

Fiscal 2014 Financial Meeting  
(Period ended November 30, 2014)

# Sustainable Domestic Growth and Dramatic Overseas Growth



January 9, 2015  
Kewpie Corporation  
(<http://www.kewpie.co.jp/company/ir/>)

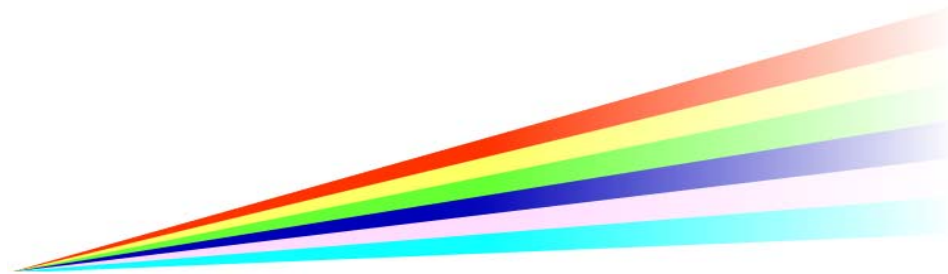
\*Figures less than the units indicated have been rounded off.

\*Percentages and differences are shown in units of million yen, with the exception of major initiatives by business.

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# Fiscal 2014 Results



# Fiscal 2014 Results

Net sales increased by 22.9 billion yen;  
Operating income increased by 1.9 billion yen

	11/13	11/14 Results	Change YoY	Increase (Decrease)	Plan Comparison
Net Sales	530.5 ¥bn	553.4 ¥bn	4.3 %	22.9 ¥bn	3.4 ¥bn
Domestic	506.7	521.8	3.0	15.1	2.7
Overseas	23.8	31.6	32.7	7.8	0.7
Operating Income	22.4 ¥bn	24.3 ¥bn	8.7 %	1.9 ¥bn	(0.2) ¥bn
Domestic	21.2	21.6	2.0	0.4	(1.0)
Overseas	1.2	2.8	124.1	1.5	0.8
Operating Income Ratio	4.2 %	4.4 %	—	0.2 %	(0.1) %
Ordinary Income	23.7 ¥bn	25.4 ¥bn	6.8 %	1.6 ¥bn	0.3 ¥bn
Net income	12.6 ¥bn	13.4 ¥bn	6.4 %	0.8 ¥bn	0.4 ¥bn
ROA (Return on Assets)	7.4 %	7.3 %	—	(0.1) %	(0.1) %
ROE (Return on Equity)	7.1 %	7.0 %	—	(0.1) %	0.0 %
EBITDA (Operating Income + Depreciation Expenses)	37.0 ¥bn	40.5 ¥bn	9.5 %	3.5 ¥bn	(0.3) ¥bn

\*Plan comparison indicates difference for figures announced in July 2014.

# Fiscal 2014 Summary of Sales

Higher revenue due to strong performance of Condiments product and Distribution system businesses

	11/13	11/14 Results	Change YoY	Increase (Decrease)
<b>Sales</b>	530.5 ¥bn	553.4 ¥bn	4.3 %	22.9 ¥bn
Condiments Products	145.4	151.5	4.2	6.1
Egg Products	91.2	99.5	9.2	8.4
Delicatessen Products	98.0	102.2	4.3	4.2
Processed Foods	58.4	57.2	(2.2)	(1.3)
Fine Chemical Products	9.7	10.7	10.9	1.1
Distribution System	120.3	126.8	5.4	6.5
Common Business Operations	7.6	5.5	(27.3)	(2.1)

## ■ Sales by Segment

Condiments Products	Overseas sales increased, and domestic sales of mayonnaise grew, leading to higher revenue.
Egg Products	In addition to growth in the domestic hen's egg market and the effect of price revisions, liquid eggs for ready-made foods were strong performers, boosting revenue.
Delicatessen Products	Sales of cut vegetables and prepared foods increased and revenue grew due to enhanced proposal activities that bolstered demand as well as a reinforced production system.
Processed Foods	Sales of jam and enhanced products such as baby food grew, but the sale of a subsidiary led to lower revenue.
Fine Chemical Products	Revenue increased due to strong sales of EPA for medical use and hyaluronic acid for cosmetic use.
Distribution System	Revenue was up thanks for new customer acquisition and an expansion in the area entrusted by existing customers.

# Fiscal 2014 Summary of Operating Income

Despite impact of sharp surge in hen's egg market, income rose due to effect of higher revenue and improved costs

	11/13	11/14 Results	Change YoY	Increase (Decrease)
Operating Income	22.4 ¥bn	24.3 ¥bn	8.7 %	1.9 ¥bn
Condiments Products	11.5	11.5	0.1	0.0
Egg Products	3.4	3.8	10.0	0.3
Delicatessen Products	3.5	3.3	(5.2)	(0.2)
Processed Foods	(0.9)	0.2	—	1.1
Fine Chemical Products	0.9	1.0	13.3	0.1
Distribution System	3.2	3.6	12.6	0.4
Common Business Operations	0.8	1.0	25.7	0.2

## ■ Operating Income by Segment

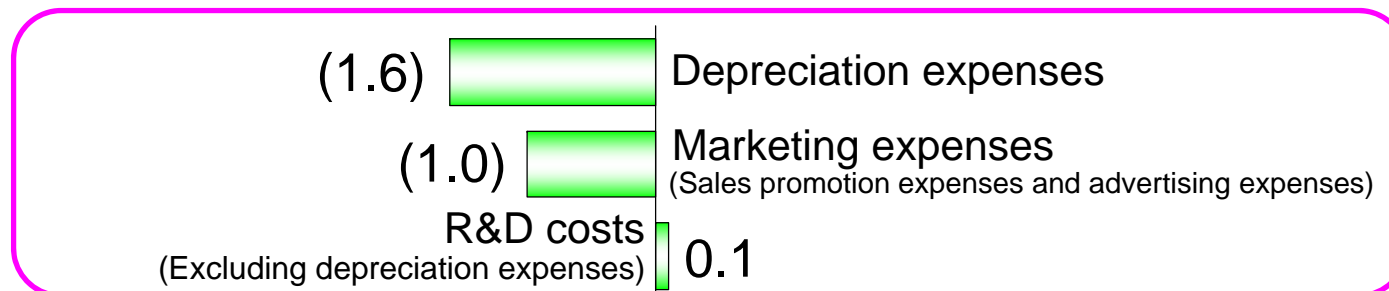
Condiments Products	The cost of raw materials rose, but operating income was in line with the previous year due to higher revenue and the effect of price revisions in the previous year.
Egg Products	Although the domestic hen's egg market rose, income rose thanks to the effect of price revisions and the strong performance of liquid eggs for ready-made foods.
Delicatessen Products	Costs improved, but income was down due to higher depreciation expenses and lower sales of cooked rice for CVS.
Processed Foods	Income rose on higher revenue from jam and baby food as well as the liquidation of unprofitable products.
Fine Chemical Products	Income rose on the strong performance of EPA for medical use and hyaluronic acid for cosmetic use.
Distribution System	In addition to the effect of higher revenue, costs of the joint distribution improved, leading to higher income.

# Factors Causing Increase (Decrease) in Operating Income

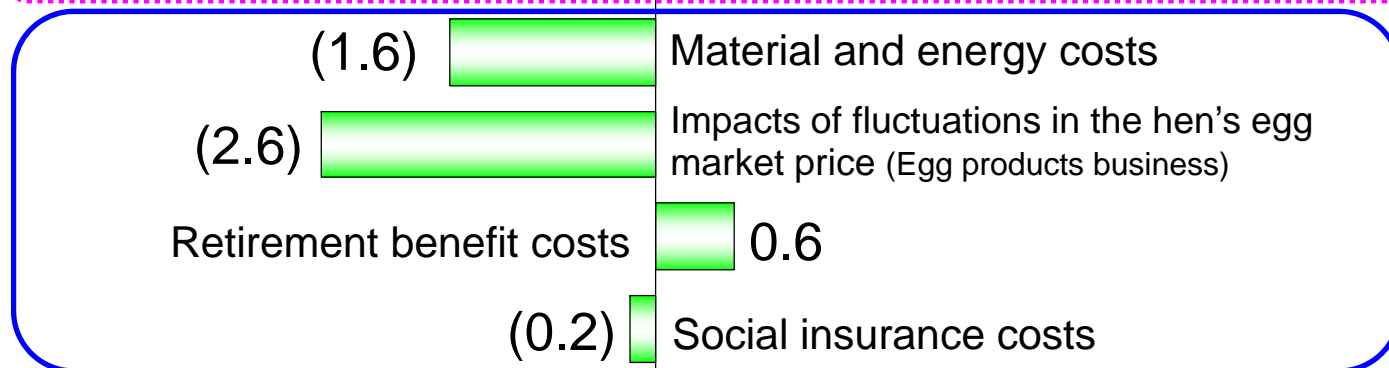
(¥bn)

	11/13	11/14 Result	Difference
<b>Operating Income</b>	<b>22.4</b>	<b>24.3</b>	<b>1.9</b>

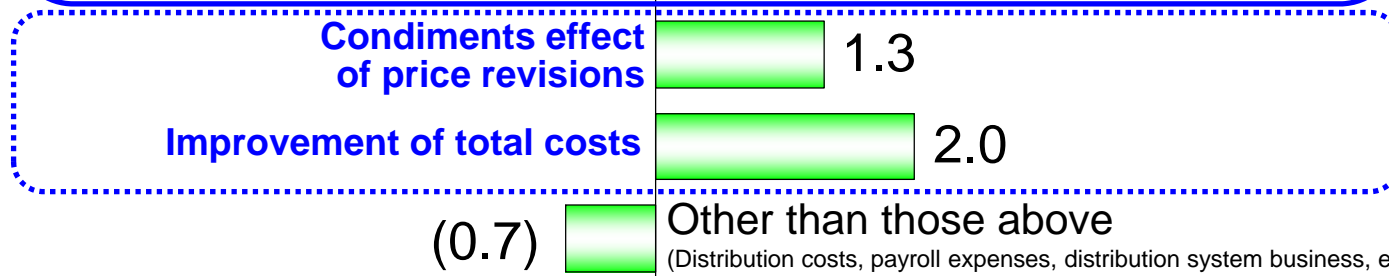
**Creating growth opportunities**  
**(2.5)**



**Negative factors**  
**(3.8)**



**Overcoming negative factors**  
**3.3**



## Key Points of Non-operating Income (Expenses) and Extraordinary Gains (Losses)

	(¥bn)		
	11/13	11/14 Results	Increase (Decrease)
Operating Income	22.4	24.3	1.9
Non-operating Income (Expenses)	1.3	1.0	(0.3)
Ordinary Income	23.7	25.4	1.6
Extraordinary Gains (Losses)	(1.3)	(0.8)	0.6
Income before Income Taxes	22.4	24.6	2.2
Income Taxes and Minority Interests	9.8	11.2	1.4
Net Income	12.6	13.4	0.8

### <Key Points of Non-operating Income (Expenses)>

Decrease in equity in earnings of affiliates	(0.2)
Increase in business commencement expenses	(0.2)

### <Key Points of Extraordinary Income (Expenses)>

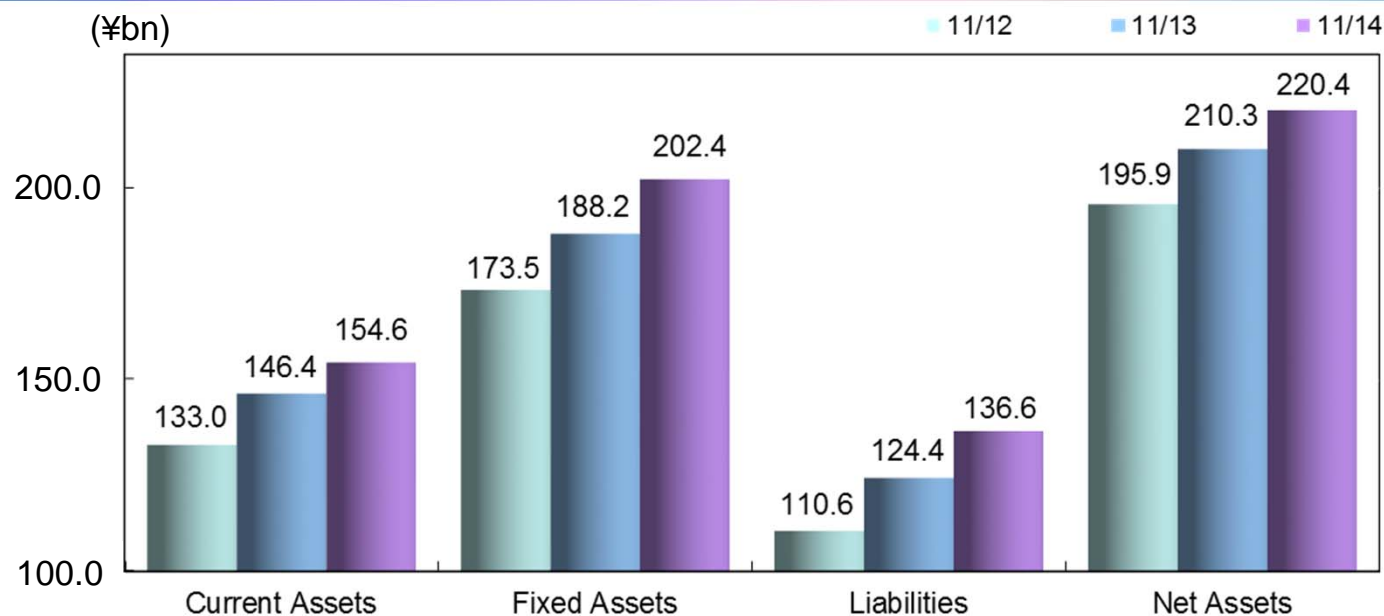
Increase in gains on sales of shares of subsidiaries and affiliates	0.2
Decrease in gains on negative goodwill	(0.8)
Decrease in losses on disposal of fixed assets and impairment of fixed assets	0.7
Decrease in losses on withdrawal from employees' pension fund	0.4

### <Key Points of Income Taxes and Minority Interests>

Increase in income taxes due to higher income	0.8
Impact of decrease in income taxes due to subsidiary merger in previous fiscal period	0.6



# Key Points of Balance Sheet



## Comparison with FY2013

### Increase in current assets

**8.2 ¥bn**

- Increase in notes and accounts receivable - trade 4.0
- Increase in inventories 3.6

### Increase in tangible and intangible fixed assets

**18.4 ¥bn**

- Increase resulting from purchases 33.0
- Decrease resulting from depreciation (16.1)
- Decrease resulting from losses on impairment of fixed assets (0.6)

### Decrease in investments and other assets

**4.3 ¥bn**

- Increase in investment securities 3.0
- Decrease in prepaid pension expenses, assets for retirement benefits (7.5)

### Increase in liabilities

**12.2 ¥bn**

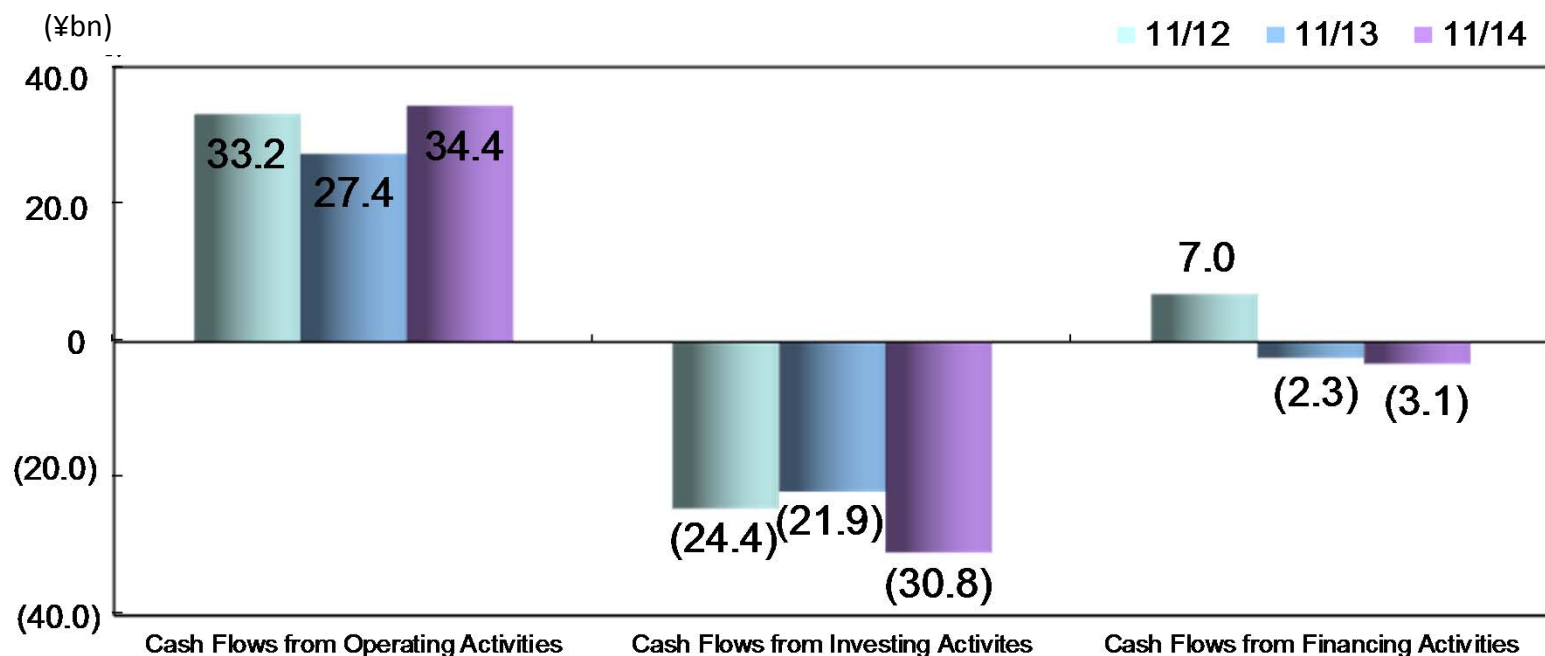
- Increase in notes and accounts payable – trade 3.0
- Increase in accounts payable – other 5.2
- Increase in loans payable 2.5

### Increase in net assets

**10.1 ¥bn**

- Increase in earned surplus 10.0
- Decrease in treasury stock 2.2
- Increase in foreign currency translation adjustments 2.0
- Decrease in accumulated adjustments for retirement benefit (5.4)

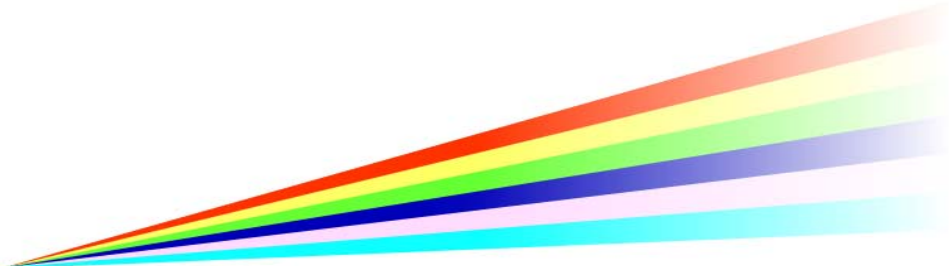
# Key Points of Cash Flows



## Comparison with FY2013

Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities
<ul style="list-style-type: none"> <li>Increase in income before income taxes and minority interests 2.2</li> <li>Decrease in notes and accounts receivable – trade 6.7</li> <li>Decrease in notes and accounts payable – trade (6.1)</li> <li>Decrease in income taxes paid 6.0</li> </ul>	<ul style="list-style-type: none"> <li>Increase in purchases of tangible and intangible fixed assets (3.0)</li> <li>Increase in purchase of shares of affiliates (2.2)</li> <li>Decrease in withdrawal of time deposits with terms over three months (3.0)</li> </ul>	<ul style="list-style-type: none"> <li>Decrease in loans payable (0.9)</li> <li>Decrease in redemption of bonds 0.5</li> <li>Increase in dividends paid (0.2)</li> </ul>

# Fiscal 2015 Plans





## Fiscal 2015 Plans

Increase in both sales and profits planned: Sales to increase by 19.6 billion yen and operating income to increase by 1.2 billion yen

	11/14	11/15 Plan	Change YoY	Increase (Decrease)
Net Sales	553.4 ¥bn	573.0 ¥bn	3.5 %	19.6 ¥bn
Domestic	521.8	536.0	2.7	14.2
Overseas	31.6	37.0	17.1	5.4
Operating Income	24.3 ¥bn	25.5 ¥bn	4.8 %	1.2 ¥bn
Domestic	21.6	22.4	3.9	0.9
Overseas	2.8	3.1	11.1	0.3
Operating Income Ratio	4.4 %	4.5 %	—	0.1 %
Ordinary Income	25.4 ¥bn	26.2 ¥bn	3.3 %	0.8 ¥bn
Net Income	13.4 ¥bn	15.3 ¥bn	14.5 %	1.9 ¥bn
ROA (ordinary income / total assets)	7.3 %	7.1 %	—	(0.2) %
ROE (net income / shareholders' equity)	7.0 %	7.6 %	—	0.6 %
EBITDA (operating income + depreciation expenses)	40.5 ¥bn	45.0 ¥bn	11.3 %	4.5 ¥bn

## Exercise Group's collective strengths to achieve “Sustainable Domestic Growth” and “Dramatic Overseas Growth”

### Sustainable Domestic Growth

<Improve competitiveness and  
expand share>

Boost sales of core products

Strengthen structure by  
reducing costs

Expand into new fields and  
sales channels

### Dramatic Overseas Growth

<Make the most of high quality and  
proposal capabilities nurtured in Japan>

Enhance proposals of  
applications for mayonnaise  
and dressings

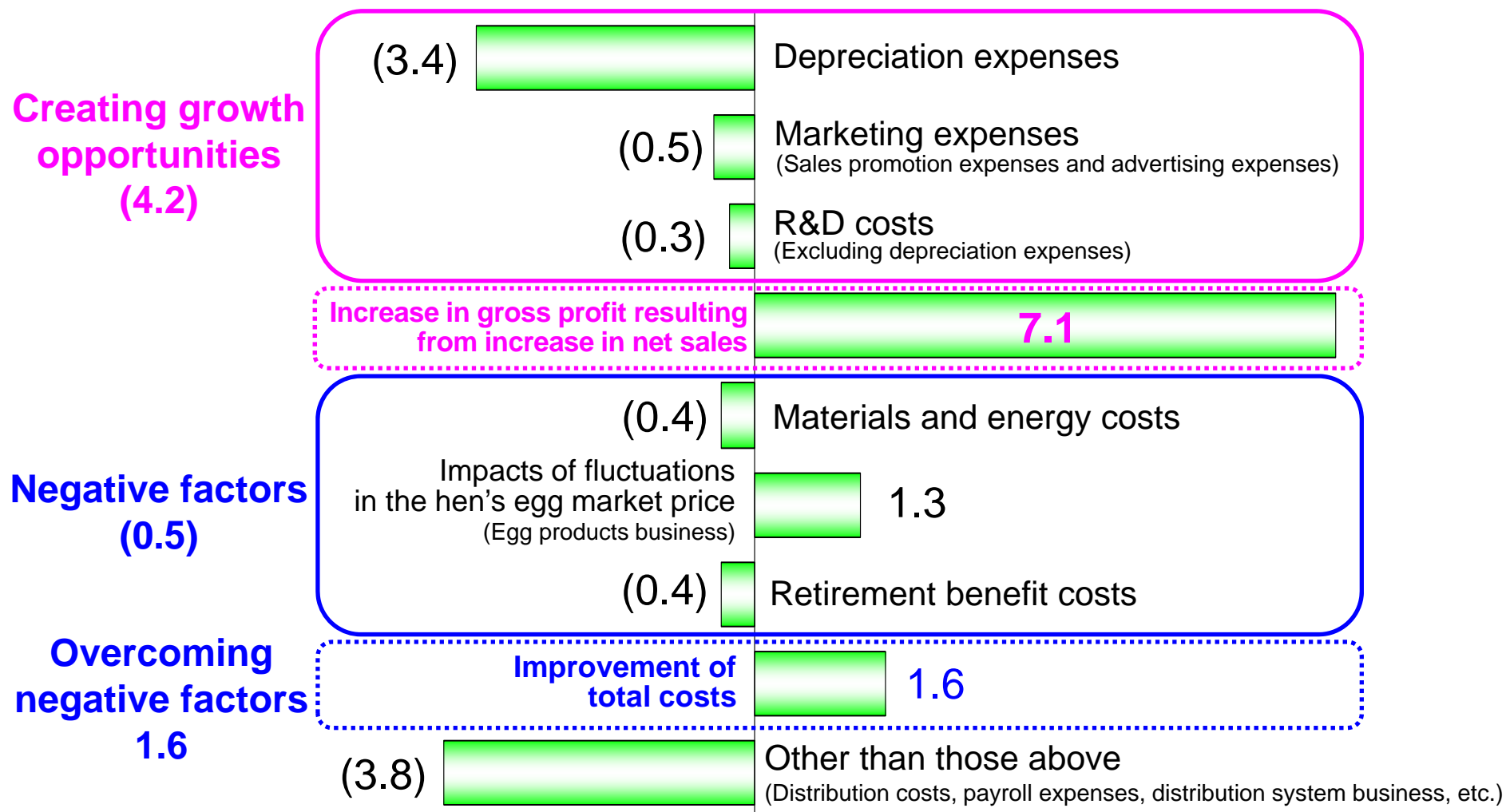
Expand product domains that  
employ Group resources

Penetrate markets in  
new areas for expansion

# Factors Causing Increase (Decrease) in Operating Income

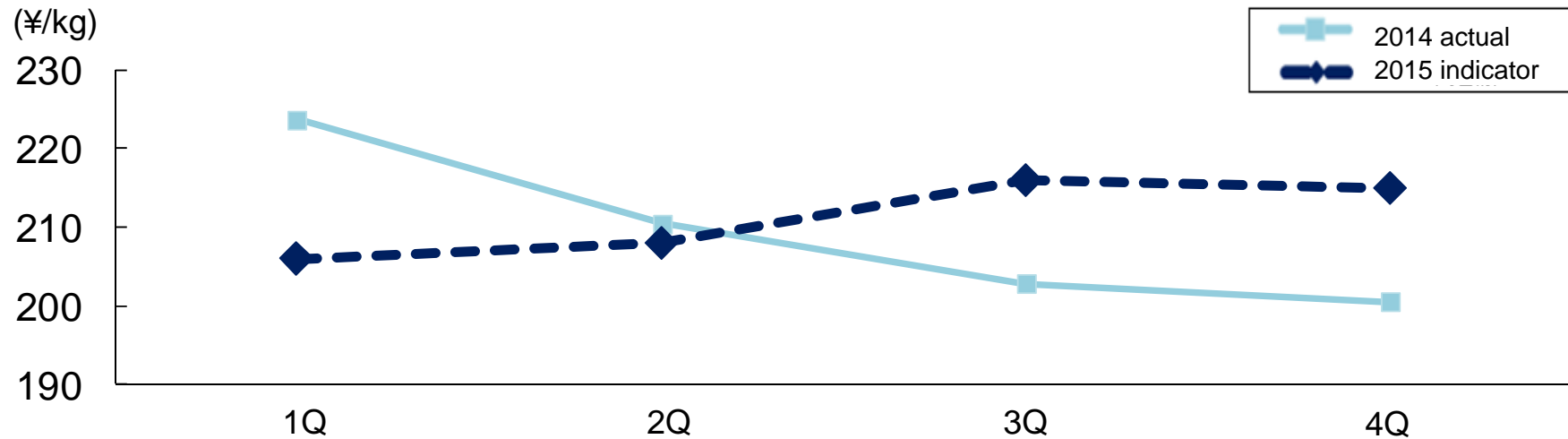
(¥bn)

	11/14	11/15 Plan	Difference
<b>Operating Income</b>	<b>24.3</b>	<b>25.5</b>	<b>1.2</b>

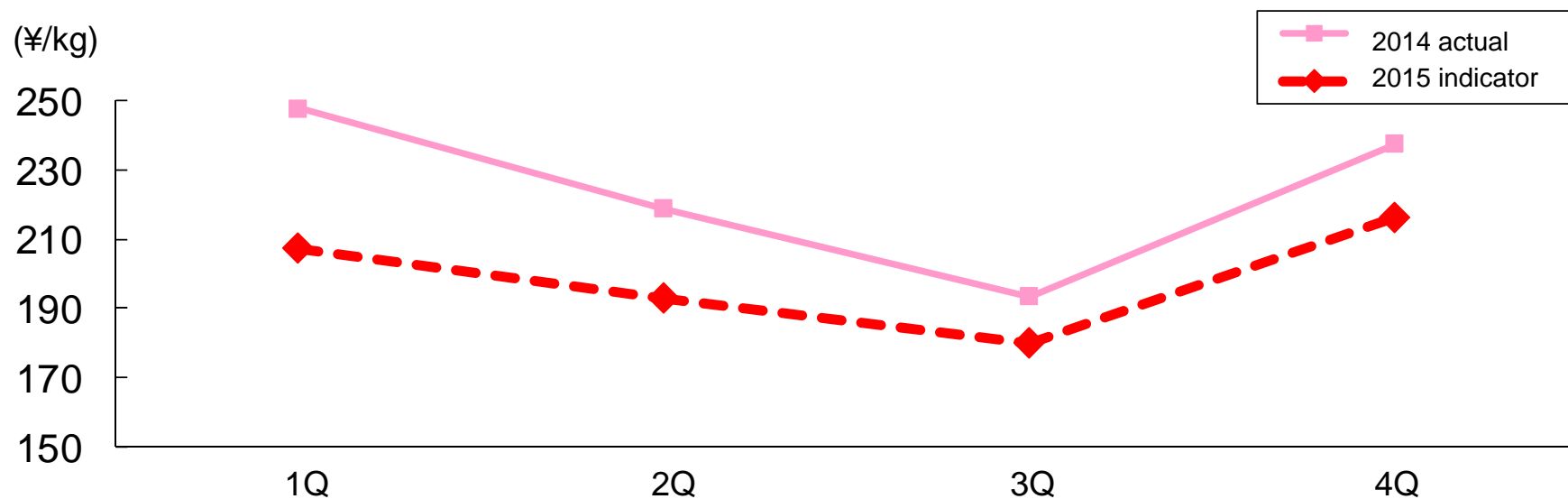


# Conditions in Markets for Major Raw Materials

【Average institutional-use market price (tank truck base) of refined soybean and colseed oils for processed oils and fats】



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



# Investment Policies and Outlook

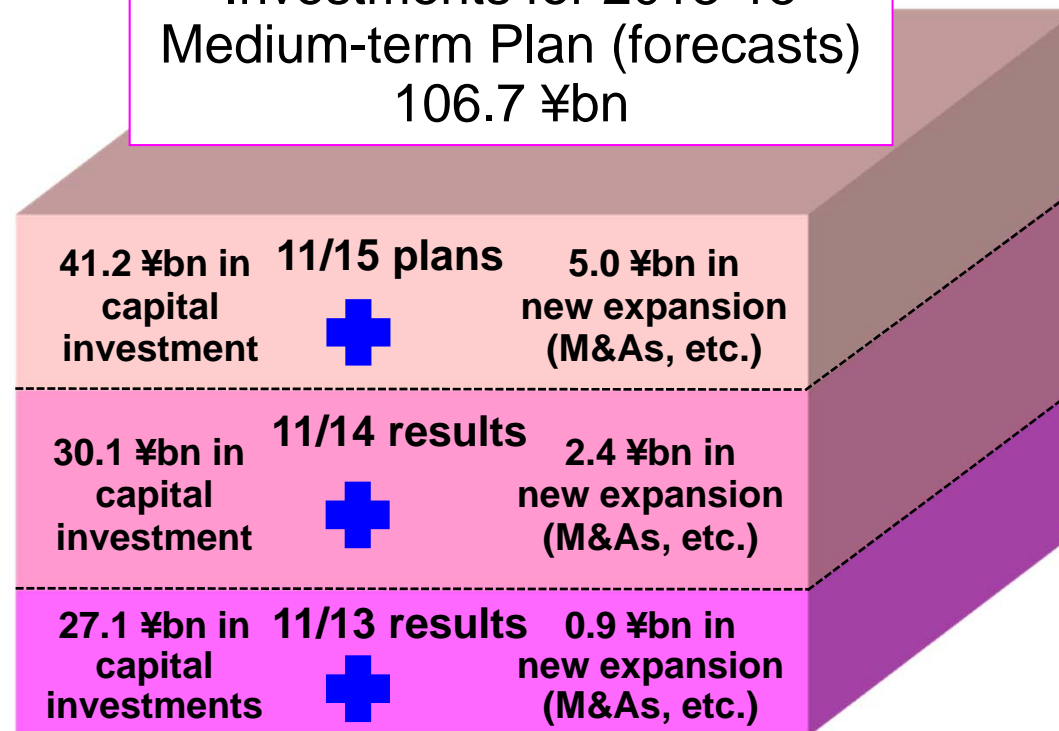
## 【Basic Investment Policy in 2013-15 Medium-Term Plan】

Establishing infrastructure leading to future success and improving its efficiency

Coping with production increase and new expansion necessary for growth

Enhancing safety and security and improving work environment

### Investments for 2013-15 Medium-term Plan (forecasts) 106.7 ¥bn





# Primary Investments in New Construction and Production Increases

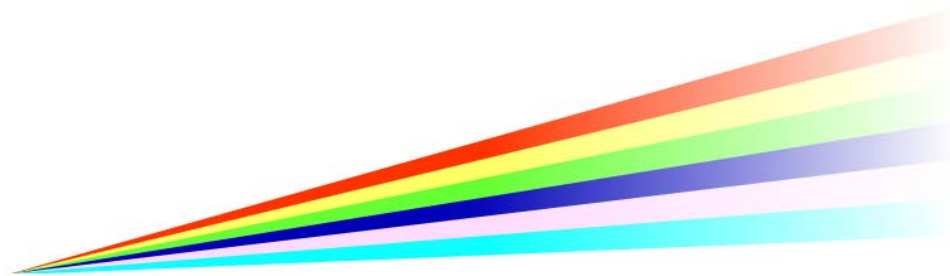
## 2013-15 Medium-term Plan: Primary projects over three years

(¥bn)

Business	Description	Objective	Amount [of which 11/15 plan]
Condiments Products	New factory in Kobe	To stabilize production system in west Japan	2.2 [2.2]
	New installation of manufacturing equipment	To address expanded lineup in dressing sizes and increase production	1.2
	Augmentation of manufacturing equipment overseas	To strengthen supply system for growing markets	1.4
	New company in Indonesia	To expand into Indonesian market	1.5
Egg Products	New liquid egg plant	To establish manufacturing system for high-mix low-volume lineup	4.8 [4.0]
	New installation of manufacturing equipment and augmentation of existing equipment	To enhance efficiency and expand lineup of value-added products	2.5
Delicatessen Products	New plant for cooked rice for convenience stores	To expand capacities to response to demands from convenience stores	3.9 [1.6]
	New company for vegetable processing	To expand into market for cut vegetables for institutional use	2.3 [2.3]
	New plant and augmentation of existing plants for cut vegetables	To strengthen supply system for each area	1.4 [0.1]
Distribution System	New distribution base in Kanto area	To strengthen capacity to handle customized logistics	5.9
	New distribution base in Kansai area	To build an efficient network	4.2 [4.2]
—	Sengawa Kewport	To promote group management and improve development speed	7.5
	Reconstruction of training center	To train human resources and improve technical skills	1.1 [1.1]

\*Since the key capital investments are shown according to the year in which they were primarily made, the actual total investment amount for each project may differ from the figure shown here.

# Main Initiatives by Business Segment



# Fiscal 2015 Plans by Segment

Condiments Products business drives an increase in sales and profits

(¥bn)

	Sales by Segment			Operating Income by Segment		
	11/14	11/15 Plan	Increase (Decrease)	11/14	11/15 Plan	Increase (Decrease)
Total	553.4	573.0	19.6	24.3	25.5	1.2
Condiments Products	151.5	158.5	7.0	11.5	12.7	1.2
Egg Products	99.5	98.0	(1.5)	3.8	4.7	0.9
Delicatessen Products	102.2	107.0	4.8	3.3	3.4	0.1
Processed Foods	57.2	63.0	5.8	0.2	(0.8)	(1.0)
Fine Chemical Products	10.7	13.5	2.8	1.0	1.0	0.0
Distribution System	126.8	127.0	0.2	3.6	3.6	0.0
Common Business Operations	5.5	6.0	0.5	1.0	0.9	(0.1)

# Condiments Products Business

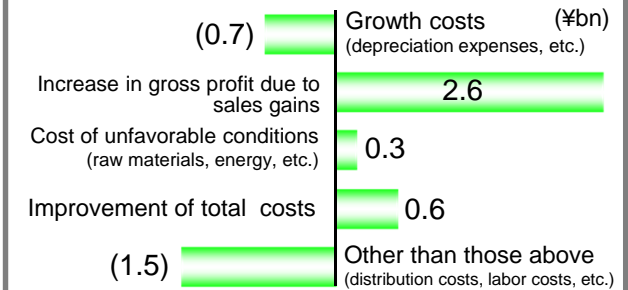
## 【2013-15 Medium-term Themes】

### -This one condiment makes meals enjoyable -

Cultivate demand by offering condiments products that enrich meals and make them more enjoyable, tailored to each area's food culture

(¥bn)	11/15 Plan	Increase (Decrease)
Net Sales	158.5	7.0
Operating Income	12.7	1.2
Operating Income Ratio	8.0%	0.4%

## Factors behind changes in operating income



\*The numbers in parentheses ([ ]) refer to the difference in sales between the 11/15 plan and the 11/14 result. Figures are shown in billions of yen.

## 【Further expansion in core fields】

### ◇Cultivate demand for mayonnaise and dressings [6.8]

#### Make mayonnaise an all-purpose condiment

- Increase points of contact with customers and expand kitchen use in 90<sup>th</sup> anniversary plan

#### Expand demand for salads with dressings

- Strengthen sales promotion and pursue new applications with expanded lineup

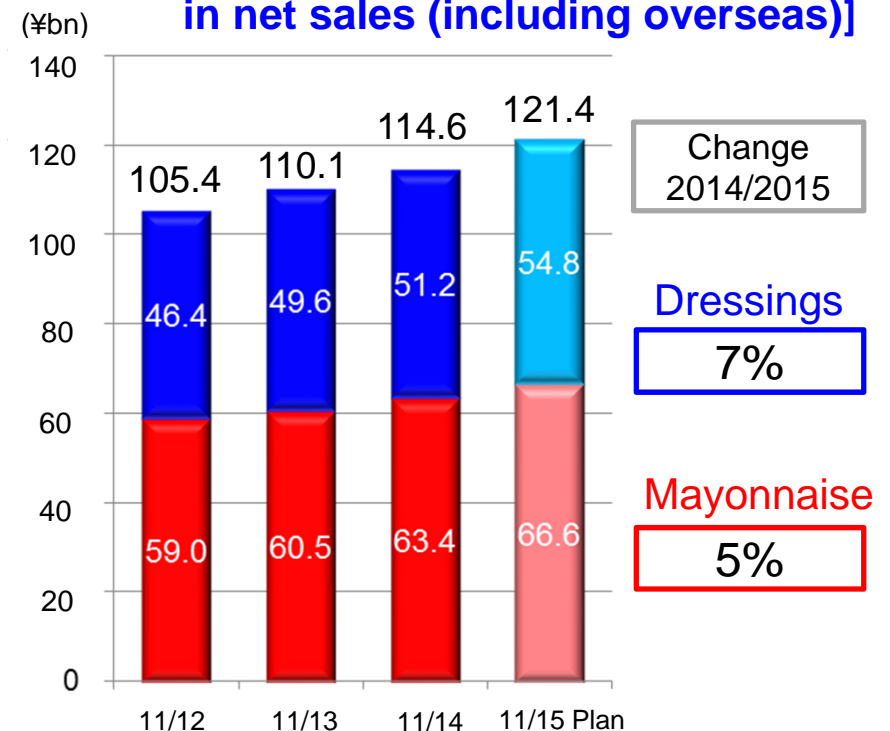
#### Accelerate overseas expansion

- Build on demand tailored to needs and expand exports

### ◇Create added value and improve cost competitiveness

- Create new value with own technology and development capacity
- Build and operate mother and satellite production system

## 【Mayonnaise・Dressings Changes in net sales (including overseas)】



Following the 90<sup>th</sup> anniversary of Kewpie Mayonnaise, stimulate demand with sales promotion measures which utilize its brand strength



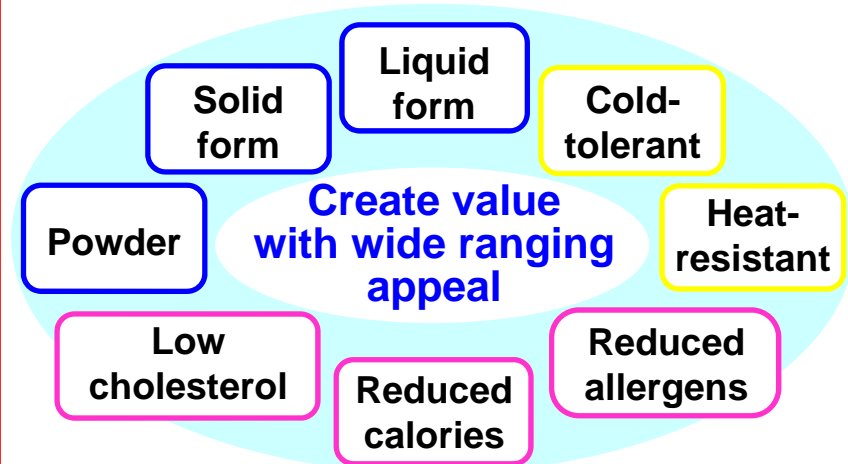
### Consumer campaign

Gifts of approximately 10,000 Kewpie figures

### New sales plan

- Campaign utilizing SNS
- Easter collaboration plan
- Local menu contests

### Strengthen structure of Kewpie Mayonnaise



Image

Concentrated production with operation of Kobe factory (operation planned for 2017)

### Improved cost competitiveness

Giving Kewpie Mayonnaise a more influential and appealing presence

# Egg Products Business

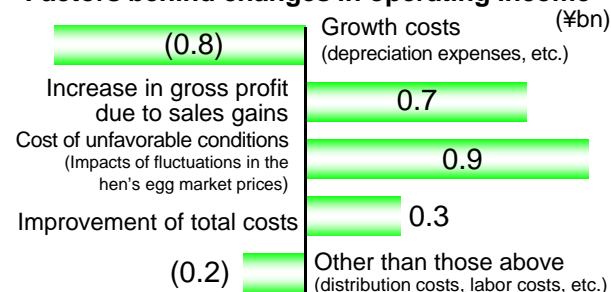
## 【2013-15 Medium-term Themes】

### - Global & Challenge -

Take up the challenge of developing new technologies and acquiring customers for the future, and ensure that business remains strong both in Japan and overseas

(¥bn)	11/15 Plan	Increase (Decrease)
Net Sales	98.0	(1.5)
Operating Income	4.7	0.9
Operating Income Ratio	4.8%	1.0%

## Factors behind changes in operating income



\*Market impact: Sales (3.5) billion yen, operating income 1.3 billion yen

\*The numbers in parentheses ([ ]) refer to the difference in sales between the 11/15 plan and the 11/14 result. Figures are shown in billions of yen.

## 【Cultivate new sales channels and strengthen structure】

### ◇ Create demand in untapped domestic markets [1.1]

- Pursue development of products by application, and further cultivate market for shell eggs for institutional use
- Expand sales area for household products and augment lineup

### ◇ Improve technological capabilities [0.6]

- Further refine and expand unique products, such as techniques to maintain eggs in a half-boiled state

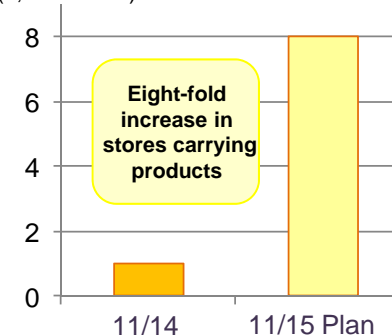
### ◇ Strengthen profit structure

- Further refine product items
- Closely link purchase price and sales price and refine ability to adapt to market

## 【Expand products for household use】

### Expand sales area

(1,000 stores)



### Augment lineup



Trial sales in Tokyo metropolitan area from February 2015

Create new demand utilizing technology refined for business purposes

# Delicatessen Products Business

## 【2013-15 Medium-term Themes】

### - Farm to Table -

Create products and services with real value that bring the farm and the table closer together

(¥bn)	11/15 Plan	Increase (Decrease)
Net Sales	107.0	4.8
Operating Income	3.4	0.1
Operating Income Ratio	3.2%	0.0%

## Factors behind changes in operating income

(¥bn)	(¥bn)
(0.7)	Growth costs (depreciation expenses, etc.)
1.2	Increase in gross profit due to sales gains
(0.3)	Cost of unfavorable conditions (raw materials, energy, etc.)
0.3	Improvement of total costs
(0.4)	Other than those above (distribution costs, labor costs, etc.)

\*The numbers in parentheses ([ ]) refer to the difference in sales between the 11/15 plan and the 11/14 result. Figures are shown in billions of yen.

## 【Focus on three areas】

### ◇Delicatessen Products [1.3]

- Expand sales of mainstay potato salad by refining manufacturing method
- Improve revenue by streamlining production
- Strengthen proposals with home delivery route

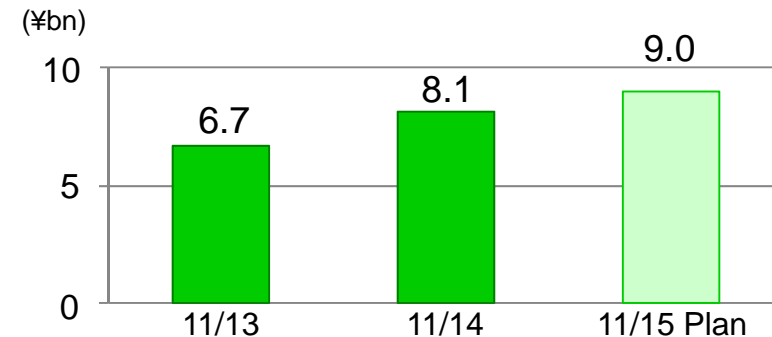
### ◇Cut vegetables [3.2]

- Respond to stronger demand by building up production capacity
- Explore new commercial route
- Augment lineup for packaged salad-related products (Reinforce Salad Club brand)

### ◇Cooked rice for convenience stores [0.3]

- Expand field for cooked rice aimed at mass retailers

## 【Sales trends for potato salad】



## 【Explore commercial route for cut vegetables】

Green Message Co., Ltd. to start manufacturing and sales in May



Headquarters factory (Yamato City) Image



## Expand demand for salads and prepared foods on home delivery route

Increase in working mothers

Aging society

### Products introduced (examples)

#### Convenient kit products



Just stir-fry



Cooking kit for household use

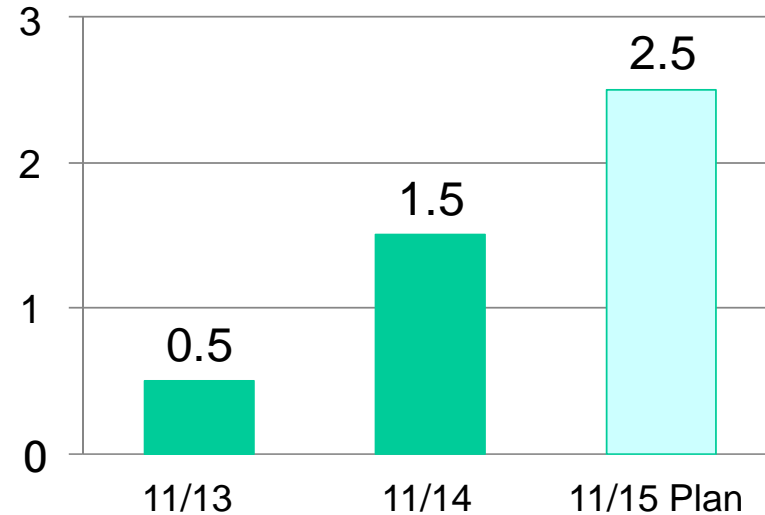
Serving suggestion (sweet-and-sour pork)

#### Packaged salad



### Trends in sales of products sold on home delivery route

(¥bn)



Target of over 2.5 billion yen in sales on home delivery route in Fiscal 2015



# Processed Foods Business

## 【2013-15 Medium-term Themes】

### - Accomplish business rebuilding -

Shift to focus, creation and cultivation of high value-added products acclaimed by customers

(¥bn)	11/15 Plan	Increase (Decrease)
Net Sales	63.0	5.8
Operating Income	(0.8)	(1.0)
Operating Income Ratio	- %	- %

## Factors behind changes in operating income

	(¥bn)
Growth costs (depreciation expenses, etc.)	(0.2)
Increase in gross profit due to changes in structure	1.7
Cost of unfavorable conditions (raw materials, energy, etc.)	(0.3)
Improvement of total costs	0.3
Other than those above (distribution costs, labor costs, etc.)	(2.6)

\*The numbers in parentheses ([ ]) refer to the difference in sales between the 11/15 plan and the 11/14 result. Figures are shown in billions of yen.

## 【Create value-added products and strengthen foundations】

### ◇Minimize initial impact of consolidation of Aohata Corporation

- Reduce costs associated with transfer by firmly establishing sales system
- Strengthen ability to respond to skyrocketing cost of fruit raw materials
- Improve development capacity by integrating the process from development to sales

### ◇Increase sales of seasoning sauces by expanding items [1.0]

- Create new food scene with new categories of seasoning sauces
- Expand line-up of existing sauces

### ◇Raise status of problematic categories

- Improve profits faster by eradicating loss-making products and consolidating items

## 【Expand seasoning sauces】

Seasoning sauces  
Create new categories [0.4]



Update seasoning sauces [0.1]



Expand pasta sauce (canned) items [0.2]



# Processed Foods Business (to improve profits)

## Fiscal 2015 Initial impact of consolidation of Aohata

Goodwill amortization costs following consolidation  
 Skyrocketing cost of fruit used as raw material  
 Temporary rise in operating expenses due to sales transfer

(0.8) ¥bn

In the black  
 by Fiscal  
 2017

Operating profit  
 margin of  
 5%

## Initiatives to improve profits

Strengthen raw material procurement capacity by reviewing purchases

Reduce cost of sales by restructuring production

Lower costs by integrating manufacturing and sales

Refine product items

## Enhance brand



New product for spring 2015:  
 Afternoon jam  
 "Strawberry jam with rum"

Proposals for  
 new food scenes



# Fine Chemical Products Business

## 【2013-15 Medium-term Themes】

-Refine proprietary raw materials-

Expand possibilities in medical field and offer new value

(¥bn)	11/15 Plan	Increase (Decrease)
Net Sales	13.5	2.8
Operating Income	1.0	0.0
Operating Income Ratio	7.4%	(1.9)%

## Factors behind changes in operating income

	(¥bn)
(0.9)	Growth costs (depreciation expenses, etc.)
Increase in gross profit due to sales gains	0.9
(0.1)	Cost of unfavorable conditions (raw materials, energy, etc.)
Improvement of total costs	0.1
(0.1)	Other than those above (distribution costs, labor costs, etc.)

\*The numbers in parentheses ([ ]) refer to the difference in sales between the 11/15 plan and the 11/14 result. Figures are shown in billions of yen.

## 【Growth based on three pillars and New challenges】

### ◇Expansion of hyaluronic acid [0.7]

- Expand sales in food hyaluronic acid market on the back of new performance labelling system
- Continue to propose the use of higher-performance hyaluronic acid in cosmetics

### ◇Speed up growth by strengthening production capacity [1.2]

- Steady growth of EPA for medical use in generic market

### ◇Break into market with proprietary materials and compound products [0.8]

- Sale of anti-norovirus compound alcohol drug formulation
- Carry out proactive PR activities to achieve growth in mail order division

## 【Products for household and commercial use】

Accelerated utilization of proprietary materials with drug formulation technology



Egg yolk lecithin compound supplement



Hyaluronic acid compound supplements and skin care



Lysozym compound alcohol drug formulation

Rapidly identify market needs to promote new development

## 【Raw materials for manufacturers】

Expand proprietary materials to wide-ranging market



Egg yolk lecithin



Hyaluronic acid



Lysozym

# Distribution System Business

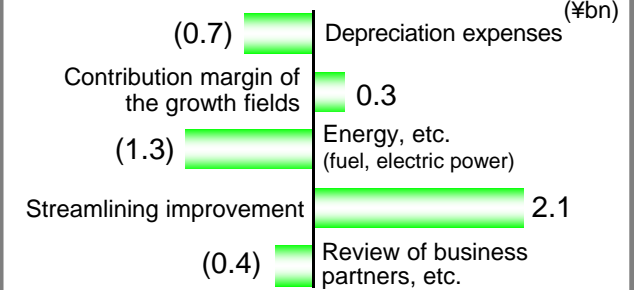
## 【2013-15 Medium-term Themes】

### - Focus on three priority areas -

Clarify business areas on which Kewpie will focus, strengthen operating base and pursue new developments

(¥bn)	11/15 Plan	Increase (Decrease)
Net Sales	127.0	0.2
Operating Income	3.6	0.0
Operating Income Ratio	2.8%	0.0%

## Factors behind changes in operating income (¥bn)



## 【Strengthen operating base and shift to growth areas】

### ◇Joint distribution

- Build network in Kansai and Tohoku areas
- Rebuild transportation functions by standardizing operations
- New developments in daily foods and import operations

### ◇Customized logistics

- Strengthen capacity to handle growing customized logistics transactions
- Reduce center operating costs and strengthen profitability
- Establish logistics consulting system

## 【Build logistics network】

New refrigerated warehouse in Kobe (to begin operating in February 2015)



Image

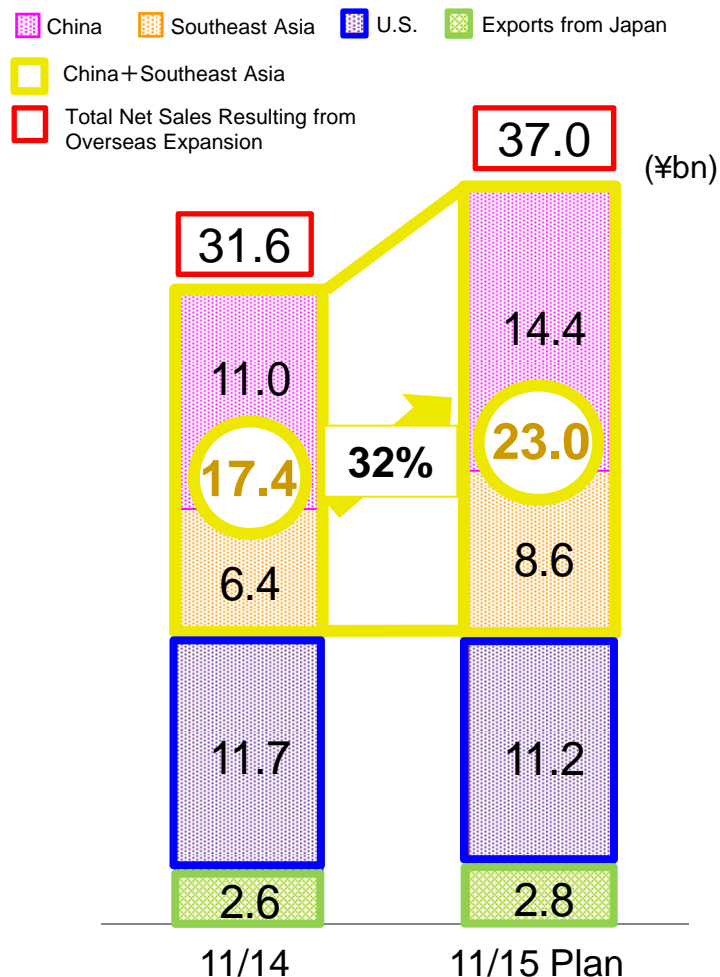
Expand low-temperature functions to build up revenue in Kansai region

# Main Initiatives Overseas



# Overseas sales by region and initiatives

## Overseas expansion: Trends of net sales by area



Overseas Expansion increased 17% [5.4 ¥bn] over 11/14

China and Southeast Asia increased 32% [5.6 ¥bn] over 11/14

\* Net sales of U.S. and Exports from Japan were reduced to 2.7 billion yen for consolidated adjustment

## Main Initiatives in Asia

### [China]

Increased 31% [3.4 ¥bn] over 11/14

- Cultivate and expand mayonnaise, dressing and jam sales
- Strengthen proposals for fillings in bakery market
- Reinforce proposal capacity by expanding lineup of processed egg products

### [Southeast Asia]

Increased 34% [2.2 ¥bn] over 11/14

- Strengthen sales promotion of mayonnaise and dressings in household market.
- Speed up expansion in food service market with proposal marketing
- Expand exports to neighboring countries
- Accelerate expansion into Indonesian market based on experience in other countries

## Main initiatives in the U.S.

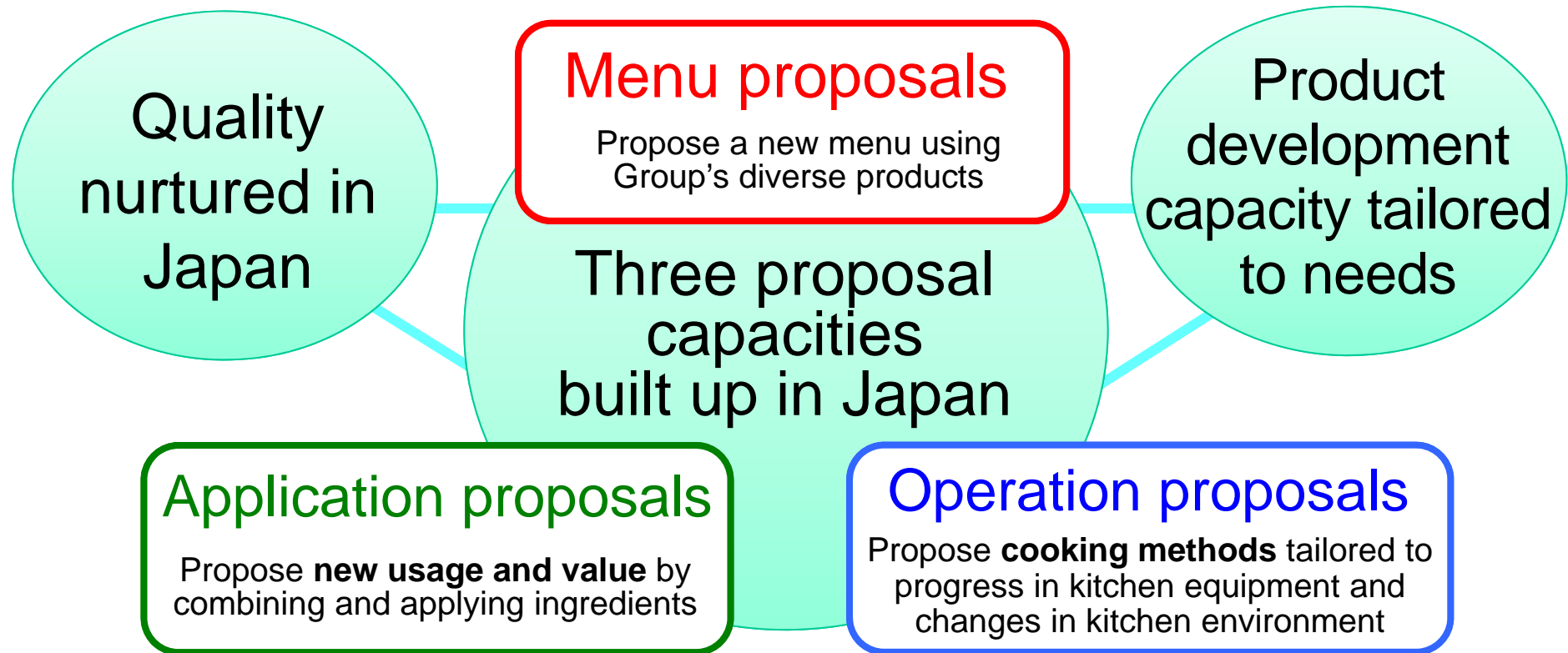
Decreased 4% [(0.5) ¥bn] over 11/14

- Accelerate Kewpie brand development with local production and export from Japan
- Strengthen exports to neighboring countries

\*The numbers in parentheses ([ ]) refer to the difference in sales between the 11/15 plan and the 11/14 result. Figures are shown in billions of yen.



## Cultivate Asia's food service market



## Cultivate Asia's food service market

**Sales in Asia's food service market  
12.8 billion yen in Fiscal 2015 plan  
(38% year-on-year increase)**

# Dividends



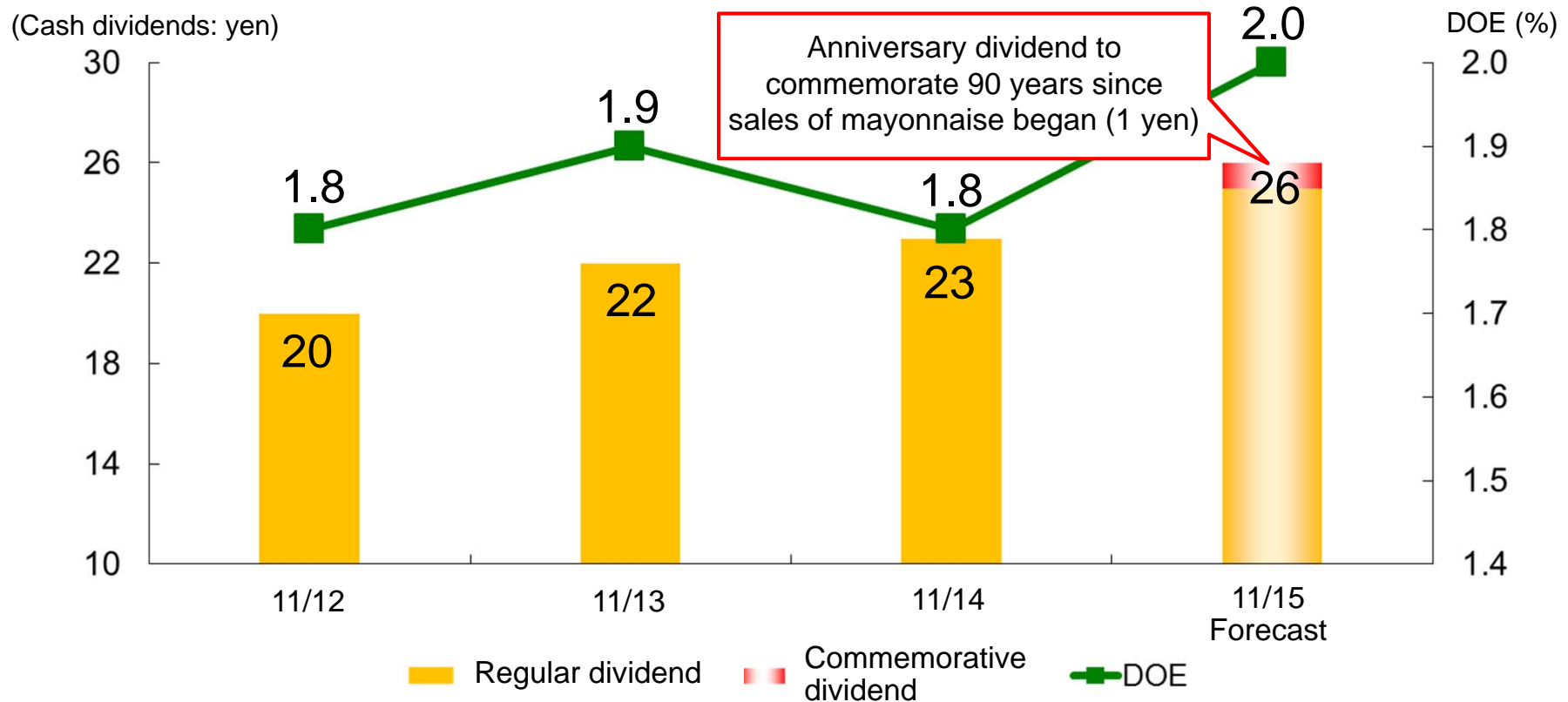


# Dividend trends

Dividends for Fiscal 2015 set at 26 yen to commemorate 90<sup>th</sup> anniversary of Kewpie Mayonnaise

**【Basic policy for shareholder returns】**  
**Dividends given top priority**  
 Kewpie aspires to steady increase in dividends over long term

**【Standard for setting dividends】**  
**DOE over 1.8%**  
 Target dividend payout ratio of over 25%



# Reference Materials



# Reference: Performance Trends

	(¥bn)					
	11/10	11/11	11/12	11/13	11/14	11/15 Plan
<b>《New Business Segments》</b>						
Condiments Products			138.6	145.4	151.5	158.5
			11.5	11.5	11.5	12.7
Egg Products			85.6	91.2	99.5	98.0
			4.9	3.4	3.8	4.7
Delicatessen Products			91.6	98.0	102.2	107.0
			3.1	3.5	3.3	3.4
Processed Foods			59.1	58.4	57.2	63.0
			(1.0)	(0.9)	0.2	(0.8)
Fine Chemical Products			8.3	9.7	10.7	13.5
			1.0	0.9	1.0	1.0
Distribution System			115.7	120.3	126.8	127.0
			3.2	3.2	3.6	3.6
Common Business Operations			6.2	7.6	5.5	6.0
			0.8	0.8	1.0	0.9
<b>Total</b>			<b>505.0</b>	<b>530.5</b>	<b>553.4</b>	<b>573.0</b>
			23.4	22.4	24.3	25.5
<b>《Former Business Segments》</b>						
Condiments and Processed Foods	171.7	173.5	181.4			
	16.6	14.4	15.0			
Health Function Products	17.8	18.5	18.4			
	1.4	1.5	0.8			
Egg Products	83.1	85.7	85.6			
	3.9	3.8	5.7			
Salads and Prepared Foods	78.1	85.8	97.7			
	1.6	2.2	3.1			
Distribution System	113.7	117.1	115.7			
	2.8	3.0	3.2			
Common Business Operations	6.7	5.8	6.2			
	0.5	0.7	0.8			
Adjustments	(4.6)	(4.8)	(5.2)			
<b>Total</b>	<b>471.0</b>	<b>486.4</b>	<b>505.0</b>			
	22.1	20.8	23.4			

Note: Figures in the upper column are sales, and those in the lower column are operating income

## Reference: Capital Investments and Main SG&A Expenses

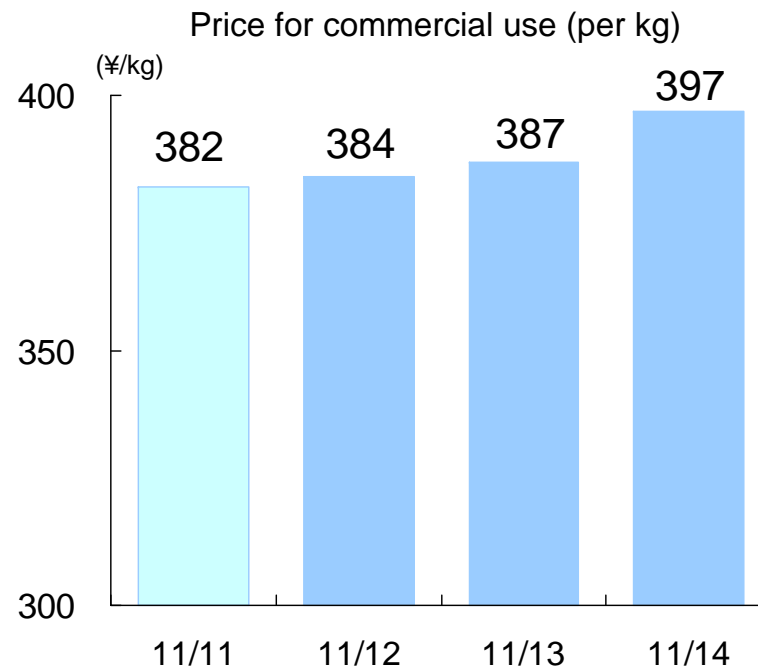
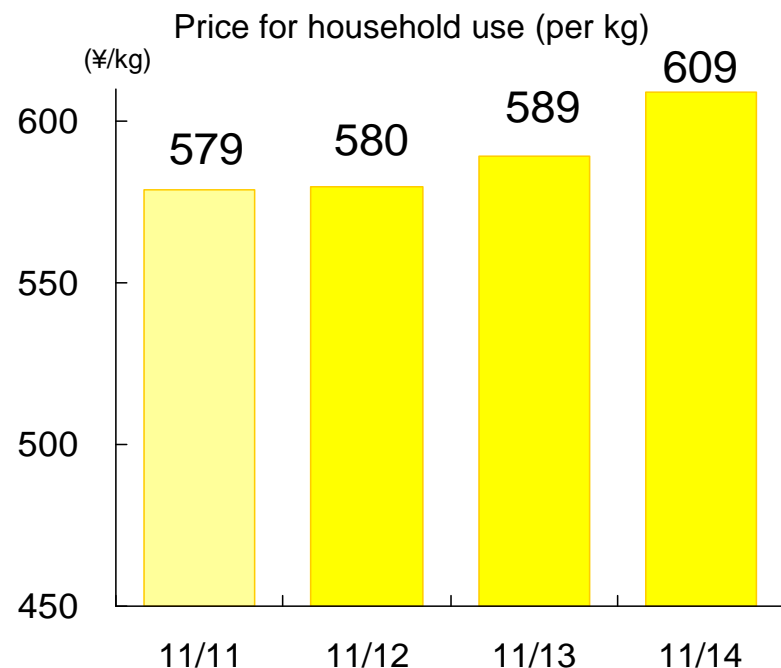
	(¥bn)					
	11/10	11/11	11/12	11/13	11/14	11/15 Plan
Capital Investments	12.6	13.4	20.9	27.1	30.1	41.2
Depreciation Expenses	13.1	13.6	14.1	14.6	16.1	19.5
Sales Promotion Expenses	18.2	18.2	19.5	20.5	21.4	20.7
Advertising Expenses	7.8	7.4	7.9	7.9	8.0	9.3
Transportation and Warehousing Expenses	25.8	27.0	28.9	30.5	32.0	33.2
Payroll Expenses	22.8	23.6	24.3	25.4	26.5	29.6
R&D Expenses	3.2	3.2	3.4	3.7	3.9	4.2

	11/13	11/14	<b>Breakdown of Increase/Decrease (Comparison between fiscal 2013 and fiscal 2014)</b>
Non-operating Income (Expenses)	1.3	1.0	Decrease in equity in earnings of affiliates (0.2) Increase in business commencement expenses (0.2)
Extraordinary Gains (Losses)	(1.3)	(0.8)	Increase in gains on sales of shares in subsidiaries and affiliates 0.2 Decrease in gains on negative goodwill (0.8) Decrease in losses on retirement of fixed assets, losses on impairment of fixed assets 0.7 Decrease in losses on withdrawal from pension fund 0.4

## Reference: Results of Salad Condiments by Category Type in Japan

		11/11	11/12	11/13	11/14	Change YoY
For household use	Volume (1,000t)	124	127	128	125	(2.5)%
	Amount (¥bn)	71.8	73.8	75.4	76.1	1.0%
For commercial use	Volume (1,000t)	97	107	107	105	(1.7)%
	Amount (¥bn)	37.1	40.9	41.5	41.8	0.8%
Total	Volume (1,000t)	221	234	235	230	(2.1)%
	Amount (¥bn)	108.9	114.7	116.9	117.9	0.9%

\* Results for the period ended in November 2012 were reclassified in accordance with the new segment classification from the fiscal year 2013.



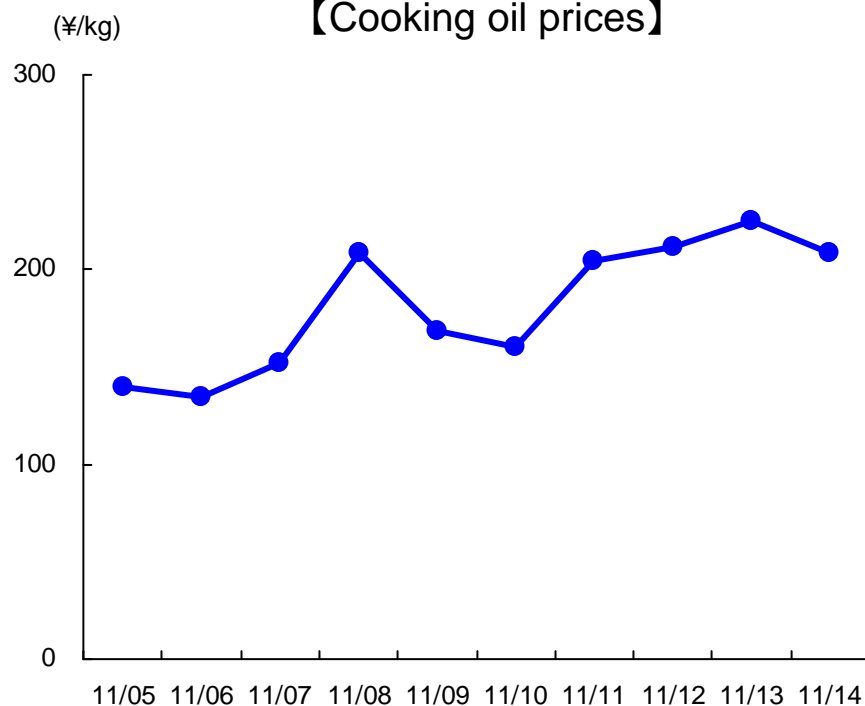
# Reference: Movement in Egg and Cooking Oil Prices

(Yen)

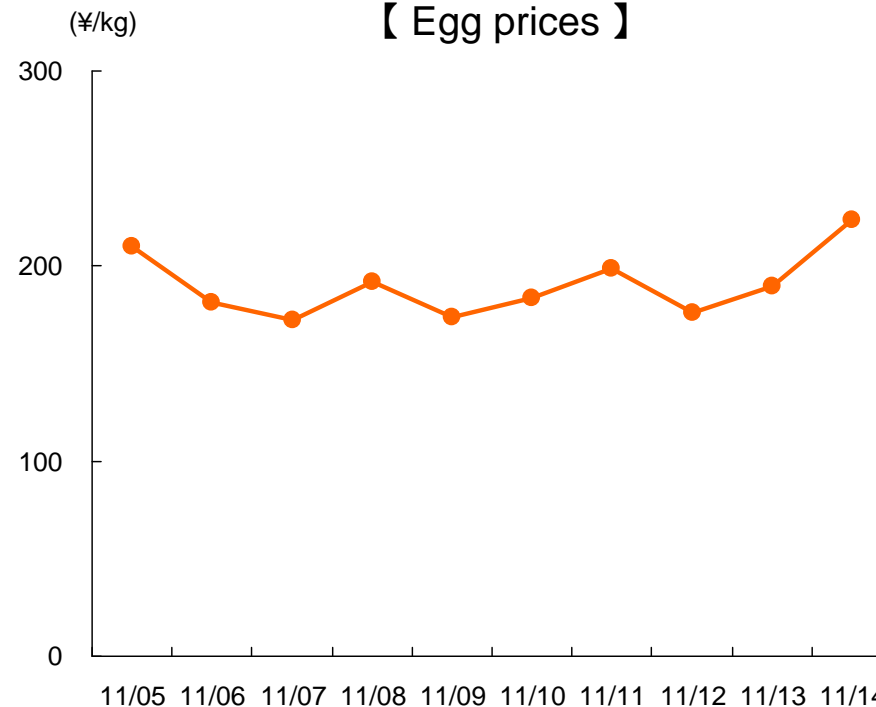
	11/05	11/06	11/07	11/08	11/09	11/10	11/11	11/12	11/13	11/14
Average Price of Institutional Use (Tank Truck Base) for Processed Oil and Fats (per kg)	140	135	152	209	169	160	204	212	225	209
Medium-Sized Egg, Tokyo Market Average Price (per kg)	210	181	172	192	174	184	199	176	190	224

(Average in period from December to November of the following year)

【Cooking oil prices】



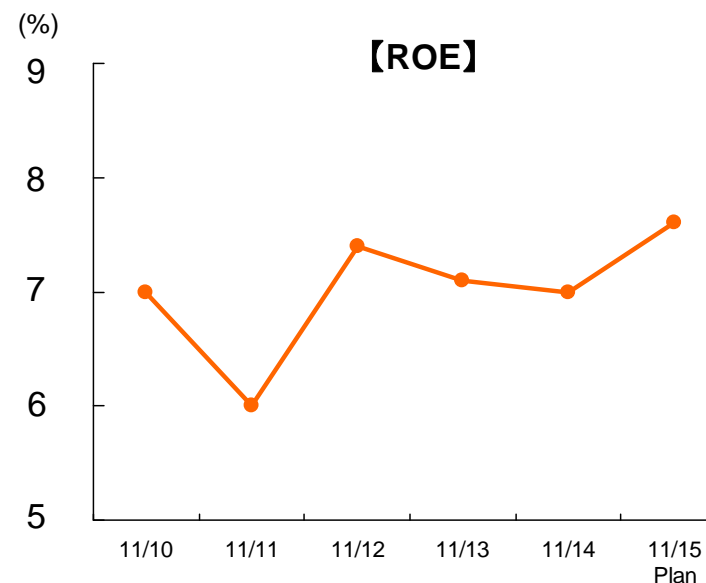
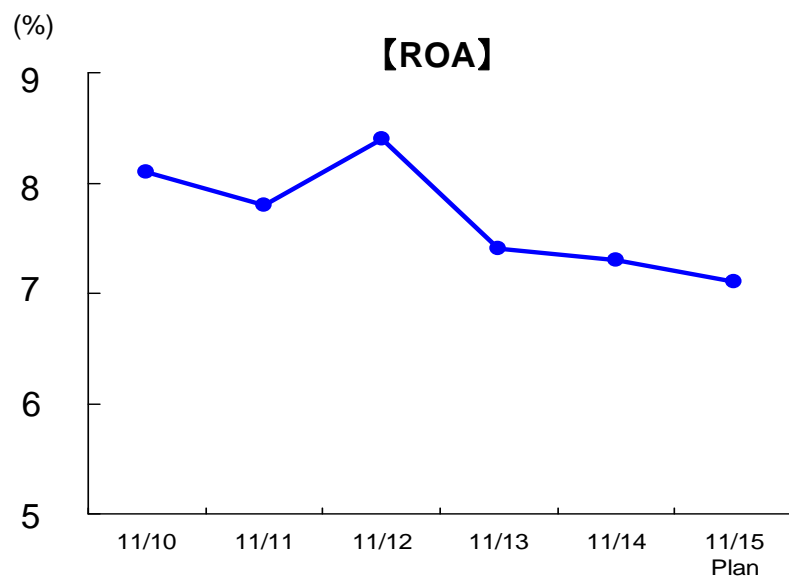
【 Egg prices 】



# Reference: ROA and ROE

(%)

	11/10	11/11	11/12	11/13	11/14	11/15 Plan
<b>ROA</b> (Return on Assets)	8.1	7.8	8.4	7.4	7.3	7.1
<b>ROE</b> (Return on Equity)	7.0	6.0	7.4	7.1	7.0	7.6



	11/10 11/11 11/12 11/13 11/14 11/15 Plan						11/10 11/11 11/12 11/13 11/14 11/15 Plan						
	(¥bn)						(¥bn)						
Total assets	288.0	275.8	306.5	334.7	357.0	385.7	Shareholders' equity	156.1	160.0	170.9	184.2	195.1	206.4
Ordinary Income	22.8	21.9	24.5	23.7	25.4	26.2	Net Income	10.6	9.4	12.3	12.6	13.4	15.3

Note:

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