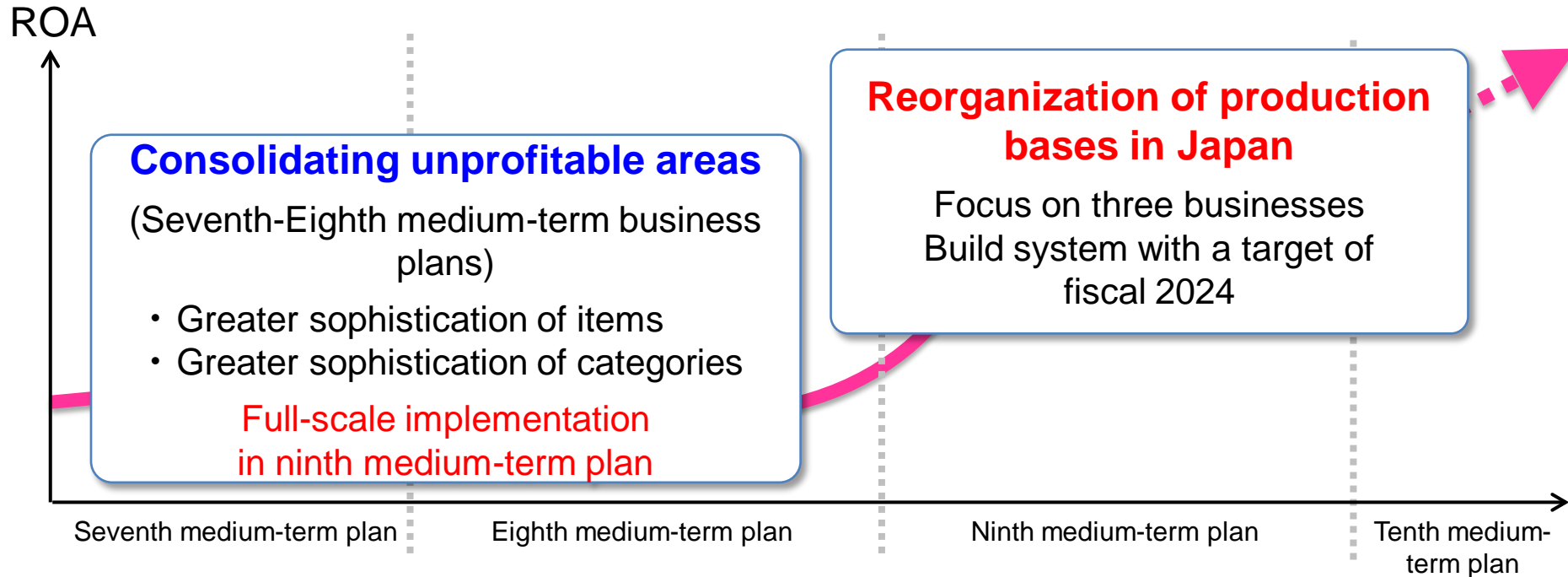
【Key initiatives】

- ◇ Building optimal production system
- ◇ Using and exploiting sales channels
- ◇ Making use of original materials and technologies

Maintain Growth in Japan (Building Optimal Production System)

Strengthen bases for growth by reorganizing production

Aiming for ROA of 8.5% or more in ninth medium-term business plan



Consolidate and integrate about 20 bases in Eighth-Tenth medium-term business plans

- ◇ Raise asset efficiency and address growth markets
- ◇ Set up bases for consolidated businesses and enhance synergies

Maintain Growth in Japan (Summary)

Promoting our products, centering on the three businesses,
as integral parts of our daily meals

Quantitative indicators for three businesses (Fiscal 2021)

Sales **¥342.3 bn**
(Actual increase of ¥12.4 bn*)

**Operating
income** **¥30.3 bn**
(Actual increase of ¥2.3 bn*)

**Operating income
ratio** **8.8%**
(Actual increase of 0.3%*)

Initiatives

Production system

- Pursue with target of fiscal 2024

Use sales channels

- Reciprocal use of sales channels in all businesses

R&D

- Expand themes that cut across businesses

Grow the fruit solutions business and fine chemicals
business by capitalizing on their uniqueness

* Actual increase excluding the impact of the transfer of the CVS vendor business carried out in fiscal 2018 (which lost net sales by 27.5 billion yen and operating income by 0.8 billion yen).

Accelerate Growth Overseas

Accelerating area-specific business expansion, particularly in China and South East Asia

Sustain double-digit sales growth and achieve increase of operating income by 2.8 billion yen

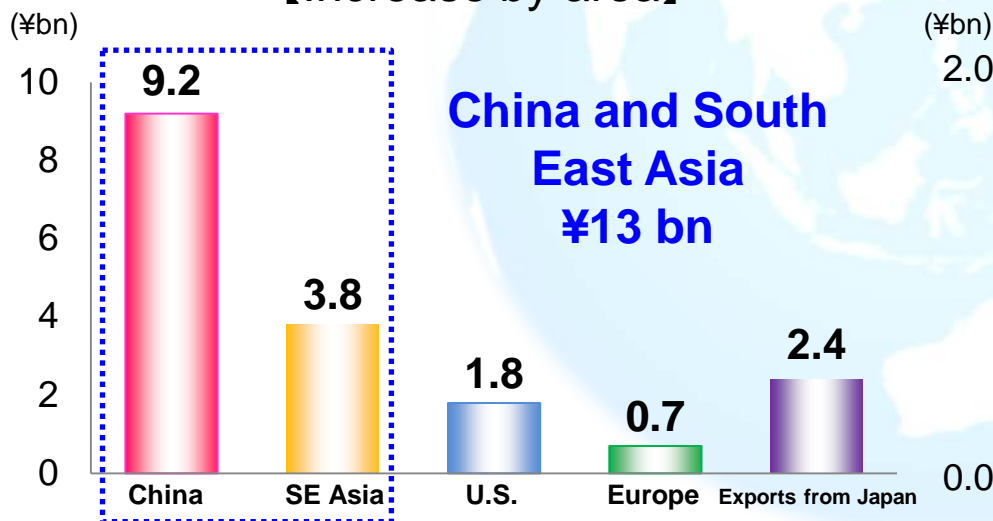
Expand and cultivate consumers' salad needs with focus on mayonnaise and dark-roasted sesame dressing

Develop businesses compatible to the local needs of each area and strengthen category type strategies and the business foundation

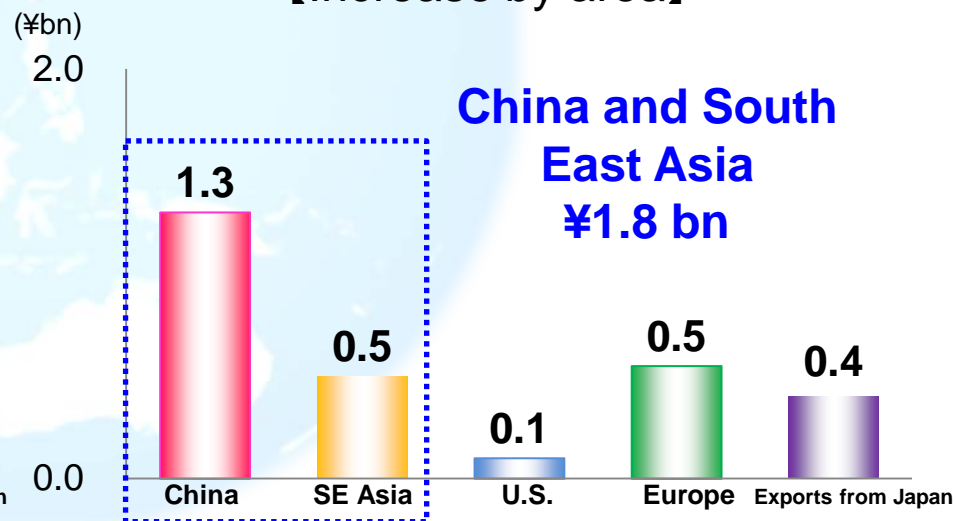
Total increase in 2019-21 medium-term plans
17.9 billion yen increase in net sales

Total increase in 2019-21 medium-term plans
2.8 billion yen increase in operating income

【Increase by area】



【Increase by area】



* Refer to the lower half of page 18 for information on initiatives by area and to the upper half of page 19 for data by area.

Accelerating Development in China

Strengthen functions of controlling company and area strategies to accelerate development

【Strengthen functions of controlling company in China】

- Integration of management for four companies in China (four factories and 32 sales and marketing bases)
- Streamlined manufacturing and sales using standardized product bar codes in 2020
- Strengthened marketing functions

【Area strategies】

Expand mayonnaise and dressing applications with recommendations and development by area



Potsticker dipping sauce

Beijing

Nantong

Hangzhou



Sauce for hot pot



Salad menu



Noodle dish menu

Guangzhou

(to begin operating in 2020)

- ★ Production bases
- Sales and marketing bases

【Potential for growth in mayonnaise and dressing market】

Data on eight major cities in China

| | Recognition rate | Usage rate in homes |
|------------|------------------|---------------------|
| Mayonnaise | 85% | 15% |
| Dressings | 40% | 10% |

* Survey by Kewpie carried out in 2018

Expand market by raising usage rate

Continue sales growth of 10% YoY for mayonnaise and 20% YoY for dressings (based on local currency)

Address changing issues to ensure future growth

Initiatives for the environment

【Effective utilization of resources】

Utilization of unused parts of vegetables

【Reduction in product waste】

SCM optimization

【Reduction of CO₂ emissions】

Improved efficiency of production and distribution

Initiatives for society

【Promoting longer and healthier lives】

Food lifestyle proposals involving salads and eggs

【Promoting healthy minds and bodies in children】

Food educational activities using salads and eggs

Initiatives to strengthen the management bases

Promotion of diversity

Improvement of governance

Innovation of core system

*Related indicators can be found on the lower half of page 22 as sustainability targets.

Cash Flow Allocation

Fiscal 2019-2021 Cash flows from operating activities

¥145.0 bn (total over three years)

Capital Investments

◇ Forecast of about 100 billion yen over three years

Primary components

- Building of an optimal production system
- Improvements to overseas production capacity
- Strengthen distribution functions
- Innovation of core system

Return to Shareholders

◇ Dividends

- Dividend payout ratio of 30% or higher (Target DOE of 2.2% or more)
- 38 yen planned for fiscal 2018
- 45 yen forecast for fiscal 2019 (including 5 yen commemorative dividend for 100th anniversary of founding)

◇ Flexible acquisition of treasury stock is considered

New Expansion

◇ Investments in new businesses and M&A shall be considered, depending on the project

◇ Raise funding while maintaining sound financial conditions

[Reference] Conditions in 2016-2018 Medium-term Business Plan

Fiscal 2016-2018 Cash flows from operating activities: 114.3 billion yen (total over three years)

Capital investments ¥92.3 bn

Dividend payout ratio of 30% or higher
¥24 bn for acquisition of treasury stock

New expansion ¥4.7 bn

Expansion by Business Segment

Performance Targets by Business Segment

(¥bn)

| | Sales by Segment | | | Income by Segment | | |
|--------------------------------|------------------|--------------|---------------------|-------------------|--------------|---------------------|
| | 11/18 | 11/21 Target | Increase (Decrease) | 11/18 | 11/21 Target | Increase (Decrease) |
| Total | 573.5 | 585.0 | 11.5 | 33.1 | 38.0 | 4.9 |
| Condiments and processed foods | 184.3 | 202.7 | 18.4 | 19.8 | 22.8 | 3.0 |
| Salad and delicatessen | 118.3 | 96.5 | (21.8) | 4.3 | 4.7 | 0.4 |
| Egg | 100.9 | 106.3 | 5.4 | 7.8 | 8.5 | 0.7 |
| Fruit Solution | 15.9 | 20.5 | 4.6 | 0.7 | 1.1 | 0.4 |
| Fine chemicals | 10.0 | 10.0 | 0.0 | 1.5 | 1.6 | 0.1 |
| Distribution | 138.3 | 143.0 | 4.7 | 4.7 | 5.2 | 0.5 |
| Common business operations | 5.8 | 6.0 | 0.2 | 1.5 | 1.5 | 0.0 |
| Company-wide expenses | — | — | — | (7.1) | (7.3) | (0.2) |

* Figures for the new business segments are used for fiscal 2018.

* Figures for the Salad and delicatessen business include the impact of the transfer of the CVS vendor business carried out in fiscal 2018 (which lost net sales by 27.5 billion yen and operating income by 0.8 billion yen).

* Figures for the Fine chemicals business include the impact of the transfer of the medical EPA business carried out in fiscal 2018 (which lost net sales by 1.7 billion yen and operating income by 0.2 billion yen).

Condiments and Processed Foods Business

【Themes in ninth medium-term business plan】

Structural reforms through business consolidation
~Reorganizing portfolios~

| (¥bn) | 11/21 target | Increase (Decrease) |
|------------------------|--------------|---------------------|
| Net Sales | 202.7 | 18.4 |
| Operating Income | 22.8 | 3.0 |
| Operating Income Ratio | 11.2% | 0.5% |

【Initiatives for income growth in ninth medium-term business plan】

◇ Expand business area from salad seasonings to condiments for vegetable preparation

- Promote a new category of products that make cooking vegetables easy so that this business becomes a major player
- Secure new business fields and sales channels through business integration and affiliations and cooperation with other companies

◇ Make existing business areas rock-solid and energize markets

- Ensure that Kewpie mayonnaise and dressings dominate the market with the top share and secure earning capacity
- Bring flavoring sauces from the selection stage to the growth stage with high-quality raw ingredients and proprietary technology

◇ Pursue efficient management with reforms to SCM functions

- Pursue withdrawals by shifting concentrated focus from items to categories
- Improve productivity and asset efficiency by building the optimal production system and reforming the distribution process

Salad and Delicatessen Business

【Themes in ninth medium-term business plan】

Ensure a leading role for the salad and delicatessen business through Group consolidation to drive the ready-made food market

【Initiatives for income growth in ninth medium-term business plan】

◇ Giving salad and delicatessen business the leading role

- Cultivate and expand sales channels for the growing ready-made food market so that it can drive the Group overall
- Generate new sales utilizing functions of each business

◇ Lead ready-made food market with new technology

- Stabilize mainstay products by improving shelf-life technology
- Initiatives to address social and environmental issues such as labor shortages and waste loss

◇ Build an optimal production system

- Make further advancements in technology for labor-saving lines for cut vegetables and spread nationwide
- Secure production bases through cooperation both within and outside the company and utilize business integration bases

| (¥bn) | 11/21 target | Increase (Decrease) |
|------------------------|--------------|---------------------|
| Net Sales | 96.5 | (21.8) |
| Operating Income | 4.7 | 0.4 |
| Operating Income Ratio | 4.9% | 1.3% |

* Figures for the salad and delicatessen business include the impact of the transfer of the CVS vendor business carried out in fiscal 2018 (lost net sales by 27.5 billion yen and operating income by 0.8 billion yen.).

Egg Business

【Themes in ninth medium-term business plan】

No. 1 worldwide in egg processing technology
~Spreading the concept of Kewpie eggs~

| (¥bn) | 11/21 target | Increase (Decrease) |
|------------------------|--------------|---------------------|
| Net Sales | 106.3 | 5.4 |
| Operating Income | 8.5 | 0.7 |
| Operating Income Ratio | 8.0% | 0.3% |

【Initiatives for income growth in ninth medium-term business plan】

◇ Promoting the role of eggs as a main player in diet

- Create new products that bring together convenience, time-saving and delicious taste
- Proactive use of diverse sales channels within and outside of the Group

◇ Cultivate market for shelled eggs for commercial use

- Provide new added value by developing high-quality eggs and utilizing technology for soft-boiled eggs
- Strengthen ability to respond to changes in market needs

◇ Develop optimal business system

- Make advances by integrating technology with the establishment of a unified company that covers production, sales and development
- Streamline production with consistent production and base consolidation from egg-breaking to processing
- Improve revenue by shifting to an approach to production and sales that is centered on processed products rather than ingredients

Fruit Solution Business

【Themes in ninth medium-term business plan】

Expand business area from jam to fruit
- Making Aohata synonymous with fruit

| (¥bn) | 11/21 target | Increase (Decrease) |
|------------------------|--------------|------------------------|
| Net Sales | 20.5 | 4.6 |
| Operating Income | 1.1 | 0.4 |
| Operating Income Ratio | 5.4% | 1.0% |

【Initiatives for income growth in ninth medium-term business plan】

◇ Create a new food style

- Develop processed fruit products that are “instant food” rather than “fresh fruit”
“Anytime, anywhere, easily”
- Create new value-added products by cooperating with dairy manufacturers in technology

◇ Improve brand value

- Attract new customers for “Marugoto Kajitsu” by pursuing delicious taste and expanding items
- Secure the market with processed fruit products that make the most of the raw ingredients so that fruit essence is unnecessary

◇ Strengthen raw material procurement (reinforce Aohata’s consistent system from cultivation to processing)

- Utilize overseas bases for raw material procurement to the maximum extent
- Pursue the development of strawberry varieties that are well suited to processing, at breeding research bases in Japan and overseas

Fine Chemicals Business

【Themes in ninth medium-term business plan】

Leap into global markets with a hyaluronic acid specialty business

【Initiatives for income growth in ninth medium-term management】

◇ Expand into new growth fields

- Take up challenge of medical equipment business
 - First product: Nurture “K Smart”
 - Second product: Develop the second product and pursue it until it is launched
- Accelerate overseas expansion
 - Move into the U.S. and China by capitalizing on strengths in quality and evidence
 - Sales ratio: 23%→35%

◇ Strengthen bases

- Strengthen earning capacity by reorganizing production system (develop best mix with outsourcing)
- Develop new strategic materials (take up challenge of creating new markets with proprietary technology)

| (¥bn) | 11/21 target | Increase (Decrease) |
|------------------------|--------------|---------------------|
| Net Sales | 10.0 | 0.0 |
| Operating Income | 1.6 | 0.1 |
| Operating Income Ratio | 16.0% | 1.0% |

※ Figures for the fine chemicals business include the impact of the transfer of the medical EPA business carried out in fiscal 2018 (which lost net sales by 1.7 billion yen and operating income by 0.2 billion yen).

◇ Improved market presence

- Strengthen raw material business
 - Pursue hyaluronic acid for use in medical products as a key focus
- Strengthen direct mail order sales
 - Recommend use for internal and external beauty care to utilize functions of hyaluronic acid

Distribution Business

【Themes in ninth medium-term business plan】

Strengthen functions and expand new areas to ensure sustainable growth

| (¥bn) | 11/21 target | Increase (Decrease) |
|------------------------|--------------|---------------------|
| Net Sales | 143.0 | 4.7 |
| Operating Income | 5.2 | 0.5 |
| Operating Income Ratio | 3.6% | 0.2% |

【Initiatives for income growth in ninth medium-term management】

◇ Joint distribution

- Reorganize base networks and conserve energy
- Expand joint confectionary distribution and chilled grocery distribution
- Strengthen transport and distribution functions (promote modal shift, set up TC base)

◇ Dedicated distribution

- Expand areas with new and existing business partners
- Improve productivity of work in warehouses
- Take up challenge of building new functions (affiliations with joint distribution)

◇ Strengthen bases

- Foster a friendly working environment
- Raise quality of distribution
- Augment BCP system

Fiscal 2019 Plan

Fiscal 2019 Plan

| | 11/18 | 11/19 plan | Change YoY | Increase (Decrease) |
|---|-----------|------------|------------|------------------------|
| Net Sales | 573.5 ¥bn | 560.0 ¥bn | (2.4)% | (13.5) ¥bn |
| Domestic | 525.5 | 506.5 | (3.6) | (19.1) |
| Overseas | 48.0 | 53.5 | 11.6 | 5.6 |
| Operating Income | 33.1 ¥bn | 33.2 ¥bn | 0.4% | 0.1 ¥bn |
| Domestic | 36.6 | 36.2 | (1.1) | (0.5) |
| Overseas | 3.6 | 4.2 | 17.2 | 0.6 |
| Company-wide expenses | (7.1) | (7.2) | — | (0.1) |
| Operating Income Ratio | 5.8% | 5.9% | — | 0.1% |
| Ordinary Income | 34.3 ¥bn | 34.4 ¥bn | 0.1% | 0.1 ¥bn |
| Net income attributable to parent company shareholders | 18.3 ¥bn | 18.4 ¥bn | 0.4% | 0.1 ¥bn |
| ROE (Return on equity) | 8.1% | 8.0% | — | (0.1)% |
| ROA (Return on assets) | 8.2% | 7.9% | — | (0.3)% |
| EBITDA (Operating income + Depreciation expenses) | 51.3 ¥bn | 52.4 ¥bn | 2.1% | 1.1 ¥bn |

* Figures for the new business segments are used for fiscal 2018.

* Overseas figures cover the period from October through September and include exports from Japan (exports from Japan cover the period from December through November).

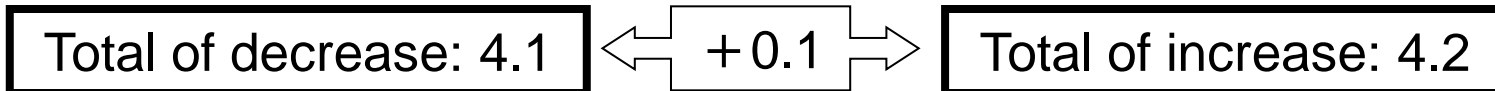
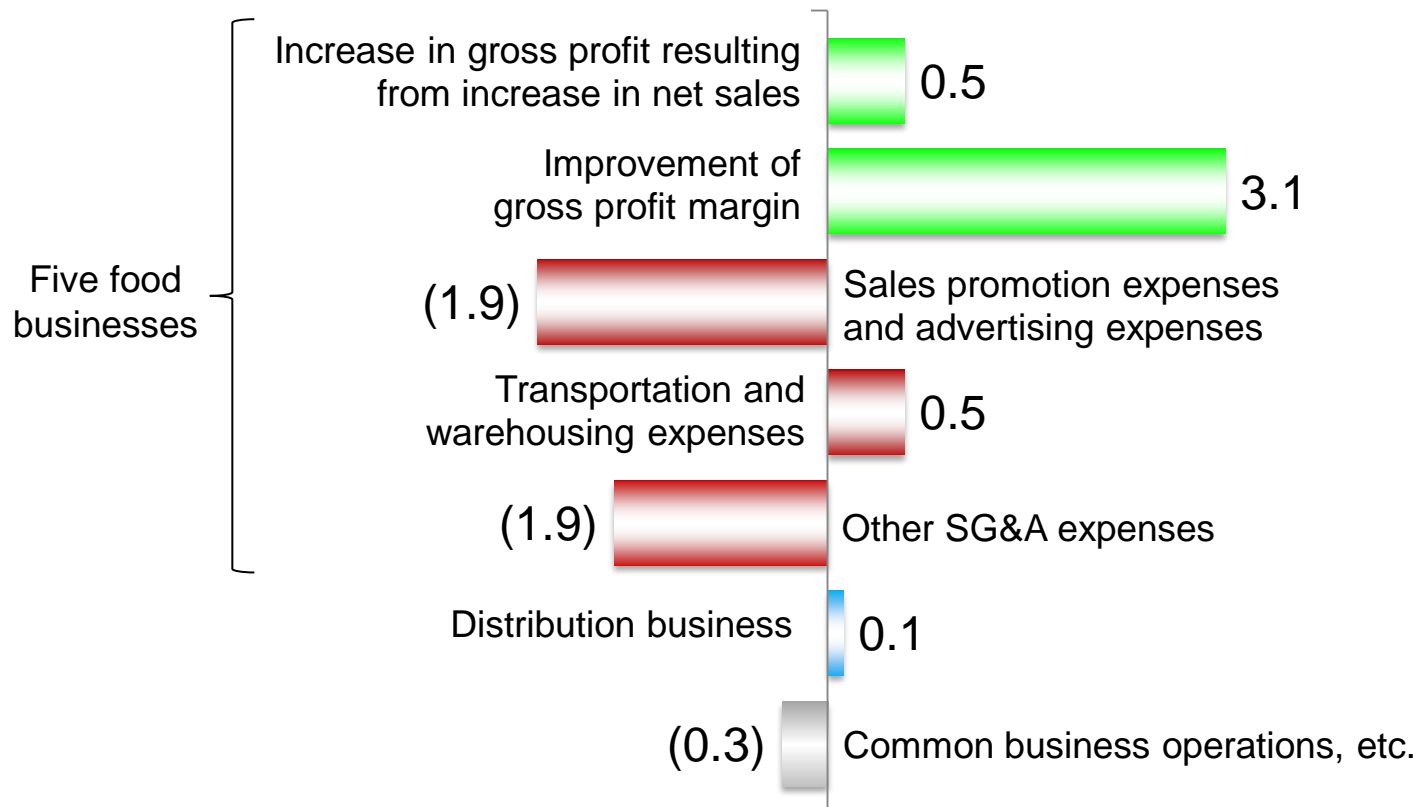
* Increase (Decrease) for overseas figures include the impact of the exchange rate (which gained net sales by 0.4 billion yen and operating income by 0.0 billion yen).

* The impact of the transfer of the CVS vendor business and medical EPA business carried out in fiscal 2018 (which lost net sales by 29.2 billion yen and operating income by 1 billion yen) is included.

Factors Causing Increase (Decrease) in Operating Income

(¥bn)

| | 11/18 | 11/19 Plan | 11/18 Difference |
|------------------|-------|------------|------------------|
| Operating Income | 33.1 | 33.2 | 0.1 |



* Common business operations, etc. includes company-wide expenses.

* The breakdown by business segment is listed on the upper half of page 18.

Main Contents of Factors Causing Increase (Decrease) in Operating Income

【Increase in gross profit resulting from increase in net sales】 [0.5] (¥bn)

| | | | |
|---------------------|-----|---|-------|
| Impact on net sales | 0.5 | Increased overseas sales of condiments and cut vegetables | 2.8 |
| | | Decrease in sales due to business transfer | (2.5) |

【Improvement of gross profit margin】 [3.1]

| | | | |
|----------------------|-------|---|-------|
| Raising added value | 2.0 | Shift to value-added products (dressings, egg-based products, etc.) | 2.0 |
| Improvement of costs | 1.7 | Improved productivity (streamlining, automation) | 1.3 |
| | | Improvements to unprofitable categories | 0.4 |
| Others | (0.2) | Impact of main raw materials cost (salad condiments) | (0.2) |

【Sales promotion expenses and advertising expenses】 [(1.9)]

| | | | |
|---|-------|---|-------|
| Sales promotion expenses and advertising expenses | (1.9) | Overseas expansion, higher sales promotion costs due to 100 th anniversary of founding | (1.9) |
|---|-------|---|-------|

【Transportation and warehousing expenses】 [0.5]

| | | | |
|---|-----|---|-----|
| Decrease in transportation and warehousing expenses | 0.5 | Decrease due to transfer of CVS vendor business | 0.9 |
|---|-----|---|-----|

【Other SG&A expenses】 [(1.9)]

| | | | |
|------------------------------|-------|--|-------|
| Increase in payroll expenses | (1.2) | Increase due to business expansion, etc. | (1.2) |
|------------------------------|-------|--|-------|

Fiscal 2019 Plan by Business Segment

| | Net sales by business segment (¥bn) | | | Operating income by business segment (¥bn) | | |
|--------------------------------|-------------------------------------|------------|---------------------|--|------------|---------------------|
| | 11/18 | 11/19 Plan | Increase (Decrease) | 11/18 | 11/19 Plan | Increase (Decrease) |
| Total | 573.5 | 560.0 | (13.5) | 33.1 | 33.2 | 0.1 |
| Condiments and processed foods | 184.3 | 191.8 | 7.5 | 19.8 | 20.5 | 0.7 |
| Salad and delicatessen | 118.3 | 93.5 | (24.8) | 4.3 | 3.9 | (0.4) |
| Egg | 100.9 | 105.8 | 4.9 | 7.8 | 8.3 | 0.5 |
| Fruit Solution | 15.9 | 16.2 | 0.3 | 0.7 | 0.4 | (0.3) |
| Fine chemicals | 10.0 | 8.8 | (1.2) | 1.5 | 1.2 | (0.3) |
| Distribution | 138.3 | 138.4 | 0.1 | 4.7 | 4.8 | 0.1 |
| Common business operations | 5.8 | 5.5 | (0.3) | 1.5 | 1.3 | (0.2) |
| Company-wide expenses | — | — | — | (7.1) | (7.2) | (0.1) |

| | |
|--------------------------------|---|
| Condiments and processed foods | In Japan, secure revenue in 100 th anniversary plan and improve efficiency by reorganizing production, and overseas, speed up growth in China and South East Asia. |
| Salad and delicatessen | We expect lower sales and income due to the transfer of the CVS vendor business, but earning capacity will improve by promoting the role of salad and delicatessen as main players in diet and integrating businesses. |
| Egg | Grow value-added products by promoting the role of eggs as a main player in diet and boost sales and income with streamlined operations achieved by unifying production and sales. |
| Fruit Solution | While moving production pushed down income, sales of the mainstay jams and fruit preparations will steadily expand. |
| Fine chemicals | We expect lower sales and income due to the transfer of the medical EPA business, but will focus on hyaluronic acid and strengthen development. |
| Distribution | Depreciation costs will increase due to investments into technology for unmanned operations and labor-saving operations, but income will be generated by strengthening earning capacity and improving the efficiency of delivery and transport. |

* Figures for the new business segments are used for fiscal 2018.

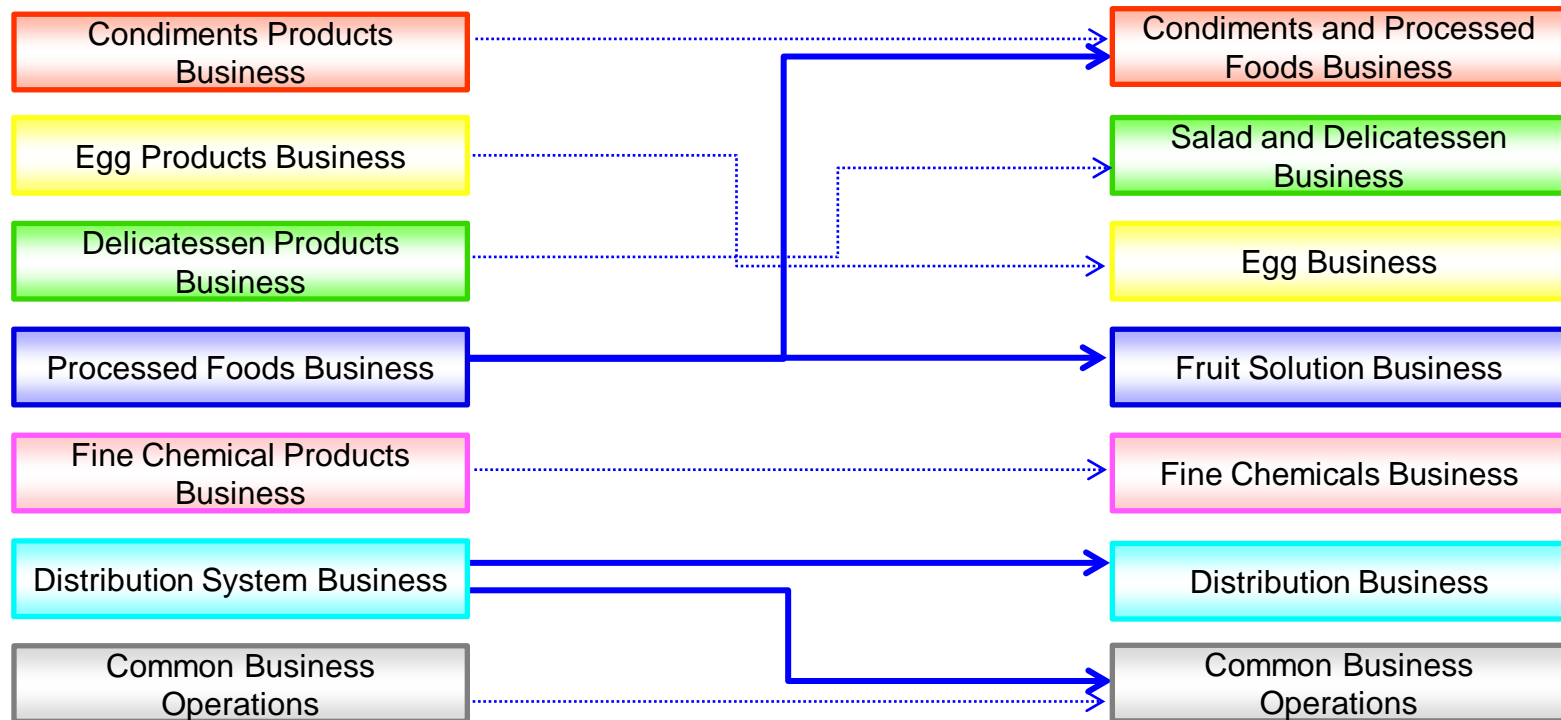
* The impact of the transfer of the CVS vendor business (which lost net sales by 27.5 billion yen and operating income by 0.8 billion yen) and the impact of the transfer of the medical EPA business (which lost net sales by 1.7 billion yen and operating income by 0.2 billion yen) are included.

Reference Materials

Reference: Changes to Business Segments, and Company-wide Expenses

◇ Changes to business segments

- All business operations of the Processed foods business except the Aohata Corporation portion have been transferred to the “Condiments products business” and renamed the “Condiments and processed foods business.”
- The Aohata Corporation portion of the “Processed foods business” has been split off as the “Fruit Solution business.”
- Leasing related transactions that had been included in the “Distribution system business” have been transferred to “Common business operations,” and this segment has been renamed “Distribution business.”



◇ Company-wide expenses

Expenses that cannot be divided proportionally to the respective businesses (such as headquarters operating costs) are categorized as “company-wide expenses.”

Reference: Performance Trends by Business

(¥bn)

| | 11/15 (Corrected) | 11/16 | 11/17 | 11/18 | 11/19 Plan | 11/21 Target |
|-------------------------------------|----------------------|-------|-------|-------|------------|--------------|
| «New business category» | | | | | | |
| Condiments and processed foods | | | | 184.3 | 191.8 | 202.7 |
| | | | | 19.8 | 20.5 | 22.8 |
| Salad and delicatessen | | | | 118.3 | 93.5 | 96.5 |
| | | | | 4.3 | 3.9 | 4.7 |
| Egg | | | | 100.9 | 105.8 | 106.3 |
| | | | | 7.8 | 8.3 | 8.5 |
| Fruit solution | | | | 15.9 | 16.2 | 20.5 |
| | | | | 0.7 | 0.4 | 1.1 |
| Fine chemical | | | | 10.0 | 8.8 | 10.0 |
| | | | | 1.5 | 1.2 | 1.6 |
| Distribution | | | | 138.3 | 138.4 | 143.0 |
| | | | | 4.7 | 4.8 | 5.2 |
| Common business operations | | | | 5.8 | 5.5 | 6.0 |
| | | | | 1.5 | 1.3 | 1.5 |
| Company-wide expenses | | | | — | — | — |
| | | | | (7.1) | (7.2) | (7.3) |
| Total | | | | 573.5 | 560.0 | 585.0 |
| | | | | 33.1 | 33.2 | 38.0 |
| «Former business categories» | | | | | | |
| Condiments products | 142.2 | 144.1 | 150.4 | 153.4 | | |
| | 12.5 | 13.7 | 15.3 | 14.4 | | |
| Egg products | 104.6 | 102.2 | 100.5 | 100.9 | | |
| | 5.4 | 5.5 | 4.4 | 6.0 | | |
| Delicatessen products | 100.4 | 111.8 | 115.5 | 118.3 | | |
| | 2.8 | 3.5 | 3.8 | 4.4 | | |
| Processed foods | 57.5 | 51.3 | 46.6 | 46.8 | | |
| | (0.3) | 0.5 | 0.2 | 0.6 | | |
| Fine chemical products | 11.3 | 10.9 | 10.6 | 10.0 | | |
| | 0.4 | 1.0 | 0.9 | 1.3 | | |
| Distribution system | 127.7 | 126.9 | 131.2 | 138.3 | | |
| | 4.8 | 4.9 | 5.9 | 5.6 | | |
| Common business operations | 5.9 | 5.2 | 6.8 | 5.8 | | |
| | 0.9 | 0.8 | 0.8 | 0.8 | | |
| Total | 549.8 | 552.3 | 561.7 | 573.5 | | |
| | 26.4 | 29.8 | 31.3 | 33.1 | | |

* The standards for posting sales and the depreciation method for fixed assets were changed from fiscal 2016. Note: The figures for net sales are shown in the upper row and the figures for operating income are shown in the lower row.

Reference: 2019-2021 Medium-term Business Plan

Net Sales, Operating Income, and Operating Income Ratio by Business Segment

| (¥bn) | Net sales by business segment | | | Operating income by business segment | | | Operating income ratio by business segment | | |
|------------------------------------|-------------------------------|--------------|---------------------|--------------------------------------|--------------|---------------------|--|--------------|---------------------|
| | 11/18 | 11/21 Target | Increase (Decrease) | 11/18 | 11/21 Target | Increase (Decrease) | 11/18 | 11/21 Target | Increase (Decrease) |
| Total | 573.5 | 585.0 | 11.5 | 33.1 | 38.0 | 4.9 | 5.8% | 6.5% | 0.7% |
| Condiments and processed foods | 184.3 | 202.7 | 18.4 | 19.8 | 22.8 | 3.0 | 10.8 | 11.3 | 0.5 |
| Domestic | 143.7 | 145.2 | 1.5 | 17.0 | 17.4 | 0.4 | 11.8 | 12.0 | 0.2 |
| Overseas | 40.6 | 57.5 | 16.9 | 2.8 | 5.4 | 2.6 | 7.0 | 9.4 | 2.5 |
| Salad and delicatessen | 118.3 | 96.5 | (21.8) | 4.3 | 4.7 | 0.4 | 3.6 | 4.9 | 1.2 |
| Egg | 100.9 | 106.3 | 5.4 | 7.8 | 8.5 | 0.7 | 7.7 | 8.0 | 0.2 |
| Domestic | 95.4 | 100.6 | 5.2 | 7.5 | 8.2 | 0.7 | 7.8 | 8.1 | 0.3 |
| Overseas (U.S.) | 5.5 | 5.7 | 0.2 | 0.3 | 0.3 | (0.0) | 5.7 | 5.0 | (0.6) |
| Fruit Solution | 15.9 | 20.5 | 4.6 | 0.7 | 1.1 | 0.4 | 4.3 | 5.5 | 1.2 |
| Fine chemicals | 10.0 | 10.0 | 0.0 | 1.5 | 1.6 | 0.1 | 14.5 | 15.9 | 1.4 |
| Distribution | 138.3 | 143.0 | 4.7 | 4.7 | 5.2 | 0.5 | 3.4 | 3.6 | 0.2 |
| Common business operations | 5.8 | 6.0 | 0.2 | 1.5 | 1.5 | 0.0 | 25.1 | 24.6 | (0.5) |
| Company-wide expenses | — | — | — | (7.1) | (7.3) | (0.2) | — | — | — |
| Total of three domestic businesses | 357.4 | 342.3 | (15.1) | 28.8 | 30.3 | 1.5 | 8.0 | 8.8 | 0.8 |

* Figures for the new business segments are used for fiscal 2018.

* Figures for the Salad and delicatessen business include the impact of the transfer of the CVS vendor business carried out in fiscal 2018 (which lost net sales by 27.5 billion yen and operating income by 0.8 billion yen).

* Domestic figures for the Fine chemicals business include the impact of the transfer of the medical EPA business carried out in fiscal 2018 (which lost net sales by 1.7 billion yen and operating income by 0.2 billion yen).

* The three domestic businesses are the domestic Condiments and processed foods business, the Salad and delicatessen business and the domestic Egg business.

Reference: Fiscal 2019 Plan for Net Sales, Operating Income, and Operating Income Ratio by Business Segment

| (¥bn) | Net sales by business segment | | | Operating income by business segment | | | Operating income ratio by business segment | | |
|------------------------------------|-------------------------------|------------|---------------------|--------------------------------------|------------|---------------------|--|------------|---------------------|
| | 11/18 | 11/19 Plan | Increase (Decrease) | 11/18 | 11/19 Plan | Increase (Decrease) | 11/18 | 11/19 Plan | Increase (Decrease) |
| Total | 573.5 | 560.0 | (13.5) | 33.1 | 33.2 | 0.1 | 5.8% | 6.5% | 0.7% |
| Condiments and processed foods | 184.3 | 191.8 | 7.5 | 19.8 | 20.5 | 0.7 | 10.8 | 10.7 | (0.1) |
| Domestic | 143.7 | 145.8 | 2.1 | 17.0 | 17.0 | 0.0 | 11.8 | 11.7 | (0.1) |
| Overseas | 40.6 | 46.0 | 5.4 | 2.8 | 3.5 | 0.7 | 7.0 | 7.6 | 0.6 |
| Salad and delicatessen | 118.3 | 93.5 | (24.8) | 4.3 | 3.9 | (0.4) | 3.6 | 4.2 | 0.5 |
| Egg | 100.9 | 105.8 | 4.9 | 7.8 | 8.3 | 0.5 | 7.7 | 7.8 | 0.1 |
| Domestic | 95.4 | 100.6 | 5.2 | 7.5 | 8.0 | 0.5 | 7.8 | 8.0 | 0.2 |
| Overseas (U.S.) | 5.5 | 5.2 | (0.3) | 0.3 | 0.3 | (0.0) | 5.7 | 5.8 | 0.1 |
| Fruit Solution | 15.9 | 16.2 | 0.3 | 0.7 | 0.4 | (0.3) | 4.3 | 2.5 | (1.8) |
| Fine chemicals | 10.0 | 8.8 | (1.2) | 1.5 | 1.2 | (0.3) | 14.5 | 13.6 | (0.9) |
| Distribution | 138.3 | 138.4 | 0.1 | 4.7 | 4.8 | 0.1 | 3.4 | 3.5 | 0.1 |
| Common business operations | 5.8 | 5.5 | (0.3) | 1.5 | 1.3 | (0.2) | 25.1 | 23.6 | (1.5) |
| Company-wide expenses | — | — | — | (7.1) | (7.2) | (0.1) | — | — | — |
| Total of three domestic businesses | 357.4 | 339.9 | (17.5) | 28.8 | 28.9 | 0.1 | 8.0 | 8.5 | 0.5 |

* Figures for the new business segments are used for fiscal 2018.

* Figures for the Salad and delicatessen business include the impact of the transfer of the CVS vendor business carried out in fiscal 2018 (which lost net sales by 27.5 billion yen and operating income by 0.8 billion yen).

* Domestic figures for the Fine chemicals business include the impact of the transfer of the medical EPA business carried out in fiscal 2018 (which lost net sales by 1.7 billion yen and operating income by 0.2 billion yen).

* The three domestic businesses are the domestic Condiments and processed foods business, the Salad and delicatessen business and the domestic Egg business.

Reference: Fiscal 2019 Factors Causing Increase (Decrease) in Operating Income by Segment

| | (¥bn) | | | | | |
|---|--|--|--|--|------------------------|--|
| | Increase (decrease) in gross profit resulting from increase in net sales | Improvement of gross profit margin | Sales promotion expenses and advertising expenses | Transportation and warehousing expenses | Other SG&A expenses | Increase (Decrease) In operating income |
| Total of five domestic businesses | 0.5 | 3.1 | (1.9) | 0.5 | (1.9) | 0.3 |
| Condiments and processed foods | 2.6 | 1.8 | (1.7) | (0.2) | (1.9) | 0.7 |
| Salad and delicatessen | (1.9) | 0.6 | (0.1) | 0.9 | 0.1 | (0.4) |
| Egg | 0.3 | 0.5 | (0.0) | (0.2) | (0.2) | 0.5 |
| Fruit Solution | (0.1) | 0.0 | (0.1) | 0.0 | (0.1) | (0.3) |
| Fine Chemicals | (0.4) | 0.2 | (0.1) | (0.0) | 0.1 | (0.2) |

Cultivate markets in China and South East Asia and popularizing brand in Europe and the US and for exports

【China】

- ◇ **Expand mayonnaise and dressing market**
 - Popularize flexible mayonnaise bottles for household use
 - Strengthen salad recommendations with dressing
 - Address changes in buyers' market
- ◇ **Create market for processed egg products**
 - Capture large chain stores with operation proposals
 - Reinforce activities that convey the appeal of eggs
- ◇ **Enhance functions of controlling company**
 - Strengthen marketing functions
 - Reinforce corporate governance functions

【South East Asia】

- ◇ **Expand applications for dark-roasted sesame dressing**
 - Create demand for salad by cultivating food service market
 - Expand store exposure and promotional activities
 - Appeal to consumers with menus featuring local dishes
- ◇ **Cooperative development of new categories**
 - Product development tailored to local needs
 - Expand cut vegetables and processed egg products
- ◇ **Accelerate production and sales collaborations within South East Asia region**
 - Expand exports to neighboring countries
 - Build up ideal production system within region

【U.S.】

Expand KEWPIE brand, with a focus on dark-roasted sesame dressing for household use and the food service market

【Europe】

Use mayonnaise and dressings to raise KEWPIE brand recognition and educate consumers and improve revenue for the Poland business

【Exports】

Expand exports of condiments and processed foods, particularly in Asia and Australia

Reference: Overseas Net Sales and Operating Income by Overseas Area for 2019-2021 Medium-term Business Plan

| (¥bn) | Net sales by area | | | | | Operating income by area | | | | |
|--------------------------------|-------------------|--------------|---------------------|----------------------------|---|--------------------------|--------------|---------------------|----------------------------|---|
| | 11/18 | 11/21 Target | Increase (Decrease) | Annual average growth rate | Local currency annual average growth rate | 11/18 | 11/21 Target | Increase (Decrease) | Annual average growth rate | Local currency annual average growth rate |
| Total overseas | 48.0 | 65.9 | 17.9 | 11% | – % | 3.6 | 6.3 | 2.8 | 21% | – % |
| China | 19.3 | 28.5 | 9.2 | 14 | 14 | 2.4 | 3.6 | 1.3 | 15 | 15 |
| South East Asia | 10.0 | 13.8 | 3.8 | 11 | 11 | 0.6 | 1.1 | 0.5 | 21 | 21 |
| U.S. | 12.3 | 14.1 | 1.8 | 5 | 3 | 0.8 | 0.9 | 0.1 | 4 | 3 |
| Condiments and processed foods | 6.8 | 8.4 | 1.6 | 7 | 6 | 0.5 | 0.6 | 0.1 | 8 | 7 |
| Egg | 5.5 | 5.7 | 0.2 | 1 | 0 | 0.3 | 0.3 | (0.0) | (3) | (3) |
| Europe | 2.8 | 3.5 | 0.7 | 8 | 7 | (0.5) | (0.0) | 0.5 | – | – |
| Exports | 3.6 | 6.0 | 2.4 | 19 | – | 0.6 | 1.0 | 0.4 | 17 | – |
| Other expenses | – | – | – | – | – | (0.4) | (0.4) | 0.0 | – | – |

* Overseas figures cover the period from October through September and include only exports from Japan (exports from Japan cover the period from December through November).

* Increase (decrease) for "Total overseas" figures includes the impact of the exchange rate (which gained net sales by 0.9 billion yen and operating income by 0.1 billion yen).

* From fiscal 2018, expenses allocated for foreign development that cannot be proportionately allocated by area are categorized as "Other expenses."

Reference: Fiscal 2019 Sales and Operating Income by Overseas Area

| (¥bn) | Net sales by area | | | | | Operating income by area | | | | |
|--------------------------------|-------------------|------------|---------------------|------------|---------------------------|--------------------------|------------|---------------------|------------|---------------------------|
| | 11/18 | 11/19 Plan | Increase (Decrease) | Change YoY | Local currency change YoY | 11/18 | 11/19 Plan | Increase (Decrease) | Change YoY | Local currency change YoY |
| Total overseas | 48.0 | 53.5 | 5.6 | 12% | — % | 3.6 | 4.2 | 0.6 | 17% | — % |
| China | 19.3 | 22.5 | 3.2 | 17 | 16 | 2.4 | 2.7 | 0.3 | 12 | 11 |
| South East Asia | 10.0 | 11.2 | 1.1 | 11 | 11 | 0.6 | 0.7 | 0.1 | 8 | 8 |
| U.S. | 12.3 | 12.4 | 0.1 | 0 | (1) | 0.8 | 0.8 | (0.0) | (3) | (4) |
| Condiments and processed foods | 6.8 | 7.2 | 0.4 | 5 | 4 | 0.5 | 0.5 | 0.0 | 1 | (1) |
| Egg | 5.5 | 5.2 | (0.3) | (5) | (7) | 0.3 | 0.3 | (0.0) | (17) | (10) |
| Europe | 2.8 | 3.0 | 0.2 | 9 | 5 | (0.5) | (0.2) | 0.3 | — | — |
| Exports | 3.6 | 4.5 | 0.9 | 25 | — | 0.6 | 0.7 | 0.0 | 23 | — |
| Other expenses | — | — | — | — | — | (0.4) | (0.4) | (0.0) | — | — |

* Overseas figures cover the period from October through September and include only exports from Japan (exports from Japan cover the period from December through November).

* Increase (decrease) for "Total overseas" figures include the impact of the exchange rate (which gained net sales by 0.4 billion yen and operating income by 0.0 billion yen).

* From fiscal 2018, expenses allocated for foreign development that cannot be proportionately allocated by area are categorized as "Other expenses."

Reference: Sales Growth Rate by Overseas Area (Based on Local Currency, YoY)

| | | | | | | (%) |
|-----------------|-----------------------------------|-------|-------|-------|---------------|--|
| | | 11/16 | 11/17 | 11/18 | 11/19 Plan | 2019-2021 Medium- term Business Plan Annual average growth rate |
| China | | 24 | 21 | 3 | 16 | 14 |
| South East Asia | | 9 | 11 | 13 | 11 | 11 |
| U.S. | Condiments and processed foods | 27 | 7 | 2 | 4 | 6 |
| | Egg | (21) | (21) | 27 | (7) | 0 |
| Europe | | — | — | 57 | 5 | 7 |

Reference: Capital Investments and Main SG&A Expenses

| | (¥bn) | | | | | |
|---|----------------------|-------|-------|-------|---------------|---------------|
| | 11/15 (Corrected) | 11/16 | 11/17 | 11/18 | 11/19 Plan | 11/21 Plan |
| Capital Investments | 32.4 | 33.0 | 27.2 | 32.1 | 41.4 | 22.0 |
| Depreciation Expenses | 19.1 | 18.3 | 16.8 | 18.2 | 19.1 | 21.0 |
| Sales Promotion Expenses | 3.5 | 3.7 | 3.9 | 3.9 | 5.1 | 4.9 |
| Advertising Expenses | 8.7 | 8.7 | 9.5 | 9.1 | 9.9 | 10.0 |
| Transportation and Warehousing Expenses | 25.0 | 25.0 | 25.8 | 26.8 | 26.4 | 27.4 |
| Payroll Expenses | 28.7 | 29.8 | 31.3 | 32.7 | 34.1 | 35.2 |
| R&D Expenses | 4.2 | 4.0 | 4.1 | 4.1 | 4.3 | 4.3 |

* The standards for posting net sales and the depreciation method for fixed assets were changed from fiscal 2016.

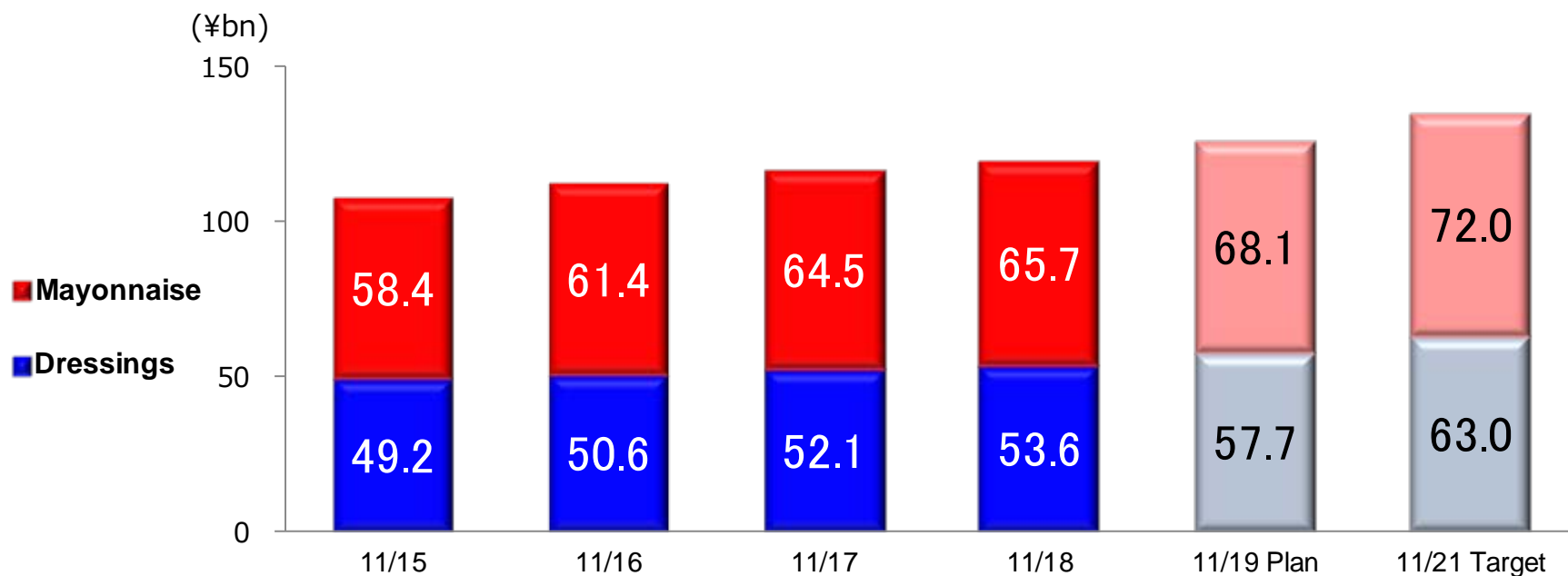
* Figures corrected for net sales deductions are used for sales promotion expenses and transporting and warehouse expenses for fiscal 2015.

* Depreciation Expenses for fiscal 2016 include a lump-sum write-off of the residual book value (reduction of 2.8 billion yen).

Reference : Mayonnaise/Dressings Changes in Net Sales (including overseas)

(¥bn)

| | 11/15 (Corrected) | 11/16 | 11/17 | 11/18 | 11/19 Plan | 11/21 Target |
|------------|----------------------|-------|-------|-------|------------|--------------|
| Mayonnaise | 58.4 | 61.4 | 64.5 | 65.7 | 68.1 | 72.0 |
| Dressings | 49.2 | 50.6 | 52.1 | 53.6 | 57.7 | 63.0 |
| Total | 107.6 | 112.0 | 116.7 | 119.3 | 125.8 | 135.0 |



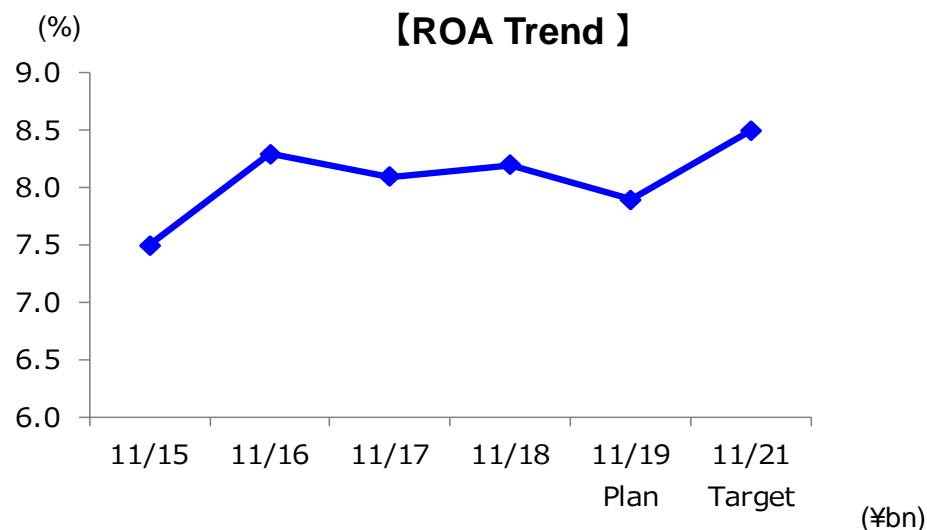
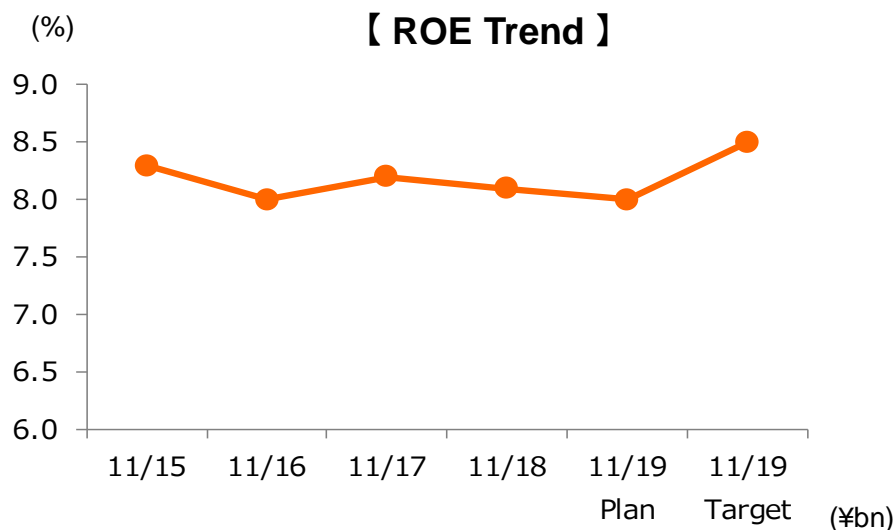
* The standards for posting net sales were changed from fiscal 2016. Figures correcting for this impact are used for fiscal 2015.

Reference: Results and Indicators in Major Markets

| | | | | | (¥) | |
|--|-------|-------|-------|-------|---------------------|---------------------|
| | 11/15 | 11/16 | 11/17 | 11/18 | 11/19 Indicators | 11/21 Indicators |
| Average Price of Institutional Use (Tank Truck Base) for Processed Oil and Fats (per kg) | 206 | 212 | 213 | 233 | 226 | 243 |
| Medium-Sized Egg, Tokyo Market Average Price (per kg) | 227 | 206 | 207 | 184 | 195 | 191 |
| USD exchange rate (average during period) (per \$1) | 119 | 112 | 111 | 110 | 112 | 115 |
| RMB exchange rate average during period (per RMB1) | 19 | 17 | 16 | 17 | 17 | 17 |

Reference: ROE/ROA Trends

| | 11/15 (Corrected) | 11/16 | 11/17 | 11/18 | 11/19 Plan | 11/21 Target |
|----------------------------------|----------------------|-------|-------|-------|------------|--------------|
| ROE (Return on equity) | 8.3 | 8.0 | 8.2 | 8.1 | 8.0 | 8.5 |
| ROA (Return on assets) | 7.5 | 8.3 | 8.1 | 8.2 | 7.9 | 8.5 |



| | 11/15 (After correction) | 11/16 | 11/17 | 11/18 | 11/19 Plan |
|----------------------|-----------------------------|-------|-------|-------|---------------|
| Net income | 17.0 | 17.1 | 18.1 | 18.3 | 18.4 |
| Shareholders' equity | 212.9 | 212.6 | 226.4 | 226.3 | 239.2 |

| | 11/15 (After correction) | 11/16 | 11/17 | 11/18 | 11/19 Plan |
|-----------------|-----------------------------|-------|-------|-------|---------------|
| Ordinary income | 27.2 | 31.4 | 32.5 | 34.3 | 34.4 |
| Total assets | 373.0 | 385.9 | 419.2 | 421.4 | 453.0 |

* The standards for posting net sales were changed from fiscal 2016. Figures correcting for this impact are used for fiscal 2015.

* The net income for fiscal 2016 and after is "net income attributable to parent company shareholders."

Reference: Sustainability Targets

| Theme | Indicator | Fiscal 2021 target | Fiscal 2030 target |
|---|---|--|--|
| Helping people live longer, healthier lives | As a leading company in the salad and egg product businesses: <ul style="list-style-type: none"> • Help Japanese people consume the recommended 350g/day of vegetables • Promote increased consumption of eggs to help Japanese people eat more protein | | |
| Effective utilization of resources and sustainable procurement | Unused portion of key vegetables used by the Group | Effective use of 30% or more of the unused portion | Effective use of 90% or more of the unused portion |
| | Product waste | 25% decrease (compared to fiscal 2015) | 50% decrease (compared to fiscal 2015) |
| Reductions of CO₂ emissions | CO₂ emissions | 7.5% decrease (compared to fiscal 2013) | 20.0% decrease (compared to fiscal 2013) |
| Promoting healthy minds and bodies in children | Number of smiles from children we interact with in Group food education activities | — | More than 1 million people in aggregate from fiscal 2019 |
| Promotion of diversity | Percentage of women in management positions (Kewpie Corporation alone) | 12% | 30% |

Note:

With the exception of historical events, information in Kewpie Corporation's present plan, forecast, strategy, and beliefs reported in this handout refers to forecasts of future performance.

It is reported based on judgments made by the management of Kewpie Corporation, referring to available information as of the date hereof. Readers are asked not to rely completely on performance forecasts contained herein.

Although this handout is made with extreme care, we assume no responsibility whatsoever for any damages resulting from possible errors in the contents.

Also, this handout is not intended to solicit investment. Please make any investment decisions according to your own judgment.