

Fiscal 2019 Financial Meeting

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

1st Stage Report

January 10, 2020
Kewpie Corporation

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■ Content of these materials

- Overseas figures cover the period from October through September and include exports from Japan. Exports from Japan cover the period from December through November.
- The three businesses in Japan are the Condiments and processed foods business, the Salad and delicatessen business and the Egg business in Japan.
- Figures in this report are rounded down to the nearest million, except for monetary amounts expressed in billions of yen, which are rounded down to the nearest billion. Ratios in this report are rounded to the nearest first decimal point.

1. Fiscal 2019 Results

Fiscal 2019 Results

Net sales decreased by 27.8 billion yen and operating income decreased by 1 billion yen (YoY)

	11/18	11/19 Plan (Announced in July 2019)	11/19	Increase (Decrease)	11/19 Plan comparison
Net sales	573.5 ¥bn	550.0 ¥bn	545.7 ¥bn	(27.8) ¥bn	(4.3) ¥bn
Japan: Food business	387.3	359.8	354.3	(33.0)	(5.5)
Japan: Distribution business	138.3	138.4	141.0	2.7	2.6
Overseas	48.0	51.8	50.5	2.5	(1.3)
Operating income	33.1 ¥bn	33.2 ¥bn	32.0 ¥bn	(1.0) ¥bn	(1.2) ¥bn
Japan: Food business	32.0	30.8	30.6	(1.3)	(0.2)
Japan: Distribution business	4.7	4.8	4.1	(0.5)	(0.7)
Overseas	3.6	4.8	4.5	0.9	(0.3)
Company-wide expenses	(7.1)	(7.2)	(7.2)	(0.1)	0.0
Ordinary income	34.3 ¥bn	34.4 ¥bn	33.3 ¥bn	(1.1) ¥bn	(1.1) ¥bn
Profit attributable to owners of parent	18.3 ¥bn	18.4 ¥bn	18.7 ¥bn	0.4 ¥bn	0.3 ¥bn
ROA (Return on assets)	8.2 %	7.9 %	7.7 %	(0.5) %	(0.2) %
EBITDA (Operating income + Depreciation expenses)	51.3 ¥bn	52.3 ¥bn	50.7 ¥bn	(0.6) ¥bn	(1.6) ¥bn
■ Key Indicators					
	11/18	11/19 Plan (Announced in July 2019)	11/19	Increase (Decrease)	11/19 Plan Comparison
Operating income ratio	5.8 %	6.0 %	5.9 %	0.1 %	(0.2) %
ROE (Return on equity)	8.1	8.0	8.1	0.0	0.1
Operating income ratio for three businesses in Japan	8.0	8.6	8.6	0.6	0.1
Sales growth rate in China and Southeast Asia (Local currency basis)	10.6	11.2	11.1	5.0	(1.0)

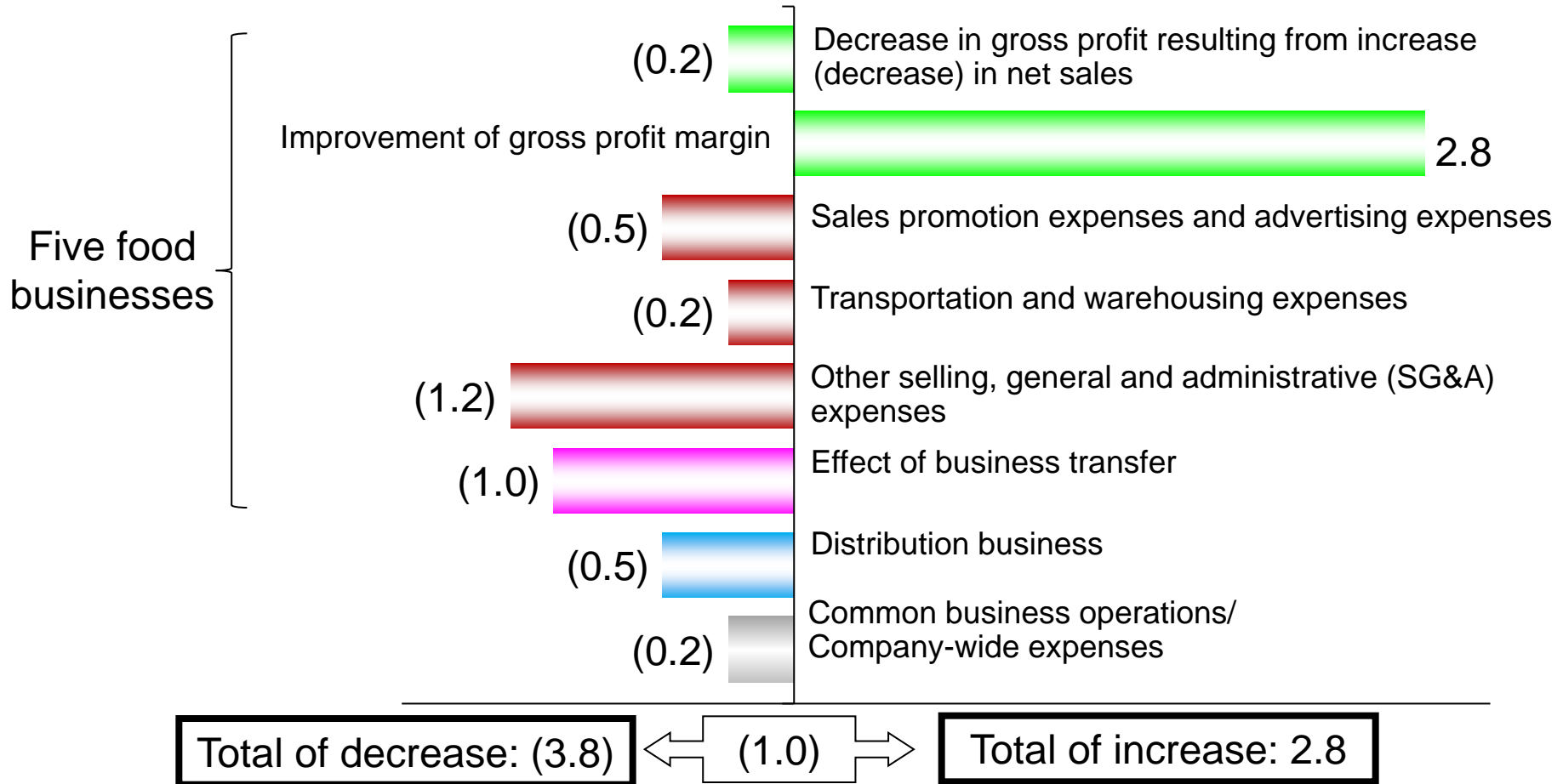
* Increase (decrease) for overseas figures includes the impact of the exchange rate (which lowered net sales by 1.4 billion yen and operating income by 0.1 billion yen).

* The effect of the transfer of the CVS vendor business and medical EPA business carried out in fiscal 2018 (which lowered net sales by 29.2 billion yen and operating income by 1.0 billion yen) is included.

Fiscal 2019 Factors Causing Increase (Decrease) in Operating Income

(¥bn)

	11/18	11/19	Increase (Decrease)
Operating income	33.1	32.0	(1.0)



Fiscal 2019 Main Contents of Factors Causing Increase (Decrease) In Operating Income

【Decrease in gross profit resulting from increase (decrease) in net sales】 [(0.2)] (¥bn)

Impact on net sales	(0.2)	Increased sales of condiments overseas and mayonnaise in Japan	1.4
		Decreased sales of dressings and cut vegetables in Japan	(1.6)

【Improvement of gross profit margin】 [2.8]

Raising added value	0.9	Shift to value-added products (processed egg products, etc.)	0.9
Improvement of costs	1.1	Lowering costs at production sites, Improvements to unprofitable categories	1.1
Impact of main raw materials cost	1.2	Main raw materials in salad condiments in Japan	1.2
Others	(0.3)	Impact of domestic market for hen's eggs (0.2 due to decline in prices, (0.4) due to higher prices in Q4)	(0.2)

【Sales promotion expenses and advertising expenses】 [(0.5)]

Sales promotion expenses and advertising expenses	(0.5)	Plans for 100 th anniversary of founding, expansion of overseas operations	(0.5)
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【Transportation and warehousing expenses】 [(0.2)]

Increase in transportation and warehousing expenses	(0.7)	Egg business (temporary increase due to factory consolidation, etc.)	(0.7)
Decrease in transportation and warehousing expenses	0.4	Condiments and processed foods business (improvement in storage and transportation efficiency, etc.)	0.3

【Other SG&A expenses】 [(1.2)]

Increase in payroll expenses	(1.2)	Related to expansion of overseas operations, 100 th anniversary of founding, etc.	(1.2)
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Key Points for Non-operating Income (Expenses) and Extraordinary Gains (Losses)

	(¥bn)		
	11/18	11/19	Increase (Decrease)
Operating income	33.1	32.0	(1.0)
Non-operating income (expenses)	1.3	1.2	(0.1)
Ordinary income	34.3	33.3	(1.1)
Extraordinary gains (losses)	(0.8)	(0.8)	(0.0)
Profit before income taxes	33.6	32.5	(1.1)
Income taxes, and profit attributable to non-controlling interests	15.3	13.8	(1.5)
Profit attributable to owners of parent	18.3	18.7	0.4

<Key Points for Non-operating Income (Expenses)>

Increase in development expenses (0.1)

<Key Points for Extraordinary Gains (Losses)>

Decrease in gains on sales of investment securities (3.3)

Decrease in losses on impairment of fixed assets 2.3

Decrease in other extraordinary losses 1.1

<Key Points for Income Taxes and Profit Attributable to Non-controlling Interests>

Decrease in income taxes (1.2)

2. Revisions to Performance Targets for Fiscal 2021; Factors Causing Differences with Medium-term Plan and Priority Measures for Future

Revisions to Performance Targets for Fiscal 2021

Fiscal 2021 Target Net sales 585.0 ¥bn ⇒ 570.0 ¥bn

Operating Income 38.0 ¥bn ⇒ 34.5 ¥bn

	11/19	11/21 Initial target	11/21 Target	11/19 Difference	Differences with initial targets
Net sales	545.7 ¥bn	585.0 ¥bn	570.0 ¥bn	24.3 ¥bn	(15.0) ¥bn
Japan: Food business	354.3	376.1	364.2	9.9	(11.9)
Japan: Distribution business	141.0	143.0	147.0	6.0	4.0
Overseas	50.5	65.9	58.8	8.4	(7.1)
Operating income	32.0 ¥bn	38.0 ¥bn	34.5 ¥bn	2.5 ¥bn	(3.5) ¥bn
Japan: Food business	30.6	33.8	31.4	0.8	(2.4)
Japan: Distribution business	4.1	5.2	4.5	0.3	(0.7)
Overseas	4.5	6.3	6.2	1.7	(0.1)
Company-wide expenses	(7.2)	(7.3)	(7.5)	(0.3)	(0.2)
Ordinary income	33.3 ¥bn	39.0 ¥bn	35.0 ¥bn	1.7 ¥bn	(4.0) ¥bn
Profit attributable to owners of parent	18.7 ¥bn	21.4 ¥bn	18.8 ¥bn	0.1 ¥bn	(2.6) ¥bn
ROA (Return on assets)	7.7 %	8.5 %	7.7 %	0.0 %	(0.8) %
EBITDA (Operating income + Depreciation expenses)	50.7 ¥bn	59.0 ¥bn	55.0 ¥bn	4.3 ¥bn	(4.0) ¥bn

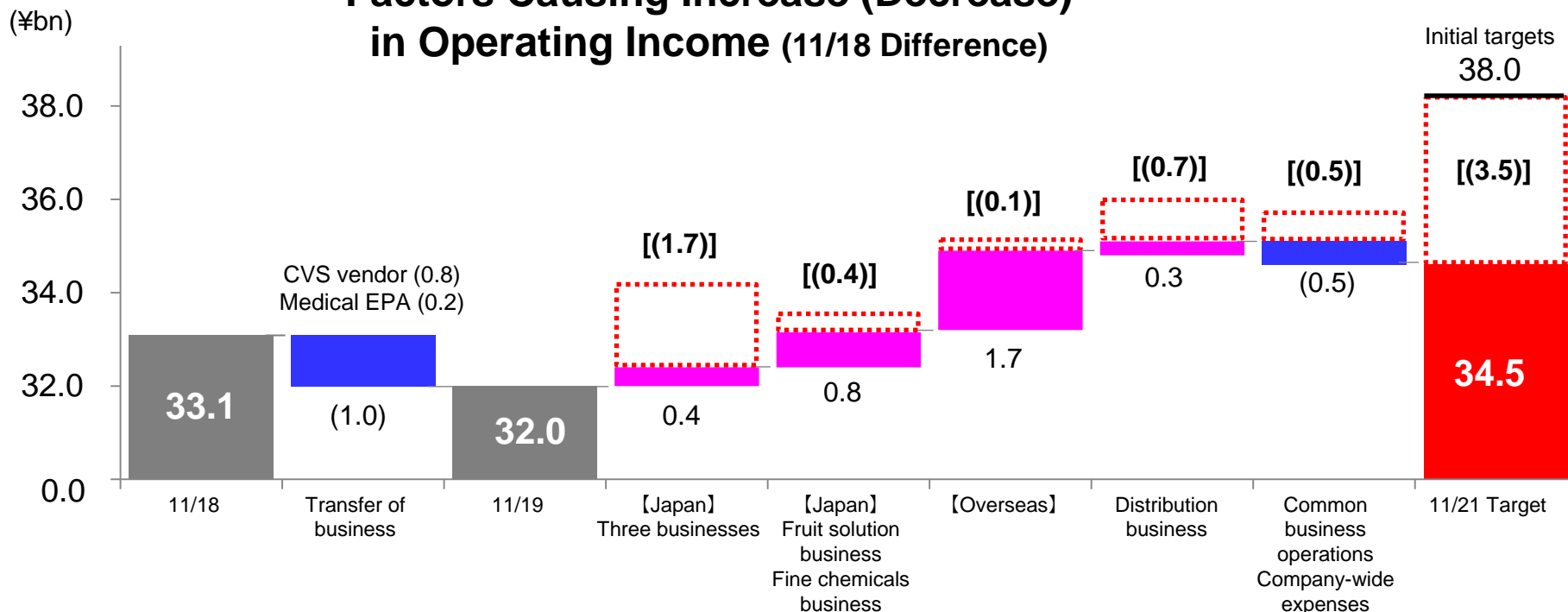
■ Key Indicators	11/19	11/21 Initial target	11/21 Target	11/19 Difference	Difference with initial targets
Operating income ratio	5.9 %	6.5 %	6.1 %	0.2 %	(0.4) %
ROE (Return on equity)	8.1	8.5	7.5	(0.6)	(1.0)
Operating income ratio for three businesses in Japan	8.6	8.8	8.5	(0.1)	(0.3)
Sales growth rate in China and Southeast Asia (Local currency basis)	11.0	13.0	13.0	2.0	0.0

* The differences with initial targets for overseas figures include the impact of the exchange rate (which lowered net sales by 5.2 billion yen and operating income by 0.5 billion yen).

Differences with Initial Targets in Medium-term Plan

Factors Causing Increase (Decrease) in Operating Income (11/18 Difference)

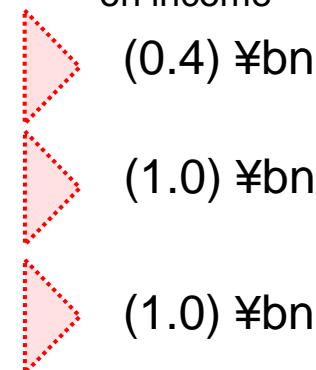
*The figure in brackets indicates the differences with the initial target.



Primary factors behind revisions

1. Sluggish domestic sales for dressings
2. Slow growth in sales in the salad and delicatessen business
3. Increase in costs for distribution business and distribution costs for domestic foods

Monetary impact on income



Most important themes for fiscal 2024

Strengthening Group expansion in Japan

1. Expanding mainstay products (dressings)

Creation and fostering of strong products

- ◇ Creating added value based on trends and needs
- ◇ Developing coordinated products by popularizing new menus

Strengthen proposals for wider range of applications

- ◇ Expansion of weight for marketing investments
- ◇ Creation and expansion of highly versatile products

2. Group expansion within category types

Delve further into category types (markets) representing Kewpie's strengths

- ◇ Reinforce control systems across Group
- ◇ Expand products that meet needs in each category types
- ◇ New expansion into untapped category types by utilizing sales channels in other businesses

Create new demand with Group expansion

11/24 (11/19 difference)

Strengthen products and expand applications
5.0 billion yen increase in net sales

Utilize sales channels that represent areas of strength
15.0 billion yen increase in net sales

Accelerate Growth Overseas

Increase profits overseas in line with initial targets, despite the impact of exchange rates.

Cultivate and expand demand for salads using Kewpie-brand mayonnaise and Kewpie Deep-roasted Sesame Dressing

Engage in product development that matches the needs of each area and strengthen the category strategy and business foundation

Fiscal 2019-2021 total increase in net sales overseas

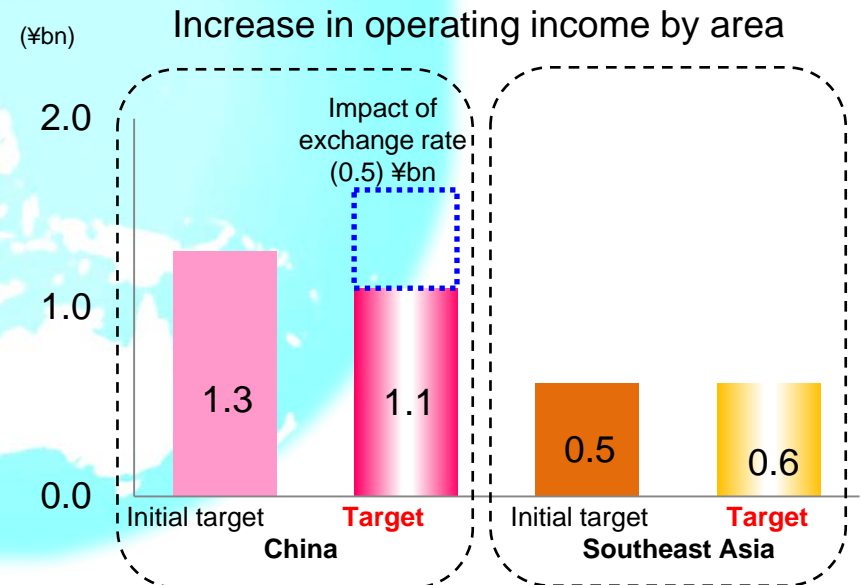
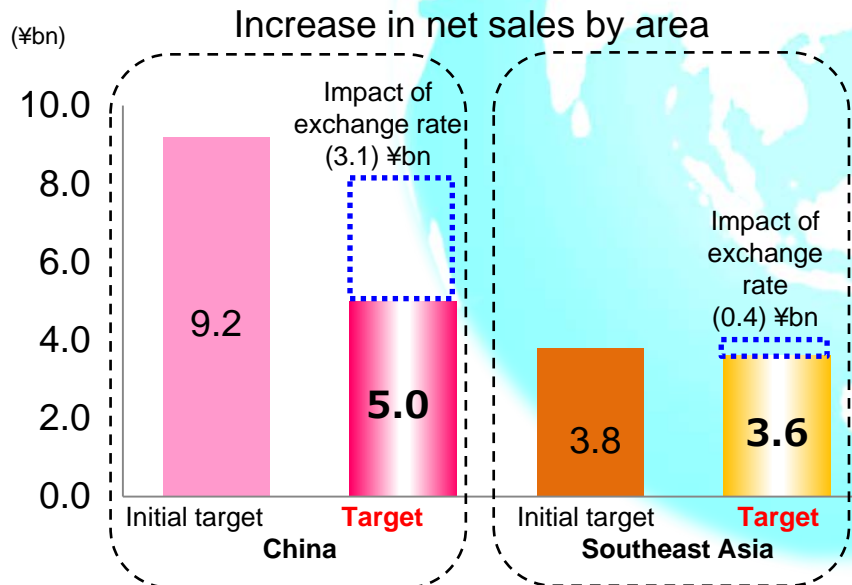
Initial target: 17.9 billion yen

Target: 10.8 billion yen [Impact of exchange rate: (5.2) billion yen]

Fiscal 2019-2021 total increase in operating income overseas

Initial target: 2.8 billion yen

Target: 2.6 billion yen [Impact of exchange rate: (0.5) billion yen]



Focus on expanding condiments, particularly in China and Southeast Asia

【China】

Expand areas and sales channels and penetrate markets

- ◇ Pursue ALL China measures through a business controlling company
- ◇ Expand sales and marketing base and improve quality of proposal capacity
- ◇ Establish a system for increasing production by operating the Guangzhou Factory

【Southeast Asia】

Strengthen foundation and expand condiments

- ◇ Expand sales primarily for deep-roasted sesame dressing
- ◇ Expand exports of condiments to neighboring countries
- ◇ Build an optimal production system in Southeast Asia overall

Continue to post a sales growth rate (based on local currency) in China and Southeast Asia that exceeds 10%

Targeting 33.0 billion yen in sales in China and 17.0 billion yen in Southeast Asia in fiscal 2024

Cash Flow Allocation

Fiscal 2019-2021 Cash flows from operating activities

¥125.0 billion (Initial target: ¥145.0 billion)

Capital Investments

◇ Limited to about ¥85.0 billion over three years (About ¥100.0 billion yen in the initial plan)

Primary components

- Build an optimal production system
- Improve overseas production capacity
- Strengthen distribution functions
- Innovate core systems

Return to Shareholders

- ◇ Dividends
 - Dividend payout ratio of 30% or higher (DOE 2.2% target)
 - Fiscal 2018: ¥38
 - Fiscal 2019: ¥45
 - Fiscal 2020: ¥40 (Forecast)
- ◇ Consider acquisition of treasury stock based on conditions (Policies for shareholder returns set every three years for medium-term plan)

New Expansion

- ◇ Consider investments in new businesses and M&As depending on the project

3. Fiscal 2020 Plan

Fiscal 2020 Plan

	11/19	11/20 Plan	Change YoY	Increase (Decrease)
Net sales	545.7 ¥bn	555.0 ¥bn	1.7 %	9.3 ¥bn
Japan: Food business	354.3	356.7	0.7	2.4
Japan: Distribution business	141.0	144.8	2.7	3.8
Overseas	50.5	53.5	6.0	3.0
Operating income	32.0 ¥bn	32.1 ¥bn	0.2 %	0.1 ¥bn
Japan: Food business	30.6	30.9	1.0	0.3
Japan: Distribution business	4.1	4.2	2.4	0.1
Overseas	4.5	4.3	(5.2)	(0.2)
Company-wide expenses	(7.2)	(7.3)	–	(0.1)
Ordinary income	33.3 ¥bn	32.5 ¥bn	(2.3) %	(0.8) ¥bn
Profit attributable to owners of parent	18.7 ¥bn	14.5 ¥bn	(22.5) %	(4.2) ¥bn
ROA (Return on assets)	7.7 %	7.3 %	–	(0.4) %
EBITDA (Operating income + Depreciation expenses)	50.7 ¥bn	52.1 ¥bn	2.8 %	1.4 ¥bn
■ Key Indicators				
	11/19	11/20 Plan	Change YoY	Increase (Decrease)
Operating income ratio	5.9 %	5.8 %	–	(0.1) %
ROE (Return on equity)	8.1	6.1	–	(2.0)
Operating income ratio for three businesses in Japan	8.6	8.7	–	0.0
Sales growth rate in China and Southeast Asia (Local currency basis)	11.0	12.0	–	1.0

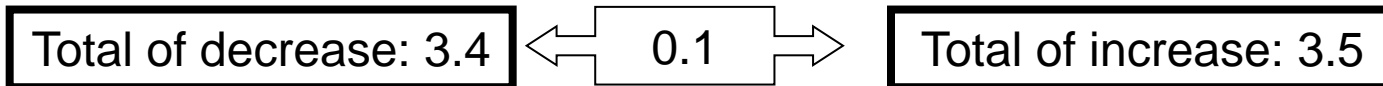
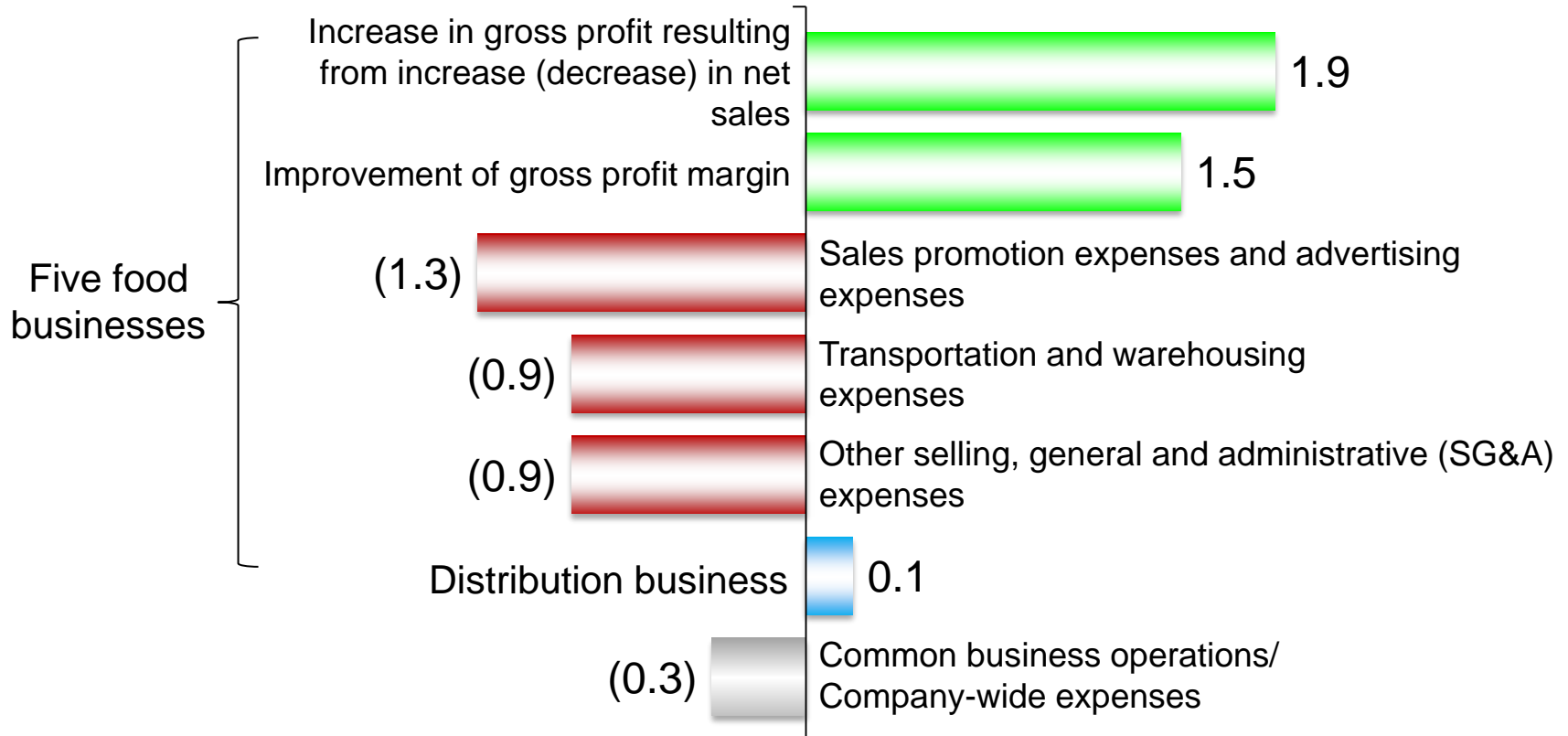
* Increase (decrease) for overseas figures includes the impact of the exchange rate (which lowered net sales by 2.4 billion yen and operating income by 0.2 billion yen).

* The overseas operating income in the fiscal 2020 plan includes the impact of standardized product bar codes for products in China (decrease in sales totaling 0.8 billion yen).

Fiscal 2020 Plan Factors Causing Increase (Decrease) in Operating Income

(¥bn)

	11/19	11/20 Plan	Increase (Decrease)
Operating income	32.0	32.1	0.1



Fiscal 2020 Plan Main Contents of Factors Causing Increase (Decrease) in Operating Income

【Increase in gross profit resulting from increase (decrease) in net sales】 [1.9] (¥bn)

Impact on net sales	1.9	Sales expansion overseas such as China and Southeast Asia	1.2
		Increase in sales for domestic mainstay products	0.7

【Improvement of gross profit margin】 [1.5]

Raising added value	1.5	Shifting to value-added products (egg products, etc.)	1.5
Improvement of costs	1.2	Lowering costs at production sites, improvements to unprofitable categories	1.2
Impact of main raw materials cost	(1.2)	Main raw materials in salad condiments in Japan	(1.2)

【Sales promotion expenses and advertising expenses】 [(1.3)]

Sales promotion expenses and advertising expenses	(1.3)	Standardized product bar codes in China	(0.8)
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【Transportation and warehousing expenses】 [(0.9)]

Increase in transportation and warehousing expenses	(0.9)	Increase in net sales in three businesses in Japan	(0.6)
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【Other SG&A expenses】[(0.9)]

Increase in payroll expenses	(0.4)	Increase due to business expansion, etc.	(0.4)
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Key Points for Non-operating Income (Expenses) and Extraordinary Gains (Losses)

	(¥bn)		
	11/19	11/20 Plan	Increase (Decrease)
Operating income	32.0	32.1	0.1
Non-operating income (expenses)	1.2	0.4	(0.8)
Ordinary income	33.3	32.5	(0.8)
Extraordinary gains (losses)	(0.8)	(5.0)	(4.2)
Profit before income taxes	32.5	27.5	(5.0)
Income taxes, Profit attributable to non-controlling interests	13.8	13.0	(0.8)
Profit attributable to owners of parent	18.7	14.5	(4.2)

<Key Points for Non-operating Income (Expenses)>

Decrease in subsidy income	(0.3)
Decrease in dividends income	(0.2)

<Key Points for Extraordinary Gains (Losses)>

Decrease in gains on transfer of business	(0.6)
Decrease in gains on sales of investment securities	(0.6)
Losses on disposal of fixed assets and increase in impairment losses resulting from reorganization of production bases	(3.0)

<Key points for income taxes, and profit attributable to non-controlling interests>

Decrease in income taxes	(0.8)
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4. Dividends

Dividends

¥40 dividends in fiscal 2020

【Basic guidelines on returning profits to shareholders】

Dividends as highest priority

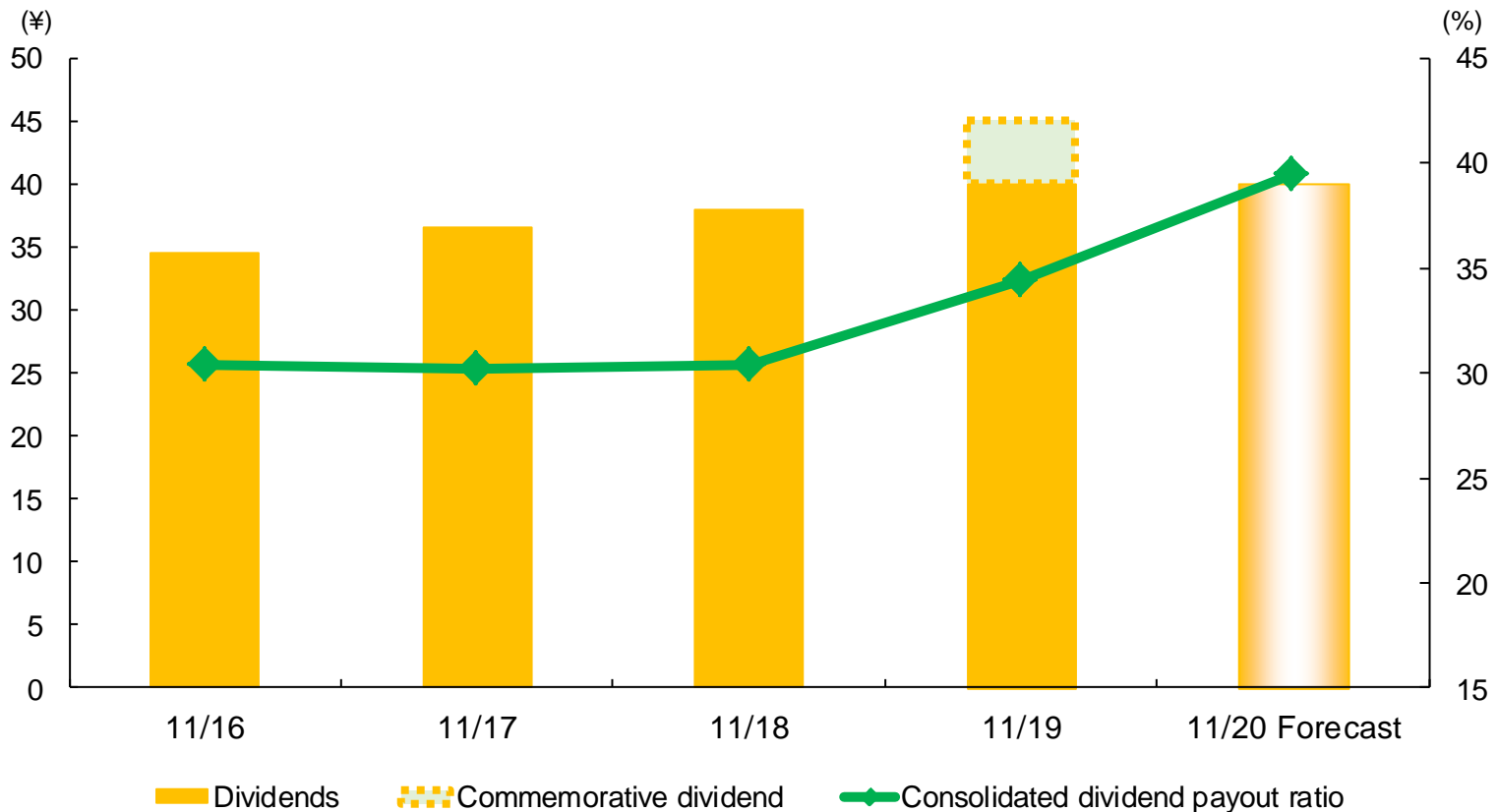
Aiming for stable, long-term increases in dividends

【Standards for determining dividends】

Consolidated dividend payout ratio of 30% or higher

Targeting a DOE* of 2.2%

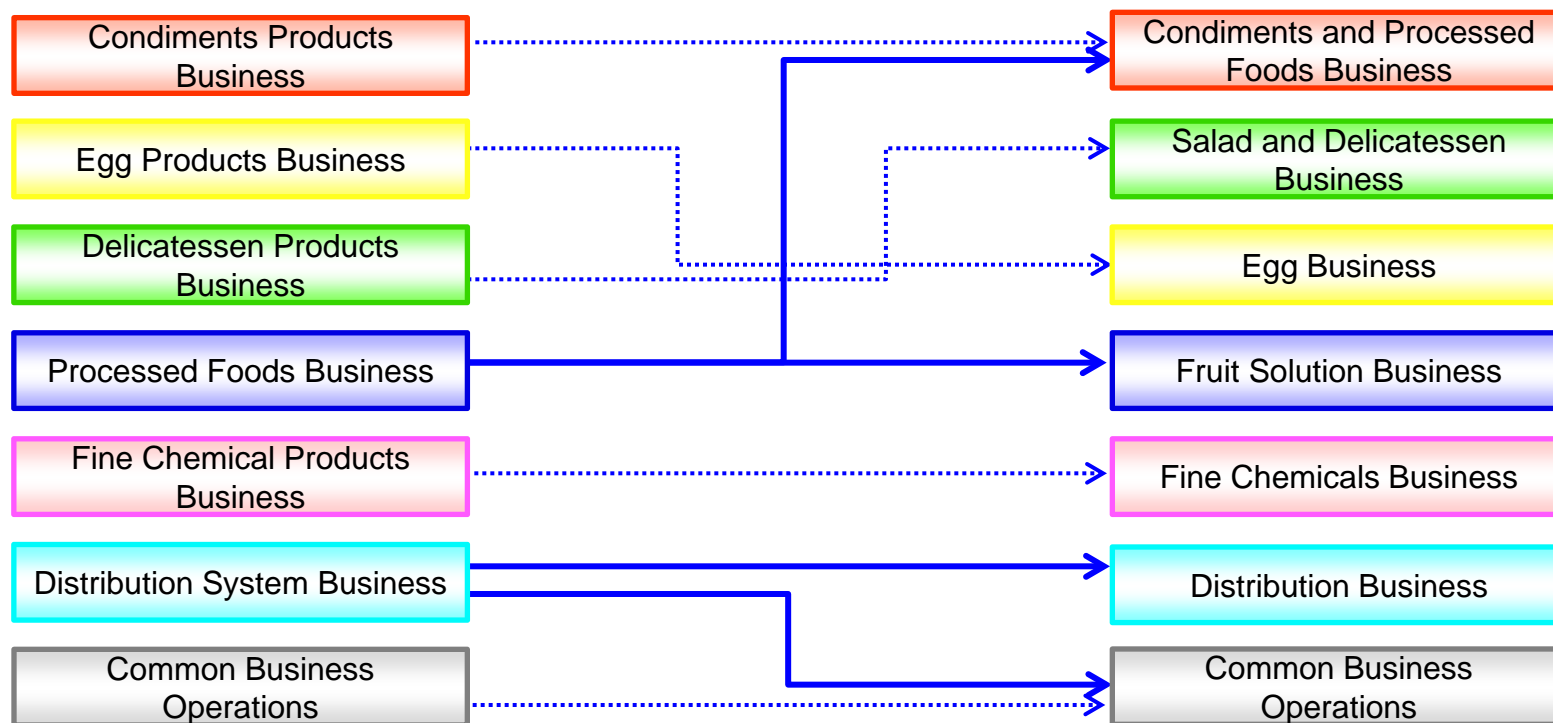
*DOE: Dividend on equity ratio



5. Reference Materials

◇ **Changes in business category**

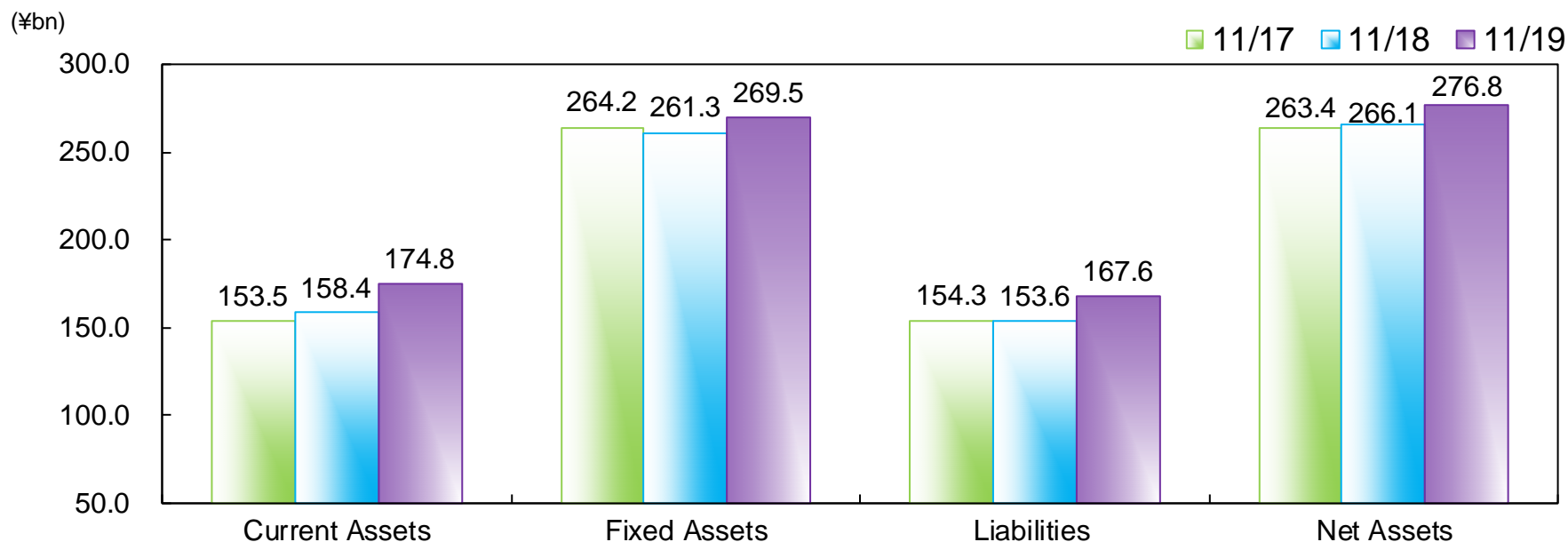
- All business operations of the former “Processed foods business” segment except the Aohata Corporation portion have been transferred to the former “Condiments products business” segment and this segment was renamed as “Condiments and processed foods business”.
- The Aohata Corporation portion included in the former “Processed foods business” segment has been split off and this new segment was named as “Fruit solution business”.
- The former “Distribution system business” segment has transferred its leasing related transactions to “Common business operations” and was renamed as “Distribution business”.



◇ **Company-wide expenses**

Expenses not attributable to particular business category (headquarters expenses, etc.) have been classified as “Company-wide expenses.”

Reference: Increase (Decrease) Points of Balance Sheet



■ Comparison with Fiscal 2018

Increase of 16.4 ¥bn in current assets

- Increase in cash and deposits 8.3
- Increase in notes and accounts receivable – trade 6.6
- Increase in inventories 0.6

Increase of 8.2 ¥bn in fixed assets

- Increase resulting from purchases of tangible and intangible fixed assets 31.1 (18.6)
- Decrease resulting from depreciation (2.4)
- Decrease in investment securities

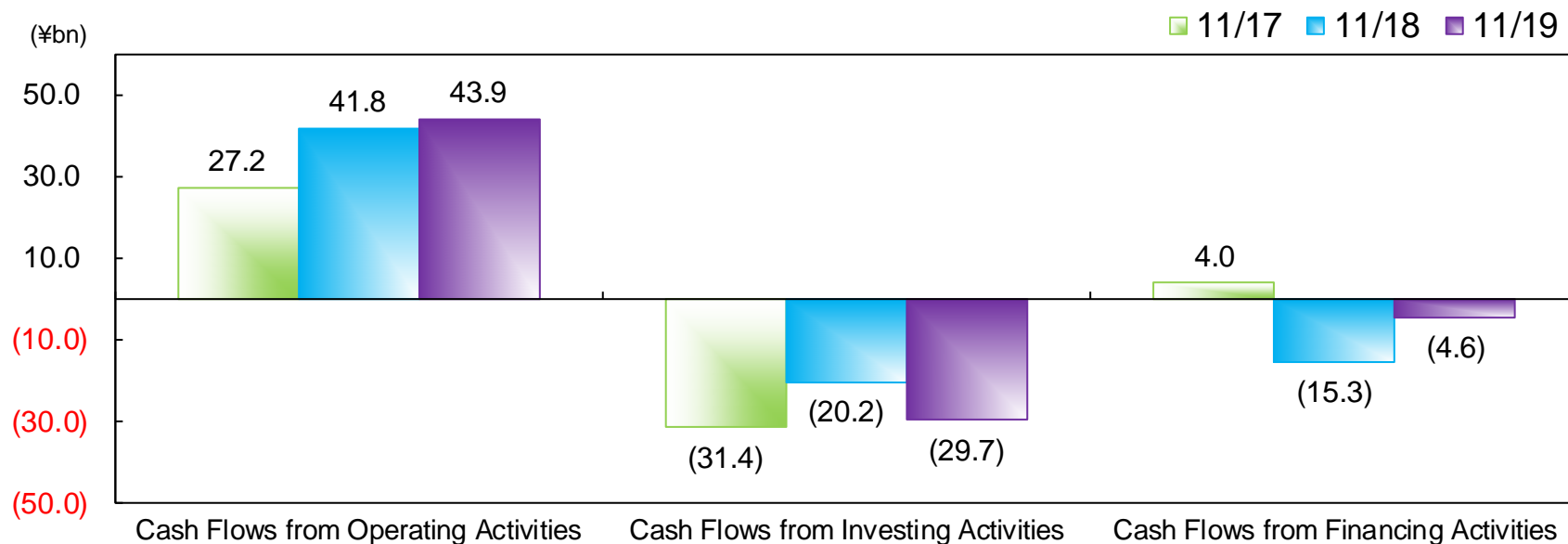
Increase of 14.0 ¥bn in liabilities

- Increase in notes and accounts payable – trade 8.8
- Increase in long-term loans payable 6.0

Increase of 10.7 ¥bn in net assets

- Increase in earned surplus 13.1
- Decrease in foreign currency translation adjustments (1.8)

Reference: Increase (Decrease) Points of Cash Flows



■ Comparison with Fiscal 2018 (¥bn)

Cash Flows from Operating Activities		Cash Flows from Investing Activities		Cash Flows from Financing Activities	
• Increase in notes and accounts payable – trade	12.5	• Decrease in proceeds from transfer of business	(7.7)	• Decrease in purchase of treasury stock	9.3
• Increase in notes and accounts receivable – trade	(8.3)	• Decrease in proceeds from sales of investment securities	(4.5)		
• Increase in income taxes paid	(2.9)	• Decrease in purchases of tangible fixed assets	4.3		
				Status of capital investments	
				11/19	11/20 Plan
				28.6 ¥bn	32.5 ¥bn

Reference: Capital Investments and Main SG&A Expenses

(¥bn)

	11/16	11/17	11/18	11/19	11/20 Plan	11/21 Plan
Capital Investments	33.0	27.2	32.1	28.6	32.5	23.9
Depreciation Expenses	18.3	16.8	18.2	18.6	20.0	20.5
Sales Promotion Expenses	3.7	3.9	3.9	4.0	5.0	4.7
Advertising Expenses	8.7	9.5	9.1	9.5	9.8	9.6
Transportation and Warehousing Expenses	25.0	25.8	26.8	26.0	27.0	27.7
Payroll Expenses	29.8	31.3	32.7	33.7	34.1	34.8
Research and Development Expenses	4.0	4.1	4.1	4.2	4.4	4.4

Reference: Fluctuations in Key Indicators

	11/18	11/19	11/20 Plan	11/21 Target
Net sales	573.5 ¥bn	545.7 ¥bn	555.0 ¥bn	570.0 ¥bn
Japan: Food business	387.3	354.3	356.7	364.2
Japan: Distribution business	138.3	141.0	144.8	147.0
Overseas	48.0	50.5	53.5	58.8
Operating income	33.1 ¥bn	32.0 ¥bn	32.1 ¥bn	34.5 ¥bn
Japan: Food business	32.0	30.6	30.9	31.4
Japan: Distribution business	4.7	4.1	4.2	4.5
Overseas	3.6	4.5	4.3	6.2
Company-wide expenses	(7.1)	(7.2)	(7.3)	(7.5)
Ordinary income	34.3 ¥bn	33.3 ¥bn	32.5 ¥bn	35.0 ¥bn
Profit attributable to owners of parent	18.3 ¥bn	18.7 ¥bn	14.5 ¥bn	18.8 ¥bn
ROA (Return on assets)	8.2 %	7.7 %	7.3 %	7.7 %
EBITDA (Operating income + Depreciation expenses)	51.3 ¥bn	50.7 ¥bn	52.1 ¥bn	55.0 ¥bn
■ Key Indicators	11/18	11/19	11/20 Plan	11/21 Target
Operating income ratio	5.8 %	5.9 %	5.8 %	6.1 %
ROE (Return on equity)	8.1	8.1	6.1	7.5
Operating income ratio for three businesses in Japan	8.0	8.6	8.7	8.5
Sales growth rate in China and Southeast Asia (Local currency basis)	6.0	11.0	12.0	13.0

Reference: Net Sales and Operating Income by Segment

(¥bn)

	Net sales by segment				Operating income by segment			
	11/18	11/19	11/20 Plan	11/21Target	11/18	11/19	11/20 Plan	11/21Target
Total	573.5	545.7	555.0	570.0	33.1	32.0	32.1	34.5
Condiments and Processed Foods Business	184.3	185.2	188.5	194.1	19.8	21.6	20.7	22.3
Japan	143.7	142.1	142.5	142.9	17.0	17.6	17.2	16.9
Overseas	40.6	43.2	46.0	51.3	2.8	4.0	3.5	5.4
Salad and Delicatessen Business	118.3	90.3	91.0	93.0	4.3	3.2	3.5	3.7
Egg Business	100.9	100.0	100.2	103.8	7.8	7.4	8.0	8.1
Japan	95.4	94.8	95.0	99.0	7.5	7.4	7.7	7.9
Overseas (U.S.)	5.5	5.2	5.2	4.8	0.3	0.1	0.3	0.2
Fruit Solution Business	15.9	15.6	16.0	17.0	0.7	0.3	0.6	0.8
Fine Chemicals Business	10.0	8.3	8.5	9.5	1.5	1.2	1.2	1.5
Distribution Business	138.3	141.0	144.8	147.0	4.7	4.1	4.2	4.5
Common Business Operations	5.8	5.3	6.0	5.6	1.5	1.3	1.2	1.2
Company-wide Expenses	—	—	—	—	(7.1)	(7.2)	(7.3)	(7.5)
Total of Three Businesses In Japan	357.4	327.1	328.5	334.8	28.8	28.2	28.4	28.5

* Figures for the salad and delicatessen business in fiscal 2019 include the effect of the transfer of the CVS vendor business carried out in fiscal 2018 (which lowered net sales by 27.5 billion yen and operating income by 0.8 billion yen).

* Figures for the fine chemicals business in fiscal 2019 include the effect of the transfer of the medical EPA business carried out in fiscal 2018 (which lowered net sales by 1.7 billion yen and operating income by 0.2 billion yen).

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

Fiscal 2019

(¥bn)

	Increase (decrease) in gross profit resulting from increase (decrease) in net sales	Improvement of gross profit margin	Sales promotion expenses and advertising expenses	Transportation and warehousing expenses	Other SG&A expenses	Effect of business transfer	Increase (decrease) in operating income
Total of five businesses in Japan	(0.2)	2.8	(0.5)	(0.2)	(1.2)	(1.0)	(0.3)
Condiments and Processed Foods	0.6	1.9	(0.5)	0.3	(0.5)	—	1.8
Salad and Delicatessen	(0.2)	0.3	(0.0)	0.1	(0.5)	(0.8)	(1.1)
Egg	(0.1)	0.7	0.0	(0.7)	(0.3)	—	(0.4)
Fruit Solution	(0.2)	(0.2)	0.1	0.1	(0.0)	—	(0.4)
Fine Chemicals	(0.3)	0.2	(0.1)	(0.0)	0.2	(0.2)	(0.2)

Fiscal 2020 Plan

(¥bn)

	Increase (decrease) in gross profit resulting from increase (decrease) 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 businesses in Japan	1.9	1.5	(1.3)	(0.9)	(0.9)	0.3
Condiments and Processed Foods	1.2	(0.5)	(1.0)	(0.3)	(0.3)	(0.9)
Salad and Delicatessen	0.3	0.3	0.0	(0.2)	(0.1)	0.3
Egg	0.2	1.0	0.0	(0.3)	(0.3)	0.6
Fruit Solution	0.1	0.5	(0.1)	(0.1)	(0.1)	0.3
Fine Chemicals	0.1	0.2	(0.2)	0.0	(0.1)	0.0

Reference: Fiscal 2019 Net Sales and Operating Income by Segment

* Figures in parentheses are the change over the previous year; the unit is billion yen.

Condiments and Processed Foods Business

- ◇ Net sales [0.9]
 - Japan: growth in mayonnaise
 - Overseas: growth in mayonnaise and dressing
- ◇ Operating income [1.8]
 - Domestic: Stabilization of primary raw materials prices and revisions to products with low profitability
 - Overseas: Effect of higher sales

Fruit Solution Business

- ◇ Net sales [(0.2)]
 - Decline in sales to food manufacturers
 - Strong sales of jam and spreads
- ◇ Operating income [(0.4)]
 - Impact of shift in production of prepared foods to other businesses

Salad and Delicatessen Business

- ◇ Net sales [(28.0)]
- ◇ Operating income [(1.1)]
 - Impact of transfer of CVS vendor business
 - Lower sales of cut vegetables due to a drop in the market for leafy vegetables

Fine Chemicals Business

- ◇ Net sales [(1.7)]
- ◇ Operating income [(0.2)]
 - Impact of transfer of medical EPA business
 - Strong performance of medical equipment business

Egg Business

- ◇ Net sales [(0.9)]
 - Increase in sales volume for value-added products
 - Decrease in sales due to impact of decline in the domestic market for hen's eggs through the third quarter
- ◇ Operating income [(0.4)]
 - Higher costs due to production reorganization
 - Decrease in sales due to higher prices for hen's eggs in the fourth quarter

Distribution Business

- ◇ Net sales [2.7]
 - Expansion in handling of existing customers for joint distribution and other
- ◇ Operating income [(0.5)]
 - Increase in personnel costs, etc. due to expanded business and reinforced system

Reference: Fiscal 2020 Forecast for Net Sales and Operating Income by Segment

* Figures in parentheses are the change over the previous year; the unit is billion yen.

Condiments and Processed Foods Business

- ◇ Net sales [3.3]
 - Japan: Achieve renewed growth with a recovery in dressings
 - Overseas: Growth through an expansion in the development area and sales channels
- ◇ Operating income [(0.9)]
 - Strengthen ability to generate income with added-value dressings
 - Increase in costs due to standardized product bar codes in China

Salad and Delicatessen Business

- ◇ Net sales [0.8]
- ◇ Operating income [0.3]
 - Expansion of mainstay products (packaged salads, salad with mayonnaise dressing)
 - Improve added value (by introducing products with extended shelf life, for example)
 - Expand sales channels in growth markets (EC, home delivery, drugstores)

Egg Business

- ◇ Net sales [0.2]
 - Expand sales volume centered on processed egg products
 - Expand egg products using sales channels within the Group
- ◇ Operating income [0.6]
 - Improve revenue capacity by increasing proportion of value-added products
 - Improve revenue on ingredients by reviewing sales items

Fruit Solution Business

- ◇ Net sales [0.3]
 - Full-scale deployment of new ready-to-eat processed fruit products
 - Expand sales of “55 Jam” with plans to commemorate 50 years on the market
- ◇ Operating income [0.3]
 - Improve productivity of products for food manufacturers with full-scale operation of new facilities

Fine Chemicals Business

- ◇ Net sales [0.2]
 - Acceleration of overseas expansion of raw materials business for use in medical products
 - Proposing new value in the direct sales business
- ◇ Operating income [0.0]
 - Improved profitability due to stronger sales of hyaluronic acid for use in medical products
 - Higher costs due to investments made to foster new products

Distribution business

- ◇ Net sales [3.8]
 - Sales in open spaces in newly opened offices in Tokyo metropolitan area
 - Marketing aimed at deepening relationships with existing business partners
- ◇ Operating income [0.1]
 - Higher costs due to investments aimed at expanding functions
 - Improve efficiency, optimize and simplify distribution process

Reference: Fiscal 2018-2021 Net Sales and Operating Income by Overseas Area

(¥bn)

	Net sales by area				Net operating income by area			
	11/18	11/19	11/20 Plan	11/21Target	11/18	11/19	11/20 Plan	11/21Target
Total overseas	48.0	50.5	53.5	58.8	3.6	4.5	4.3	6.2
China	19.3	20.3	21.6	24.3	2.4	3.0	2.0	3.4
Southeast Asia	10.0	11.1	12.0	13.6	0.6	0.8	0.9	1.2
U.S.	12.3	12.2	12.1	12.0	0.8	0.6	0.9	0.8
Condiments and Processed Foods Business	6.8	6.9	6.8	7.1	0.5	0.5	0.6	0.6
Egg Business	5.5	5.2	5.2	4.8	0.3	0.1	0.3	0.2
Europe	2.8	2.8	2.9	3.0	(0.5)	(0.3)	(0.2)	(0.1)
Exports	3.6	4.1	4.9	6.0	0.6	0.8	0.8	1.0
Other expenses	—	—	—	—	(0.4)	(0.3)	(0.2)	(0.2)

* The plan for operating income in China in fiscal 2020 includes the impact of standardized product bar codes (decrease in sales totaling 0.8 billion yen).

* Increase (decrease) for overseas figures from fiscal 2018 to fiscal 2019 includes the impact of the exchange rate (which lowered net sales by 1.4 billion yen and operating income by 0.1 billion yen; Increase (decrease) for overseas figures from fiscal 2019 to fiscal 2020 includes the impact of the exchange rate (which lowered net sales by 2.4 billion yen and operating income by 0.2 billion yen).

Reference: Growth Rates for Net Sales and Operating Income by Overseas Area
(Based on Local Currency, YoY)

(%)

	Net sales by area				Operating income by area			
	11/18	11/19	11/20 Plan	11/21 Target	11/18	11/19	11/20 Plan	11/21 Target
China	3	11	13	12	4	31	(29)	74
Southeast Asia	13	11	11	16	102	22	27	25
U.S.	12	(1)	4	(1)	—	(22)	40	(5)
Condiments and Processed Foods	2	2	3	4	8	10	9	6
Egg	27	(4)	5	(8)	—	(70)	215	(26)
Europe	—	8	12	2	—	—	—	—

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

(¥bn)

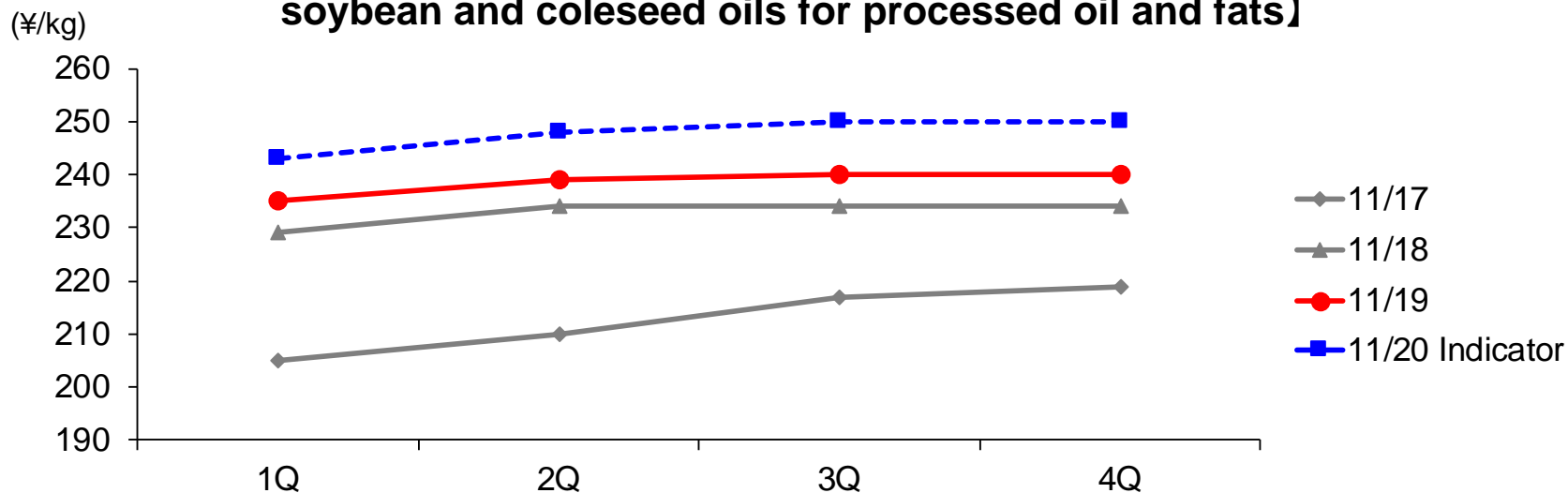
		11/16	11/17	11/18	11/19	11/20 Plan	11/21 Target
Mayonnaise	Japan	43.9	44.4	44.0	45.9	46.3	46.3
	Overseas	17.4	20.1	21.5	22.5	23.2	25.8
Dressings	Japan	41.7	41.6	41.5	40.4	41.6	42.3
	Overseas	9.0	10.5	12.9	14.3	16.3	19.5
Total	Japan	85.6	86.1	85.5	86.3	87.9	88.6
	Overseas	26.4	30.6	34.4	36.8	39.5	45.3
	Total	121.0	116.7	119.9	123.1	127.4	133.9

Reference: Results and Indicators in Major Markets

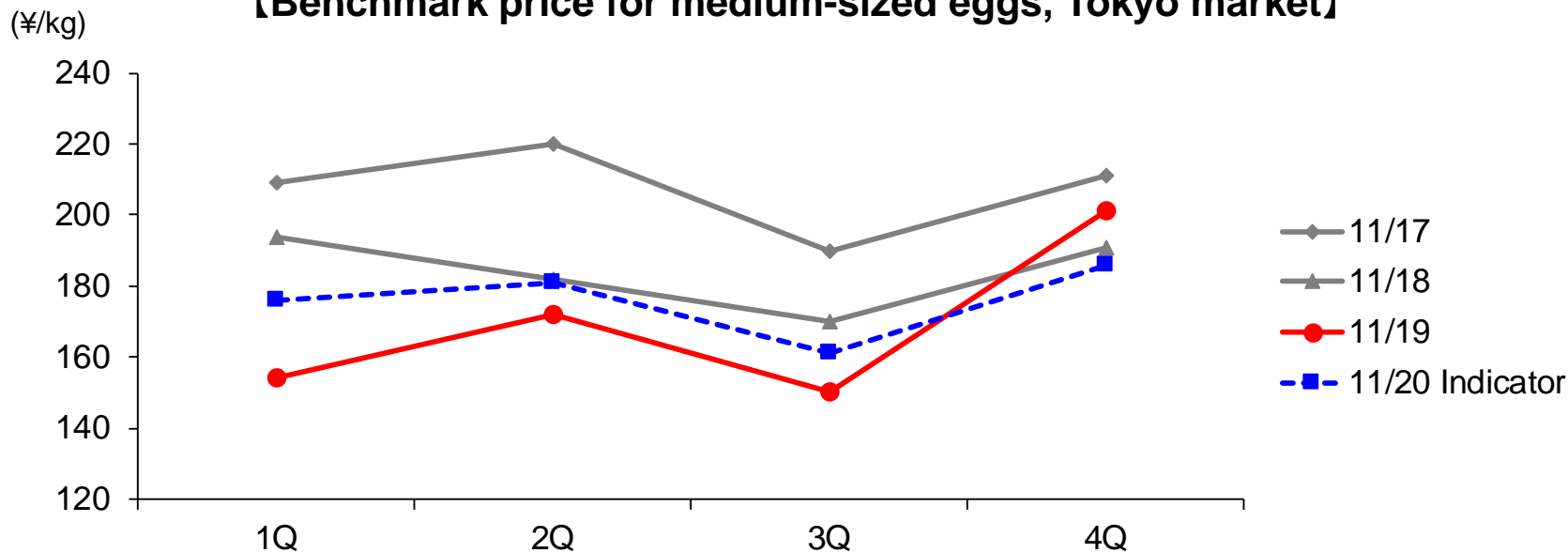
	(¥)					
	11/16	11/17	11/18	11/19	11/20 Indicator	11/21 Indicator
Average Price of Institutional Use (Tank Truck Base) for Processed Oil and Fats (per kg)	212	213	233	237	251	255
Medium-Sized Egg, Tokyo Market Average Price (per kg)	206	207	184	169	177	203
USD Exchange Rate (average during period) (per \$1)	112	111	110	110	105	105
RMB Exchange Rate (average during period) (per RMB1)	17	16	17	16	15	15

Reference: Conditions in Markets for Major Raw Materials

【Average price of institutional use (tank truck base) for refined soybean and colesed oils for processed oil and fats】



【Benchmark price for medium-sized eggs, Tokyo market】



Reference: Sustainability Targets

Theme	Indicators	Fiscal 2019	Fiscal 2021 Target	Fiscal 2030 Target
Contribution to extending healthy lifespan	<p>As a leading company in salads and eggs, we will</p> <ul style="list-style-type: none"> ▪ Contribute to achieving a vegetable intake target of 350 grams per day. ▪ Promote a boost in egg consumption in order to contribute to increasing protein intake. 			
Mental and physical health support for children	Number of smiles of children through our Group's food education activities	101 thousand people	Over 0.2 million people (cumulative since fiscal 2019)	Over 1 million people (cumulative since fiscal 2019)
Efficient use of resources and sustainable procurement	Unused portions of main vegetables used by the Group	Effective use of 21.2%	Effective use of 30%	Effective use of 90%
	Reduce product disposal (compared to fiscal 2015)	(29.9)%	(25)%	(50)%
Reductions of CO₂ emissions	CO₂ emissions (compared to fiscal 2013)	(7.2)%	(7.5)%	(20)%
Promotion of diversity	Proportion of women in management positions (in Kewpie Corporation)	9.2%	12% or higher	30% or higher

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.