



FY2022 Financial Meeting



January 10, 2023 Kewpie Corporation





Agenda

1. Overview of FY2022 Results
2. FY2023 Forecast
3. Initiatives
4. Reference Materials

1. Overview of FY2022 Results

Contents of this material

- Figures for monetary amounts expressed in billions of yen in this material are rounded to the nearest 100 million yen.
- The numbers related to Overseas cover the period from October through September of the following year and include exports from Japan.
Exports from Japan from December through November of the following year are included in the results.
- The total of year-on-year changes in Overseas includes foreign exchange effects (Net sales +7.3 billion yen, operating income +0.9 billion yen).

Overview of FY2022 Results

Business Environment

Soaring costs of
raw materials

×

Spiking energy
costs

×

Depreciation of
the yen

×

Decline in consumer

WTI crude oil price

\$124 per barrel
(March 8, 2022)\$66 per barrel
(December 1, 2021)

Foreign exchange rate

¥150 per dollar
(October 20, 2022)¥113 per dollar
(December 1, 2021)

Consumer confidence index

39.1
(December 2021)28.6
(November 2022)

*Consumer confidence survey (Two-or-more-person households) by the Cabinet Office

Results overview

Net sales

¥430.3bn
Increase (+¥23.3bn)

- Sales increase due to Overseas growth (+ ¥12.9bn)
- Recovery of Food Service (+¥9.0bn)

Operating
income¥25.4bn
Decrease (-¥2.5bn)

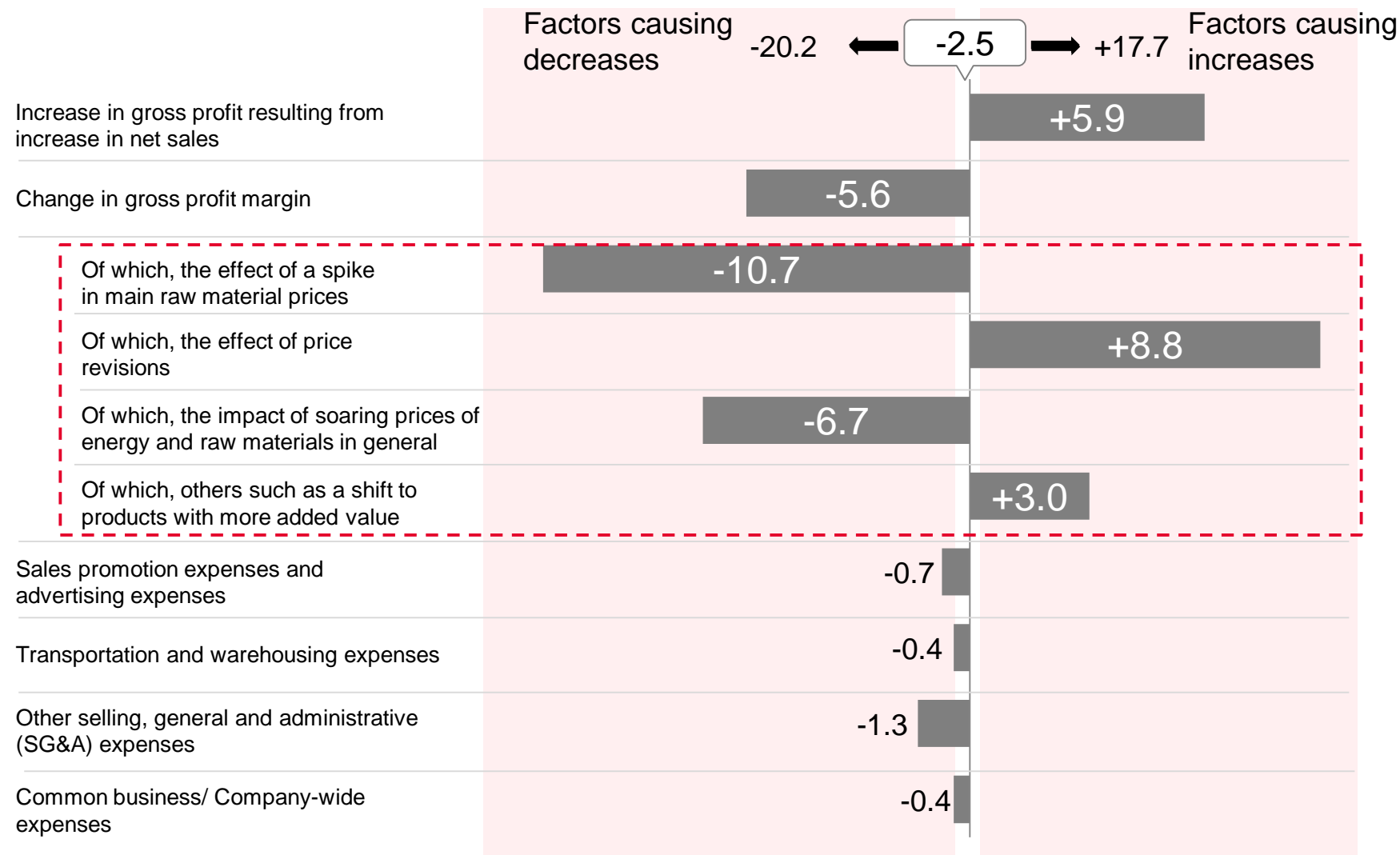
- Impact of a spike in main raw material prices (-¥10.7bn)
- Impact of soaring prices of energy and raw materials in general (-¥6.7bn)
- Effect of price revisions (+¥8.8bn)

Profit attributable to
owners of parent¥16.0bn
Decrease (-¥2.0bn)

- Increase in gains on sales of shares of subsidiaries and associates (+¥1.0bn)
- Decrease in gains on sales of fixed assets (- ¥0.4bn)
- Decrease in gains on extinguishment of tie-in shares (-¥0.4bn)

FY2022 Factors behind Changes in Operating Income

Operating income

FY2022 results **¥25.4bn**YoY change **-¥2.5bn**

FY2022 Net Sales and Operating Income by Segment

Net sales

FY2022 results **¥430.3bn**YoY change **+¥23.3bn**YoY change (%) **+6%**

(¥bn)	FY2021	FY2022	YoY change	YoY change (%)	FY2022 2H	
					YoY change	YoY change (%)
Retail Market	172.7	173.4	+0.7	+0%	+1.0	+1%
Food Service	149.8	158.8	+9.0	+6%	+5.6	+7%
Overseas	53.4	66.3	+12.9	+24%	+7.8	+27%
Fruits Solutions	16.9	16.5	-0.4	-2%	-0.2	-2%
Fine Chemicals	8.8	10.0	+1.2	+14%	+0.5	+12%
Common Business	5.5	5.3	-0.2	-4%	-0.1	-5%

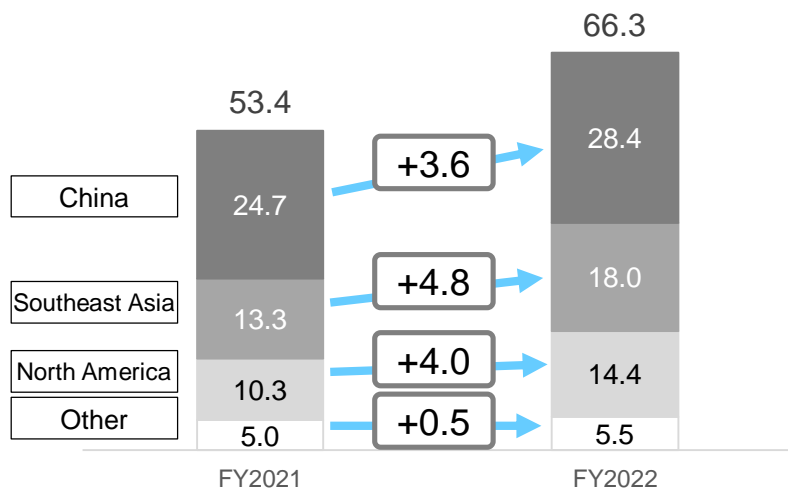
Operating income

FY2022 results **¥25.4bn**YoY change **-¥2.5bn**YoY change (%) **-9%**

(¥bn)	FY2021	FY2022	YoY change	YoY change (%)	FY2022 2H	
					YoY change	YoY change (%)
Retail Market	17.2	13.4	-3.8	-22%	-1.5	-20%
Food Service	6.3	6.9	+0.6	+10%	-0.8	-23%
Overseas	7.2	8.5	+1.2	+17%	+0.9	+24%
Fruits Solutions	0.7	0.3	-0.4	-56%	-0.3	-88%
Fine Chemicals	1.1	1.3	+0.2	+18%	-0.2	-23%
Common Business	1.3	1.2	-0.1	-9%	-0.1	-22%
Company-wide expenses	-5.9	-6.2	-0.3	—	-0.2	—

FY2022 Changes in Overseas Segment Financial Results (YoY)

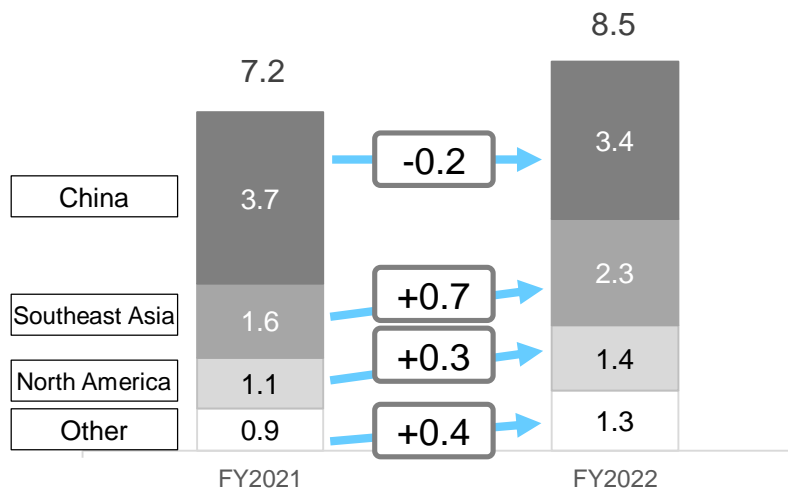
Net sales FY2022 results **¥66.3bn** YoY change **+¥12.9bn** YoY change (%) **+24%**



(¥bn)	FY2022	YoY change	YoY change (%)	2H YoY change
China	28.4	+3.6	+15%	+1.8
Southeast Asia	18.0	+4.8	+36%	+3.1
North America	14.4	+4.0	+39%	+2.9

*Foreign exchange effects: YoY change in net sales +¥7.3bn

Operating income FY2022 results **¥8.5bn** YoY change **+¥1.2bn** YoY change (%) **+17%**

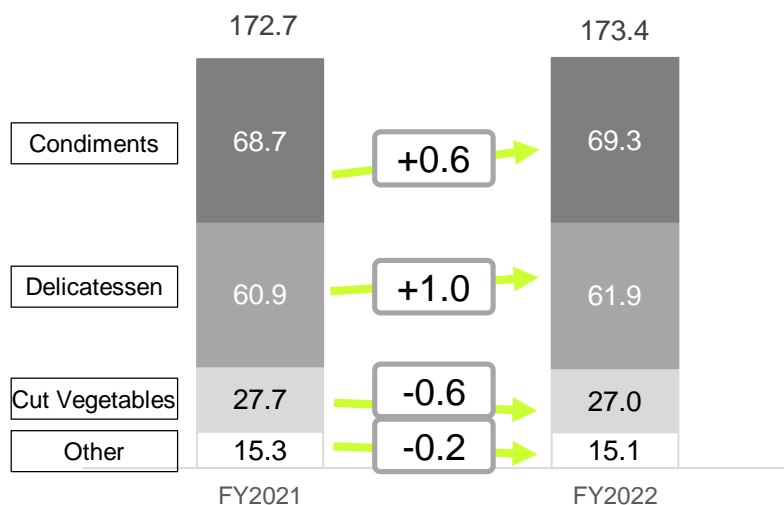


(¥bn)	FY2022	YoY change	YoY change (%)	2H YoY change
China	3.4	-0.2	-7%	+0.0
Southeast Asia	2.3	+0.7	+44%	+0.4
North America	1.4	+0.3	+31%	+0.2

*Foreign exchange effects: YoY change in operating income +¥0.9bn

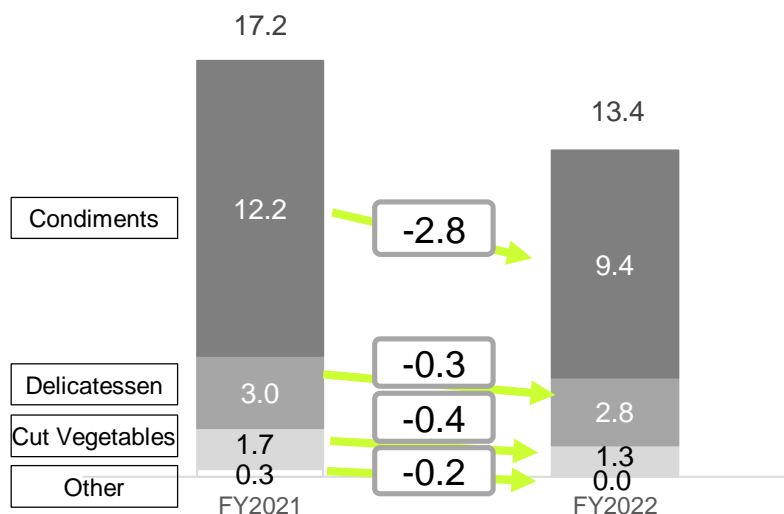
FY2022 Changes in Retail Market Segment Financial Results (YoY)

Net sales

FY2022 results **¥173.4bn**YoY change **+¥0.7bn**YoY change (%) **+0%**

(¥bn)	FY2022	YoY change	YoY change (%)	2H YoY change
Condiments	69.3	+0.6	+1%	+2.1
Delicatessen	61.9	+1.0	+2%	-0.4
Cut Vegetables	27.0	-0.6	-2%	-0.8

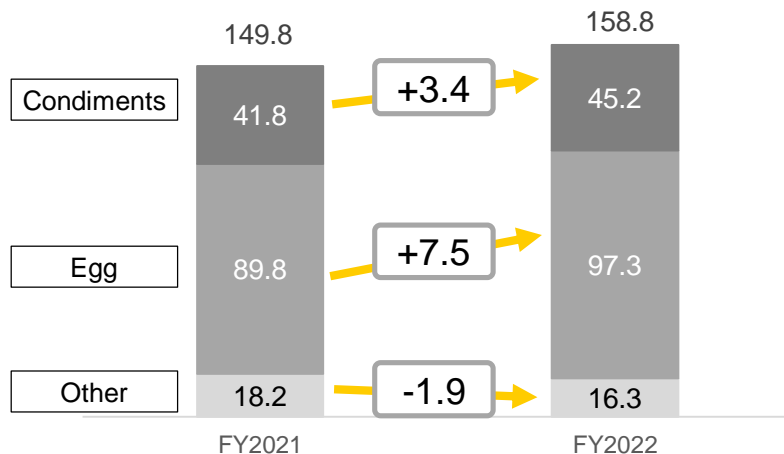
Operating income

FY2022 results **¥13.4bn**YoY change **-¥3.8bn**YoY change (%) **-22%**

(¥bn)	FY2022	YoY change	YoY change (%)	2H YoY change
Condiments	9.4	-2.8	-23%	-0.7
Delicatessen	2.8	-0.3	-9%	-0.3
Cut Vegetables	1.3	-0.4	-26%	-0.4

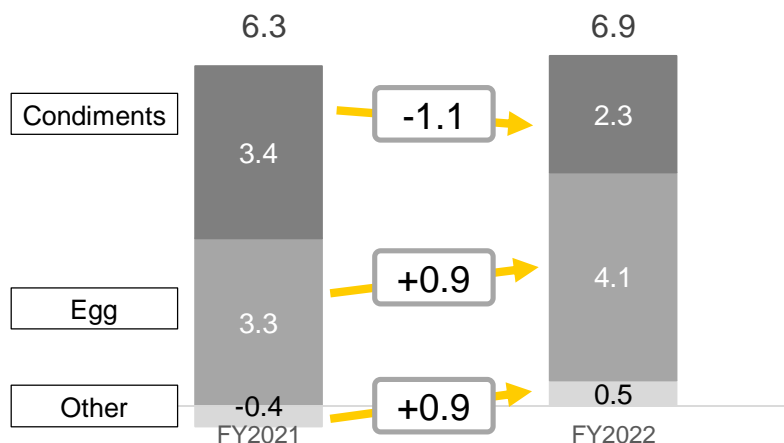
FY2022 Changes in Food Service Segment Financial Results (YoY)

Net sales FY2022 results **¥158.8bn** YoY change **+¥9.0bn** YoY change (%) **+6%**



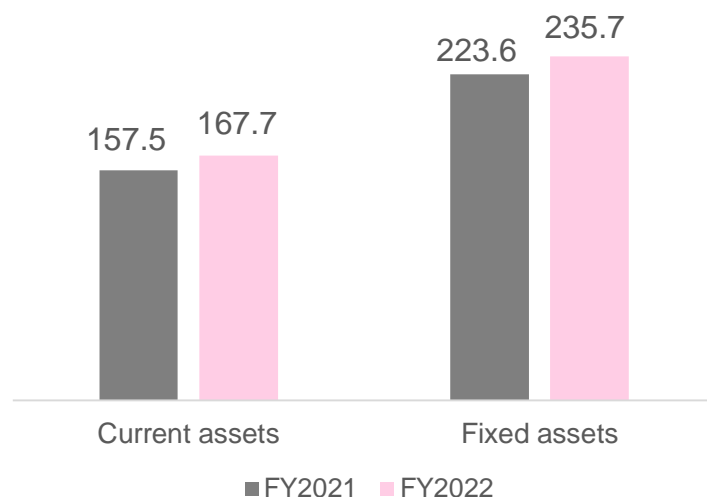
(¥bn)	FY2022	YoY change	YoY change (%)	2H YoY change
Condiments	45.2	+3.4	+8%	+1.9
Egg	97.3	+7.5	+8%	+5.1

Operating income FY2022 results **¥6.9bn** YoY change **+¥0.6bn** YoY change (%) **+10%**



(¥bn)	FY2022	YoY change	YoY change (%)	2H YoY change
Condiments	2.3	-1.1	-33%	-1.1
Egg	4.1	+0.9	+27%	+0.1

Assets



YoY change at year-end

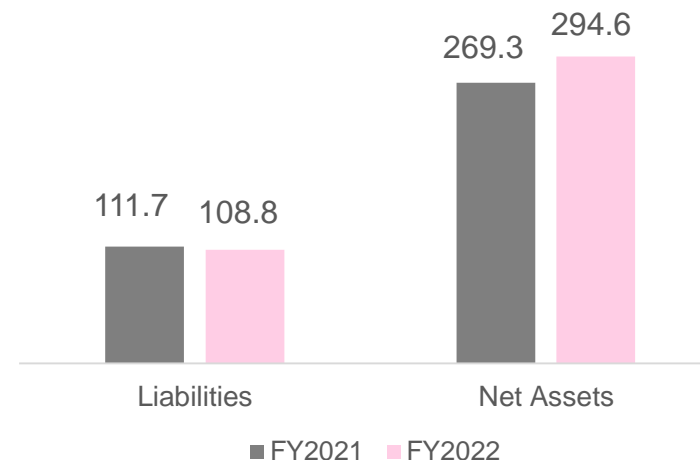
Current assets +¥10.3bn

- Increase in raw material inventory ↑
- Increase in accounts receivable ↑

Fixed assets +¥12.1bn

- Increase in assets for retirement benefit ↑
- Increase in software ↑

Liabilities and Net Assets



YoY change at year-end

Liabilities -¥2.9bn

- Decrease in short-term loans payable ↓
- Increase in accounts payable ↑

Net Assets +¥25.3bn

- Increase in earned surplus ↑
- Increase in foreign currency translation adjustments ↑

FY2021 - FY2024 Cumulative Operating Cash Flow

Cumulative total for 4 years: **¥140.0bn** (target)

Cumulative total for 2 years: **¥65.7bn**

Capital Investments

Cumulative total for 4 years:

¥70.0bn (target)

Cumulative total for 2 years: **¥29.3bn**

Primary components

- Build an optimal production system
- Improve overseas production capacity
- Promotion of IT and digitalization
- Investment to adapt to environment

Return to shareholders

Acquisition of treasury stock

FY2021 results: **¥10.0bn**

Amount paid as dividends

Cumulative total for 2 years:

¥12.2bn

Trend in dividend per share

FY2021	FY2022	FY2023
47 yen	47 yen (Planned)	50 yen (Planned)
	Dividend payout ratio 40.7%	
	DOE 2.5%	

New Expansion

Consider investments in new business and M&As depending on the project
⇒No big projects

Retained earnings

Equity ratio

FY2021 **65%**

FY2022 **66%**

2. FY2023 Forecast

Contents of this material

- Figures for monetary amounts expressed in billions of yen in this material are rounded to the nearest 100 million yen.
- The numbers related to Overseas cover the period from October through September of the following year and include exports from Japan.
Exports from Japan from December through November of the following year are included in the results.
- The total of year-on-year changes in Overseas includes foreign exchange effects (Net sales +3.8 billion yen, operating income +0.5 billion yen).

Overview of FY2023 Forecast

Forecast overview

Net sales

¥454.0bn

Increase (+¥23.7bn)

- Sales increase due to Overseas growth (+¥12.0bn)
- Recovery in demand for Retail Market segment (+¥5.8bn)

Operating income

¥21.0bn

Decrease (-¥4.4bn)

- Impact of a spike in main raw material prices (-¥13.9bn)
- Impact of soaring prices of energy and raw materials in general (-¥8.5bn)
- Effect of price revisions (+¥11.5bn)

Profit attributable to owners of parent

¥13.0bn

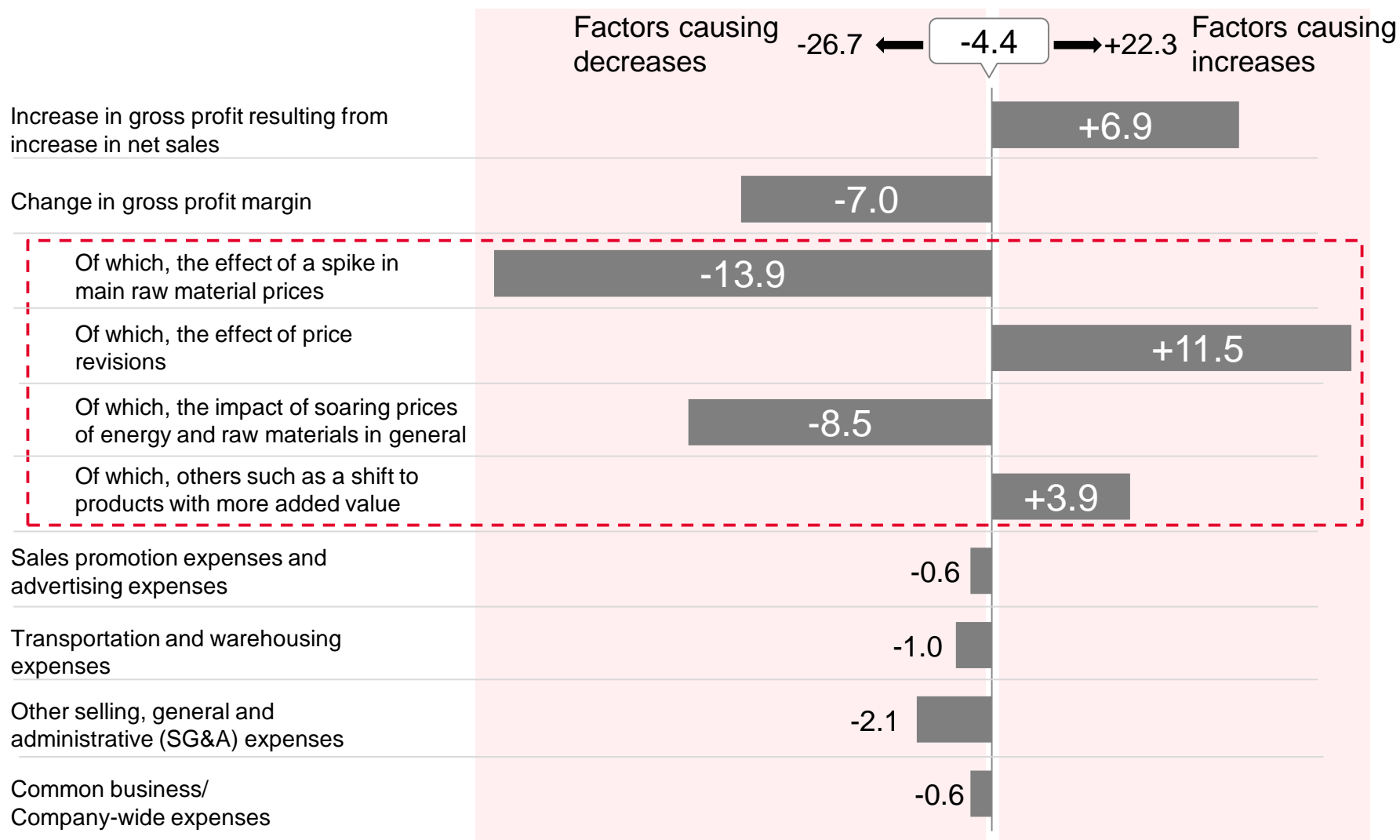
Decrease (-¥3.0bn)

- Decrease in gains on sales of shares of subsidiaries and associates(-¥1.3bn)
- Decrease in impairment losses (+¥0.9 bn)

(¥bn)	FY2022	FY2023 Forecast	YoY change	YoY change (%)
Net sales	430.3	454.0	+23.7	+6%
Japan	364.0	375.7	+11.7	+3%
Overseas	66.3	78.3	+12.0	+18%
Operating income	25.4	21.0	-4.4	-17%
Japan	23.1	17.8	-5.3	-23%
Overseas	8.5	9.9	+1.4	+17%
Company-wide expenses	-6.2	-6.7	-0.5	-
Ordinary income	27.2	23.0	-4.2	-16%
Profit attributable to owners of parent	16.0	13.0	-3.0	-19%
Operating income ratio	5.9%	4.6%	-1.3%	

FY2023 Factors behind Changes in Operating Income

Operating income

FY2023 **¥21.0**bnYoY change **-¥4.4**bn

FY2023 Net Sales and Operating Income by Segment

Net sales

FY2023 **¥454.0**bnYoY change **+¥23.7**bnYoY change (%) **+6%**

(¥bn)	FY2022	FY2023	YoY change	YoY change (%)
Retail Market	173.4	179.2	+5.8	+3%
Food Service	158.8	162.0	+3.2	+2%
Overseas	66.3	78.3	+12.0	+18%
Fruits Solutions	16.5	17.7	+1.2	+8%
Fine Chemicals	10.0	11.3	+1.3	+13%
Common Business	5.3	5.5	+0.2	+3%

Operating income

FY2023 **¥21.0**bnYoY change **-¥4.4**bnYoY change (%) **-17%**

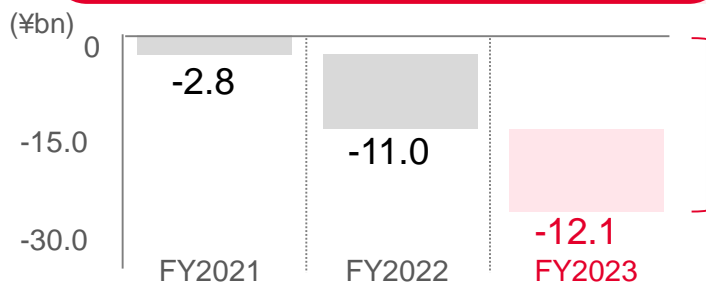
(¥bn)	FY2022	FY2023	YoY change	YoY change (%)
Retail Market	13.4	10.4	-3.0	-23%
Food Service	6.9	4.7	-2.2	-32%
Overseas	8.5	9.9	+1.4	+17%
Fruits Solutions	0.3	0.2	-0.1	-37%
Fine Chemicals	1.3	1.4	+0.1	+10%
Common Business	1.2	1.1	-0.1	-9%
Company-wide expenses	-6.2	-6.7	-0.5	-

3. Initiatives

Impact of Rising Costs

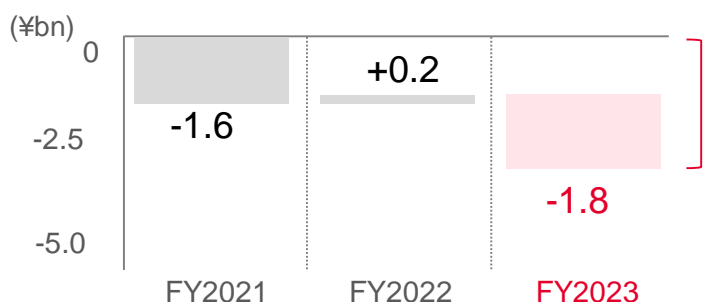
Cumulative impact of cost increase from FY2020 - FY2023 -¥44.2bn

Impact of major raw materials (Condiments)

FY2023/FY2020 **-¥25.9bn**

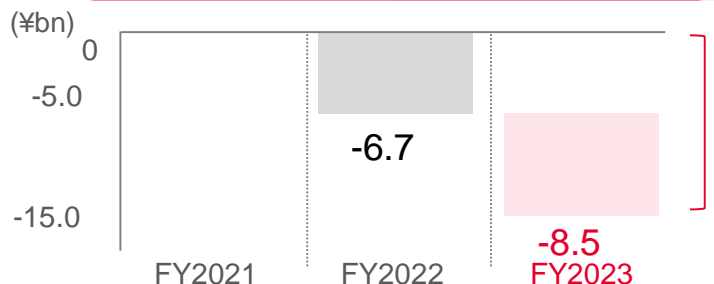
(Yen/kg)	FY2021	FY2022	FY2023 Outlook
Institutional use (tank truck basis)	294	391	410

Impact of the egg market

FY2023/FY2020 **-¥3.2bn**

(Yen/kg)	FY2021	FY2022	FY2023 Outlook
Egg market	215	209	254

Impact of soaring prices of energy and raw materials in general

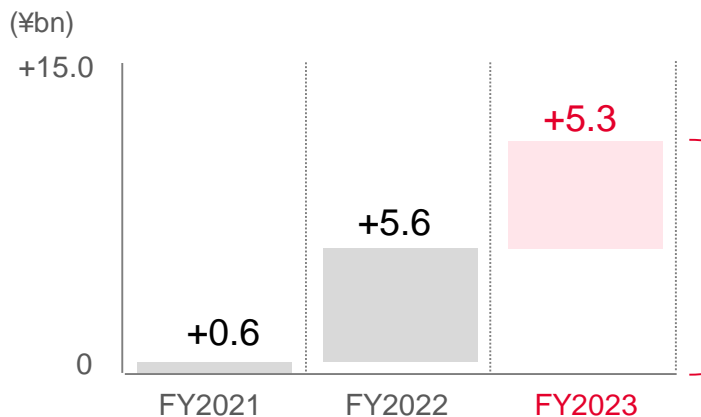
FY2023/FY2020 **-¥15.1bn**

(Yen/Dollar)	FY2021	FY2022	FY2023 Outlook
Foreign exchange rate	107	125	135

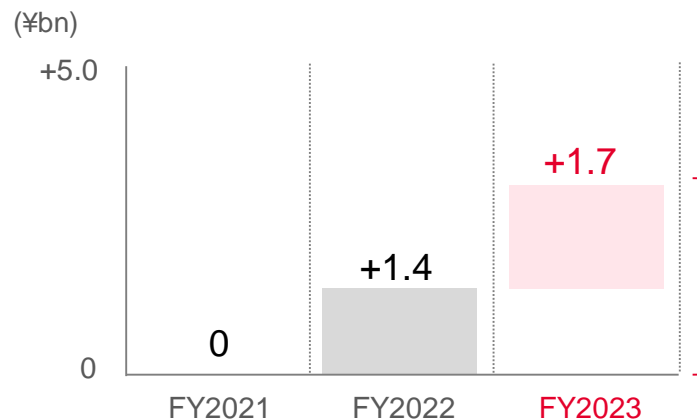
Effect of Price Revisions

FY2020 - FY2023 Cumulative effect of price revisions (including prepared foods) **+¥21.7 bn**

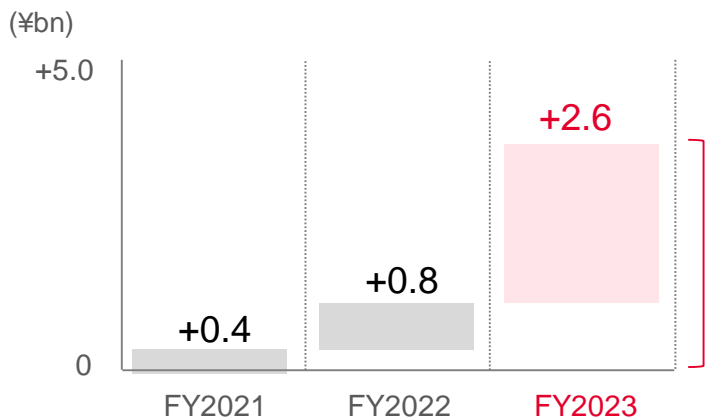
Mayonnaise (Japan) FY2023/FY2020 **+¥11.5bn**



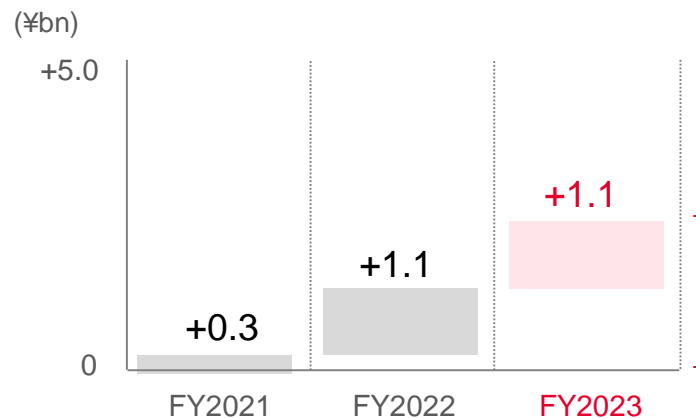
Dressings (Japan) FY2023/FY2020 **+¥3.1bn**



Egg FY2023/FY2020 **+¥3.8bn**



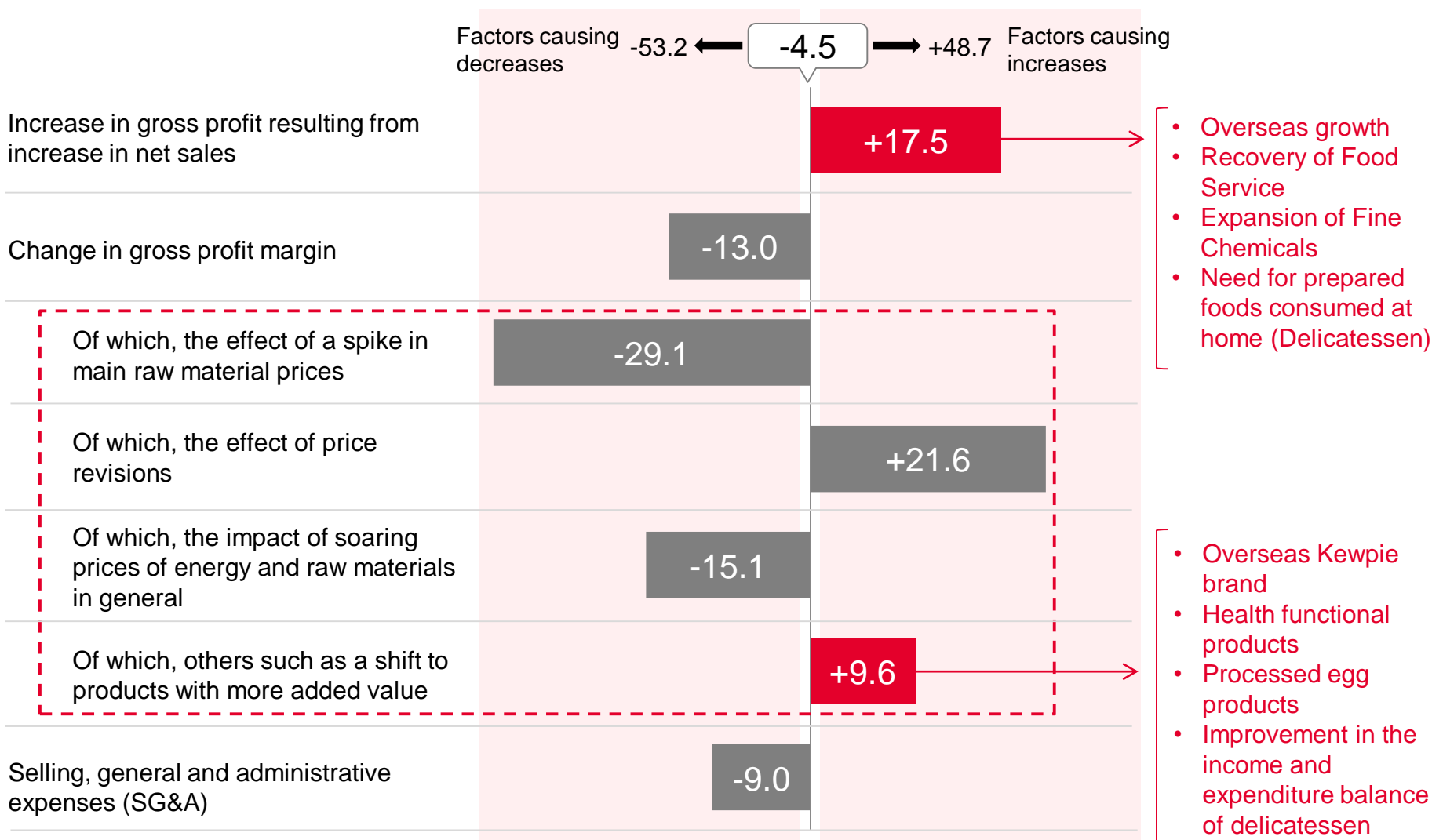
Overseas FY2023/FY2020 **+¥2.5bn**



Factors behind Changes in Operating Income (Difference between FY2023 and FY2020)

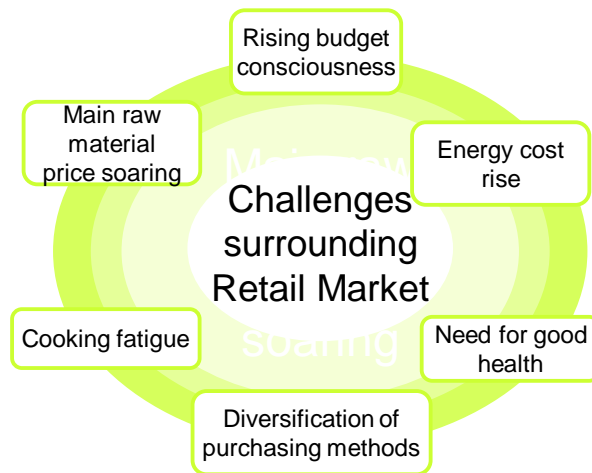
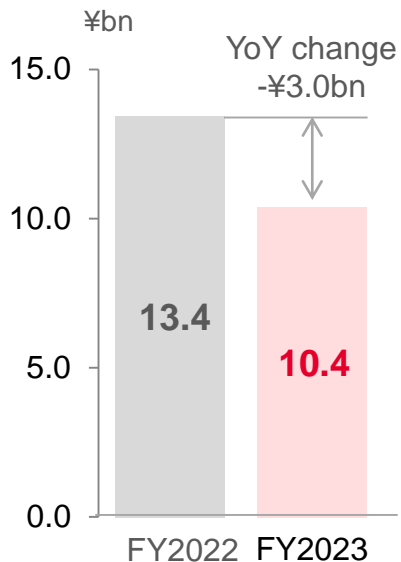
Operating income

Difference between FY2023 and FY2020 **-¥4.5bn**



Retail Market Issues and Initiatives

Operating income



Spurring demand for main products and new product measures

1. Market environment for mayonnaise and dressings
2. Improvement of earnings in line with the environment
3. Response to diversifying needs

Rebalance the relation between price and value

Volume-related measures
+
Response to business formats

Product lineup that captures customer needs

Strengthen health value areas

Creation of new health functional categories

Differentiation and expansion of brand awareness

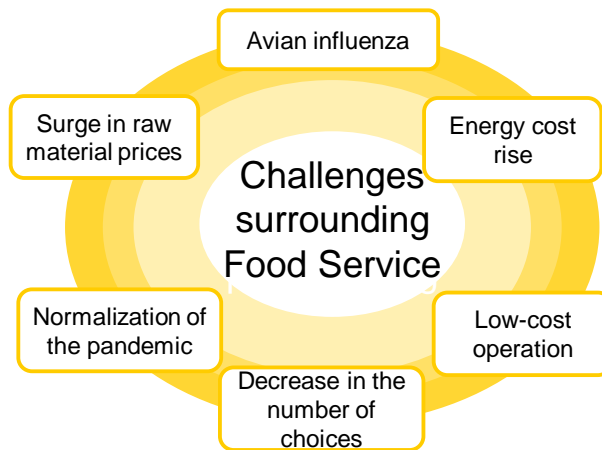
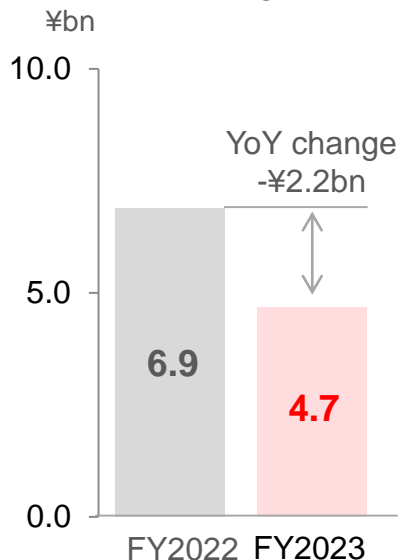
Advance generalization

From salad seasonings to vegetable condiments

Recovery of frequency of use

Food Service Issues and Initiatives

Operating income



Spurring demand for main products and new product measures

1. Reallocation of management resources with a sharp distinction
2. Improvement of earnings in line with the environment
3. Shift from quantity to quality in the egg business

Response to market changes

Changing market needs

Response to Environmental Changes

Firm up three business formats and prepare for a recovery in inbound demand

- Delicatessen
- Bakery
- Processing manufacturer

+

Inbound (Eating out)

Expand and reinforce low-cost products

Enrich the lineup of products with low oil content

Support to labor shortages at restaurants

Expand products that simplify operations

Medium- and Long-Term Initiatives and Positioning of FY2023

Capability to generate profits overseas

2.0 times

Operating income

FY2023
¥9.9bn



Target for
FY2030
¥20.0bn

×

Domestic revenue efficiency

1.5 times

ROA in Japan

FY2023
3.6%



Target for
FY2030
5.4%

+

New measures

α

(Alpha)

Attempt to expand into growth areas and optimal capital structure

Indicators for 2030

⇒ ROE

At least 8.5

(FY2023 4.9)

Details of initiatives

① Investment of Resources in Overseas

Solidify the foundation for sustainable growth
FY2023: Invest resources necessary for growth

② Productivity Reforms in Supply Chains

Shift from the stage of production restructuring to supply chain structural reform
FY2023: Transitional period in model changeover

③ New Business Expansion

Development of raw materials that contribute to good health and future expansion thereof
FY2023: Preparatory period for construction of a new business model

Continue to advance initiatives for the future without slowing down progress

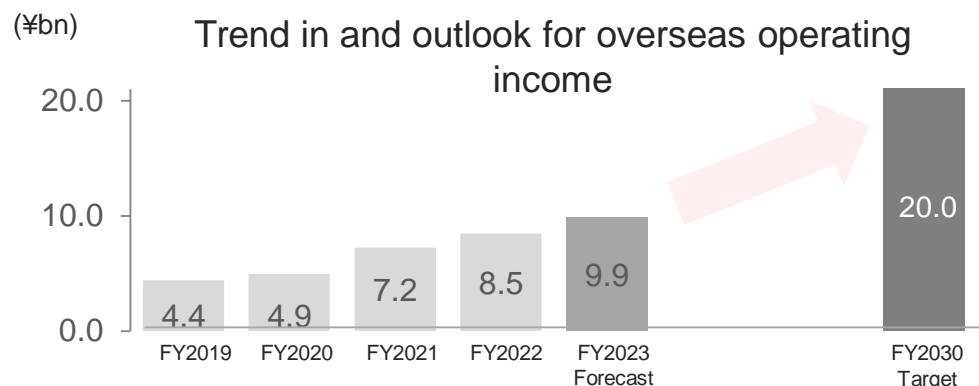
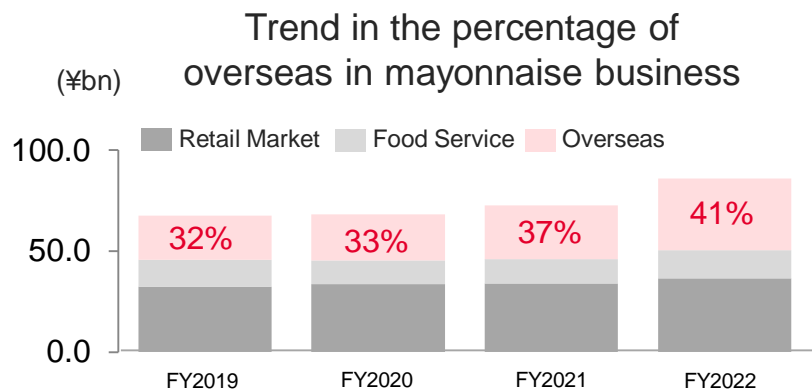
Investment of Resources in Overseas

~As the Vision of the Group~

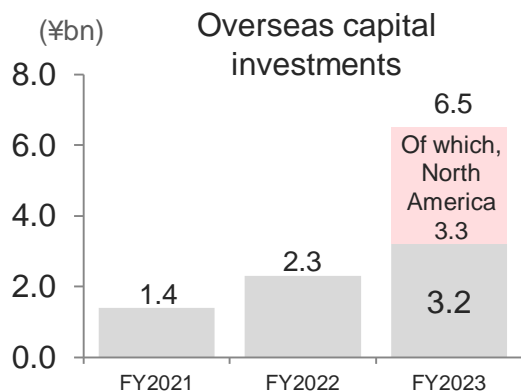
"From Japanese mayonnaise to global mayonnaise"

Shift to a profitable structure,
"Generate half of our profits in Japan and half overseas."

Shift overseas expansion into high gear and aim to become a group that plays an active role on the global stage



Firm up the foundation for sustainable growth for a further leap forward



+

Brand expansion

Expand digital marketing for new acquisition
Station staff dedicated to EC in China
Utilize local dealers to analyze the EC market

Strengthen governance

Make better use of external audits and consultation

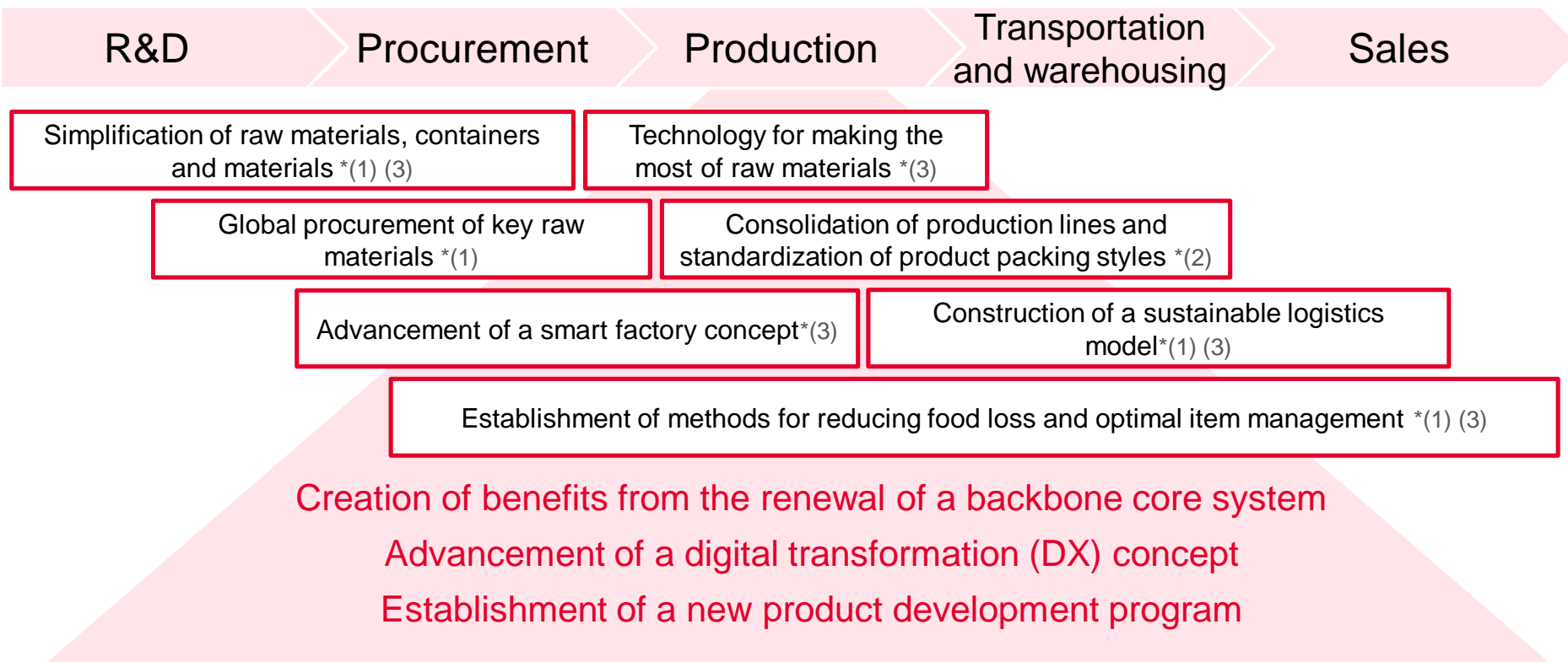
Expand and reinforce export functions

Strengthen and increase domestic production lines

Productivity Reforms in Supply Chains

Push forward with higher efficiency and further labor-saving throughout the supply chain from the stage of production restructuring

~Engage in this initiatives as a group-wide theme to enhance domestic ROA~



^{*(1)} Optimization theme of current assets, ⁽²⁾ Optimization theme of fixed assets, and ⁽³⁾ Improvement theme of asset turnover

Productivity reform by pursuing simplification and slimming

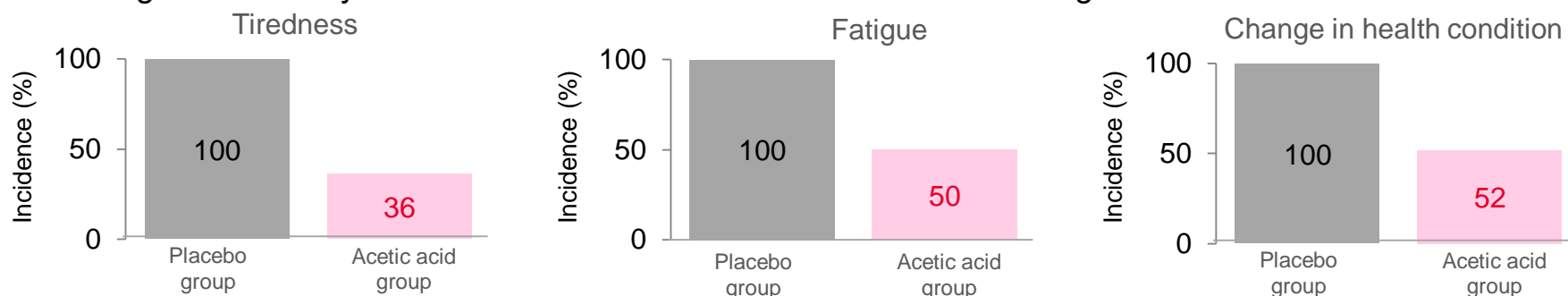
- The effect of reducing assets through production restructuring until now -¥13.0bn
- Pursue efficiency through the integration effect and medium- to long-term asset control

New Business Expansion

Focusing on two ingredients, vinegar and eggs, which are essential for making mayonnaise, we are engaged in studying health functions that can maintain cognitive abilities and enhance immunity so that customers will be able to enjoy good health as they age.

*Research on the functionality of the constituents of vinegar and eggs

We have confirmed that the acetic acid bacteria GK -1 found in vinegar, which is a fermentative bacterium, increases immunoglobulin A antibodies. In addition to immunity, we are proceeding with our research on the effect vinegar has on hay fever and one's health condition when consuming alcohol.



The incidence when the placebo group that showed common cold symptoms during the test period was set at 100% (50 people in the placebo group and 45 people in the acid bacteria group, excluding subjects not included in the analysis)

Egg yolk choline is expected to help maintain cognitive abilities.

Expected benefits of egg yolk choline

Maintenance of cognitive abilities



Improvement of liver functions

Maintenance of healthy blood vessels

100 Years of History and Trust

In 1925
Started selling “Kewpie Mayonnaise,”
Japan’s first mayonnaise



In 2025
“Kewpie Mayonnaise”
100-year anniversary of sales start



3. Reference Materials

Ref. Net Sales by Segment

(¥bn)	FY2021	FY2022	YoY change	YoY change (%)	FY2023		
					Forecast	YoY change	YoY change (%)
Retail Market	172.7	173.4	+0.7	+0%	179.2	+5.8	+3%
Condiments	68.7	69.3	+0.6	+1%	74.6	+5.3	+8%
Delicatessen	60.9	61.9	+1.0	+2%	62.1	+0.2	+0%
Cut Vegetables	27.7	27.0	-0.6	-2%	28.0	+1.0	+4%
Other	15.3	15.1	-0.2	-1%	14.5	-0.6	-4%
Food Service	149.8	158.8	+9.0	+6%	162.0	+3.2	+2%
Condiments	41.8	45.2	+3.4	+8%	50.0	+4.8	+11%
Egg	89.8	97.3	+7.5	+8%	96.0	-1.3	-1%
Other	18.2	16.3	-1.9	-10%	16.0	-0.3	-2%
Overseas	53.4	66.3	+12.9	+24%	78.3	+12.0	+18%
China	24.7	28.4	+3.6	+15%	33.5	+5.1	+18%
Southeast Asia	13.3	18.0	+4.8	+36%	22.0	+4.0	+22%
North America	10.3	14.4	+4.0	+39%	16.4	+2.0	+14%
Other	5.0	5.5	+0.5	+9%	6.4	+0.9	+16%
Fruits Solutions	16.9	16.5	-0.4	-2%	17.7	+1.2	+8%
Fine Chemicals	8.8	10.0	+1.2	+14%	11.3	+1.3	+13%
Common Business	5.5	5.3	-0.2	-4%	5.5	+0.2	+3%
Total	407.0	430.3	+23.3	+6%	454.0	+23.7	+6%

*Year-on-year changes in Overseas include foreign exchange effects (YoY change in FY2022: Net sales +7.3 billion yen. YoY change in FY2023 forecast: Net sales + 3.8 billion yen).

Ref. Operating Income by Segment

(¥bn)	FY2021	FY2022	YoY change	YoY change (%)	FY2023		
					Forecast	YoY change	YoY change (%)
Retail Market	17.2	13.4	-3.8	-22%	10.4	-3.0	-23%
Condiments	12.2	9.4	-2.8	-23%	6.0	-3.4	-36%
Delicatessen	3.0	2.8	-0.3	-9%	2.8	+0	+2%
Cut Vegetables	1.7	1.3	-0.4	-26%	1.3	+0	+1%
Other	0.3	0	-0.2	-97%	0.3	+0.3	+4,186%
Food Service	6.3	6.9	+0.6	+10%	4.7	-2.2	-32%
Condiments	3.4	2.3	-1.1	-33%	1.3	-1.0	-43%
Egg	3.3	4.1	+0.9	+27%	3.8	-0.3	-8%
Other	-0.4	0.5	+0.9	-	-0.4	-0.9	-
Overseas	7.2	8.5	+1.2	+17%	9.9	+1.4	+17%
China	3.7	3.4	-0.2	-7%	4.3	+0.9	+25%
Southeast Asia	1.6	2.3	+0.7	+44%	2.8	+0.5	+23%
North America	1.1	1.4	+0.3	+31%	1.8	+0.4	+25%
Other	0.9	1.3	+0.4	+50%	1.0	-0.3	-24%
Fruits Solutions	0.7	0.3	-0.4	-56%	0.2	-0.1	-37%
Fine Chemicals	1.1	1.3	+0.2	+18%	1.4	+0.1	+10%
Common Business	1.3	1.2	-0.1	-9%	1.1	-0.1	-9%
Company-wide expenses	-5.9	-6.2	-0.3	-	-6.7	-0.5	-
Total	28.0	25.4	-2.5	-9%	21.0	-4.4	-17%

*Year-on-year changes in Overseas include foreign exchange effects (YoY change in FY2022: Operating income +0.9 billion yen. YoY change in FY2023 forecast: Operating income +0.5 billion yen).

Ref. Factors behind Changes in Operating Income (by Segment)

FY2022

(¥bn)	Increase in gross profit resulting from increase in net sales	Change in gross profit margin	Sales promotion expenses and advertising expenses	Transportation and warehousing expenses	Other selling, general and administrative (SG&A) expenses	YoY change
Retail Market	+0.1	-3.9	-0.1	+0.3	-0.2	-3.8
Food Service	+1.0	-0.2	-0.1	-0.2	+0.1	+0.6
Overseas	+4.1	-1.3	-0.3	-0.5	-0.8	+1.2
Fruits Solutions	-0.2	-0.3	-0.0	+0.1	-0.0	-0.4
Fine Chemicals	+0.8	+0.0	-0.2	-0.0	-0.5	+0.2
Total	+5.9	-5.6	-0.7	-0.4	-1.3	-2.1

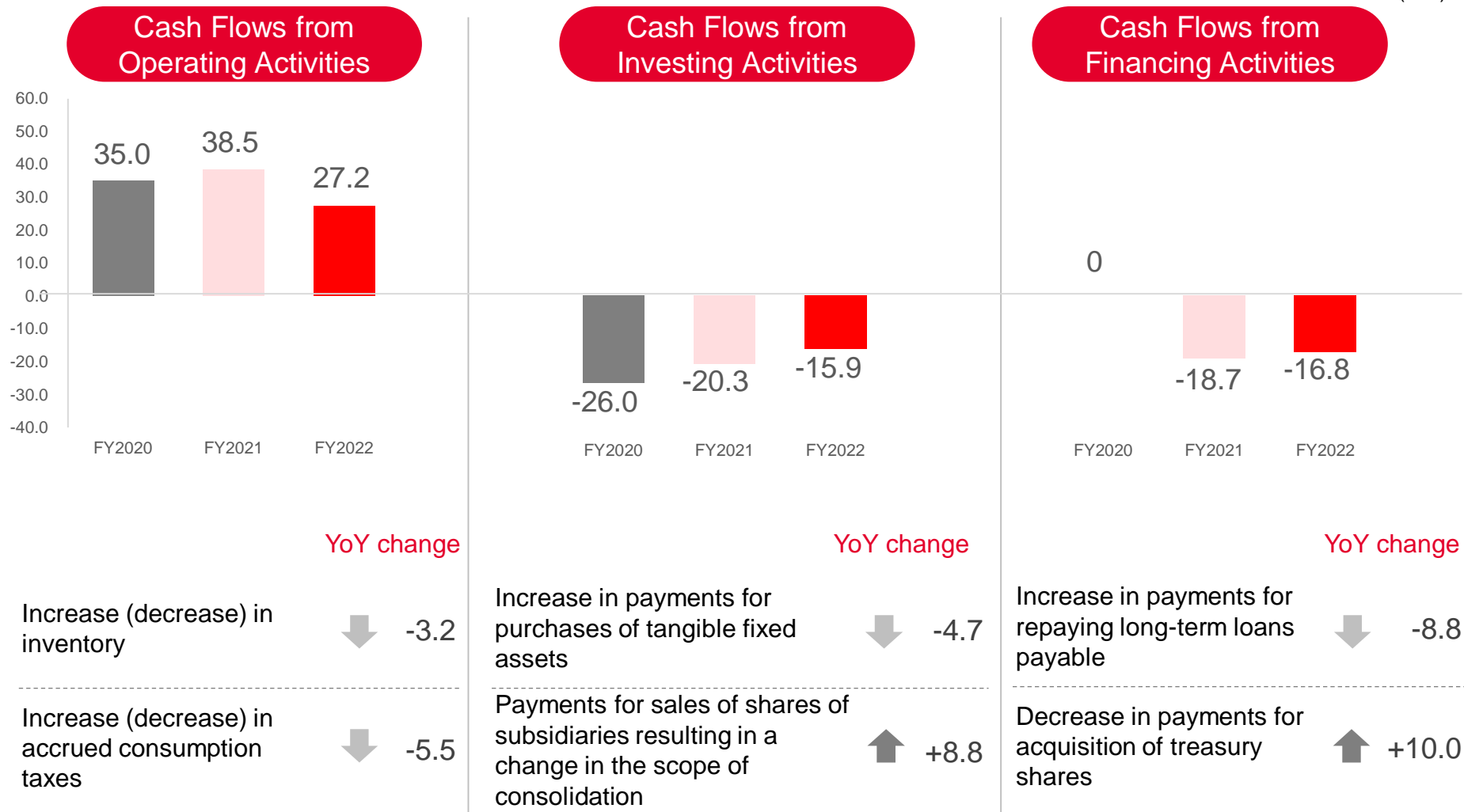
FY2023 Forecast

(¥bn)	Increase in gross profit resulting from increase in net sales	Change in gross profit margin	Sales promotion expenses and advertising expenses	Transportation and warehousing expenses	Other selling, general and administrative (SG&A) expenses	YoY change
Retail Market	+0.7	-3.7	+0.3	-0.2	-0.2	-3.0
Food Service	+0.7	-2.1	+0.0	-0.2	-0.5	-2.2
Overseas	+4.1	-0.6	-0.6	-0.6	-0.9	+1.4
Fruits Solutions	+0.6	-0.4	-0.1	-0.1	-0.1	-0.1
Fine Chemicals	+0.9	-0.2	-0.2	-0.0	-0.3	+0.1
Total	+6.9	-7.0	-0.6	-1.0	-2.1	-3.8

Ref. Breakdown of Factors behind Changes in Operating Income

(¥bn)		FY2022		FY2023 Forecast	
Increase in gross profit resulting from increase in net sales			+5.9		+6.9
Impact from net sales	Sales growth Overseas	+4.1	+5.9	Sales growth Overseas	+4.1
	Recovery in sales of Food Service	+1.0		Increase in sales of Retail Market and Food Service	+1.4
	Increase in sales of Fine Chemicals	+0.8		Increase in sales of Fine Chemicals	+0.9
Change in gross profit margin			-5.6		-7.0
Improvements to added value	Growth in Overseas and added value products	+1.6	+1.6	Growth in Overseas and added value products	+1.3
Impact of manufacturing costs	Recovery in the capacity utilization rate of eggs	+0.4	+0.2	Decline in the capacity utilization rate of eggs	-0.5
	Decline in the capacity utilization rate of Retail Market	-0.9		Recovery in the capacity utilization rate of Retail Market	+0.9
Improvement of unprofitable categories	Discontinuation of sales of low-profit products for Food Service	+0.5	+0.8		
Impact of raw material costs	Main raw materials in condiments	-10.9	-10.7	Main raw materials in condiments	-12.1
	Impact of Japanese egg market	+0.2		Impact of Japanese egg market	-1.8
Other	Energy costs and raw materials in general	-6.7	+2.5	Energy costs and raw materials in general	-8.5
	Effect of price revisions	+8.8		Effect of price revisions	+11.5
Sales promotion expenses and advertising expenses			-0.7		-0.6
Sales promotion expenses and advertising expenses	Resumption of sales promotion activities Overseas	-0.3	-0.7	Stepping up sales promotion activities Overseas	-0.6
	Advertising expenses for Fine Chemicals	-0.2			
Transportation and warehousing expenses			-0.4		-1.0
Transportation and warehousing expenses	Increase in distribution costs due to higher sales	-0.4	-0.4	Increase in distribution costs due to higher sales	-1.0
Other selling, general and administrative (SG&A) expenses			-1.3		-2.1
Other selling, general and administrative expenses	Mainly, increase in expenses accompanying the adoption of a backbone core system	-1.3	-1.3	Mainly, increase in expenses accompanying the adoption of a backbone core system and labor costs	-2.1

Ref. FY2022: Cash Flow Status



Status of capital investments

FY2022 results **¥17.2bn**

FY2023 Forecast **¥19.5bn**

Ref. FY2022: Overview of Non-operating Income (Expenses) and Extraordinary Gains (Losses)

	FY2021	FY2022	YoY change	Main factors
Operating income	28.0	25.4	-2.5	
Non-operating income (expenses), net	1.7	1.8	+0.1	• Increase in interest income +0.1
Ordinary income	29.7	27.2	-2.4	
Extraordinary gains (losses), net	-0.8	-0.6	+0.2	• Increase in gains on sales of shares of subsidiaries and associates +1.0 • Decrease in gains on sales of fixed assets -0.4 • Decrease in gains on extinguishment of tie-in shares -0.4
Profit before income taxes	28.9	26.6	-2.2	
Income taxes Profit attributable to non-controlling interests	10.8	10.6	-0.2	• Decrease in income taxes, etc. -0.3
Profit attributable to owners of parent	18.0	16.0	-2.0	

FY2023 Forecast: Overview of Non-operating Income (Expenses) and Extraordinary Gains

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Ref. (Losses)

(¥bn)

	FY2022	FY2023 Forecast	YoY change	Main factors
Operating income	25.4	21.0	-4.4	
Non-operating income (expenses), net	1.8	2.0	+0.2	<ul style="list-style-type: none"> Increase in equity in earnings of affiliates +0.2
Ordinary income	27.2	23.0	-4.2	
Extraordinary gains (losses), net	-0.6	-1.0	-0.3	<ul style="list-style-type: none"> Decrease in impairment losses +0.9 Decrease in gains on sales of shares of subsidiaries and associates -1.3
Profit before income taxes	26.6	22.0	-4.6	
Income taxes Profit attributable to non-controlling interests	10.6	9.0	-1.6	<ul style="list-style-type: none"> Decrease in income taxes, etc. -1.6
Profit attributable to owners of parent	16.0	13.0	-3.0	

Ref. Mayonnaise/Dressings Changes in Net Sales

(\$bn)

		FY2020	FY2021	FY2022
Mayonnaise	Japan	45.4	45.9	50.4
	Overseas	22.8	26.9	35.5
Dressings	Japan	38.5	38.8	37.3
	Overseas	11.4	15.4	18.3
Total	Japan	83.9	84.6	87.7
	Overseas	34.2	42.3	53.8
	Total	118.0	126.9	141.5



Material Issues Contributing to Food Culture and Health

As a company in the food industry, an industry that is indispensable to people's lives, the Kewpie Group will contribute to the realization of healthy and affluent lifestyles.

As "A Leading Company for Salads and Eggs," we will develop products that consider the diets and health of all our customers in Japan and abroad and support the mental and physical health of children through various food-centered initiatives.

We also engage in social contribution activities to realize a better society, chiefly by maintaining our business, helping diverse groups, and maintaining strong community ties.

Initiative Theme	Indicators	FY2021	FY2022	FY2024 Target	FY2030 Target
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)	221 thousand	286 thousand	At least 400 thousand	At least 1 million

*Sustainability targets are domestic figures.



Material Issues

Effective Use and Recycling of Resources

The business activities of the Kewpie Group are supported by the abundant gifts of nature, including raw materials. We consider the effects our business activities have on the global environment and believe that we have a duty to pass on a better global environment to future generations.

Therefore, we have established "strengthening our social and global environmental initiatives" as one of our management policies, and the entire Group has worked on this policy.

Initiative Theme	Indicators	FY2021	FY2022	FY2024 Target	FY2030 Target
Elimination and Effective Utilization of Food Loss	Food waste reduction rate (compared to FY2015)	39.0%	46.6%	At least 50%	At least 65%
	Effective utilization rate of unused portions of vegetables Main vegetables: Cabbage, etc.	62.1%	77.5%	At least 70%	At least 90%
	Reduction rate in volume of product waste (compared to FY2015)	61.3%	74.8%	At least 60%	At least 70%
Reduction and Reuse of Plastic Emissions	Reduction rate in volume of plastic waste (compared to FY2018)	5.3%	Calculation underway	At least 8%	At least 30%
Sustainable Use of Water	Water usage (basic unit) reduction rate (compared to FY2020)	2.1%	1.6%	At least 3%	At least 10%

* The "Food waste reduction rate" indicator also includes the "Effective utilization rate of unused portions of vegetables."

*Sustainability targets are domestic figures.

Ref. Sustainability Targets and Performances



Material Issues Response to Climate Change Policy

We consider climate change as a universal issue. Therefore, the Kewpie Group is thoroughly devoted to reducing CO₂ emissions at all stages of our business, including procurement, production, distribution, sales, and in offices.

Our initiatives for the material issue for sustainability: "Reduction of CO₂ Emissions (Response to Climate Change)" specifies a clear target for the reduction in CO₂ emissions at all domestic locations.

Initiative Theme	Indicators	FY2021	FY2022	FY2024 Target	FY2030 Target
Reduction of CO ₂ Emissions	Reduction rate of CO ₂ emissions (compared to FY2013)	24.0%	26.1%	At least 30%	At least 50%

* FY2021 results are the figures after retrospective adjustments, excluding the Distribution Business.



Material Issues Conservation of Biodiversity *Newly established in FY2023

The business operations of the Kewpie 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, we will endeavor to preserve a natural environment that is bountiful and biologically diverse, and we will leave future generations with a sustainable society.

Initiative Theme	
Conservation of Biodiversity	Promote the Kewpie Group Biodiversity Policy to conserve biodiversity and pass on the bounty of nature to future generations

*Sustainability targets are domestic figures.

Ref. Sustainability Targets and Performances



Material Issues

Sustainable Procurement

The Kewpie Group fully respects the "Good products begin with good ingredients" for raw materials as well. To fulfill the principle, we have established the fundamental policy for sustainable procurement in our supply chain. We extend our social responsibility to include procurement of ingredients beyond our manufacturing and sales processes.

Initiative Theme

Promotion of Sustainable Procurement

Promote Fundamental Policy for Sustainable Procurement in cooperation with business partners



Material Issues

Respect for Human Rights

We respect the human rights of all people associated with the Kewpie Group in line with our Motto "RAKU-GYOU-KAI-ETSU." To transit to a structure that realizes sustainable growth, we will promote the mobility of Group human resources in line with the new business framework, expand learning opportunities, and foster career awareness, thereby creating a system that allows diverse human resources to play an active role in the business by enhancing their experience and skills. By leveraging our respective perspectives and know-how, we will enhance our ability to respond to changes in the social environment and risks, while working to strengthen the overall capabilities of the Kewpie Group so that our employees can be healthy and find fulfillment in their work.

Initiative Theme

Respect for Human Rights

Promote the Kewpie Group Human Rights Policy to respect the human rights of all people involved in our business

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 damage 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.