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Editorial Policy
In putting together the Integrated Report 2022, the Kewpie Group hopes to deepen the understanding of all stakeholders, including its shareholders and investors, regarding efforts to create value over the medium- to long-term. The Integrated Report 2022 therefore provides an overview of the Group's business as well as comprehensive strategies and plans aimed at creating corporate value.

The Report also summarizes matters of a material nature that underpin the Group's efforts to create corporate value. All other information, including details of the Group's financial results and position, social and environmental initiatives, products, and businesses can be found on its corporate website.

Period Covered by the Report
The Report covers the 12-month period from December 2020 to November 2021. Past background information and data as well as recent examples of the Group's activities that fall outside the period covered have also been included when considered appropriate.

Forward-Looking Statements
The forecasts and forward-looking statements contained in this Integrated Report 2022 are based on information available as of the date of publication and on certain assumptions deemed rational. These forecasts also include certain probable uncertainties.

Actual performance, etc., could differ greatly from forecasts due to a variety of factors including changes in business conditions.

Note. Throughout this report, fractional amounts less than the indicated unit have been discarded. However, monetary figures in billions of yen, as well as percentages, have been rounded to the nearest fractional unit.

Message from the President



Mitsuru Takamiya
Representative Director
President and Chief Executive Corporate Officer
Kewpie Corporation

We will contribute to the food culture and health of the world as a united Group, with an emphasis on the aspiration for "love around the kitchen table."

Introduction

I wish to offer my deepest sympathies to those who have been stricken with COVID-19 as well their families and associates, and also express my deep thanks to the medical professionals, public servants and other related people working on a daily basis to treat and prevent infections.

My name is Mitsuru Takamiya, and I have recently been appointed Representative Director, President and Chief Executive Corporate Officer of Kewpie Corporation. Under the FY2021-FY2024 Medium-term Business Plan, the Kewpie Group has been pursuing initiatives around the theme of "Transition to a structure that realizes sustainable growth." The ongoing effects of the COVID-19 pandemic on our business results have been compounded with a spike in the price of vegetable oil and other main raw materials, resulting in a harsh management environment. The costs of materials and energy have risen even further against the background of a destabilized international situation. This is why we are determined to further accelerate the transition of our corporate structure. Further, in view of society as a whole, several social issues are becoming apparent, including health issues associated with Japan's aging population and the impact of global climate change. As an enterprise engaged in broad ranging business activities through food, facing these issues with a global perspective is something the Group accepts as its responsibility.

I embrace the mission of transition to a structure that realizes sustainable growth in both economic and social aspects while creating and communicating new appeal for the Group through initiatives for social issues. This will lead to the realization of "Kewpie Group 2030 VISION," a long-term vision formulated in 2019, and "Our Ideal" that lies ahead.

The Kewpie Group Appeal We Strive to Create

The Group aims to contribute to the food culture and health of the world through "great taste, empathy and uniqueness." This is Our Ideal, and to make it a reality, I want to create the appeal of the Group from four perspectives.

1 Contributing to Food Culture and Health → P.17

Our founder, Toichiro Nakashima, wanted to improve the physiques of Japanese people, and began manufacturing and selling mayonnaise with the desire to "make delicious, nutritious mayonnaise a daily necessity." That aspiration is still passed down today, more than a century later since our founding. Contributing to food culture and health is an important theme for the Group that can be said to be the reason for its existence. In addition to its delicious flavor, we deliver values such as the variety of ingredients through our food, an extensive assortment of dishes and the company of family and friends. These are both a source of health that builds the body and a source for mental well being.

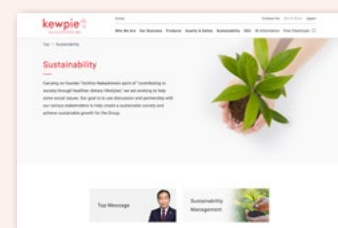
We have expanded our product lineup of mayonnaise and dressings as well as continued to offer a variety ways to enjoy food in our desire for people to eat vegetables in tasty ways. For example, in the Mayonnaise Classes*, we often hear the voices of participating children saying, "Now I can eat delicious vegetables that I couldn't eat before." We feel that consuming nutrients contained in vegetables in a balanced manner leads to the prevention of lifestyle-related diseases and the enhancement of immunization, and that this has contributed to the development of healthy

* Activities to convey the importance of eating vegetables and the joy of eating through hands-on experience and classroom learning about mayonnaise.

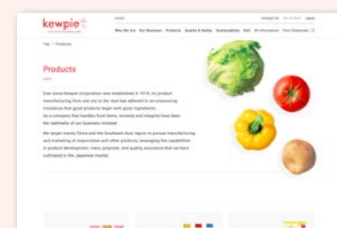
Website The Kewpie Group posts a wide range of information from a variety of perspectives on its website.



IR Information
<https://www.kewpie.com/en/ir/>



Sustainability
<https://www.kewpie.com/en/sustainability/>



Recipes/Products
<https://www.kewpie.com/en/products/>

Message from the President

bodies not only for adults but also for children. In addition to our activities in Japan, we also pursue activities overseas to spread new dietary practices of eating raw vegetables based on the local food culture. In China, for example, we are suggesting that combine the ingredients of “jianbing” (a common crepe-like fast food), with vegetables and mayonnaise in addition to meat and eggs, and have been well received. We will continue to develop the ingenuities we have cultivated in Japan to eat vegetables in tasty ways, and expand it to the world with our group’s products while adapting them to local food culture.

In addition, the gap between average life expectancy and healthy life expectancy is currently a major social issue, and we will focus on initiatives to extend healthy life expectancy. One of those themes is preventing a state of mental or physical frailty that accompanies aging. It is believed that three aspects are important in preventing frailty, nutrition, exercise and social participation.

We contribute primarily to the nutritional aspect. We focus on protein as an important nutrient for prevention, and will strengthen the development of processed egg products for retail consumers so that they can easily consume eggs, which contain good quality protein. To date, we have developed processed eggs for use in food service, but applying the technologies we have developed to the retail consumer space will lead to the development of new markets.

We are able to deliver products to all dietary scenes in home-cooked meals, ready-made foods and restaurant, and we are developing products for a wide range of age groups, from baby foods to nursing care foods. This is why we can contribute most to food culture and health. Among the technologies we have cultivated over a history spanning more than a century, there are many that can contribute to people’s health. In the health field, where growth is expected, we will create new value and accelerate overseas developments by leveraging the technologies and knowledge gained from this activity.

2 Contributing to Preserving the Global Environment

→ P.21

It is blessings of nature that underpin our business activities. We will create a future full of children’s smiles by caring for people and the environment throughout the value chain, from product design and raw material procurement, to production, sales and consumption and by giving

earnest consideration to effective use of food resources, preservation of environment, and other matters. In particular, in activities related to vegetables and eggs, which are handled in large volumes, we are working to become a group that is considered the most unique in the world. The Group, which has been selling egg yolk-type mayonnaise since its foundation, has considered ways to utilize the by-product of egg whites, and has continued to sell this by-product as an ingredient for fish paste and confectionery. We began selling egg shells as a soil improvement additive from 1956, and in the years since we have enhanced added value by finding unique uses for egg shells, including as a calcium material. As a result of these activities, we are able to utilize approximately 250,000 tons of eggs annually in Japan, including egg shells, without more than 100%. Similarly for vegetables, unused portions such as cabbage cores that come out at the time of production of cut vegetables are completely turned into animal feed or composted.

We will expand our contribution to the global environment by working on foodtech under the three themes of “extending product shelf life,” “utilizing unused resources,” and “substitutional foods,” and we will translate to a structure that realizes our own sustainable growth. With this in mind, we will seek partners who empathize with the ideas of the Group from not only a domestic but a global perspective, and actively collaborate with them.

3 Deepening our Understanding of Customers

→ P.29

To date, the Group has cultivated strong products, strong brands, strong value chains, and PR capabilities in stores. Combined with television commercials, many customers are familiar with the Kewpie Group. In addition, we have refined our product development and delivery methods by valuing the feedback we receive from our customers as well as letting them get to know us through our Customer Service Office and factory tours.

And from now on, with customers’ dietary habits and purchasing behaviors rapidly changing, food culture is expected to become increasingly diverse in the future. Scenes where customers utilize e-commerce to purchase food products have become more common, and opportunities to become aware of health and the global environment are likely to increase. It will become essential to understand our customers in a way that is not merely an extension of what we have known in the past. We will continue to hone our strengths while valuing points of contact with customers, utilize digital technologies to build interactive connections with customers, and make preparations to gain a more in-depth understanding of customers. We have envisioned new developments that will lead to customer success, and on that basis we will propose foods that fit customer values and lifestyles to achieve dietary lifestyles that are healthy and enjoyable for each person. In pursuing overseas expansion, we believe it is important to identify the characteristics and needs of customers in each country and deliver products

and services that can solve problems. We will begin this customer success initiative domestically, and by also using it for overseas development, we will realize speedier global expansion, which will lead to “A Food Partner for Every Person” in 2030 Vision.

4 Becoming a Group that Takes on Challenges Freely and Actively, and Can Share Joy with One Another

→ P.23

We believe our employees will play the central role in shaping the future toward achieving our 2030 Vision. There is an approach that I value and which I have communicated to the members I have worked with. That is for each person to:

- (1) Envisage their own future
- (2) Superimpose that future on their current work
- (3) Find fulfillment and joy in their work and experience personal growth

By putting these three points into practice, I believe employees can enhance their value to society. I will once again clarify this approach as “Expectations for employees” and address the career development and growth of each and every employee. Additionally, we will improve two-way engagement between the company and employees, and develop into a group that takes on challenges freely and actively, and where employees learn and grow together and share their joy. To accomplish this, we will value a culture of taking on challenges and offering praise with a renewed vigor.

In addition to promoting diversity, we will implement various measures for human resources that are in line with this approach. Employees feeling fulfilled and joy in their work will lead to the creation of more valuable products and services. As a result, I believe we will be able to contribute to our customers’ well being. I am confident that this is the way we deliver to our customers the aspirations of our corporate message, “love around the kitchen table.”

Status of the FY2021-FY2024 Medium-Term Business Plan

→ P.7

In the Medium-term Business Plan, we have set the theme of “Transition to a structure that realizes sustainable growth,” and are currently implementing strategies based on three policies: “Strengthening our profit structure and creating new dietary lifestyles,” “Redoubling efforts involving society and the global environment,” and “Developing a framework for empowering a diverse range of talent.” Return on equity (ROE), operating income ratio, and growth ratio in overseas net sales, which are the key indicators of “Strengthening our profit structure and creating new dietary lifestyles,” recovered from the previous year’s results, which were affected by the COVID-19, and generally exceeded our forecasts. With respect to, due to share buybacks worth 10 billion yen in addition to recovering net income, we are making steady progress towards the FY2024 target of 8%. Meanwhile overseas growth and improved profits from retail products contributed to operating income ratio. Growth ratio in overseas net sales in particular has shown

growth beyond our forecasts, thanks to recovery from the impact of the COVID-19 and the stable expansion of sales. While striving to enhance the value of the KEWPIE brand, we will continue aiming to expand the scale of our activities overseas as a growth driver of the Group overall.

On the theme of “Redoubling efforts involving society and the global environment,” in the first year of the plan we already achieved the initial FY2024 target and made partial revisions to the values and details of our targets. Additionally, in October 2021 Kewpie Corporation expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and joined the TCFD Consortium.

On the theme of “Developing a framework for empowering a diverse range of talent,” we are working to develop diverse professional human resources by promoting the mobilization of human resources within the Group and providing opportunities to acquire various perspectives, skills and values. More than 20% of the participants in important meetings are from different backgrounds (skills/ages, gender) and stimulate discussions. More than 20% of the participants in important meetings are from different backgrounds (skills/ages, gender) and stimulate discussions. As the text of our corporate motto of “RAKU-GYOU-KAI-ETSU*” suggests, we aim to be an organization that can create new value by having various members enjoy working together and rejoice together.

While promoting these initiatives, at the same time we must face risks. The price of vegetable oil, the main raw material, has risen to unprecedented levels, and we expect this trend to continue further into the future. In addition, with the global situation becoming increasingly unstable, we are concerned about rising energy costs. Building a product portfolio that will minimize the impact of risks is an important measure. Specifically, we will work to expand the condiments category, which contains less vegetable oil, and cultivate products specialized in high-value-added health functions. In the areas of delicatessen foods and processed egg products, we will spread the risks from rising vegetable oil costs by working to boost productivity and increasing profitability.

In Conclusion

In the FY2021-FY2024 Medium-term Business Plan, we will achieve the transition to a structure that balances both economic and social aspects, create new elements of appeal for the Group, and lead the way to sustainable growth to achieve “Our Ideal” and 2030 Vision. To accomplish these things, first I will personally make active efforts to communicate with people both inside and outside the company more than ever before. We will value communication with customers, business partners, shareholders, investors and all stakeholders, and will clarify the issues faced by the Kewpie Group and what our stakeholders expect of us. By sharing those insights within the Group, employees will experience fulfillment, and we will build an even better Kewpie Group whose appeal can be appreciated by all stakeholders.

* RAKU-GYOU-KAI-ETSU: The idea that people who have the same ambitions enjoy working together, endure struggles together and rejoice together.



Overview of the Kewpie Group's Philosophy, Vision and Corporate Message

Corporate Philosophy of the Kewpie Group

Corporate Motto

“RAKU-GYOU-KAI-ETSU”

Corporate Principles

- “Act on Moral Principles”
- “Strive for Originality and Ingenuity”
- “Look After Parent’s Well Being”

Words to remember: “The world is fairer than you imagine”

Toichiro Nakashima (Founder) was deeply impressed by the following words that he encountered in his younger days: “It may seem that the lazy and sly get ahead in the world. However, the world is actually a place where the people who strive in sincerity and earnestness are the winners in the long run.” He held the belief that “the world is fairer than you imagine.” When faced with difficulties, Toichiro would consider what was true and what was right, and always strove for originality and ingenuity. Throughout his life he continued to show gratitude toward all those who helped him. These words inherited from Toichiro were included in the Kewpie Group corporate principles up to 1992.

Our Ideal

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

Mind-set

Complying with group policies, we strive to earn the highest degree of trust from our customers and stakeholders.

Group Policies

Code of Ethics

(Our responsibilities as a corporate citizen.)

Respect for the Law

We comply with the laws, regulations and social norms of our own and other countries, as well as our internal company rules, and conduct our corporate activities in an ethical manner.

Respect for Human Rights

We respect human rights and never engage in discrimination or harassment based on race, nationality, religion, gender, age, or mental or physical disability.

Fair and Sustainable Corporate Activities

We engage in free and fair competition, building transparent and stable relationships with clients, shareholders, investors, and governmental organizations.

Commitment to Information Security

We protect and do not allow the misuse or wrongful disclosure of the personal or confidential information of our customers, clients, and employees.

Rejection of Antisocial Forces

We take decisive action against antisocial forces which disrupt or threaten public law and order, ending all relations with them.

Code of Conduct

(What we must do to enhance the prominence of the Kewpie Group.)

Put Product Quality First

We rise to meet the trust placed in us by our customers, producing safe and reliable products and focusing on quality in all of our actions.

Promote Diversity

We respect the individuality and aspirations for growth of each and every one of our employees around the world, allowing them to perform to their full potential.

Contribute to Society through Nutrition Education

We contribute to society through the advancement of nutritional education, promoting healthy lifestyle choices and working in harmony with local communities and society as a whole.

Protect the Earth’s Environment

We appreciate the blessings of nature and promote a sustainable society for future generations by effectively utilizing resources and preserving the environment.

Accept New Challenges

We drive growth of the company and the individual by continuing to accept new challenges and also by learning from previous lessons.

This overview clarifies the positioning of our philosophy, vision and corporate message out of a desire to on our corporate message of “love around the kitchen table” and to talk about what we really want to achieve through our thoughts and feelings.

The Corporate Philosophy of the Kewpie Group contains the fundamental values and aspirations that all employees should hold the most dear. The Corporate Motto and Corporate Principles are constants for us that serve as the source and rationale for all decisions and actions. Our Corporate Motto, “RAKU-GYOU-KAI-ETSU” is the idea that people who have the same ambitions enjoy working together, endure struggles together and rejoice together. Our three Corporate Principles are guidelines for action to achieve “RAKU-GYOU-KAI-ETSU”, and all activities of the Kewpie Group lead to the sentiment we wish to deliver to customers, “love around the kitchen table,” based on the spiritual pillars established in the Corporate Motto and Corporate Principles.

The Kewpie Group is active in a range of areas, including home-cooked meals, ready-made foods and restaurants, and is deeply involved in various situations related to food throughout people’s lives, from infancy to old age. With this unique qualities not found elsewhere, at the Kewpie Group we believe there are still many wants that we can be of use to customers in myriad actions and situations related to food. We put love into our products and activities, including our commitment to raw ingredients and quality, and this sentiment is embodied by the message we wish to deliver to customers around the world: “love around the kitchen table.”

Corporate Message
love around the kitchen table

Our Ideal

Corporate Motto

“RAKU-GYOU-KAI-ETSU”

2030VISION

Corporate Principles

Act on Moral Principles
Strive for Originality and Ingenuity
Look After Parent’s Well Being

Words to remember:
The world is fairer than you imagine

Medium-Term Business Plan

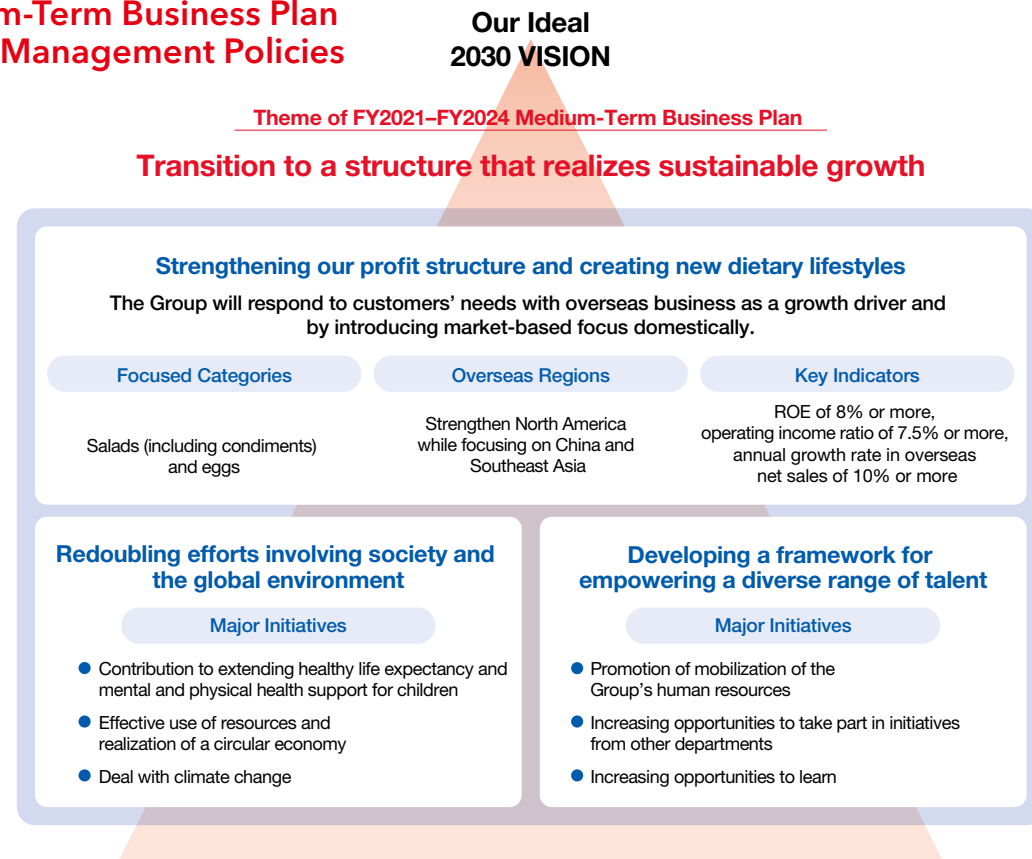
All the activities of the Kewpie Group



Policies and Targets

At the Kewpie Group, we will achieve sustainable business growth while helping to solve social issues as a future vision described in Our Ideal and the 2030 Vision. In our Medium-term Business Plan that was started in FY2021, we adopted the theme of “Transition to a structure that realizes sustainable growth,” and have pursued our business activities based on three policies, namely “Strengthening our profit structure and creating new dietary lifestyles,” “Redoubling efforts involving society and the global environment,” and “Developing a framework for empowering a diverse range of talent.”

FY2021-FY2024 Medium-Term Business Plan Group Management Policies



Progress of the FY2021-FY2024 Medium-Term Business Plan in FY2021

With respect to ROE, due to share buybacks worth 10 billion yen in addition to recovering net income, we are making steady progress towards the FY2024 target of 8%. In addition, overseas growth and improved profits from the retail market contributed to operating income ratio. The growth rate in overseas net sales has been steady, thanks to recovery from the impact of the COVID-19 pandemic and the stable expansion of sales.

In terms of “Developing a framework for empowering a diverse range of talent,” we have provided employees with opportunities to utilize a wide range of skills with the aim of increasing human resource mobilization, and promoted initiatives enabling employees to acquire new skills.

Indicators	FY2020 Results	FY2021 Plan	FY2021 Results	FY2024 Target
ROE	4.9%	6.4%	7.4%	8% or higher
Operating income ratio	6.5% ¹	6.6%	6.9%	7.5%
Growth ratio in overseas net sales (local currency basis)	+4% ²	+17%	+19%	(annualized) +10% or higher
Human resource mobilization ratio ³	16%	17%	18%	20% or higher
Ratio of women in managerial positions ⁴	10%	12%	11%	18% or higher

1. In the FY2020 results, operating income ratio is calculated after excluding the results of the distribution business, which transitioned to being an equity method affiliate.
 2. The overseas sales growth rate is calculated after excluding the results of the North American egg products business, which underwent a share transfer in July 2020.
 3. Applies to domestic Group companies.
 4. Applies to employees of Kewpie Corporation on a non-consolidated basis.

Approach to Sustainability

Based on the Kewpie Group Basic Policy on Sustainability and our promotion system, we aim to be a group that contributes to society and continues to achieve growth through our Group Philosophy and Group Policies. To accomplish this, we have the material issues that the Group is addressing and each related sustainability target. In light of our results in FY2021, we revised some of the target values and their details, and continue to pursue initiatives in this area. We also participated in the TCFD Consortium by expressing our endorsement of the recommendations of TCFD* in October 2021.

* The TCFD was established by the Financial Stability Board in 2015 in response to a request from the G20. The TCFD recommends that companies assess the financial impacts of climate change risks and opportunities on management and disclose information pertaining to governance, strategies, risk management, metrics and targets.

Kewpie Group Basic Policy on Sustainability

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

Contributing to Food Culture and Health	<ul style="list-style-type: none"> As “A Leading Company in Salads and Eggs,” we contribute to extending the healthy life expectancy of people around the world through the pursuit and global promotion of nutrition and health benefits. Through food, we support the mental and physical health of children who will create the future.
Effective Use and Recycling of Resources	<ul style="list-style-type: none"> As the only manufacturer in the world that makes effective use of the entire egg, we will continue to refine our technologies and create value. In proposing ways of eating and utilizing uneaten portions, we aim to become a globally unique “vegetable utilization manufacturer.” We will develop extensive technologies matching demand information with transportation and delivery data information to eliminate food loss. We will curtail the use of plastics and reduce adverse impacts on the environment.
Deal with Climate Change	<ul style="list-style-type: none"> We aim to reduce CO₂ emissions throughout the value chain, from the procurement of raw materials to product consumption.
Sustainable Procurement	<ul style="list-style-type: none"> In addition to safety, we will collaborate with business partners to promote stable procurement that takes into consideration environmental impacts and human rights.
Respect for Human Rights	<ul style="list-style-type: none"> We promote employee diversity and inclusion, protecting the human rights of everyone involved in our business.

Sustainability Targets and Performance <https://www.kewpie.com/en/sustainability/management/materiality/>

Material Issues	Initiative Theme	Indicators	FY2021 Results	FY2024 Target	FY2030 Target	Related SDGs
Contributing to Food Culture and Health	Contribution to extending healthy life expectancy	As “A Food Partner for Every Person”: • Contribute to achieving a vegetable intake target of 350 grams per day • Promote a boost in egg consumption in order to contribute to increasing protein intake				
	Mental and physical health support for children	Number of children's smiles via our activities (cumulative since FY2019)	221 thousand children	At least 400 thousand	At least 1 million	
Effective Use and Recycling of Resources	Elimination and effective utilization of food loss	Food waste reduction rate (compared to FY2015)	39.0%	At least 50%	At least 65%	
		Effective utilization rate of unused portions of vegetables Main vegetables: Cabbage, etc.	62.1%	At least 70%	At least 90%	
	Reduction and reuse of plastic emissions	Reduction rate in volume of product waste (compared to FY2015)	61.3%	At least 60%	At least 70%	
		Reduction rate in volume of plastic waste (compared to FY2018)	5.3%	At least 8%	At least 30%	
Sustainable use of water resources	Water usage (basic unit) reduction rate (compared to FY2020)	2.1%	At least 3%	At least 10%		
Deal with Climate Change	Reduction of CO ₂ emissions	Reduction rate in CO ₂ emissions (compared to FY2013)	24.0%	At least 30%	At least 50%	
Sustainable Procurement	Promotion of sustainable procurement	Promote Fundamental Policy for Sustainable Procurement in cooperation with business partners				
Respect for Human Rights	Respect for Human Rights	Promote the Kewpie Group Human Rights Policy to respect the human rights of all people involved in our business				

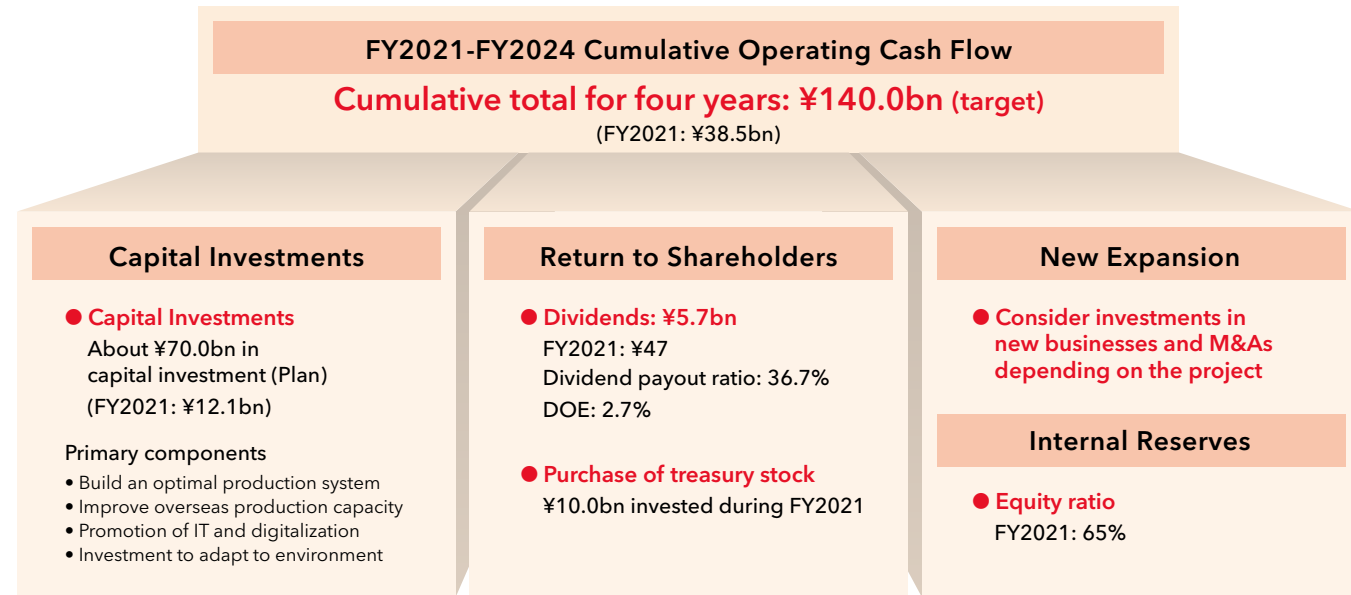
* In light of conditions in FY2021, a portion of this content has been revised. In addition, the “Food waste reduction rate” indicator also includes the “Effective utilization rate of unused portions of vegetables.”

* Sustainability targets are domestic figures.

* Figures have been revised due to K.R.S. Corporation being changed to an equity-method affiliate.

Cash Flow Allocation

Under our FY2021-FY2024 Medium-term Business Plan, we have set the basic policy of maintaining and improving financial health while enhancing our ability to generate cash flow, and have working to bolster our management foundations and enhance corporate value. In FY2021, cash flow from operating activities was ¥38.5 billion, falling largely in line with our plans.



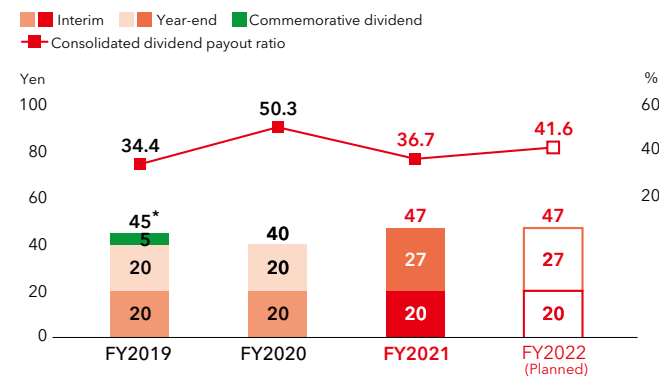
Capital Investments

We will reduce the capital investment ratio compared to the previous Medium-term Business Plan, setting capital investment at approximately ¥70.0 billion, which will be appropriately invested in priority areas. In FY2021 we made investments of ¥12.1 billion, and plan to make investments of ¥19.1 billion in FY2022. In the interests of sustainable growth, we will bolster our management foundations and invest in growth areas including overseas.

Return to Shareholders

In the FY2021-FY2024 Medium-term Business Plan, the Company aims to set a target for the annual dividend per share would be ¥45 or more, and accumulated total return ratio over four fiscal years of 50% or more. It will be actively

Changes in Dividend per Share



* The dividend per share in FY2019 included a commemorative dividend of ¥5 in honor of the 100th anniversary of Kewpie's founding.

and stably return to shareholders. In FY2021, we purchased treasury stock worth ¥10.0 billion, and increased dividends by ¥2 from initial plans to ¥47 (a ¥7 increase from the previous year), with a payout ratio of 36.7%.

Internal Reserves

We will aim for an equity ratio of 60% or more in order to prepare for future business development while strengthening our financial position. In FY2021, equity ratio was 65%, surpassing this target.

TOPICS

Distribution Business Changed to an Affiliated Company Accounted for by the Equity Method

In FY2021, K.R.S. Corporation ("KRS") has changed from being a consolidated subsidiary to being an affiliated company accounted for by the equity method, as the Company sold part of the shares of KRS.

As a result, KRS may be able to speed up its decision-making and independent judgment on strategic investments. On the other hand, the Company better focuses its management resources on its domestic and overseas food businesses, offering the chance for both companies to further enhance their corporate value.

We will maintain a strong partnership in food manufacturing and distribution functions and strive to enhance the corporate value of both companies.

Initiatives on the TCFD Recommendations

Disclosures Based on the TCFD Framework

We recognize that the business activities of the Kewpie Group could be affected by climate change in various ways and that it is a serious issue that stands in the way of sustainability. Based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) that we expressed support for in October 2021, we have begun scenario analyses and have been pursuing initiatives under the following framework.



Governance and Risk Management

The Sustainability Committee approves the climate change risks and measures identified by the Project and manages its progress. The Sustainability Committee submits reports to the Board of Directors in addition to the Management Committee, and the Board of Directors discusses the content of the Sustainability Committee's deliberations as appropriate, thereby ensuring supervision.

Strategy and Scenario Analysis

Strategy

We identify the various risks and opportunities associated with climate change in the short, medium, and long term, according to their significance. We also periodically review our analysis and evaluation in light of changes in the external environment. For our analysis, we have identified two key scenarios in line with the scenarios published by IPCC¹ and IEA², the impact of climate change on our business in 2030 is calculated.

Applying Scenario Analysis

We will gradually expand the scope of the analysis in the mid-term management plan, which covers the period from FY2021 to FY2024. In FY2021, we analyzed the climate change risks and opportunities for mayonnaise and dressings (especially Deep-roasted Sesame Dressing) in domestic and overseas markets.

1. IPCC: Intergovernmental Panel on Climate Change
 2. IEA: International Energy Agency

Major Climate Change Risks and Opportunities

Risks and opportunities for the Kewpie Group identified in the environmental policy progress scenario³

Primary categories	Risk Items		Risks	Opportunities	Time ⁴	Impacts
	Medium categories	Sub-categories				
Transition risks	Policy and Legal	Introduction of carbon taxes	●		Medium-term	Small
		Regulation of plastics and packaging	●		Medium-term	Small
		Valorization of unused resources		●	Medium-term	Small
	Market	Increased demand for highly sustainable products		●	Medium-term	Small
		Increase in the procurement costs of environmentally friendly raw materials	●		Medium-term	Small

Measures to Address

● Preparing for risks ● Taking advantage of opportunities

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

Respond to markets where environmental policies have progressed

Respond to increased demand for environmentally friendly products / Technological innovation to well use vegetable oil derived from agricultural products and other products / Conversion to a structure that is resilient to shifts in raw material markets / Weight reduction of container and packaging plastics / Active introduction of recycled plastics and biomass plastics / Reduce environmental impact by proposing ways to use products

Reduction and effective use of food waste

Effective use of unused parts of vegetables (conversion to feed and fertilizer)

Reduction of CO₂ emissions

Capital investment using an indicator to achieve CO₂ emissions reduction (promotion of electrification, introduction of internal carbon pricing) / Review of heating and sterilization processes in the manufacturing process / Introduction and utilization of renewable energy / Collaboration with suppliers

Flood preparedness

Focused measures according to flood risk assessment / Business Continuity Plan (BCP) for main products in case of disaster

Risks and opportunities for the Kewpie Group identified in the BAU scenario⁵

Primary categories	Risk Items		Risks	Opportunities	Time ⁴	Impacts
	Medium categories	Sub-categories				
Physical risks	Chronic	Increased cost of procuring raw materials due to reduced crop yields caused by heat stress	●		Medium-term	Medium
		Damage to production facilities, power outages, and stagnation or suspension of operations due to flooding	●		Short- and long-term	Medium

3. The temperature will rise 1.5-2 degrees Celsius above pre-industrial levels by 2100, and environmental policies are developed.
 4. Definition of timelines
 Short-term: up to 2024 Medium-term: up to 2030 Long-term: up to 2050
 5. The temperature will rise 2.7-4 degrees Celsius above pre-industrial levels by 2100 and no additional measures are taken to address climate change.

Indicators and Targets

The indicators we use to measure and manage climate change risks and opportunities⁶

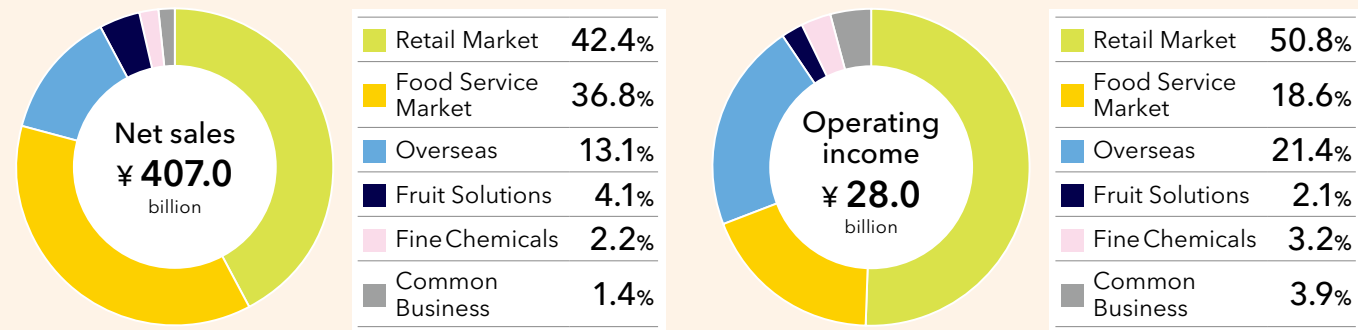
Material Issues	Initiative Themes	Indicators	FY2021 Results	FY2024 Target	FY2030 Target
Response to climate change	Reduction of CO ₂ emissions	CO ₂ emissions reduction rate (compared to FY2013)	24.0%	At least 30%	At least 50%

6. In calculating CO₂ emissions, we refer to "Japan Ministry of the Environment, Law Concerning the Promotion of the Measures to Cope with Global Warming, Superseded by Revision of the Act on Promotion of Global Warming Countermeasures (2005 Amendment)."

Review of Major Segments

In order for the Kewpie Group to marshal the entire Group to engage in three markets, retail, food service and overseas, in responding to the diversification of customers' purchasing behavior and changes in dietary habits, we changed our organization from being product-oriented to being market-oriented in December 2020. The Group will make use of its combined strengths to respond to the needs of each market.

FY2021 Net Sales and Operating Income Composition



* The operating income composition ratio is presented excluding unallocated corporate expenses of ¥5.9 billion.

Segment Overview

Retail Market	This segment produces a variety of food products for household use, including mayonnaise, dressings, pasta sauces, baby foods, nursing care foods, packaged salads and delicatessen foods, and sells these products to consumers at supermarkets and drugstores, and through EC sites. By meeting diverse needs for food amid changing lifestyles through the creation of new products and services, we will contribute to the realization of a healthy and affluent dietary lifestyle for our customers.
Food Service Market	This segment produces and sells a wide range of food products for use in restaurants, hotels, bakeries, delicatessens and convenience stores from ingredients including liquid eggs, frozen eggs and vinegar used in a variety of foods such as processed foods including condiments, cooking sauces, omelets and egg salads. By developing products and menus and proposing solutions for professionals, we will create new dietary scenes and food trends with our customers.
Overseas	In China, Southeast Asia, North America and Europe, this segment mainly produces and sells condiments including mayonnaise and dressings. Making full use of our quality and menu proposal capabilities cultivated in Japan, we are creating and popularizing new food cultures in each region to become a group contributing to the food culture and health of the world.
Fruit Solutions	This segment produces and sells jams and spreads for household use and processed fruit products for industry use. This segment will further develop our ability to procure fruit materials, as well as our fruit processing and preservation technologies, which have been refined through the production of the orange marmalade that is the root of our business today. We will make proposals so that people can enjoy fruit even more.
Fine Chemicals	Utilizing unique materials and technologies, this segment produces and sells hyaluronic acid and egg yolk lecithin as an ingredient for pharmaceuticals, cosmetics and foods. This segment will also strive to create further added value by applying these ingredients to our own nutritional supplements and skin care products.
Common Business	This segment consists of sales of food manufacturing equipment and has companies engaged in work for the entire Group, such as accounting and labor affairs for Group companies, as well as the hiring of handicapped people.

Development of the Retail Market / Food Service Market

Enhancing Product Value

Dressings are mostly used for raw vegetable salads, but we believe that utilizing them for various dishes can make cooking easier and turn them into all-purpose condiments to easily adjust flavors. Our aim is to increase opportunities for customers to use dressings by developing and providing information of these ways of use. Additionally, we have also expanded our lineup of products for specified health uses and foods with function claims to respond to growing health needs.

In food service, we are making improvements to products that can simplify cooking operations by utilizing the technologies we have developed to date, including processed egg products.



Developing functional foods



Versatility of dressing as an essential ingredient

Taking on Challenges in a New Area

In the FreshStock™ business, we propose condiments aimed at busy customers with simple recipes and variations that work well based on a family's preferences and what ingredients are available in the kitchen. We have also released the HOBOTAMA plant-derived egg substitute food for the food service market and have also begun developing it for the retail market. Developing these new categories will lead to the development of a resilient business structure that is less affected by market prices for raw ingredients and materials.



FreshStock™-related products

Products in new areas



HOBOTAMA

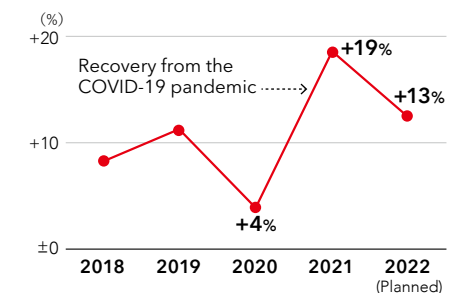
Developing the Overseas Markets

In the overseas markets, the growth rate of sales temporarily slowed chiefly due to the effects of COVID-19 in FY2020, but there was a rebound in FY2021 and we managed to achieve considerable sales growth. In FY2022, we will continue to steadily grow sales while achieving further penetration of the KEWPIE brand.

Going forward, we will strive to expand the business areas in which we operate by making efforts to develop business in new areas, pursue deeper gains and expansion of existing businesses with a focus on world strategic products.

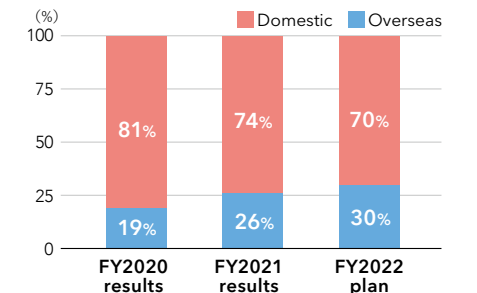
We will also build mechanisms to manage the Group in an efficient and stable manner by enhancing corporate functions and governance systems to reflect the growing number of operating sites.

Change in overseas sales growth rate (Local currency basis)



* The overseas sales growth rate does not include results of the North American egg products business which underwent a share transfer in 2020.

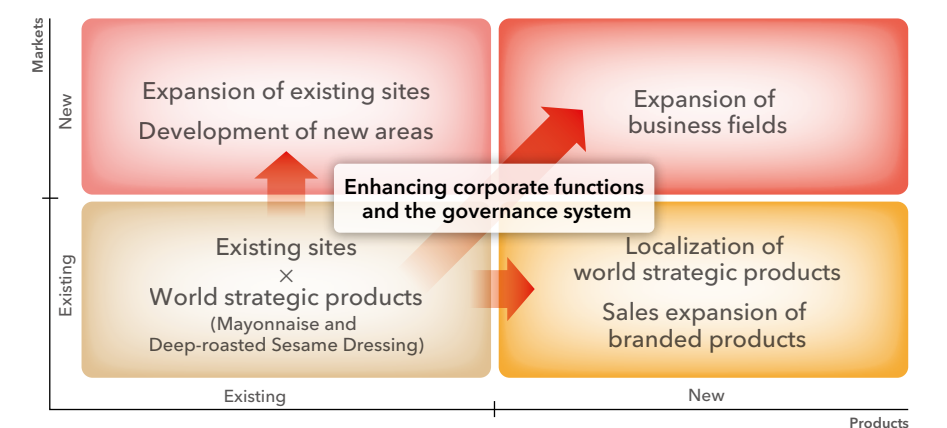
Overseas business income as a percentage of consolidated operating income



* Company-wide expenses are included in domestic figures.

Expanding business in overseas markets

Direction of overseas expansion





Sustainability Shaped by a Vision

Our founder Toichiro Nakashima's ambition of "Contributing to society through healthier dietary lifestyles" is the cornerstone of employee aspirations and serves as the driving force behind our initiatives to take social issues. The Group formulated its Basic Policy on Sustainability in January 2022 and revised its sustainability targets, in order to further raise the stage of its social and global environmental initiatives. We invited Naoki Adachi, CEO of Response Ability, Inc., who specializes in the field of sustainability, to speak about the current and future initiatives of the Kewpie Group.



Dr. Naoki Adachi

CEO
Response Ability, Inc.



Mitsuru Takamiya

Representative Director,
President and Chief Executive
Corporate Officer
Kewpie Corporation

Trends Surrounding Sustainability and the Kewpie Group's Approach

Takamiya: The importance of sustainability initiatives is increasing at an accelerating rate. I don't see this theme as being about engaging in special activities to maintain the global environment, but instead about achieving sustainable development in combination with business activities.

Adachi: That's right. Sustainability is not something on the outside of corporate activities, and it is not just about environmental initiatives either. Up to now, corporate social responsibility has been cast as an effort to avoid causing secondary effects to the environment or society when engaged in corporate activities, but this has changed into an approach that says "Solving environmental and social issues improves corporate competitiveness." In the Global Risks Report that was announced at the World Economic Forum in January 2022, climate change-related items are at the top of the list of risks that could have a major impact on business and daily life, and the report also identified risk factors that could potentially impede corporate management, including environmental issues such as biodiversity and water, and social issues such as pandemics, data security, and inequalities between people and countries.

Takamiya: Climate change will have a major impact on the Group in the form of damage to crops and sharply rising raw material prices. We consider the issues that any company has to work on solving as "compulsory exercises," and the issues a company can solve by demonstrating its originality as "free exercises." In terms of these "free exercises," we are aiming to create value by establishing contributions to food culture and health as priority issues. In our efforts towards sustainability, including those parts we see as "compulsory exercises," each and every one of us will face them with an awareness of being an involved party. To accomplish this, it is important to disseminate information in-house and to external organizations about these initiatives in the form of an easy to understand narrative, to promote a deeper understanding of our activities that facilitates empathy.

Adachi: ESG investors focus on both "defensive sustainability," which involves businesses predicting changes in society and the environment 10 or 20 years down the road and solving issues for business continuity, as well as "offensive sustainability," which is about creating new value and translating it into growth opportunities. Similarly, with regard to medium- to long-term business

management strategies, instead of talking about numerical targets as an extension of the most recent business performance, sharing a growth story that incorporates offensive and defensive sustainability strategies will be more persuasive to investors.

Contributing to Social Issues Described in Narrative Form

Takamiya: The Group launched its business out of an ambition to contribute to improving the physique of Japanese people through mayonnaise, and in the years since all of our business activities have been linked with the concept of contributing to food culture and health. We have carried on that role, and today in addition to offering great taste, we suggest dishes that take nutritional balance into account with a focus on salads and eggs. This is part of an effort to face the major social issue of extending people's health lifespans that Japan faces ahead of the rest of the world due to it being a country with among the highest longevity. As a food manufacturer that approaches dietary lifestyles for all ages from baby food to nursing care food, we work to solve various health issues from the healthy development of children to metabolic syndrome and frailty. In time, this will narrow the gap between healthy lifespans and average lifespans. I believe that these initiatives can also be utilized overseas, where the same problems are being faced.

Adachi: That's right. Goal 2 of the Sustainable Development Goals (SDGs) aims to eliminate hunger and ensure the supply of nutritional foods, but the world doesn't just face the issue of inadequate calories, but also issues of excess calorie intake and nutritional imbalances. Your company has important contributions to make in solving these issues through daily dietary lifestyles. On the other hand, at the UN Food Systems Summit held last year, the scale of the environmental impact of food systems, including water usage, the development of agricultural land, destruction of forests and the expanded consumption and production of meat, were cast as an issue of concern, suggesting that the food industry itself is in need of reform.

Takamiya: We also recognize this. For example, when it comes to purchasing raw materials, we make a point of properly addressing environmental issues, human rights issues and animal welfare issues faced in the regions where soybean oil, palm oil and other oils are produced, among other items. The egg substitute products we released in 2021 generated a response that was bigger than we had expected.

Adachi: The global market for substitute sources of protein is expected to see rapid growth in the future. As there are a wide range of issues that substitute sources of protein can solve, I think that the development of egg substitute products is fantastic. In addition, I also wish you would disseminate your efforts to effectively utilize 100% of the unused parts of foods like cabbages cores and outer leaves.* More and more companies are working to recycle resources, but effectively utilizing 100% of a resource is no easy task. I think that getting customers to recognize this achievement even more would convey the significance of choosing Kewpie Group products to them.

* Cabbages for packaged salad raw ingredients has been effectively utilized to 100% since FY2021.

Takamiya: The Group handles the most eggs and cabbages in Japan. From the mid-1950s, we have been recycling eggshells and eggshell membranes without discarding them, and we have also tried to make effective use of unused parts such as cores and outer leaves of cabbages as well. This story of resource recycling has not even been properly disseminated internally in some aspects, so it is a narrative we want to share with everyone, both inside and outside the company.

Adachi: However, what concerns me is how the eggs are produced. In Europe, there are now some countries that have banned eggs from cage-raised chickens, and there are global hotel and restaurant chains that have pledged to stop purchasing products made from raw ingredients obtained in that way by the year 2025.

Takamiya: We are trying to expand our initiatives while cooperating with everyone involved with poultry farming to respond to those kinds of social demands. As a company, we will try to solve social issues while cooperating with various involved parties, including investment in the future.

Basic Policy on Sustainability Based on the Corporate Philosophy and Vision of the Group

Takamiya: When pursuing sustainability initiatives, it is the Corporate Philosophy and 2030 Vision of the Group that serves as a base. In the 2030 Vision, we have declared the goal of being "A Supporter for Bringing Smiles to Children," but this is not only about providing direct support to children; it carries the desire to leave a better global environment for the children who will shape the future.

Adachi: The Kewpie Group's Corporate Philosophy and Vision are highly compatible with sustainability, so it also

resonates very strongly with me. In particular, I think many people would agree with the approach of acting to bring smiles to children. Engagement is an important aspect of promoting sustainability management. By sharing stories and having each and every employee feel as though they are an involved party, I think a variety of proposals will come about naturally. At that time, what we mustn't forget in terms of the time frame is that the global environment is in a situation that cannot wait. Unless the world cuts greenhouse gas emissions in half by 2030, some scientists predict that it will be too late no matter what we do thereafter. In every decision-making scene, if you make determinations by asking yourselves "What is the best action to take for the future of our children," I think you will make the best choice.

Takamiya: To bring smiles to children in the future, we need to share a sense of crisis and accelerate our efforts so that the global environment does not deteriorate to an irreversible extent. Our basic policy on sustainability also includes action to deal with human rights. We pledge to confirm that the suppliers we purchase soybean oil, palm oil, sesame and other goods from do not have issues related to forest destruction, child labor and the like.

Adachi: In the EU, things previously considered a sense of ethics have now been substantiated as regulations, and that is why companies can no longer do business unless they can prove for themselves that they are engaged in sustainable procurement. If you work on sustainable procurement ahead of other companies and strive to solve issues together with production regions, it will also develop competitive strengths.

Takamiya: This is precisely the aspect where the importance of sustainability initiatives is accepted in concrete terms. To reflect the Basic Policy on Sustainability that was formulated in January 2022, I feel that we must repeatedly and clearly communicate the significance of those initiatives among all employees.

Adachi: The meaning behind the word "good" in "good product" has taken on a deeper meaning. I hope to see the Kewpie Group, which maintains a strong product lineup that not only offers great taste and quality but also supports "food culture and health," will lead the food industry that will undergo a period of great change and continue to grow by pursuing "good" in the form of animal welfare, the labor environment, the global environment and so forth.

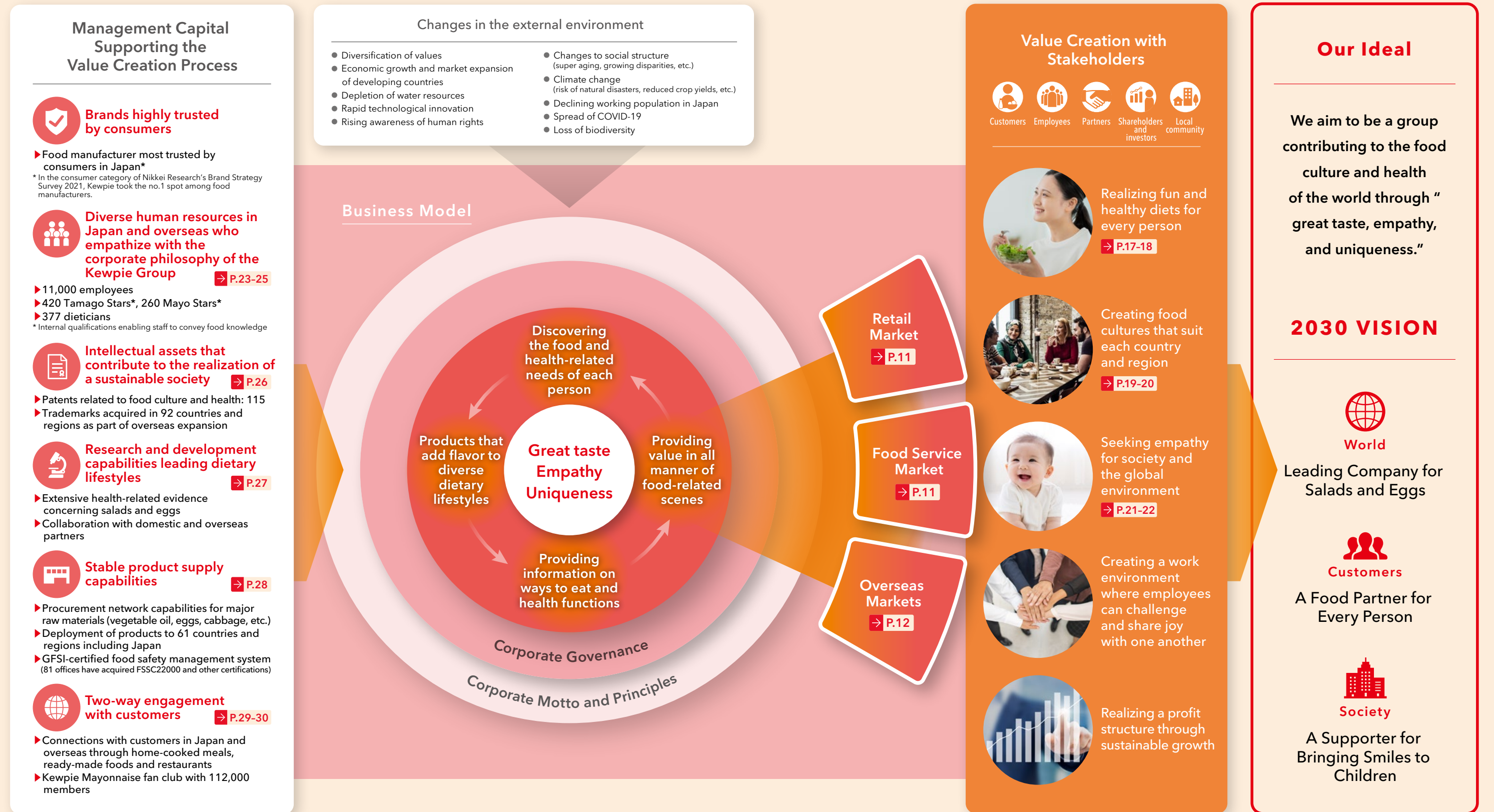
Takamiya: Thank you for joining me in this valuable conversation today.

The Value Creation Process

The process of delivering the aspiration for "love around the kitchen table."

The markets in which the Kewpie Group provides value are wide ranging in Japan and overseas. By suggesting products and providing information based on all manner of dining scenes, reflecting customers' diverse needs related to food and health, we provide values such as great taste, simplicity, nutritional value and health functions. Moreover, it is the blessings of nature that underpin our business activities. Our fervent hope is to remain an environmentally conscious group through sincere endeavors

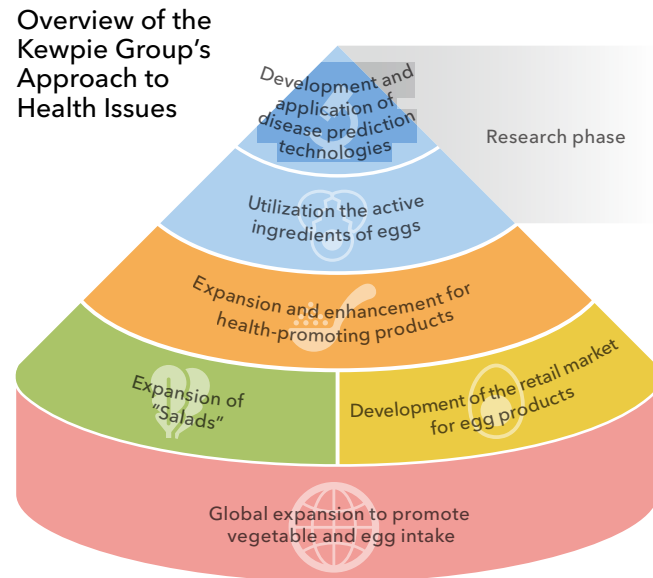
including the use of food resources and conservation of the environment and to carry forward a sustainable society to the next generation. Going forward, each employee will accept and learn from one another and boldly face changes in the external environment and social issues with the Group philosophy including the Corporate Motto and Corporate Principles as their backbone, with the aim of contributing to the food culture and health of the world through great taste, empathy and uniqueness.



Contributing to Lifelong Health with a Focus on Salads and Eggs

We engage in business activities while valuing the aspirations of our founder Toichiro Nakashima, who wished to “make mayonnaise a daily necessity in the hope of improving the physiques of Japanese people.” We have carried on this ambition and strived to improve nutritional balance and reduce the physical and mental burden of thinking about food while adapting to the needs of the times. We have also delivered products out of an ambition to contribute to the health of people of all ages, from infancy to old age.

Going forward, health awareness will become increasingly diverse, with society and our living environments expected to change even more. The Group will make a concerted effort to take its contributions to lifelong health to the next stage. We will deliver products and services that track closely to customers’ changing needs, embracing the aspirations for “love around the kitchen table” in a variety of eating scenes.



Global Expansion to Promote Vegetable and Egg Intake

As a company that handles foods, we engage in corporate activities while valuing the ideas of “eating great tasting food,” “eating heartily” and “consuming well-balanced nutrients.” We provide a wide range of condiments, contribute to vegetable intake in the form of salads, and provide the world with various ways to enjoy eggs and the wide range of nutrients they contain. We believe that

this combination of salads and eggs is perfect, in terms of nutritional balance, great tasting food, and variety. “Refine the world of salad and egg so that people can eat a lot of great tasting food.” This is truly a sign of health and reflects our aim to maintain and improve the health of people all over the world.



Communicate the value of vegetables and eggs to the world

Nutrition from vegetables

Vegetables contain minerals, vitamins and other nutrients, and a balanced vegetable intake prevents lifestyle-related diseases and leads to a stronger immune system. In addition, chewing vegetables well is known to have positive effects on brain function and oral care.

Nutrition from eggs

While eggs contain various nutrients including protein, fat, vitamins and minerals, what sets eggs apart is the balance of amino acids in the protein. Eggs have an excellent composition of the essential amino acids that cannot be created within the human body, making them a food containing high-quality protein with high nutritional value.

New Initiatives to Provide Health Value

Expansion of “Salads”

We are making efforts in the expansion of “Salads” by proposing various ways to eat vegetables such as steaming, boiling and stir-frying in addition to eating salads with raw vegetables. We will contribute to people’s health by encouraging them to eat a large volume of vegetables with great taste.



Developing the Retail Market for Egg Products

To date, we have developed a numerous products utilizing the characteristics and functions of eggs mainly for the food service market, but going forward we will strengthen our development of processed egg products for the retail market so that eating highly nutritional eggs will become even more familiar and easy for customers.



Expanding and Enhancing Health-Promoting Products

By developing foods for specified health uses and foods with functional claims, which make claims about the health functions of food, and by disseminating information about appropriate salt intake, we pursue initiatives aimed at promoting better health. In addition to condiments, we have expanded the categories we develop so that our products can be incorporated into meals in various ways. For example, we have developed a potato salad that is the first delicatessen food to obtain approval for foods with functional claims.

It is also important to build the body’s immune functions to maintain good health. Research findings suggest that intake of acetic acid bacteria used to produce vinegar, one of the main ingredients in mayonnaise, has the effect of enhancing the immune system. To take advantage of these properties we released Deare, a food with functional claims that alleviates discomfort in the nose due to pollen, house dust and the like.

Expanding and enhancing these products will further improve the profitability of the Group.



Taking on the Challenge of Becoming “A Creator of Food Culture” in the Future

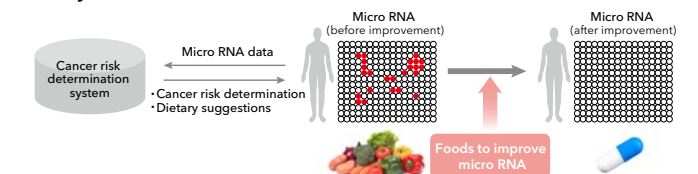
Japan has entered the era of a super aging society ahead of the rest of the world. At the moment, ensuring that people can eat what they want by themselves and live in good health towards the end of their lives is no easy task. To realize lifelong health, the Group recognizes the major risks posed by dementia and cancer, and strives to prevent disease and promote early detection in people’s daily lives.

Choline, a substance contained in egg yolk, has been reported to stimulate brain function and have an effect on cognitive functions, and is an area we are researching. If eggs, a daily fixture on our dining tables, are linked to dementia prevention, we believe that we can help solve one of these issues facing society.

We are also conducting research and development into

cancer, with the major goals of conducting AI-based analysis of micro RNA* obtained from the blood to determine future cancer risks and mitigating those risks with a dietary lifestyle informed by those determinations (See page 27).

Preventing cancer through the analysis of micro RNA in the blood



* Substances in the blood that have been showed to change in type and quantity due to diseases
○ Micro RNA exhibiting normal values
● Micro RNA exhibiting abnormal values

Expanding Opportunities to Eat Vegetables with a Great Taste, and Contributing to the Food Culture and Health of the World

The Group, which has designated "Our Ideal" of contributing to the food culture and health of the world, has positioned mayonnaise and Deep-roasted Sesame Dressing as world strategic products that symbolize great taste, empathy and uniqueness in order to broaden opportunities for customers to eat vegetables with great taste, and is working to expand "Salads" in overseas areas where it operates. Utilizing skills in presenting proposals to customers that have been developed for domestic home-cooked meals, ready-made foods and restaurants market, we localize suggestions for dishes and scenarios for eating vegetables in great tasting ways to suit the food culture and distribution infrastructure of each area in an effort to expand "salads." Through efforts to enhance the value of the KEWPIE and 丘比* brands, we will develop them into brands that are trusted and loved the world over.

* 丘比 is how Kewpie is rendered in Chinese.

Examples of world strategic product implementations



China

Aiming to Be a Brand That Contributes to Food Culture and Health

Open kitchen (factory tour) is conducted at three plants in China located in Beijing, Hangzhou and Guangzhou. We have an ambition for more customers to recognize the 丘比 brand, deliver mayonnaise and dressings to the people of China, who are not accustomed to eating raw vegetables such as salads, make proposals for how to use our products in local cuisine, and engage in communication with customers through dietary educational programs that raise awareness of the health benefits of eating vegetables. In recognition of our aspiration to contribute to the food culture and health of China, in 2021 the controlling company Kewpie China Corporation joined the Chinese Institute of Food Science and Technology as a board member. We will continue to contribute to the food culture and health of China.



Open kitchen (factory tour) conducted at Hangzhou Kewpie Corporation



Ma Ying BEIJING KEWPIE CO., LTD.

KEWPIE Sweet Mayonnaise, which was developed to suit the dietary customs and preferences of Chinese customers, is known for its rich and refreshingly sweet flavor, making it perfect for fruit salads. Looking ahead, we will continue striving to become a brand that is essential to the food culture and health of people in China.

VOICE



Fruit salad

Southeast Asia

Localization of World Strategic Products

Each Southeast Asian country has its own unique food culture that value the tastes of particular regions, and the Group is developing condiments that value those cultural aspects and suit local tastes. With "Chilli Mayo" in Malaysia and "Chilli & Cheese Style Roasted Sesame Dressing" in Vietnam, we pursue flavors that go well with dishes of specific regions to create localized products that are based on our world strategic products.



Highlighting uses of "Chilli Mayo" (Malaysia)

KEWPIE MALAYSIA SDN. BHD. Rahimah Abdul Rahim

There are many unique flavors and rich food cultures in Malaysia. We are focused on incorporating the good things about Japan while combining them with Malaysian flavors.

VOICE



Southeast Asia

Proposing New Styles of Eating and Taking on the Challenge of Developing New Channels

Kewpie Thailand is enhancing its lineup of ready-to-eat products for urban areas that allow customers to easily enjoy healthy meals. From soups and omelets that only need to be heated up in a microwave to packaged salads that can be eaten as-is after opening, our proposals of new eating styles are steadily gaining traction. We are presenting these proposals while actively taking on the task of developing new channels.



Ready-to-eat Omelet and Packaged Salad

North America

Expanding Recognition of the KEWPIE Brand

In the United States, per capita consumption of mayonnaise and dressings is around 1.5 times that of Japan, and it is the largest market in the world.* In the course of trying to seek the KEWPIE brand penetration with a focus on the world strategic products of mayonnaise and Deep-roasted Sesame Dressing, the great taste of yolk-type mayonnaise which is less common in Europe and the United States has gradually achieved recognition, and its presence in the market has increased.

In addition to consumer markets, the KEWPIE brand also continues to expand in the food service market. In terms of delivery routes, opportunities for the KEWPIE brand small packet condiments to be used in meal kits has increased, and penetration is also advancing through new channels. We will continue to make proposals that can meet the needs of each customer.

*Source: In-house research



Example of use of small packet condiments in meal kits

President, Q&B FOODS, INC. Jerry Shepherd

This year Q&B FOODS, INC. reached the 40th anniversary of its founding. We will continue to deliver the KEWPIE brand products to every household in the North America.

VOICE



Value Creation Story 3 Pursuing Empathy toward Society and the Global Environment

Solving Issues across the Entire Value Chain and Creating Value for the Future

Resource Recycling Efforts

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.

Based on this believe, in the 1950s we began sun-drying the egg shells remaining after mayonnaise production and selling them to farmers as soil conditioner. Today, we continue an effort to further enhance their added value with effectively 100% utilization of eggs. We also effectively utilize unused parts such as the outer leaves and cores of vegetables produced when preparing packed salads and delicatessen foods, turning it into feed and compost.

We have further advanced efforts to effectively utilize resources and build recycling processes such as those detailed below. We hope to achieve a sound balance between economics and social good throughout the value chain.

Recycling Process for Eggs

The Kewpie Group generates around 28,000 tons of egg shells each year due to the production of mayonnaise and egg products. Until now, these egg shells have been effectively utilized for a variety of things from soil conditioner to a raw material in wallpaper and drink coasters. As the calcium contained in egg shells can increase bone mass in people, we have also sold it as a food ingredient in Japan. We have spread this activity overseas and commercialized egg shells in Vietnam for use in fortified food products. With the aim of further expanding the uses of egg shells, we have collaborated with poultry and egg wholesalers to increase the strength of the shells by giving them to chickens as feed, and this has shown to reduce shell cracking during delivery.



Recycling Process for Vegetables

Salad Club Co., Ltd. takes the unused parts of vegetables such as outer leaves and cores generated when producing packaged salads at its seven directly operated plants and turns them into feed and compost to be utilized by contracted farms and other customers. Through this initiative, we have been able to provide value for something that has traditionally incurred outsourced processing costs. There are also benefit to farms, which can obtain domestically produced compost at low cost and minimize their impact on the global environment by using organic compost. By cultivating new vegetables using compost created from the unused parts of vegetables and creating products out of that, we have built a recycling process that does not waste resources.



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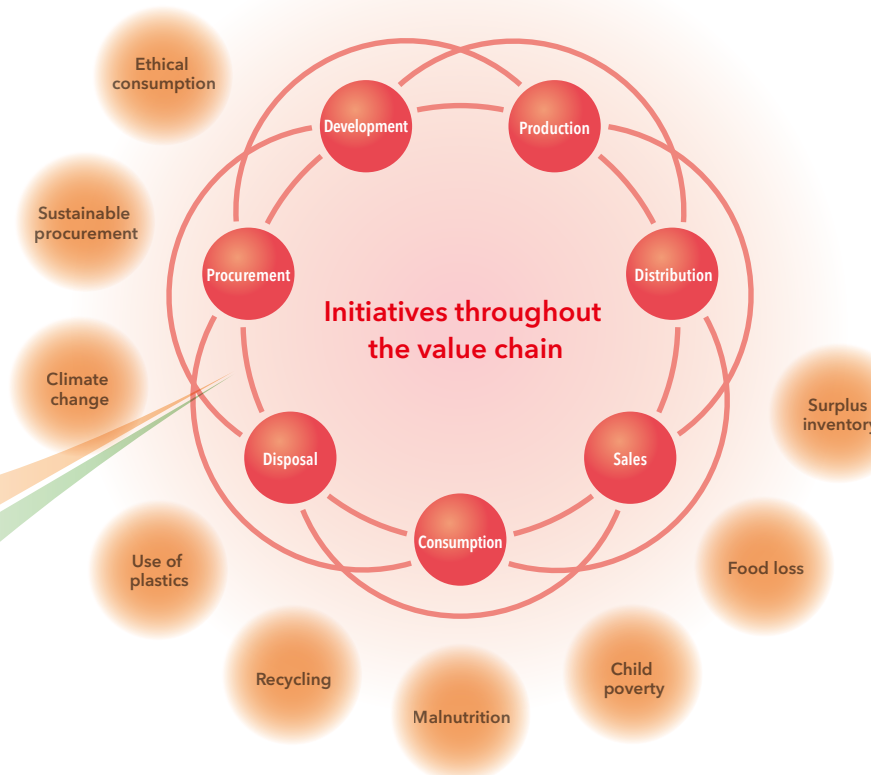


Mr. Tatsuyuki Oonishi
Representative Director, Aozora Nouen Co., Ltd.

We try to be considerate to the environment and produce vegetables that are healthier for the body by using as little chemical fertilizer as possible. Microbes in the soil increase through compost that utilizes the unused parts of vegetables, making it possible to firmly cultivate vegetables with just a small amount of fertilizer. This has been a huge help in enabling us to produce vegetables that are good for the body and friendly to the environment.

Promoting Initiatives throughout the Value Chain

The value chain that makes up the flow of food supply from raw ingredient and material procurement to manufacturing, distribution and consumption exists in a complex relationship and interacts with a range of global environmental, social and economic issues including climate change, food loss, waste plastic issues, poverty and malnutrition. To solve these issues, it is necessary to revise the structure of the value chain itself and we address the issues together with partners. Going forward, we will continue to evolve examples of effective utilization into the development of recycling processes, and demonstrate leadership in creating a better future for the next generation.



VOICE



Toyomi Kato
Management Promotion Division
Kewpie Corporation

Initiatives targeting the entire value chain are very large and ambitious goals, but by working on these endeavors with partners, we believe we will broaden the scope with which we help solve issues and also do so with greater speed.

TOPICS

Sustainable Procurement of Eggs

The Group is strongly committed to the idea that "Good products can only come from good ingredients." But those "good ingredients" need to not only be safe and reliable, but also responsive to the impact they have on the environment and human rights. From 2021, we added "Sustainable procurement" as a material sustainability issue and particularly with respect to the procurement of eggs, we have been working to improve animal welfare. We will pursue the development of products while identifying customer needs and price acceptability, such as the use of eggs from cage-free farming such as floor level feeding, and the marketing of egg substitutes.

Use of Recycled Plastics

While plastics offer advantages such as being light and hard to break, it has been pointed out that plastics have an impact on the global environment, including in relation to marine plastic waste. The Group recognizes that the release of plastic waste is a serious issue that has a significant impact on ecosystems and the environment, and is working to reduce its use of petroleum-derived plastics. For Kewpie Tasty Dressings and other products, we use containers that include recycled plastics. Additionally, in collaboration with other companies and organizations, we are considering the development of recycling processes to reuse the plastics generated by the Group (see page 27).

Supporting Children through Food

To make contributions by addressing solutions to social issues that revolve around food, in 2017 the Kewpie Mirai Tamago Foundation was established. The foundation promotes the development of an environment where everyone can get a meal through donations to organizations providing dietary education and creating place for children through children's cafeterias, and by utilizing a system called MOWLS* to deliver items donated by companies. By working together with organizations that share our aspirations, we will utilize long-term inventory products to reduce food loss.

* MOWLS: A logistics system created by Meals on Wheels Japan.

Becoming a Group that Takes on Challenges Freely and Vigorously, and Can Share Joy with One Another

In the course of pursuing initiatives based on the policy of “Developing a framework for empowering a diverse range of talent” outlined in the FY2021-FY2024 Medium-term Business Plan, we have again clearly expressed our expectations towards employees. Based on the fundamental approach of having each and every person proactively plan their career with the Company supporting growth opportunities to achieve that vision through self-improvement and work, we pursue initiatives such as personnel systems, training systems and career planning, to accelerate human resource mobilization and we provide employees with a full range of choices for a comfortable working style although there are some restrictions.

Expectations for employees

With a firm commitment to taking the next step forward, enjoy your work as a professional

- (1) Envisage their own future
- (2) Superimpose that future on their current work
- (3) Find fulfillment and joy in their work and experience personal growth

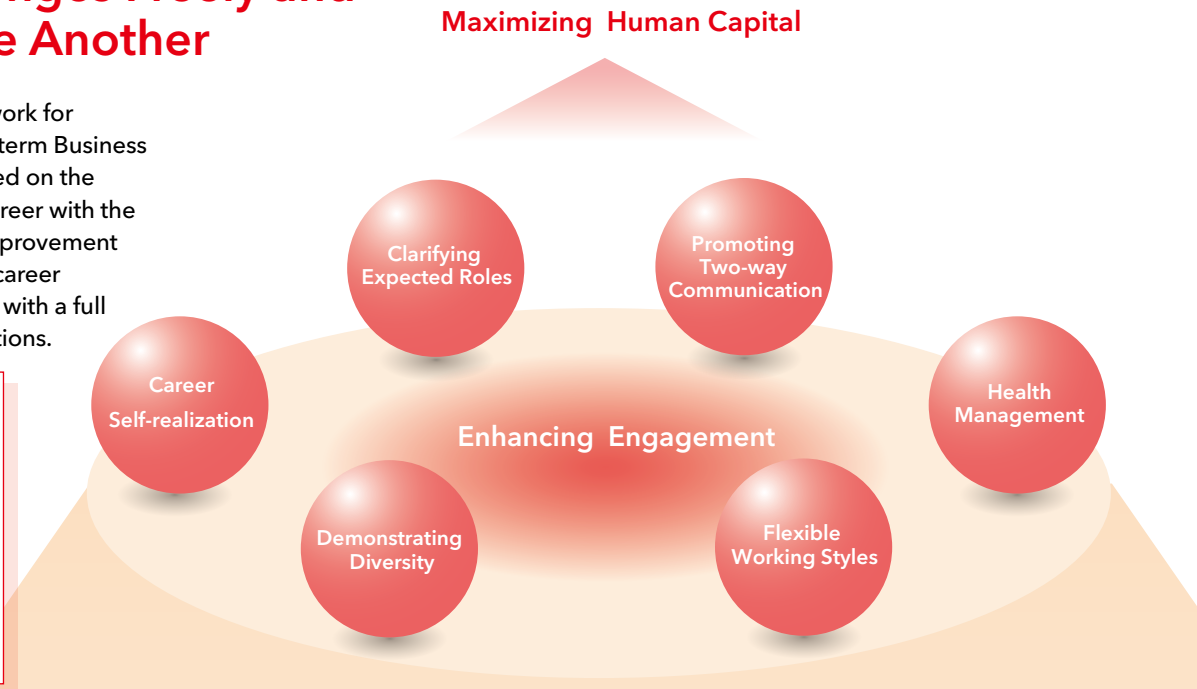
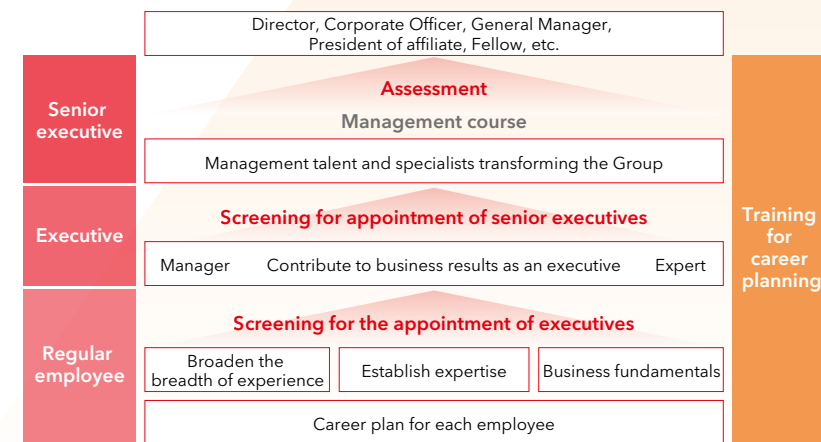
By putting these three points into practice, employees can enhance their value to society.

Development System for Promoting the Growth of a Diverse Range of Professional Talent

Under the new development system introduced by Kewpie Corporation from FY2021, we clarify the experience and learning needed to go from new employee to executive, have each employee share their career plan with their supervisor, and have developed a systematic framework in which supervisors and the Corporation support independent learning and challenges toward realizing that career plan. In conjunction with these efforts, we encourage diverse career development by promoting the group-wide mobilization of human resources beyond organizational frameworks.

In the area of improving our human resources overall, we work to improve IT and digital literacy, and pursue the development of data scientists and DX-oriented talent.

The cumulative number of employees who have taken the selection-only management courses that have been run since 2009 is now 88. Many of those who completed the course now make active contributions in management, and even our new president Takamiya was a student in the inaugural class of this management course. We will continue to coordinate with Group companies regarding development systems, personnel exchanges and more, and work to roll out and improve various measures in this area.



Diversity & Inclusion Initiatives

Each employee with diverse perspectives, skills and experience will hone their respective strengths and demonstrate their abilities to achieve “Our Ideal.” This is our idea of diversity. In terms of specific measures to achieve this, we actively hold workshops and seminars, encourage exchanges of views between members of different departments, gain insights and inspiration from differing viewpoints, and make efforts to strengthen the bonds between employees. In addition, we ensure that at least 20% of attendees at important meetings comprise diverse members regardless of department or position in an effort to reinvigorate discussion. This is known as the KEEP 20 initiative. We are making every effort to create a corporate culture in which employees respect one another’s individuality and diversity, and freely achieve successes and take on challenges together.



Scene from a diversity seminar

Creating an Environment to Support Diverse Working Styles

The spread of COVID-19 has drastically changed people’s awareness of working styles and led to rapid progress in IT-based efficiency improvements along with the development and establishment of new programs. With the concurrent use of attendance at work and work from home (remote work) based on the work performed, the utilization of satellite offices and other measures, we aim to maximize results by enabling employees to focus on their jobs while working in various ways. Even in the post-COVID era, we will continue to have the IT department coordinate and ingenuity with each workplace based on ideas that are not limited to conventional working styles, and make ongoing efforts to develop environments that enable each employee to select flexible working styles.



An employee who work in creative ways while raising children

Encouraging Two-way Communication

When it comes to employee engagement, instead of enhancing through a single action, we consider coherence between various measures and consistency between words and actions to be important. For this reason, two-way communication between the Company and its employees is essential. In addition to the activities of the Labor-Management Committee, we maintain communication in various ways including sessions to exchange views between junior employees and top management, a self-assessment system linked directly to the Personnel Affairs Division, and the establishment of an employee consultation desk. We pursue the development of environments that make the company open, easy to work at and more results-oriented, with the aim of being a company that is more attractive to employees.



Scene from an online opinion sharing session

Strengthening the Health Management Promotion System



We believe that we cannot provide good products and services unless Group employees are healthy, and the Group is united in its commitment to achieving true health management with the president assuming ultimate responsibility. As a result of the initiatives we have pursued to date, we were certified as an Outstanding in the 2022 Certified Health & Productivity Management. We aim to be a group in which employees can maintain and advance their health while experiencing fulfillment in their lives and jobs.

Health Management Declaration

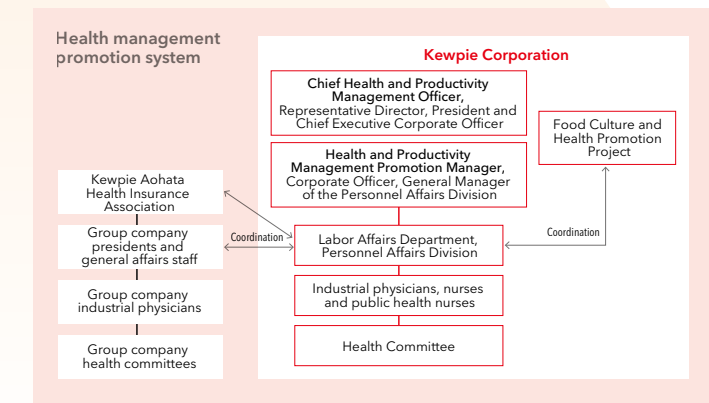
By having the president of each Group company personally issue “health declarations,” we are pursuing efforts to share clear intentions and thoughts with employees.

Health Interviews

We conduct health interviews for all employees and make efforts to address the health of each and every employee through dialogue.

Common Groupwide Health Indicators

By visualizing the physical and mental state of health of employees through unique common indicators and accumulating data on a per-company basis, we promote efforts to change mindsets about health. Specially, regarding mental indicators and health age, we notify individuals as well as provide feedback to supervisors on the state of the organization. This leads to both individuals and the organization moving in the same direction to make improvements in terms of lifestyle, workstyles and the workplace environment.



Developing a Framework for Empowering a Diverse Range of Talent

As part of one of the policies of the Medium-term Business Plan, "Developing a framework for empowering a diverse range of talent," we held a roundtable discussion between Masaya Urata, Corporate Officer and General Manager of the Personnel Affairs Division, and employees who had each experienced two of the key measures under the policy, namely "Mobilization of Group human resources" and "KEEP 20."



Kaori Oguchi
R&D Division
Kewpie Corporation

Masaya Urata
Corporate Officer, General
Manager of the Personnel Affairs
Division, Kewpie Corporation

Masaki Tamura
Sales Promotion
Department,
Kewpie Corporation

Mobilization of Group Human Resources*

Urata: For each employee to become a truly professional human resource, we are working under the belief that it is very important to gain experience seeing things from different perspectives rather than just having a uniform experience. Mr. Tamura, as someone with a lot of actual experience transferring beyond your department, how do you feel about the mobilization of Group human resources?

Tamura: When I first started at the company I gained experience working in home-use sales for seven and a half years, and after that I voluntarily transferred to food service sales. In home-use sales I learned about the mind-set of valuing the brand, and in food service sales I feel I learned how to approach various business categories. At the moment, I am responsible for planning sales strategy in the staff department known as the Sales Promotion Department, and I felt that combining my knowledge and experience from working in home-use sales and food service sales has led to better output.

Oguchi: By having a lot of experience we not only experience "learning" but also benefit a lot from forming personal connections.

Tamura: That's right. That's why if there is something we want to do, we need to keep putting our hand up and speaking out, and then working on self-improvement to achieve that. I also think it is important to make use of the career self-assessment system and communicate so that our supervisor becomes our supporter. Things don't always go the way we want, but I think it is important to hone our own knowledge and experience when we are given a new opportunity, and to adopt the mind-set of learning more.

* Mobilization of Group human resources

An initiative targeting younger employees with less than 15 years at the company and encouraging them to transfer to different departments or Group companies in order to broaden their career potential and cultivate enhanced human resources who can handle a broader range of responsibilities after gaining different perspectives and wide-ranging experience.

About the KEEP 20 Program

Urata: I have seen a tendency where, through various different members engaging in an exchange of opinions, discussions become more lively when one or two people out of five or six have differing perspectives during a discussion. That is why we started the KEEP 20 program.

Oguchi: I took part in Brand Committee meetings as a KEEP 20 member. I wouldn't say I have contributed to the extent of enlivening discussion, but when I notice something from the perspective of a consumer, I take the initiative in speaking up. Since I am involved with the development of brand products such as Kewpie Mayonnaise, I have been able to learn a lot by taking part in Brand Committee meetings where various discussions and decisions about brands take place.

Urata: Giving your opinions from the consumer perspective is important also for the brand committee members and I think they gain a lot of insight. Please tell us about any initiatives you yourself are pursuing with the involvement of members of various departments such as with KEEP 20.

Oguchi: We have launched a new mayonnaise project and set it in motion by involving junior members from related departments. By gradually entrusting the work to these junior members and adding people from other departments as well, we can produce fresh ideas. I look forward to seeing how the project will develop in the future.

Urata: Listening to what the two of you have shared, I got the sense that the mobilization of Group human resources and KEEP 20 initiatives are not only leading to your own growth, but are also having a positive effect on other members around you. I want to continue to promote these kinds of initiatives.

Strengthening Management Capital

Investment in Intellectual Property to Enhance the Group's Social Value



Yuko Kano
Corporate Officer,
General Manager of Intellectual
Property Division
Kewpie Corporation

The mission of intellectual property activities is "Improving the Group's creativity and enhance its value," and the Group actively promotes the creation, protection and utilization of intellectual property that leads to the realization of this outcome. As part of these activities, the Group's strengths lie in its emulsification, antioxidant, microbe control and functionality-adding technologies in the area of condiments, as well as in egg processing technologies, and the Group is focused on acquiring and utilizing its rights from a global perspective.

Additionally, the Group's Ideal of contributing to the food culture and health of the world is closely related to burgeoning technological fields associated with sustainability. In these technological fields we will keep the need for collection and cooperation with stakeholders in mind while working to create intellectual property and ensure a degree of freedom in our business activities.

Acquiring Patents to Contribute to the Realization of a Sustainable Society

We will work to establish intellectual property rights for our proprietary technologies, which make a major contribution to solving worldwide social issues, and continue to coordinate and cooperate with related stakeholders while striving to contribute to the food culture and health of the world.

Acquisition status of patents addressing worldwide social issues

Details of major patents held by the Group Descriptions in red are classifications used at the 2021 United Nations Food Systems Summit*	Number of patents held Total number of patents held in Japan and overseas
Achieving sustainable diets <ul style="list-style-type: none"> ▶ Expanding the use of plant-based soy protein and cereals to processed foods ▶ Extending the shelf life of cut vegetables through improvements to vegetable preparation processes ▶ Extending the period of time that condiments and other products containing fats and oils retain their quality through oxygen control ▶ Improving ingredient yields in vegetable and egg preparation processes ▶ Reducing the amount of plastic used in containers 	57
Achieving healthy diets <ul style="list-style-type: none"> ▶ Achieving effective protein intake ▶ Processing foods with egg allergies in mind 	22
Improving over-consumption of calories <ul style="list-style-type: none"> ▶ Reducing the calories in emulsified condiments ▶ Reducing the calories in foods such as potato salad 	36

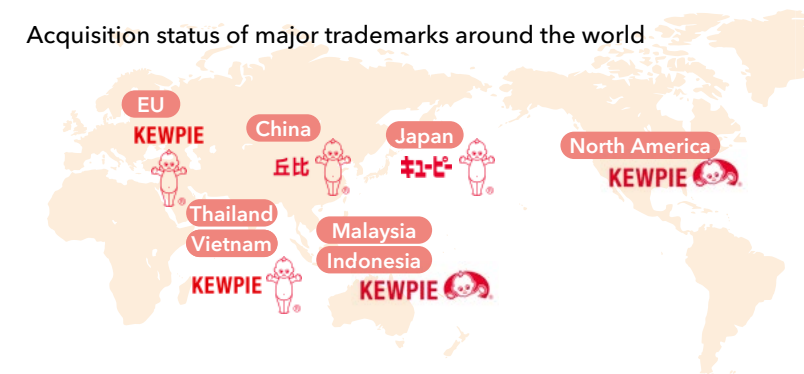
* A UN-organized summit held based on the idea of UN Secretary-General Guterres that it will be essential to switch to sustainable food systems to achieve the SDGs

Promoting the Acquisition of "KEWPIE" Trademark Rights in Overseas Expansion Activities

We will acquire trademarks related to "KEWPIE" and "丘比*" in an effort to develop a unified brand image and enhance value. In China we are actively working to eliminate counterfeit goods in combination with efforts to obtain design rights for the containers of our flagship products and obtaining multiple trademark rights. In addition, the distribution of counterfeit goods through e-commerce overseas, including in Southeast Asia, is on the increase, and we will strengthen our monitoring systems to deal with this. In FY2021, we achieved a counterfeit goods expulsion rate of over 90%, reducing the impact on the company as much as possible.

* 丘比 is how Kewpie is rendered in Chinese.

Acquisition status of major trademarks around the world



Trademark registration	
KEWPIE trademark 92 countries and regions	KEWPIE DOLL mark trademark 91 countries and regions

*The KEWPIE DOLL mark trademark is acquired in consideration of the situation in various countries, including Halal certification.

Improving Added Value and Creating Demand through Research and Development Activities



Yoshinori Hamachiyo
Director, Senior Corporate Officer
in charge of Research Development
Kewpie Corporation

To achieve future dietary lifestyles that are enjoyable and healthy for customers around the world, we believe it is important to closely monitor customers, and envision their future dietary lifestyles in detail while adapting to people's changing values. Using our accumulated technological capabilities in R&D we will substantiate the customer issues and unique technological seeds identified from those activities and deliver solutions to customers. The Group has identified three areas of research that will bring value to customers, "Health of every person," "Health of the earth" and "Creation of future food culture," and will work on them to contribute to the food culture and health of the world together with partners around the world.

Taking on the Challenge of Ensuring the Health of Every Person and the Earth through Co-creation with Partners

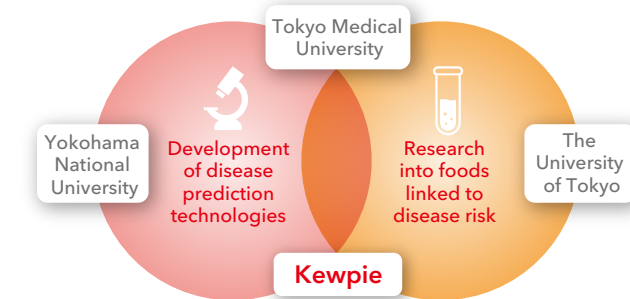
To provide products and services that lead to customer value, we need to work beyond the fields in which we have accumulated assets. Given this, I believe it is essential for us to go beyond internal efforts and engage in co-creation with partners around the world.

Taking on challenges related to both "Health of every person" and "Health of the earth" is an area that should be tackled by the Group, which aims to contribute to the food culture and health of the world, and We also see it as an opportunity to create new markets. In particular, if we can take action through diet when people are unaffected before a disease develops, We believe we can make significant contributions to the health of customers. We are working together with various partners on disease prediction technologies utilizing micro RNA in the blood and dietary research leading to reduced disease risk (see page 18).

Moreover, to show our appreciation for the gifts of nature and bring smiles to the children who will be the caretakers of the next generation, we also need to address "Health of the earth," and this is an area where technological breakthroughs are essential. We are working to reduce food loss and utilize unused resources while reducing the use of plastics, and are making efforts

on technological development combining the food processing technologies of partners in the value chain with those of the Group (see page 22).

Taking on the challenge of developing and applying disease prediction technologies together with various partners



Utilizing recycled plastic



Creating New Demand Leading to a Future Food Culture

Consumer values have become increasingly diverse and in the future I believe even the role of the dining table will change. By recognizing these changes and honing our technologies, we will aim to be at the forefront of new dietary lifestyles.

One such theme is the challenge of developing plant-based foods with the aim of providing a wide variety of dining options in future dietary lifestyles. The plant-based food HOBOTAMA was created using egg processing technologies that have been refined in pursuit of egg functions, such as their great taste and physical properties, as well as emulsification technologies cultivated through the development of condiments such as mayonnaise, resulting in an egg-free product that allows consumers to enjoy the



HOBOTAMA, a plant-based egg substitute food

texture and great taste of eggs.

In addition to egg substitute technologies that cater to diverse values, the Group focuses on foodtech to work on innovations, such as technologies that use up all raw materials without waste, and technologies that extend the shelf life of products, and is working to further refine these solutions.

We have also joined with many companies to pursue initiatives as part of the SPACE FOODSPHERE consortium that is working to "Co-creating the future of Earth, food and human life from space."

R&D Division, Kewpie Corporation Yuma Hagihara

By facing the role of dietary lifestyles in the extreme environment of space, we will explore the essential value of food and build technology with other industries, to create diverse and rapidly changing dietary lifestyles on earth in the future.



Technology-driven Productivity Enhancements and New Technological Endeavors



Ryota Watanabe
Director, Senior Corporate Officer
in charge of Production and Quality
Kewpie Corporation

In an era of growing uncertainty and increasingly diverse value, it is important to gain a more precise understanding of customer needs and provide them value in a responsive manner.

The Production Division of the Kewpie Group, with its mission to "Striking the balance between improved efficiency and supporting diversity," will achieve streamlining through the use of automation and digital technologies, thereby strengthening its revenue base while building flexible production systems and supporting new endeavors aimed at creating new demand. By constantly refining our technologies, we will deliver safe, reliable and high-quality products to customers while actively working to solve environmental issues and achieving great taste, empathy and uniqueness.

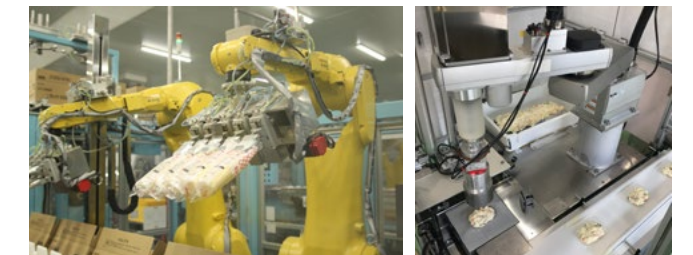
Productivity-boosting Technologies that Achieve a Balance between Improved Efficiency and Supporting Diversity

We are making thorough progress in streamlining production from optimization and automation technologies for our flagship products such as mayonnaise and dressings. The Kewpie Kobe Plant, which entered service in 2017, has achieved a process automation rate of 85% and realized the highest level of production efficiency in the industry. At the same time, the energy-efficient design of the plant means it uses roughly half the energy of a conventional plant. Using digital advancements and information and communication technologies, we have streamlined distribution throughout the supply chain, reducing food loss and eliminating warehouse sorting operations, which has also led to lower CO₂ emissions.

Additionally, in the manufacturing of delicatessen foods, an area where demand has increased in recent years, we are working with a venture company to create futuristic delicatessen food plants equipped robots, digital analysis technologies and AI-based inspection equipment in anticipation of future labor shortages and to ensure energy-efficient production.

Meanwhile, we are also making progress developing technologies to efficiently handle multi-product production and have managed to shorten product switchover times considerably. These kinds of productivity improvements

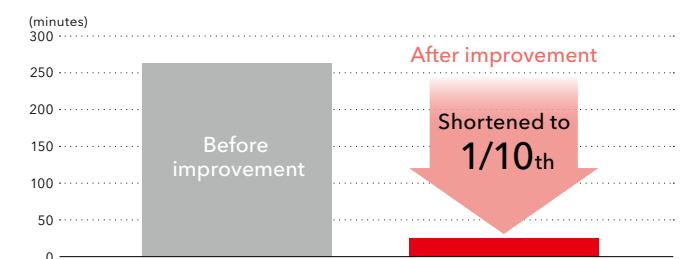
also lead to a smaller environmental impact, and we aim for them to be a driving force of the Group that embraces the theme of balancing economics with social good.



Automation of packaging processes in condiment production (Kewpie Kobe Plant)

Potato salad portioning robot

Initiative to shorten product switchover times (Kewpie Izumisano Plant)



"Mudatori" Activities

The source of competitiveness is not just machinery and equipment, but the ability to adapt to change by polling knowledge and expertise through the originality and ingenuity demonstrated by each employee. At the Group's production sites, improvement activities that involve full participation called as "Mudatori" have taken root. Each year more than 10,000 improvement proposals are implemented, fostering a culture in which employees think and act for themselves.



Award for Mudatori activities

We are also focused on the development of human resources supporting these activities, and run periodic workshops and other activities in cooperation with external parties. On-site

capabilities enabling each and every employee to work enthusiastically and flourish in their jobs in an environment in which everyone plays a leading role and can think and act on their own initiative supports safe and reliable quality, and is one of the uniqueness of the Group.

Production Division, Kewpie Corporation Yui Kawahara (left), Enoka Yamaguchi (right)

Through the Mudatori activities, we get a strong sense of each employee's motivation to learn and desire to take part in activities. We will continue to work together as a Group to create a fulfilling environment and refine our on-site capabilities while striving to contribute to quality improvements.



Evolving Value Creation While Valuing Engagement with Customers

The Kewpie Group values opportunities for direct engagement with customers through Open Kitchen (factory tour), social media tools and communications fielded by the Customer Service Office. In addition to gaining feedback and accepting requests, these activities are also an opportunity for us to directly convey the thoughts that go into our production activities and product information and other things we are not usually able to communicate to customers. We pursue initiatives aimed at value creation utilizing our connections with customers and will work to achieve our 2030 Vision: becoming "A Food Partner for Every Person."

Kewpie's Factory Tour "Open Kitchen"

We think of its factories as an "extension of kitchens in people's homes," and refers to factory tours in which the general public participates as "Open Kitchen." Having customers see how the products are made with their own eyes gives them an understanding of our products, and we consider it to be a golden opportunity to offer peace of mind.

We currently conduct online tours to prevent the spread of COVID-19, and it has been well received as it allows students to take part in field trips from remote locations.

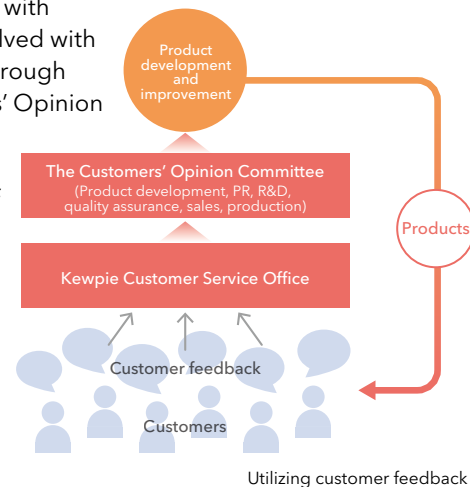
Additionally, in recognition of these activities which have been conducted continuously for six decades, in April 2022 Kewpie Corporation received the Minister of Agriculture, Forestry and Fisheries' Award as part of the 6th Dietary Educational Activity Commendations.



Site accepting reservations for online plant tours
▶ <https://reservation.kewpie.co.jp>

Systems to Link Customer Feedback to Product Development

Our Customer Service Office fields around 30,000 communications with feedback or requests from customers each year. The information received is treated as customer feedback and reported to top management and also shared with employees involved with development through "The Customers' Opinion Committee," leading to the improvement of products and services.



Utilizing customer feedback

Initiatives to Engage Directly with Customers

▶ Communication Utilizing Social Media Tools

As a means of communication with customers, social media is now an important tool. In the hope of engaging with customers on a two-way basis, the Social Media Utilization Digital Project was established by junior employees.



Activities of the Social Media Utilization Digital Project

▶ Fukaya Terrace Vegetable Friends' Farm

Fukaya Terrace Vegetable Friends' Farm, which is scheduled to open in Fukaya City, Saitama Prefecture in May 2022, is a complex, which includes a "hands-on farm" for customers to interact with vegetables in a field and experience life and its variety, a "marché" store where customers can learn about the best time and way to eat certain ingredients and choose them, and a "restaurant" where customers can encounter and be delighted by seasonal bounties. The facility embodies the message of "A farm where people are inspired by and grow to love vegetables with a smile on their faces."



Conceptual image of Fukaya Terrace Vegetable Friends' Farm

▶ Deli comer

Deria Foods Co., Ltd., which mainly provides delicatessen foods, runs four* Deli comer stores that sell its products direct to customers. These stores are valued as an opportunity to gain direct feedback from customers.



* As of April 2022

Scene of store sales at Deli comer



Dialogue

Initiatives Aimed at Customer Success Towards Achieving the 2030 Vision

In 2021, the Customer Success Division was newly established to realize the 2030 Vision of becoming "A Food Partner for Every Person." Shinichiro Yamamoto in charge of Customer Success and the General Manager of the Customer Success Division Kaori Fujiwara held a dialogue on these initiatives and the Group's vision.



Kaori Fujiwara

Senior Corporate Officer
Kewpie Corporation

Kaori Fujiwara



Shinichiro Yamamoto

President
TO AD KEWPIE CO., LTD.

Shinichiro Yamamoto

Fujiwara: By 2030, I think dietary lifestyles will have changed significantly. Customers in the digital native generation will get their information about food online, a growing number will primarily buy their food online, and the needs of customers will also be more segmented. I think the use of digital technologies will enable us to get ahead of those changes.

Yamamoto: The greatest aim of customer success is "to make customers happy." By delivering personalized information and services that match the needs of each customer when it is needed, customers will come to like our company more, and will be happy when they use our products. That is what we are aiming for with customer success. With advances in digital technology, we have an environment to interface directly with customers, and in the era of 100-year lifespans, food has become extremely diverse. We newly established the Customer Success Division in 2021 in response to these changes in the environment.

Fujiwara: We are currently making progress in the development of platforms for customer success. The Group has arranged management resources to ensure customer success, with a wide-ranging product lineup from baby foods to nursing care foods, in-depth development across three business types – home-cooked meals, ready-made foods and restaurants, and temperature zones supporting refrigerated and frozen products in addition to room temperature offerings. By combining these assets with digital technologies, we are looking to deliver new value from the Group. In the future, I think these efforts will lead to realizing the becoming "A Food Partner for Every Person" goal declared in the 2030 Vision, and will take the shape of personalized food proposals for each customer using

AI, proposals of systems to interface with IoT home appliances* to deliver foods, and so on.

Yamamoto: I hope that we can build a new customer data platform and bring new appealing aspects of the Group to customers. By utilizing and analyzing various customer data obtained from those connections and working to enhance the quality of products, information and services, we aim to delight customers and make them our fans. The kind of mechanism we want to achieve with this digital platform is where a customer that we previously couldn't reach knows about the value of our products and finds a product that makes them think "Yes, this is what I've been looking for."

Fujiwara: By utilizing digital technologies, we can make today's younger customers supporters of our brand. In manufacturing, passing down and evolving technologies is essential, but by tackling these things with digital technologies, I think we can create opportunities to take on innovative challenges more than ever before. In addition, by rolling out these systems overseas as well, I think we can achieve becoming "A Food Partner for Every Person" globally. That is an exciting prospect as a global strategy.

Yamamoto: Absolutely. Particularly overseas, since the speed of digitization is predicted to increase even more than Japan, I hope we can accelerate new developments aimed at the global market. How we can achieve the 2030 Vision, and how we can use digital technologies to interface directly with customers and make many of them our fans is what I see as an important mission of the Customer Success Division.

* Home appliances that connect to the Internet to interface with different devices or allow remote operation by smartphone.

Working to Improve Corporate Governance

Basic Concepts of Corporate Governance

The Kewpie Group regards corporate governance as key management infrastructure for achieving sustainable growth of the Group and enhancing corporate value while realizing the Group's Ideal of "Contributing to the food culture and health of the world."

We work continuously to develop and enhance corporate governance system that leverages the unique qualities of the Group while valuing dialogue with various stakeholders.

* We define corporate governance as the systems used to secure transparent, fair, swift and resolute decision making to achieve sustainable growth and enhanced corporate value, taking into account the viewpoints of customers, shareholders and other stakeholders.

Corporate Governance Guidelines

https://www.kewpie.com/company/pdf/kewpie_Corporate_Governance_Guidelines220228.pdf

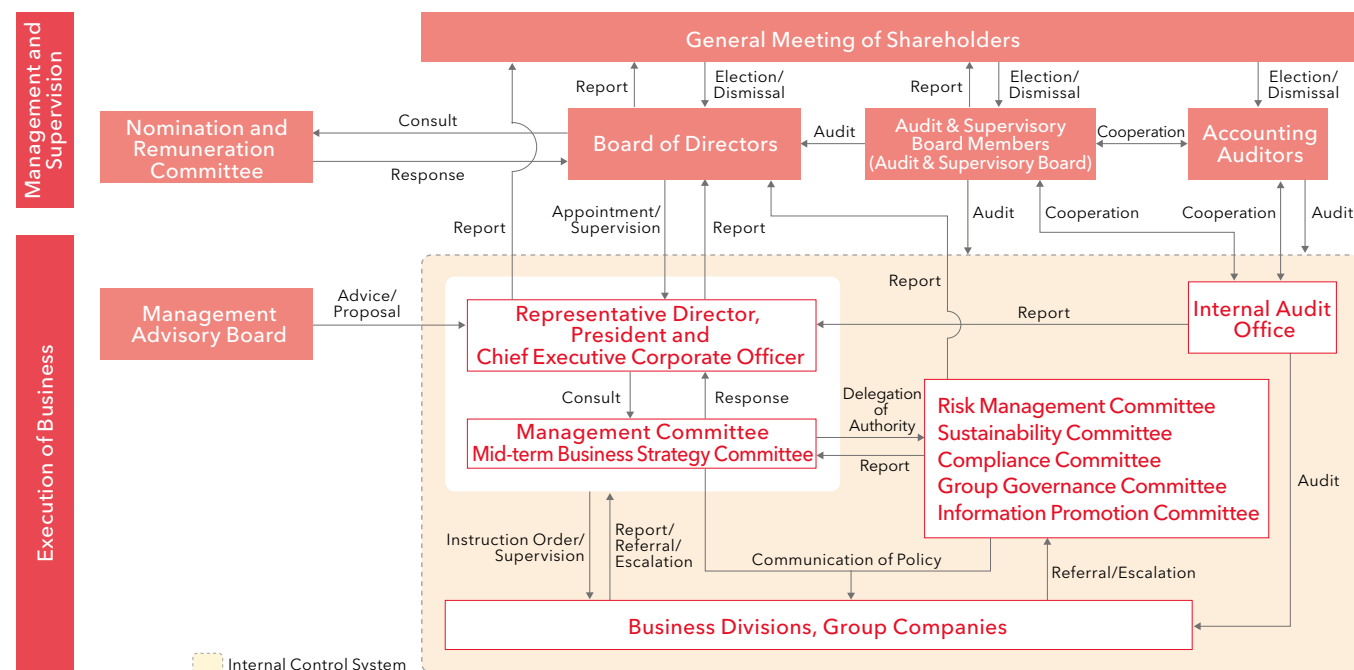
Corporate Governance Report

https://www.kewpie.com/company/pdf/ir_20220228_kewpie_corporate_governance.pdf

Corporate Governance Basic Policies

- 1 The Company shall respect the rights of its shareholders and ensure the equal treatment of shareholders.
- 2 The Company shall respect the positions and rights of its various stakeholders, including its customers, employees, business partners, shareholders and investors, as well as local communities, and foster appropriate relationships with such parties.
- 3 The Company shall disclose its corporate information in a proper manner and ensure the transparency of its operations.
- 4 The Company shall build mechanisms to facilitate the cooperation of all management resources for its corporate governance systems.
- 5 The Company shall engage in constructive dialogue with shareholders who expect medium- to long-term investment returns.

Corporate Governance System



Composition, Operation and Support Systems of the Board of Directors

Skills, Diversity and Size Required for the Board of Directors

Points 1) through 4) below describe the skills, diversity and size required for the Board of Directors. To fulfill the responsibilities as an outside officer of the Company, an outside officer may concurrently serve as an officer at other companies, and such concurrent officer positions at listed companies other than the Company shall be limited to three or fewer companies in principle.

- 1) The Company aims to strike a good balance of experience, expertise, and attributes among its overall officers (directors and corporate auditors). The Company aims to ensure that experience and expertise that are currently in shortage among officers are provided, including those held by non-officers.
- 2) Inside directors are composed mainly of corporate officers who can take a broad view of the overall Group.
- 3) The maximum term of service of an outside officer is 10 years in order to maintain their independency; however, the Company makes efforts to keep an average term of service of three years or more for all outside officers, given the importance of their understanding of the food business and the Company.
- 4) The number of directors shall be up to twelve, and outside directors shall make up one-third or more of the total number of directors.

Approach to the Nomination and Remuneration Committee

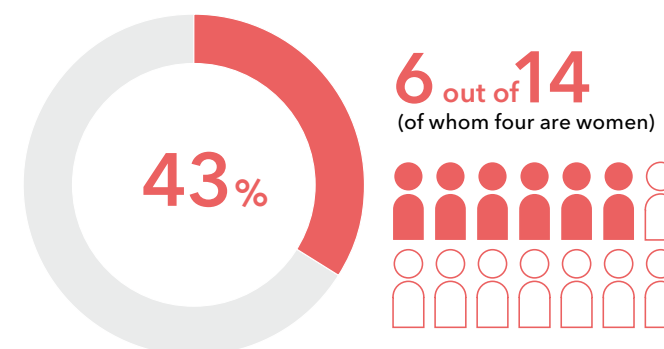
As an advisory body to the Board of Directors, the Company has established a Nomination and Remuneration Committee chaired by an outside director and comprising a majority of outside officers as its members. The committee deliberates over matters concerning the appointment, dismissal and remuneration of directors, corporate auditors and corporate officers, and passes resolutions as necessary. The aim of the committee is to enhance objectivity, validity and transparency regarding the structure of the Board of Directors as well as the nomination and remuneration of directors and other officers, by extension achieving the medium- to long-term growth of the Group and enhancing its corporate value.

Procedures for Nominating Candidates for Director and Corporate Auditor

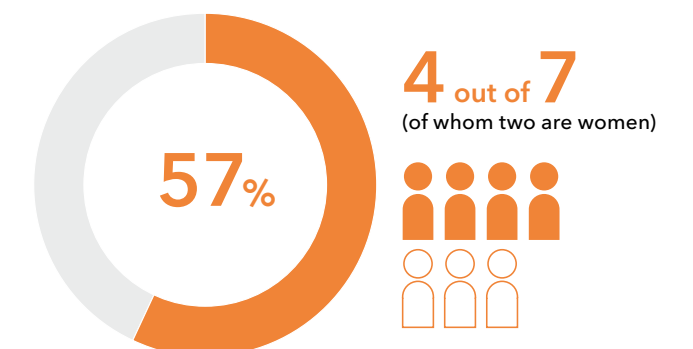
The nomination of each candidate director or corporate auditor is taken up for discussion by the Nomination and Remuneration Committee and then deliberated over and decided on by the Board of Directors. Pursuant to the Companies Act, the Company shall obtain the consent of the Audit & Supervisory Board for the submission of proposals for the appointment of candidates for corporate auditor to the General Meeting of Shareholders.

Structure of the Board of Directors and the Nomination and Remuneration Committee

Proportion and number of outside directors on the Board of Directors



Proportion and number of outside officers on the Nomination and Remuneration Committee



Skills Matrix of Directors, Corporate Auditors and Corporate Officers Ranked Senior and Above

	Name	Age	Number of years in office	Experience & Expertise							
				Corporate management strategy	ESG Risk management	Finance & Accounting	HR	IT/Digital	Overseas experience	Sales and marketing	Production Research and development
Director	Amane Nakashima	62	25	○	○	○		○	○		
	Mitsuru Takamiya	60	–	○						○	○
	Seiya Sato	62	5							○	
	Nobuo Inoue	61	12	○	○	○	○			○	
	Yoshinori Hamachiyo	61	5								○
	Ryota Watanabe	57	1	○							○
	Shihoko Urushi	60	6	○	○		○			○	
	Hitoshi Kashiwaki	64	1	○		○	○			○	
Corporate Auditor	Atsuko Fukushima	60	–	○	○		○				
	Norimitsu Yamagata	62	3							○	○
	Hidekazu Oda	59	–	○	○					○	
	Emiko Takeishi	62	7		○		○				
Corporate Officer with special title	Kazumine Terawaki	67	4		○						
	Mika Kumahira	61	2	○	○		○		○		
	Toshimasa Shirai	62	–							○	
	Masami Fujita	63	–					○			○
	Kaori Fujiwara	47	–						○	○	
	Shinya Hamasaki	57	–						○	○	

* The ages of each person are current as of February 25, 2022.
 * A circle has been placed for the experience and expertise of each person which is particularly expected by the Company.

Information about Outside Officers

In February 2022, the Company welcomed Atsuko Fukushima as outside director. Ms. Fukushima has many years of experience as a journalist, extensive knowledge of corporate management through dialogue with many corporate leaders, and an understanding of the Corporate Philosophy, culture, and business characteristics through the activities of the Management Advisory Board. The Company expects her to actively provide opinions and suggestions on overall management from an objective and medium- to long-term standpoint.

	Name	Main Activities	Important Concurrent Posts Held	FY2021 Attendance
Outside Director	Shihoko Urushi	Using her extensive insight into human resource development and management, Ms. Urushi serves on the Board of Directors and the Nomination and Remuneration Committee, and actively shares productive opinions and suggestions on general management, including human resource development, sustainability, overseas expansion and marketing.	President of Shinagawa Joshi Gakuin Outside Director of Culture Convenience Club Co., Ltd. Outside Audit & Supervisory Board Member of Tokio Marine & Nichido Fire Insurance Co., Ltd. Outside Director of JAPAN POST BANK Co., Ltd. Member of the Administrative Reform Promotion Council	Board of Directors Meetings 11/12*
	Hitoshi Kashiwaki	As an experienced manager of an operating company engaged in human resources, media-related and other businesses, Mr. Kashiwaki utilizes his wealth of experience and high level of insight, including the development of overseas businesses, in his appointments to the Board of Directors and the Nomination and Remuneration Committee. He actively shares productive opinions and suggestions on general management, including business strategy, human resource development, overseas expansion and marketing.	Outside Director of ASICS Corporation Outside Director of Matsuya Co., Ltd. Outside Director of TBS HOLDINGS, INC.	Board of Directors Meetings 9/10
	Atsuko Fukushima	–	Management Council Member of National University Corporation Shimane University External Director of Hulic Co., Ltd. Outside Director of Nagoya Railroad Co., Ltd. Outside Director of Calbee, Inc. Member of the Forestry Policy Council of the Ministry of Agriculture, Forestry and Fisheries	–
Outside Corporate Auditor	Emiko Takeishi	Ms. Takeishi ensures the objectivity and neutrality of management oversight functions and provides opinions and suggestions regarding overall management based on her experience in the administrative field as well as her wide range of insight on personnel systems and labor policies.	Professor of Faculty of Lifelong Learning and Career Studies, Hosei University Outside Audit & Supervisory Board Member of Tokio Marine & Nichido Fire Insurance Co., Ltd.	Board of Directors Meetings 12/12 Audit & Supervisory Board Meetings 13/13
	Kazumine Terawaki	Mr. Terawaki ensures the objectivity and neutrality of management oversight functions and provides opinions and suggestions regarding overall management based on his expert knowledge and wide range of insight as a legal professional.	Attorney at law External Audit & Supervisory Board Member of The Shoko Chukin Bank, Ltd. Outside Director of SHIBAURA MACHINE CO., LTD. Outside Audit & Supervisory Board Member of KAJIMA CORPORATION	Board of Directors Meetings 12/12 Audit & Supervisory Board Meetings 13/13
	Mika Kumahira	Ms. Kumahira ensures the objectivity and neutrality of management oversight functions and provides opinions and suggestions regarding overall management based on her wide range of insight of corporate transformation and leadership development.	Representative Director of Atech Kumahira Co., Ltd. Representative Director of KUMAHIRA SECURITY FOUNDATION Principal of Institute of Diversity Promotion, Career College of Showa Women's University Representative Director of Learning-21 Organization Outside Director of NITTAN VALVE CO., LTD.	Board of Directors Meetings 12/12 Audit & Supervisory Board Meetings 12/13

* As of February 25, 2022

Board of Directors Activities in FY2021 and Activity Policy for FY2022

Activities During FY2021

The Board deliberated and exchanged opinions over key management issues (the major issues are detailed below). In addition to deliberating and exchanging opinions over various key issues determined at the beginning of the year as scheduled, the Board engaged in the timely deliberation and discussion of the changing management environment, including examining the impact of sharply rising prices of key raw materials and the consideration of countermeasures.

Board of Directors Meetings	<ul style="list-style-type: none"> Examination of the impact of sharply rising prices of key raw materials and consideration of countermeasures Adapting to the changing management environment due to the COVID-19 pandemic (adapting to market changes, promoting workstyle reforms, etc.) Overseas expansion (considering a product-driven global strategy, strengthening overseas governance) Sustainability (formulating a basic policy, reporting on the progress of initiatives) Digital strategy (exchanging views on future concepts, reporting on the progress of initiatives) Food tech (exchanging opinions based on initiatives underway) Diversity (exchanging views regarding personnel policies, reporting on the progress of action) Other issues (reorganizing domestic production sites, upgrading of IT core systems (project), etc.)
Other	<ul style="list-style-type: none"> Provision of officer training on themes of sustainability (TCFD) and marketing DX One-on-one meetings between top management and outside officers

Activity Policy for FY2022

Board of Directors Meetings	Business promotion	<ul style="list-style-type: none"> Clarification of strategies to address changing management environment (sharp rise in prices of raw materials, market changes, etc.) Accelerating overseas expansion (business strategy, human resource and governance strategy) Medium- to long-term direction based on demographics and consumption trends 	Status reports (monitoring) <ul style="list-style-type: none"> Progress of the market-oriented structure (quarterly) Progress of the reorganization of production sites Progress of upgrades to mission-critical IT systems Risk management initiatives Activities of the Nomination and Remuneration Committee Other <ul style="list-style-type: none"> Discussions in light of review of joint ventures and M&A activities Consideration of the takeover defense plan for the February 2023 renewal deadline Operational aspects <ul style="list-style-type: none"> Initiatives to encourage lively discussion (Prioritizing allocation of time for important agenda items, encouraging full-time directors to speak up, etc.)
	Sustainability	<ul style="list-style-type: none"> Promotion strategy for the basic policy Progress on sustainability targets 	
	Important foundational issues	<ul style="list-style-type: none"> Human resource strategy (including diversity) DX strategy 	
	* Set indicators and manage progress for each theme		
Other	<ul style="list-style-type: none"> Provision of officer training (fostering a common awareness at the management level and linking to the promotion of internal initiatives) Proposed themes: sustainability, human resource development and corporate transformation Ongoing one-on-one meetings between top management and outside officers 		

Approach to Officer Remuneration and Calculation Methods

Approach to and Procedures Related to the Remuneration of Officers (Directors, Corporate Auditors, Corporate Officers)

- The remuneration of directors and corporate officers is made up of monthly compensation and bonuses. This system ensures a link with company performance and reflects the responsibilities and accomplishments of each position.
- In terms of the approach (system design) to remuneration, the Nomination and Remuneration Committee (an advisory body to the Board of Directors chaired by an outside director with a majority of members being outside officers to satisfy the independence criteria separately set forth by the Company) engages in deliberations to enhance objectivity, validity and transparency.
- The total amount of bonuses paid to directors and the amount paid to individual directors must be approved by the Board of Directors.
- The remuneration of outside directors and inside and outside corporate auditors are respectively fixed amounts, and no bonuses are paid.

Calculation Methods

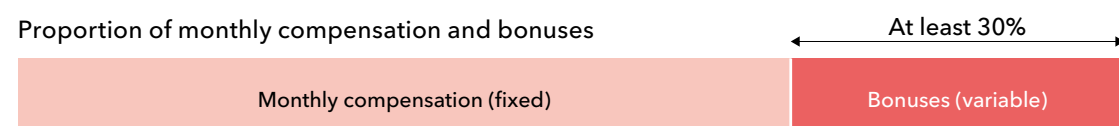
- Monthly compensation**
- The monthly compensation for an inside director is a uniform amount. However, directors with representative authority are separately paid additional compensation.
 - Monthly compensation for corporate officer is set at an appropriate level based on factors including the Company's management environment and the corporate officer's position (President, Senior Executive Corporate Officer, Executive Corporate Officer, Senior Corporate Officer).

- Bonuses**
- Bonuses are determined based on the positions of directors and corporate officers, with amounts calculated using indicators including consolidated operating income, profit in the area a director or a corporate officer is responsible for, and the level of achievement of target themes in the Medium-term Business Plan*.
 - In each year of the FY2021-FY2024 Medium-term Business Plan, in order to create a structure that will achieve sustainable growth for the Kewpie Group, the weighting of bonuses making up the standard amount of total annual compensation is set at 35% for a director who is President and Chief Executive Corporate Officer, and at 30% for other directors. In addition, evaluation indicator items and their weightings set for each director are determined to reflect the main purpose of the Medium-term Business Plan.
 - Bonus amounts in the final year of the Medium-term Business Plan may be increased or decreased by up to 30% to reflect the level of achievement of pre-set evaluation indicators (economics, social qualities, employees) in the final year of the plan for each director.

* Themes to be pursued by each director towards achieving the Medium-term Business Plan

Structure of Inside Director Remuneration and Assessment Criteria

Proportion of monthly compensation and bonuses



Structure of bonuses

In each corresponding year of the FY2021-FY2024 Medium-term Business Plan, evaluation indicators and their weightings used for calculating bonus payment amounts are set as follows in order to align with the management indicators set forth in the Medium-term Business Plan.

Other than the chairperson, president or executive corporate officer in charge of a market segment

Consolidated operating income (50%)	Target themes in the Medium-term Business Plan for each director (50%)
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Executive corporate officer in charge of a market segment

Consolidated operating income (30%)	Operating income of the area of responsibility (30%)	Target themes in the Medium-term Business Plan for each director (40%)
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The bonus payment amount for each inside director is the sum of a base positional bonus amount (a fixed amount) and the amount from multiplying the achievement level for each evaluation indicator by its weighting percentage.

Result for consolidated operating income, which is a common evaluation indicator for each internal director, was ¥27,972 million (versus a forecast at beginning of the fiscal year of ¥26,400 million). Evaluations of the target themes in the Medium-term Business Plan are made across a range from 50% to 150%.

The Board of Directors has determined that the amount of individual bonus payments is in line with the policy for determining the amounts and calculation methods for officer remuneration, etc., since the Nomination and Remuneration Committee approved the amount after fair and transparent deliberations in light of the calculation criteria.

Amounts of Officer Remuneration in FY2021

	Category	Number of officers receiving payments	Monthly compensation (¥ million)	Bonuses (¥ million)	Total payment amount (¥ million)
Directors	Inside Directors	10	178	81	259
	Outside Directors	3	34	—	34
	Total	13	212	81	293
Corporate Auditors	Inside Corporate Auditors	2	42	—	42
	Outside Corporate Auditors	3	30	—	30
	Total	5	73	—	73
Total		18	285	81	366

* For director remuneration, with regard to monthly compensation and bonuses, the total and individual payment amounts for monthly compensation and bonuses respectively are determined by the Board of Directors (with monthly compensation being a fixed amount based on position). At the 108th Ordinary General Meeting of Shareholders held on February 25, 2021, the maximum annual amount of remuneration including bonuses for directors was resolved to be ¥500 million (of which, the maximum annual amount of remuneration for outside directors is ¥80 million). The number of directors at the conclusion of the general meeting of shareholders in question was nine (including three outside directors).

* Regarding the remuneration of corporate auditors, individual monthly compensation amounts are determined through consultation between the corporate auditors. The maximum amount of compensation was resolved to be a monthly amount of up to ¥8 million at the 81st Ordinary General Meeting of Shareholders held on February 25, 1994. The number of corporate auditors at the conclusion of the general meeting of shareholders in question was four.

* The monthly compensation above includes payment amounts to four directors who stepped down at the time of the 108th Ordinary General Meeting of Shareholders.

* The above bonuses were determined by the Board of Directors following deliberations by the Nomination and Remuneration Committee in light of factors including financial results in FY2021, and apply to the six directors excluding outside directors as of the end of FY2021. The ratio of total amounts of bonuses paid to directors to the total amount of base bonus amounts for each director (fixed amounts based on position) was 107.5%.

* In addition to the above total payment amount, the amount equivalent to salary paid to directors serving concurrently as employees (including bonuses) was ¥15 million.

Management Advisory Board

The Management Advisory Board has been established as an advisory body to the Representative Director, President and Chief Executive Corporate Officer. The Board meetings (held twice a year and whenever necessary) are attended by outside board members, the Company's Representative Director, President and Chief Executive Corporate Officer, and other directors depending on the agenda. The Board's advice and recommendations for maintaining and improving the soundness, fairness and transparency of the Kewpie Group are received and reflected in decision making.

Major Details Discussed in Regular Board Meetings in 2021	
April	Main Topics Discussed ▶ Overseas expansion ▶ Food tech
October	Main Topics Discussed ▶ Diversity initiatives and the future ▶ Enhancing brand value

Outside Members of the Management Advisory Board (listed in order of appointment)

Yuri Okina
Chairperson of The Japan Research Institute, Limited
Outside Director of Bridgestone Corporation
Outside Director of Marubeni Corporation

Izumi Kobayashi
Outside Director of ANA HOLDINGS INC.
Outside Director of Mitsui & Co., Ltd.
Outside Director of Mizuho Financial Group, Inc.
Outside Director of OMRON Corporation

Chieko Matsuda
Professor, Graduate School of Management at Tokyo Metropolitan University
Professor, Faculty of Economics and Business Administration at Tokyo Metropolitan University
Outside Director of Kirin Holdings Company, Limited
Outside Director of IHI Corporation

Harold George Meij
Outside Director of Earth Corporation
Outside Director of COLOPL, Inc.
Outside Director of Panasonic Corporation

Yumiko Kamada
CEO of ONE·GLOCAL Ltd.
Outside Director of TAIYO HOLDINGS CO., LTD.
Outside Director of THE MICHINOKU BANK, LTD. As of April 2022

Directors and Audit & Supervisory Board Members

NRC Nomination and Remuneration Committee member

Directors



Amane Nakashima

Chairman and Director **NRC**
Chairman of the Board of Directors
in charge of Compliance and Brand



Mitsuru Takamiya

Representative Director **NRC**
President and Chief Executive
Corporate Officer in charge of Overseas



Seiya Sato

Director
Senior Executive Corporate Officer
in charge of Retail Market Business



Nobuo Inoue

Director **NRC**
Executive Corporate Officer
in charge of Corporate (including
Medium-term Business Plan
Promotion, Group Governance, Risk
Management and Sustainability)



Yoshinori Hamachiyo

Director
Senior Corporate Officer in charge of
Research Development, Fine Chemicals,
Intellectual Property and Food Culture
and Health Promotion Project and Senior
General Manager of R&D Division



Ryota Watanabe

Director
Senior Corporate Officer
in charge of Production and Quality



Shihoko Urushi

Outside Director **NRC**

Audit & Supervisory Board Members



Hitoshi Kashiwaki

Outside Director **NRC**
(Chairperson)



Atsuko Fukushima

Outside Director **NRC**



Norimitsu Yamagata

**Full-time Audit & Supervisory
Board Member**



Hidekazu Oda

**Full-time Audit & Supervisory
Board Member**



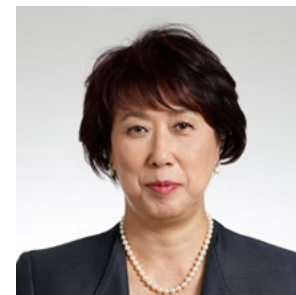
Emiko Takeishi

**Outside Audit & Supervisory
Board Member**



Kazumine Terawaki

**Outside Audit & Supervisory
Board Member** **NRC**



Mika Kumahira

**Outside Audit & Supervisory
Board Member**

Business Execution Mechanism

Decision-Making in Management

In addition to holding monthly Board of Directors meetings constituting the highest management decision-making body, the Kewpie Group established the Management Committee to assist the Board of Directors and the Representative Director, President and Chief Executive Corporate Officer, which deliberates important business matters. In addition, various important committees commissioned by the Management Committee have been established for each theme and field, launching efforts to formulate, disseminate and monitor important policies affecting the entire Group. The Management Committee and other important meetings committees have the system which enables diverse members to make a decision upon discussions.

Basic Way of Thinking for Group Management

Although the Kewpie Group has employed internal decision-making rules for some time, to enhance sustainable growth and corporate value, we also recognize the importance of allowing the companies comprising the Group to demonstrate independence and diverse characteristics while engaging in deeper mutual cooperation based on group-wide policies.

Accordingly, we formulated the “Fundamental Policy for Group Management” in January 2020, clearly stating the basic philosophy and the roles and responsibilities of each organization within the Group. Further, review of the Group structure starting in FY2021 led to partial changes and revisions, resulting in the formulation of the “Basic Way of Thinking for Group Management” in April 2021.

Basic Way of Thinking for Group Management

1. The Kewpie Group Philosophy is the highest ideal shared throughout the entire Group.
2. The “Kewpie Brand” is the symbol of our Group that all of us nurture as a vital and irreplaceable asset.
3. Conduct thorough management in line with Group-wide policies and strategies targeting sustainable growth.
4. The human resource, equipment, capital, technology and information of our group are common Group assets, and we utilize them from the perspective of overall optimization.
5. The Kewpie Corporation shall lead Group management.

Roles of Each Corporate Officer

To accurately respond to the rapidly changing management environment and achieve sustainable growth while enhancing corporate value, the Kewpie Group has declared that it will “engage in speedy decision-making and the execution of measures based on roles and responsibilities,” and is working to improve the efficiency and effectiveness of business execution.

As part of those efforts, we have clarified the roles of corporate officers and managers in charge of certain areas (the major roles are described below) who are responsible for formulating and implementing Group-wide measures.

In Charge of Corporate	Plays a steering role to enhance corporate value Group-wide and promote Group management. ▶ Formulation and promotion of corporate governance measures ▶ Formulation and promotion of group governance measures
In Charge of Research Development	Plays the role of overseeing and promoting Group-wide technology and product development. ▶ Creation of new products, development of new technologies and promotion of action to address key issues ▶ Formulation and promotion of medium- to long-term technology and product development policies and plans
In Charge of Production and Quality	Plays the role of overseeing Group-wide production plants and production departments (coordination and supervision). ▶ Formulation and promotion of Groupwide policies and plans for production allocation, production strategy and quality improvements
In Charge of Each Market Business (Retail, Food Service, Overseas)	Plays the role of overseeing Group companies and departments associated with the assigned market business (coordination and supervision). ▶ Formulation and promotion of policies and plans for the assigned market business based on management policies ▶ Formulation and promotion of product and sales strategies in the assigned market business
Common Roles for Corporate Officers	▶ Establishment of major direction to be pursued in assigned areas or market business (long-term plan) ▶ Formulation of the allocation of management resources (organizational personnel, expenses, investment) in assigned areas or market business ▶ Selection and development of successors

Risk Assessment

We assess potential risks due to changes in the internal or external management environment along two axes, “degree of impact on management” and “degree of management control,” and select the risks to be addressed on that basis. We monitor risks from both internal and external aspects, assess the severity of risks in response to changing conditions in a timely fashion, and strive to face risks in an agile manner.

Main company-wide risks

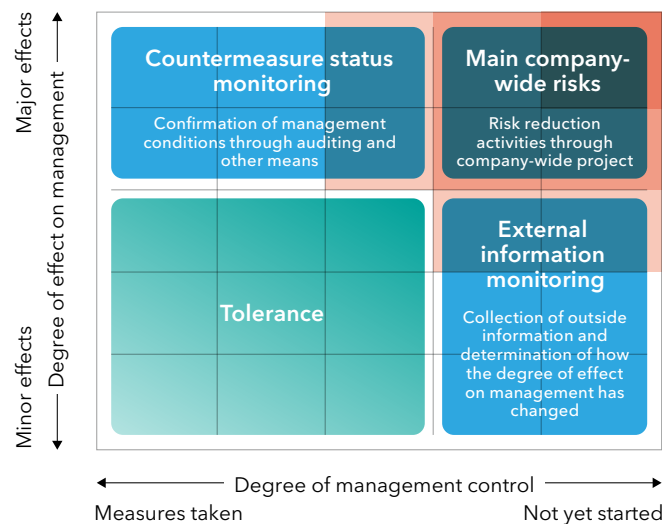
We endeavor to mitigate risks over which management control is insufficient despite having a significant effect on management through companywide projects implemented on a priority basis.

Countermeasure status monitoring

When the impact on management remains high despite countermeasures having an effect and the degree of management control increasing through our activities, we confirm the status of subsequent countermeasures through audits and other means.

External information monitoring

Even for risks that have a small impact on management at the present time and are not considered to be management issues, for risks that are not subject to countermeasures we collect external information with high sensitivity, and endeavor to monitor the situation.



Risk Management System

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



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

* The Risk Management Committee comprises members of the Kewpie Corporation Management Committee and the representatives of major divisions and subsidiaries. The committee is the Kewpie Group's highest decision-making body related to risk management, and meets three times a year.
 * Matters related to global environmental issues and climate change are handled by the Sustainability Committee.

TOPICS

Responding to the Risks of Ransomware*

In recent years, ransomware-based attacks on companies in Japan and overseas have been on the rise, and the Kewpie Group has become increasingly aware of the risk and implemented countermeasures.

In anticipation of an emergency, we have been developing an environment capable of responding to an attack. In terms of enhanced measures on the physical side, we have implemented anti-malware measures in all PCs and servers. On the human resource side, we run an ongoing internal training program for all employees and conduct attack email simulation drills in an effort to raise awareness of security among employees.

* A malicious program that infects a device, encrypts the data saved on it to render it unusable, and then threatens to disclose the ill-gotten data and demand payment for its decryption.



Left: Tetsuya Sasaki
 IT Planning Division, To Solutions Co., Ltd.
 Right: Yoichi Ando
 IT Promotion Department, Kewpie Corporation



Governance at the Kewpie Group
 Striving to Enhance Corporate Value



Hitoshi Kashiwaki

Hitoshi Kashiwaki

Outside Director,
 Kewpie Corporation

Interview with Mr. Hitoshi Kashiwaki, an outside director, about the potential of the Group from an objective point of view, its position expected from society, and further possibilities as it strives to improve the effectiveness of its governance system while enhancing its uniqueness and corporate value.

Governance at the Kewpie Group

There are many positive things about the Group, such as its open corporate culture, the flexibility to actively incorporate external feedback and its highly transparent practice of openly sharing the minutes for various meeting bodies outside the Board of Directors. I don't see any issues that are particularly in need of major improvements, but since there are many group companies, including overseas, I think there is room for making improvements to its governance. Ideally, Kewpie Corporation and each Group company should stand at the same level, strive toward the Group's Ideal, and monitor its progress without bias. When the Group could create a governance system under which the top managers and corporate auditors of each company can exchange information on an equal footing, point things out to one another if there are issues and enhance value to those outside the Group, it could be even better.

Role as Outside Director

For a company, past achievements and experiences of success form its identities. While continuing to value those things to create new value and meet the expectations of customers and society, I think the Group has to retain the things that are worth keeping, and make changes to what should be changed. In addition to fulfilling the roles and responsibilities demanded in the corporate governance code, I also see my role as sharing with the executive side positives about the Group or points for improvement that are hard to notice while only looking from the inside, and supporting the challenges to create value while taking risks. There are great expectations for the Group including overseas growth, and going forward I think there will be an expanding

range of areas to which the Group can adapt, including in Japan. To avoid being constrained by my own limitations, I will do my best to combine the strengths of human resources, technologies and brands with diverse viewpoints in order to create value that exceeds expectations.

Expectations for the Future of the Kewpie Group

The Group is currently implementing the Medium-term Business Plan formulated to achieve “Our Ideal” and the 2030 Vision. In a climate where there are some companies that focus on a plan when they formulate it but neglect to follow up on it afterward, the Kewpie Corporation on the other hand carefully checks the progress of its efforts, holds discussions about new issues or revisions to its plans, and is transparent about its processes. To realize the goal of “creating new dietary lifestyles” that was declared in the Medium-term Business Plan, it will be necessary to at times reject the conventional ways of doing things and take on new challenges while preserving the fundamentals of safety and reliability. In those situations, the key will be to incorporate outside knowledge and diverse perspectives in addition to playing to strengths and positive aspects. There are various ways to proceed with this, including the hiring of talent, business alliances and M&A, but in any case, it will be important to accept a diverse array of ideas with a view to broadening and strengthening our own awareness rather than coloring things to suit our own sensibilities. I hope that the Group will be a corporate group that remains united in its philosophy but which can transform itself with the flexibility to incorporate new things and continue to meet the expectations of its stakeholders in the future.

Financial and Non-Financial Summary

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Financial Information											
Performance (¥ million)											
Net sales	486,435	504,997	530,549	553,404	549,774	552,306	561,688	573,525	545,723	531,103	407,039
Gross profit	117,088	125,065	128,266	134,362	117,285	123,457	128,915	133,146	132,981	125,313	124,232
Operating income	20,816	23,368	22,402	24,343	26,354	29,818	31,261	33,067	32,048	28,303	27,972
Ordinary income	21,912	24,467	23,749	25,368	27,224	31,364	32,511	34,349	33,275	28,989	29,698
Profit attributable to owners of parent	9,449	12,291	12,567	13,366	16,973	17,093	18,099	18,320	18,698	11,591	18,014
Capital investments	13,418	20,916	27,122	30,111	32,369	32,968	27,182	32,105	28,569	26,102	12,100
Depreciation and amortization	13,641	14,089	14,572	16,132	19,094	18,254	16,794	18,215	18,649	20,073	15,336
Research and development expenses	3,232	3,421	3,660	3,882	4,201	4,028	4,058	4,142	4,156	3,963	4,033
Cash flows from operating activities (A)	23,405	33,246	27,369	34,392	28,094	45,260	27,234	41,778	43,916	34,955	38,533
Cash flows from investing activities (B)	△ 12,166	△ 24,434	△ 21,897	△ 30,847	△ 31,181	△ 32,046	△ 31,421	△ 20,199	△ 29,720	△ 26,039	△ 20,277
Cash flows from financing activities	△ 19,583	7,022	△ 2,307	△ 3,149	△ 7,101	△ 5,805	4,010	△ 15,293	△ 4,602	5	△ 18,701
Free cash flow (A + B)	11,239	8,811	5,471	3,545	△ 3,086	13,213	△ 4,186	21,579	14,195	8,916	18,255
Cash and cash equivalents at the end of the fiscal year	24,509	40,387	43,963	44,788	34,841	40,790	41,411	47,970	56,777	65,777	66,703
Financial Condition (¥ million)											
Total assets	275,790	306,515	334,655	356,994	373,017	385,914	419,207	419,736	444,309	454,276	381,003
Interest-bearing debt	10,909	23,185	25,882	29,110	30,559	36,066	60,120	61,414	65,962	81,999	42,257
Total net assets	185,293	195,928	210,285	220,397	244,717	245,861	263,432	266,100	276,753	287,356	269,301
Per share data (¥)											
Earnings per share (EPS)	62.63	82.09	83.94	88.69	111.82	113.47	121.05	124.85	130.72	81.04	128.17
Net assets per share	1,068.67	1,141.68	1,230.32	1,284.36	1,403.05	1,420.63	1,539.94	1,582.27	1,646.73	1,676.05	1,767.14
Annual dividend	18.0	20.0	22.0	23.0	29.0	34.5	36.5	38.0	45.0 ⁴	40.0	47.0
Management Indicators (%)											
Gross profit margin	24.1	24.8	24.2	24.3	21.3	22.4	23.0	23.2	24.4	23.6	30.5
Operating income ratio	4.3	4.6	4.2	4.4	4.8	5.4	5.6	5.8	5.9	5.3	6.9
Equity ratio	58.0	55.8	55.0	54.6	57.1	55.1	54.0	53.9	53.0	52.8	64.5
Return on equity (ROE)	6.0	7.4	7.1	7.0	8.3	8.0	8.2	8.1	8.1	4.9	7.4
Return on assets (ROA)	7.8	8.4	7.4	7.3	7.5	8.3	8.1	8.2	7.7	6.5	7.1
Dividend payout ratio	28.7	24.4	26.2	25.9	25.9	30.4	30.2	30.4	34.4	49.4	36.7
Dividend on equity ratio	1.7	1.8	1.9	1.8	2.2	2.4	2.5	2.4	2.8	2.4	2.7
Non-Financial Information											
Number of employees (consolidated)	12,028	12,425	12,598	12,933	13,478	14,095	14,924	14,808	15,452	16,003	10,719
Proportion of women in management positions (%) ¹	—	—	3.2	4.6	6.4	7.0	7.4	8.2	9.2	10.2	10.9
Proportion of persons with disabilities employed (%) ²	—	—	2.1	2.5	2.7	3.0	3.3	3.5	3.6	3.7	3.8
CO ₂ Emissions (1000t-CO ₂) ³	—	—	213.6	206.2	212.0	208.7	210.5	203.6	174.9	165.8	162.0

1. Applies to employees of Kewpie Corporation on a non-consolidated basis.

2. Applies to domestic Group companies.

3. Applies to domestic Group plants and offices. Figures have been revised due to K.R.S Corporation being changed to an equity-method affiliate.

4. The dividend per share in FY2019 included a commemorative dividend of ¥5 in honor of the 100th anniversary of Kewpie's founding.

* The Group's accounting policy for sales was revised in FY2016, and a retroactive correction was applied to the values listed for FY2015.

* The "partial revision of Accounting Standards for Tax Effect Accounting" was applied starting in FY2019. Figures for FY2018 have been retroactively adjusted to reflect this application.

* In FY2021, the Company finalized the provisional accounting treatment for business combinations, and the FY2020 figures have been retroactively adjusted to reflect the finalization of the provisional accounting treatment.

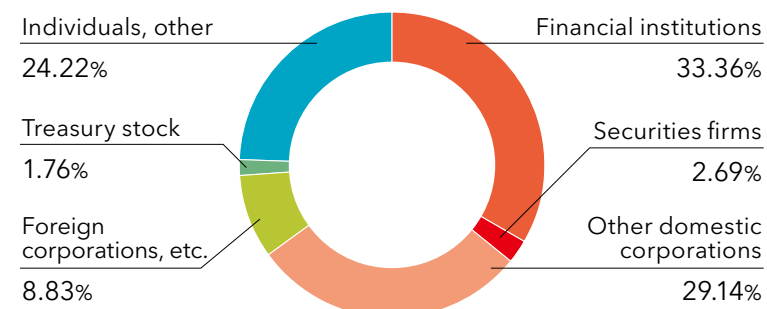
Performance and Company Information

Stock Information (As of November 30, 2021)

Share Overview

Number of Authorized Shares: 500,000,000 shares
 Number of Shares Issued: 141,500,000 shares
 Shares per Trading Unit: 100 shares
 Number of Shareholders: 124,472

Breakdown of Shareholders

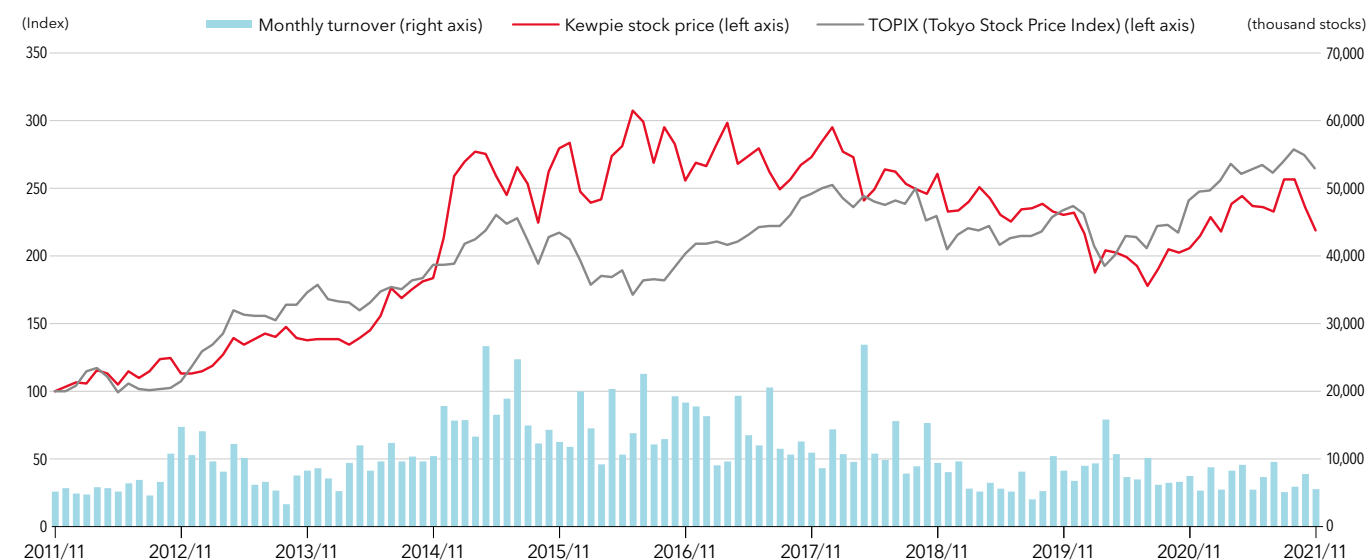


Principal Shareholders

Trade Name	Number of the Company's Shares Held (thousand shares)	Ratio of Number of the Company's Shares Held ² (%)
NAKASHIMATO CO., LTD.	15,071	10.84
The Master Trust Bank of Japan, Ltd. (Trust account)	14,006	10.08
TOHKA CO., LTD.	8,122	5.84
Custody Bank of Japan, Ltd. (Trust account)	6,750	4.86
Kieikai Research Foundation	4,251	3.06
Sumitomo Mitsui Banking Corporation	3,208	2.31
Mizuho Trust & Banking Co., Ltd. - Retirement Benefit Trusts, Mizuho Bank Ltd. Account ¹ , Re-trust Trustee, Custody Bank of Japan, Ltd. (Trust Account)	3,157	2.27
Nippon Life Insurance Company	3,039	2.19
The Dai-ichi Life Insurance Company, Limited	3,012	2.17
Nakato Scholarship Foundation	2,494	1.79

1. The 3,157 thousand shares held by Mizuho Trust & Banking Co., Ltd. - Retirement Benefit Trusts, Mizuho Bank Ltd. Account, Re-Trust Trustee, Custody Bank of Japan, Ltd. (Trust Account), are the trust assets entrusted by Mizuho Bank for its retirement benefit trust.
 2. The Company holds 2,495,090 shares of treasury stock. The ratio of number of the Company's shares held is calculated excluding the treasury stock. The number of share held is rounded down to the nearest indicated unit.

Share Price Movement



* Stock price index of Kewpie and TOPIX (November 30, 2011 = 100)

Corporate Information

Corporate Data (As of November 30, 2021)

Corporate Name: Kewpie Corporation
 Founded: November 1919
 Paid-in Capital: ¥24,104 million
 Number of Employees (consolidated): 10,719
 (non-consolidated): 2,394

Location of Head Office: 1-4-13, Shibuya, Shibuya-ku, Tokyo, Japan
 Stock Exchange Listing: Tokyo Stock Exchange Prime Market
 (Ticker Code: 2809)
 American Depositary Receipts (ADRs): OTC (Symbol: KWCPY)
 Transfer Agent: Sumitomo Mitsui Trust Bank, Limited
 Fiscal year: December 1 to November 30

Ratings

Ratings Agency	Type	Rating	Rating Trend
Rating and Investment Information, Inc. (R&I)	Issuer rating	A+	Stable

ESG External Evaluations

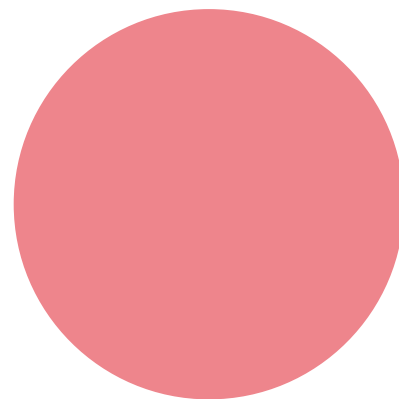
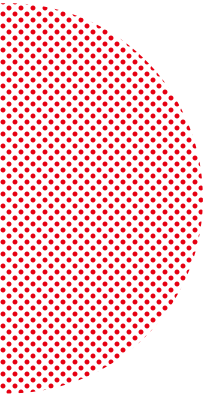
Kewpie Corporation continues to be selected for inclusion in leading ESG indices.

- FTSE Blossom Japan Sector Relative Index
- MSCI Japan ESG Select Leaders Index
- S&P/JPX Carbon Efficient Index
- SOMPO Sustainability Index

Kewpie Group

Retail Market	Food Service Market	Overseas	Fruit Solutions	Fine Chemicals	Common Business
Deria Foods Co., Ltd.	Sale of salads and delicatessen foods				
Ishikari Delica Co., Ltd.	Production and sale of delicatessen foods				
Kitakami Delica Co., Ltd.	Production and sale of delicatessen foods				
Shunsai Deli Co., Ltd.	Production and sale of delicatessen foods				
Seto Delica Co., Ltd.	Production and sale of delicatessen foods				
Hanshin Delica Co., Ltd.	Production and sale of delicatessen foods				
Tosu Delica Co., Ltd.	Production and sale of delicatessen foods				
Salad Club, Inc.	Processing and sale of fresh vegetables				
Soka Delica Co., Ltd.	Production and sale of delicatessen foods				
Potato Delica Co., Ltd.	Production of frozen and chilled foods				
Green Message Co., Ltd.	Processing and sale of fresh vegetables				
K.SS Co., Ltd.	Planning, production and services for sales promotion				
Kpack Co., Ltd.	Production and sale of condiments				
Dispen Pak Japan Co., Inc.	Production and sale of foods, subdividing and packing work				
Tosu Kewpie Co., Ltd.	Production and processing of foods; outsourced work				
Kewpie Egg Corporation	Production and sale of liquid, frozen and processed egg				
Kewpie-Egg World Trading Co., Ltd.	Sale of egg and processed egg				
Zen-noh Kewpie Egg-station Co., Ltd.	Production and sale of dried egg and liquid egg				
Tsukuba Egg Processing Corporation	Production and sale of processed egg				
Deft Co., Ltd.	Sale of condiments, frozen and processed foods				
Kewpie Jyozo Co., Ltd.	Production and sale of vinegar				
Co-op Foods Co., Ltd.	Production and sale of bottled, canned, and retort pouch foods				
Co-op Foods Co., Ltd. *	Production and processing of foods; outsourced work				
Hashikami Kewpie Co., Ltd.	Production and processing of foods; outsourced work				
BEIJING KEWPIE CO., LTD.	Production and sale of condiments				
Hangzhou Kewpie Corporation	Production and sale of condiments				
Nantong Kewpie Corporation	Production and sale of vinegar, processed egg and salads				
Kewpie China Corporation	Financial management and business management of the Company's local subsidiaries in China				
Guangzhou Kewpie Corporation	Production and sale of condiments				
Q&B FOODS, INC.	Production and sale of condiments				
KEWPIE (THAILAND) CO., LTD.	Production and sale of condiments, vinegar, salads, and processed foods				
KEWPIE MALAYSIA SDN.BHD.	Production and sale of condiments				
KEWPIE VIETNAM CO., LTD.	Production and sale of condiments				
PT. KEWPIE INDONESIA	Production and sale of condiments				
Kewpie Philippines, Inc.	Sale of condiments				
Mosso Kewpie Poland Sp. z o.o.	Production and sale of condiments				
KEWPIE SINGAPORE PTE. LTD.	Sale of condiments				
Kewpie Trading Europe B.V.	Sale of condiments				
Aohata Corporation	Production and sale of jams and fruit processed foods				
Tou Kewpie Co., Ltd.	Mail-order business				
San-ei Provisions Co., Ltd.	Sale of products for food service use				
Shiba Seisakusyo Co., Ltd.	Production of machinery and equipment				
K.System Co., Ltd.	Consigned services including human resources, accounting and general affairs				
Kewpie Ai Co., Ltd.	In building logistics and cleaning, various printing and POP shipping services				
TO AD KEWPIE CO., LTD.	Agency service for advertising, publicity and exhibitions				
KIFUKI U.S.A. CO., INC.	Investment in and management of U.S. associates				
K.R.S Corporation	Warehousing and transportation				

* There is a company of the same name due to the Kyushu Factory of Co-op Foods Co., Ltd. establishing a joint venture with FOODLIER Co., Ltd.



www.kewpie.com/en/

