

INVESTORS' GUIDE

2016

〈 For the fiscal year ended November 30, 2016 〉

Kewpie Corporation



Securities code: 2809

Kewpie's Fundamental Management Policy

As a corporate group specializing in “food,” an essential part of everyone’s livelihood, the Kewpie Group’s mission is to continuously contribute to the dietary systems and health of people throughout the world through good taste, kindness, and uniqueness. In addition to carefully sharing the Group’s philosophy and maintaining an unwavering devotion to the “Quality First” principle carried forward since the Company’s foundation, all executives and employees will work whole-heartedly to sincerely provide unique, choice products and services distinctive of the Kewpie Group.

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.

The Kewpie Group Policies Guided by a philosophy that draws on its Corporate Motto and Principles, Kewpie has put in place the Group Policies that embody the Group’s commitment to earning the highest degree of trust from its stakeholders, including customers, shareholders, business partners, employees, and society, who provide the underlying strength for all of its business activities.

In ensuring that each and every member of the Group fully understands and carries out the spirit of the Group Policies we are better positioned to further enhance our transparency as a company and to garner the trust of customers.

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 business partners, 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.

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* With regard to the fractions of less than one unit shown in this Investors’ Guide, monetary amounts and numbers of shares owned are rounded down (except units of billions of yen, in which only the described amount is rounded off), and shareholding ratios are displayed by rounding.

Forward-Looking Statements

The forecasts and forward-looking statements contained in this Investors’ Guide 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 could differ from forecasts due to a variety of factors including changes in business conditions.

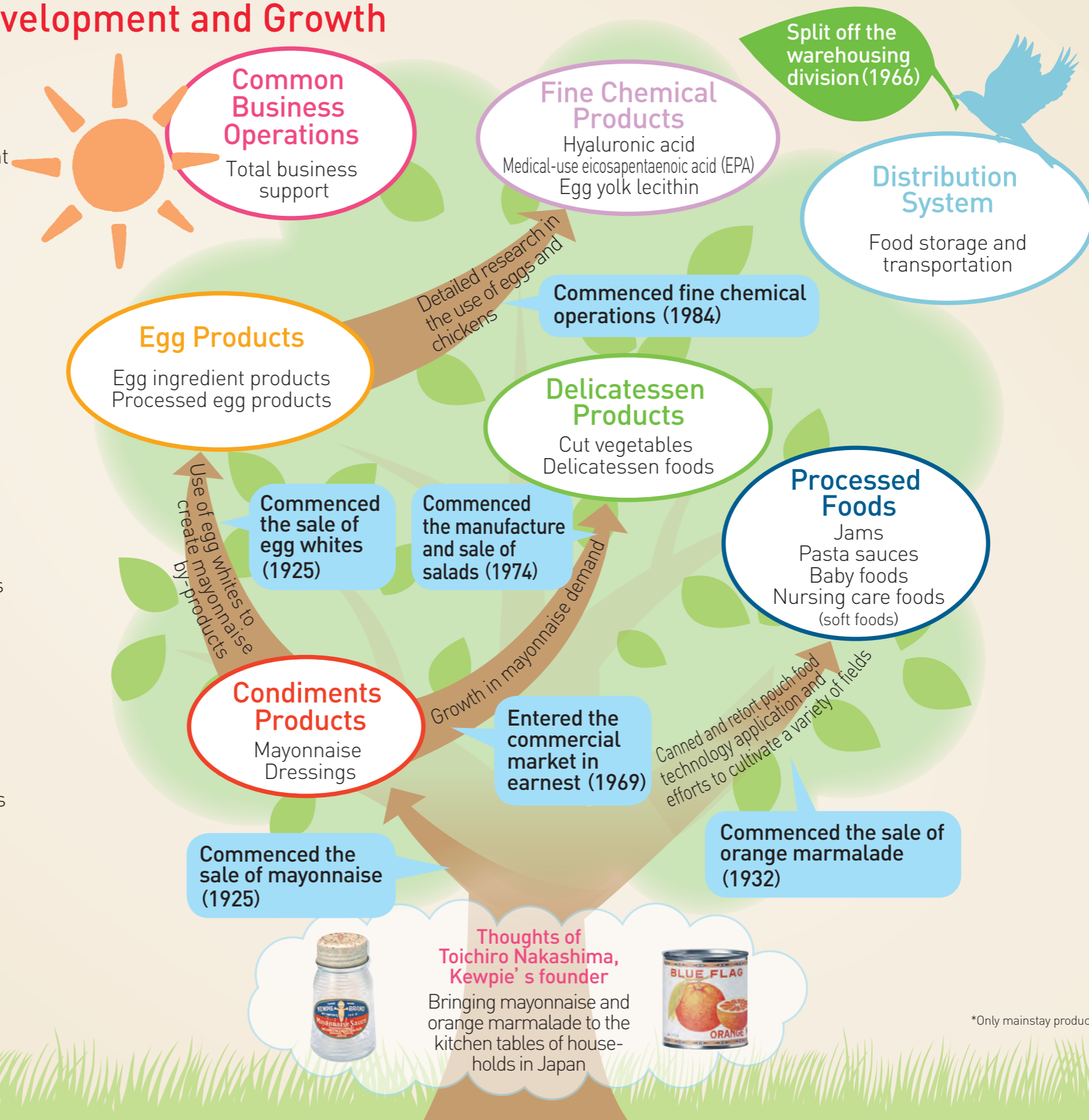
A History of Business Development and Growth

Serving as an intern at the then Japan Department of Agriculture and Commerce, Kewpie's founder Toichiro Nakashima was sent to the United States and Europe where he received his first taste of mayonnaise and orange marmalade. With the dream of introducing these delicious treats to Japan, he returned and launched mayonnaise in 1925. Rich in nutrients and full-bodied taste with yolk eggs, his goal was to improve the body size of the Japanese people. Later, in 1932, he began manufacturing orange marmalade in Tadanoumi (Takehara City, Hiroshima Prefecture), near the heart of the Japanese citrus farming region on the Seto Inland Sea.

Mayonnaise and orange marmalade therefore lie at the heart of the Kewpie Group's ongoing growth and development, which is in turn grounded in the shared belief that good products begin with good ingredients. Driven by an unwavering pioneer spirit, we are working diligently to earn the deep trust of customers by uncovering tasks in which we feel an intense passion and delivering products that only the Kewpie Group can provide.



Founder
Toichiro Nakashima



*Only mainstay products and services are shown.

Creating Corporate Value

With the overarching belief that good products begin with good ingredients, every facet of the Kewpie Group's activities, including efforts to develop and deliver products to customers, are geared toward creating value. Moving forward, we will continue to generate new value not only in the domestic market, which is projected to contract, but also in a host of overseas markets. To this end, we will take steps to accurately grasp changes in our operating environment while making the most of the Group's strengths.

Changes in our operating environment

Japan

- Trend toward increasingly simple cooking methods
- Falling birthrate and an aging society
- Trend toward increasingly diverse purchasing channels

Overseas

- Trend toward increasingly Westernized foods in developing countries
- Increase in the global population
- Growing impact of global warming

2016-2018 Medium-Term Business Plan

→ P11

Corporate Philosophy of the Kewpie Group

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Social Responsibilities, Sustainability

- Promotion of corporate governance → P23
- CSR efforts → P28

Kewpie's Strengths → P7

Brand Recognition / Quality Assurance / Proposal Capabilities

- A wide range of products that hold a top share in consumer markets (mayonnaise, dressings, jams and others)
- Broad and deep reach in the home-cooked foods, ready-made foods, and restaurant markets

Information + the application of management resources (technology, product, sales channels)

Listening carefully to customers' comments and quickly grasping trends in dietary lifestyles

Condiments Products



Mayonnaise Dressings → P15

Egg Products



Egg ingredient products
Processed egg products → P16

Delicatessen Products



Cut vegetables
Delicatessen products → P17

Processed Foods



Jams
Pasta sauces
Baby foods
Nursing care foods (soft foods) → P18

Fine Chemical Products



Hyaluronic acid
Medical-use
eicosapentaenoic acid (EPA)
Egg yolk lecithin → P19

Distribution System



Food storage and transportation → P20

Broad and deep reach in the home-cooked foods, ready-made foods, and restaurant markets

Marketing channels



Distribution business
(supermarkets, convenience stores, other)



Mail-order sales, delivery



Food service industry
(hotels, restaurants, other)



Manufacturing industry
(mainly the provision of raw materials for food items, cosmetics, pharmaceuticals)

Providing value to stakeholders



People's health



New food lifestyles



The pleasures and importance of food



Food safety and reliability

*Only mainstay products and services are shown.

Kewpie's Strengths (Brand Recognition, Quality Assurance, and Proposal Capabilities)

The Kewpie Group has always aimed to respond to the changing environment, producing goods that will satisfy customer needs.

As a result, we have created products that maintain the top share of the consumer market, while increasing sales channels from the home-cooked foods to the ready-made foods and restaurant markets. Moving forward, we will continue improving on these strengths.

Top Share in the Consumer Market (Mayonnaise, Dressings, Jams, and Others)

Ever since starting the nation's first mayonnaise production and sales in 1925 and its first dressing production and sales in 1958, we have aimed to grow and expand the salad condiments market. Our mayonnaise and dressings have maintained the top share of the consumer market. In 1932, we began manufacturing and selling Japan's first orange marmalade and working to develop jams that use various types of fruits, maintaining the top share of the consumer market for jams, as well.

- As a food industry pioneer, we have developed products for different eating occasions and conducted advertisement and sales promotional activities.
- We have adapted our product development and menu proposals to changing customer needs.
- We take streamlining seriously, lowering the price of mayonnaise 24 times postwar (while also increasing prices 13 times) to make our products affordable for customers.



Began the manufacture and sales of Kewpie Mayonnaise in 1925



Kewpie Mayonnaise advertisement from the early days

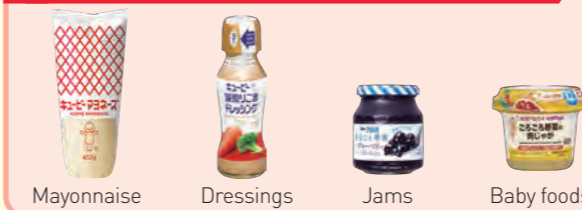
Broad and Deep Reach in the Home-Cooked Foods, Ready-Made Foods, and Restaurant Markets

We have sold egg whites, which are not used as ingredients, since beginning the sale and production of Kewpie Mayonnaise. In the 1960s, we began selling chilled products and prepared foods in line with our full-scale entry into the commercial market. The Kewpie Group began selling cut vegetables in 1999, covering a broad range of markets—from home-cooked foods to ready-made foods and restaurants—to propose high-quality, delicious and pleasure-filled food.

What are home-cooked foods, ready-made foods and restaurant markets?

- Home-cooked foods: food cooked at home
- Ready-made foods: prepared foods purchased and then eaten at home
- Restaurants: eating out at restaurants and fast food restaurants

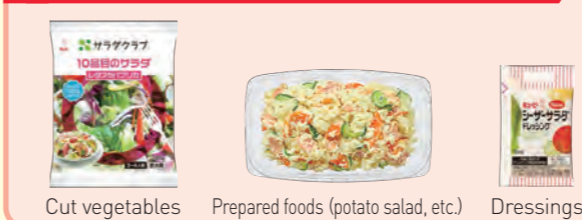
Mainstay Products in the Home-Cooked Foods Market



Mainstay Products in the Restaurant Market



Mainstay Products in the Ready-Made Foods Market



An Example of a Proposed Menu for FY2017: Power Salad

Power salads serve as meals in their own right, and consist of vegetables, fruits, proteins and toppings along with flavorful dressings. **The entire Kewpie Group recommends these menu offerings in the home-cooked foods, ready-made foods and restaurant markets.**



Producing and Delivering Delicious Products That Are Safe and Reliable

Striving for Safety and Reliability

With the overarching belief that good products begin with good ingredients, we have maintained an unwavering devotion to the "Quality First" principle carried forward since the Company's foundation. We are working towards high quality through personnel development and systems that underpin the Company's quality. In manufacturing processes, we value safe operating environments, and each employee works to streamline processes.

*Please see page 28 for details on our "Quality First" principle.



Workers in training

Striving for Good Taste and Usability

To propose products for different eating scenarios, from the home-cooked foods to ready-made foods and restaurant markets, we choose and mix ingredients to match product concepts. We optimize manufacturing processes and pursue technological development to achieve the best-tasting flavors possible.

In researching user-friendly products, based on the principle of Kewpie's universal designs, the Group has worked to develop highly convenient containers in response to diversifying needs, as well as environmentally friendly packaging materials that keep foods tasting good for a longer period of time.



The Hineru cap opens easily, without the need to pull on the inside seal

Message from the President

We will achieve dramatic growth by placing topmost emphasis on Group cooperation.



FY2016 Summary

At a time when purchasing channels are becoming increasingly diverse, consumers in Japan are adopting simpler cooking methods, due mainly to the aging of society, the increase in single-person households, and the growing number of women in the workforce. Turning to markets outside Japan, we are seeing changes in dietary habits and lifestyles. This is largely attributable to the increase in disposable incomes in developing countries and the growing trend toward Westernized foods. Against this backdrop, the Kewpie Group recognizes the critical need to grasp customers' wide-ranging needs and to consistently deliver new value while properly adapting to changes in its operating environment in order to lift profit-generating capabilities.

With the new Medium-Term Business Plan, which covers the three-year period from December 2015 through fiscal 2018, we are working to maximize the Group's strengths under the overarching theme of Group cooperation.

Growing net sales is fundamental, but we are also working to expand gross profit from products that we believe can achieve high growth and profits, eliminating unprofitable products and reevaluating categories. We are also continuing cutting raw materials costs by improving efficiency in the manufacturing process and reconstructing the raw materials procurement system.

Operating income

FY2015 (Corrected)	FY2016	YoY	2016-2018 Medium-Term Business Plan CAGR
¥26.4 billion	¥29.8 billion	113.1%	10.4%

*Figures presented for FY2015 have been adjusted to reflect changes in accounting policies for recording net sales. Please see pages 12 and 39 for details on changes in accounting policies.

Osamu Chonan

President and Chief Executive Corporate Officer
Representative Director
Kewpie Corporation

In fiscal 2016, the first year of the Medium-Term Business Plan, operating income grew 13.1% from the previous year, surpassing the Medium-Term Business Plan compound annual growth rate (CAGR) target of 10.4%.

Furthermore, we designed YO-I·TO·KI and K Blanche, products that leverage the Kewpie Group's unique technology and ingredients.

YO-I·TO·KI is a supplement that contains 100 million acetic acid bacteria enzymes within two tablets, helping those who want to stay healthy every day. The product is the first of its kind in the world to use mass-produced acetic acid bacteria enzyme.

K Blanche is an alcohol disinfectant spray that protects against bacteria and viruses. It contains functional ingredients from shell eggs, an ingredient of mayonnaise. With the Company's own technology discovered from long-term research, K Blanche consists of Noro Clear Protein derived from egg whites.

These products are a manifest of the challenges in the 2013-2015 Medium-Term Business Plan and, moving forward, the Kewpie Group will continue laying the groundwork for future growth.



K Blanche
Contains Noro Clear Protein
Alcohol disinfectant spray

Of the ¥120 billion in total operating cash flow we plan to generate in the three years of the 2016-2018 Medium-Term Business Plan, we will allocate ¥90 billion to capital investments, and we have implemented ¥33 billion in fiscal 2016. We aim for a consolidated dividend payout ratio of more than 30% for continuous and stable dividends. Annual dividends in fiscal 2016 were ¥34.5 per share, up ¥5.5 from the previous fiscal year.

Going forward, the Group will consider investments in new businesses and M&A depending on the project.

Aiming for Continuous Future Growth

Having been appointed CEO of the Kewpie Group, I aim to re-emphasize the Company philosophy and move the Group forward from playing a supporting role with food to becoming the main player.

The Kewpie Group has passed down the corporate motto and principles, both invisible resources, which have enabled us to overcome obstacles. Going forward, we will continue to give top priority to our customers, employees, brands and products. At the same time, we will emphasize "RAKU-GYOU-KAI-ETSU,"* the spirit of Kewpie founder Toichiro Nakashima.

Going forward, we will need to expand our business operations and diversify and cultivate personnel who will help us accelerate overseas operations. In addition, as employees put the "RAKU-GYOU-KAI-ETSU" motto into practice, the Group will accomplish its ideal: "We aim to be a group contributing to the food culture and health of the world through 'great taste, empathy, and uniqueness.'"

Mayonnaise and dressings, the origin of the Kewpie Group, serve as "supporting players." We aim to step up our contribution going forward. Through processed egg products, delicatessen foods and cut vegetables, we intend for our products to become "leading players" as Japanese and overseas diets change. Precisely understanding customers' needs, we will leverage outside sources to pursue group cooperation and bring new value to our customers.

We will celebrate our 100th anniversary in 2019. The Kewpie Group will keep taking on new challenges to remain strong for the next 100 years.

*"RAKU-GYOU-KAI-ETSU":

The idea that people who have the same ambitions enjoy working together, endure struggles together and rejoice together.

2016–2018 Medium-Term Business Plan

Group Management Policies

The Group's new challenges lead to dramatic growth



Having established its four management policies—strengthen the management base, enhance cost competitiveness, create added value and take up challenges in new fields—that revolve around “making the most of our unique capabilities and an ability to create new products, markets and demand,” the Kewpie Group’s new challenges will lead to dramatic growth.

Concept of 2016–2018 Medium-Term Business Plan

Overall | Speed up Group cooperation, maximize Group strengths

Domestic | Solidify the Condiments Products Business and enhance the capacity of other businesses to generate income

- Main Initiatives**
- Create added value**
 - Generate value tailored to needs
 - Utilize and open up sales channels
 - Strengthen proposals for core products
 - Enhance cost competitiveness**
 - Improve efficiency of production, sales, and distribution
 - Technological innovation in manufacturing
 - Strengthen procurement capacity for raw materials

Overseas | Lay a foundation for growth in new areas while accelerating growth in China and Southeast Asia

- Main Initiatives**
- Provide proposals that capture area needs
 - Strengthen export expansion areas using strategic products

Investment | Focus on the domestic Condiments Products Business and overseas development

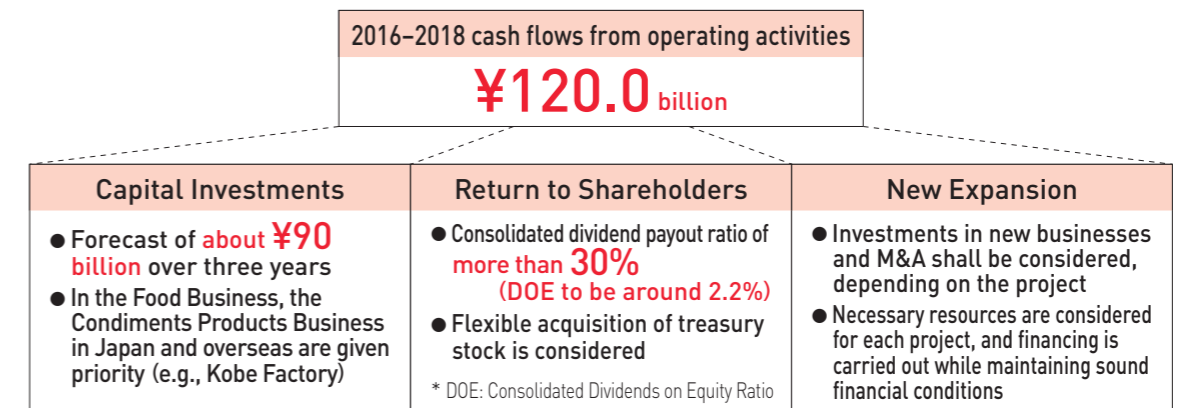
Management Indices

[FY2018 Target] Net Sales **¥625.0 billion** | Operating Income **¥35.5 billion** | ROE **8.5%**

	FY2015 (Corrected)	FY2016	Change vs.2015	FY2017 (Plan)	FY2018 (Target)
Net Sales	549.8	552.3	100.5%	560.0	625.0
Domestic	512.1	514.5	100.5	518.3	560.5
Overseas	37.7	37.8	100.4	41.7	64.5
Operating Income	26.4	29.8	113.1%	31.0	35.5
Domestic	22.3	26.5	118.7	28.8	28.4
Overseas	4.0	3.3	82.2	2.2	7.1
Operating Income Ratio (%)	4.8	5.4	—	5.5	5.7
Ordinary Income	27.2	31.4	115.2%	32.0	36.3
Profit Attributable to Owners of Parent	17.0	17.1	100.7	17.4	20.2
ROE (Return on equity) (%)	8.3	8.0	—	8.0	8.5
ROA (Return on assets) (%)	7.5	8.3	—	7.9	8.6
EBITDA (Operating income + Depreciation and amortization)	45.4	48.1	105.8%	47.8	53.0

*Figures presented for FY2015 have been corrected to reflect changes in policies for recording net sales.
*Figures for overseas businesses are recorded from October to September, including exports from Japan. (Exports from Japan are recorded from December to November.)

Investments and Return to Shareholders



Changes in Accounting Methods (from Fiscal 2016)

Change to accounting standard for net sales	Change to amortization method for fixed assets
<p>From the fiscal year ended November 2016, the Company has changed its accounting method of recording sales promotion expenses and part of distribution expenses.</p> <p>[Prior to change] Sales promotion expenses were posted as marketing costs when the cost was finalized.</p> <p>[After change] When sales are posted, sales promotion expenses, etc., are deducted from net sales.</p>	<p>From the fiscal year ended November 2016, the Company changed its amortization method for fixed assets.</p> <p>[Prior to change] Declining balance method</p> <p>[After change] Straight-line method</p> <p>(The Company has reviewed its evaluation methods for service life and residual value.)</p>
<p>Impact on fiscal year ended November 2015</p> <p>Net sales: -¥28.4 billion</p> <p>Operating income: -¥0.1 billion</p>	<p>Impact on loss or gain if compared with past method</p> <p>Fiscal year ended November 2016 : Operating income + ¥2.4 billion</p>

Overview by Segment

	Overview	Mainstay Products
Condiments Products	Mainly comprising mayonnaise and dressings, the Condiments Products is the core of the Group's businesses. Offering product development and menu proposals from household to commercial use that meet the needs of wide-ranging customers, the Condiments Products operates in Japan and overseas, driving the Group's growth.	<p>Mayonnaise Dressings Tartar sauce Mayonnaise manufactured and sold in China</p>
Egg Products	The Kewpie Group processes roughly 10% (250,000 tons) of the shell eggs produced in Japan into liquid eggs and other products. Besides our own mayonnaise, we sell egg products to food manufacturers as ingredients for a range of foods, from bread to candy. In addition, liquid eggs and other items are made into processed egg products such as frozen eggs and ready-cooked eggs, and sold to the food-service industry, including hotels and restaurants.	<p>Whole eggs for cooking Twin Pack (Yolk & White) Torotto egg series Tsubushite-oishii egg salad</p> <p>Egg ingredient products Processed egg products</p>
Delicatessen Products	With the expansion of the ready-made foods market, we manufacture and sell cut vegetables and prepared foods (mainly salads) and rice dishes (lunch boxes and rice balls) that are in high demand. Cut vegetables and prepared foods are mainly sold to nationwide supermarkets, along with delivery sales routes and the restaurant industry. Rice dishes are mainly sold to convenience stores and supermarkets.	<p>Potato salad</p> <p>A salad with 20 different ingredients Salads sold at supermarkets (prepared foods) Packaged salads (cut vegetables for homes)</p>
Processed Foods	Including jams and pasta sauces and developing healthcare products such as baby foods and nursing care foods (soft foods), the Processed Foods will continue to contribute to the food requirements of each generation, from babies to the elderly.	<p>Jams Pasta sauces Baby foods Nursing care foods (soft foods)</p>
Fine Chemical Products	The Fine Chemical Products sells its three main products, which are centered on hyaluronic acid, medical-use eicosapentaenoic acid (EPA), egg yolk lecithin and other components of eggs, to manufacturers as raw materials for food items, cosmetics and pharmaceuticals. The only acid of its kind in Japan, hyaluronic acid is produced by two manufacturing methods—the cock's comb extraction method and the microbial fermentation method—and meets the needs of wide-ranging customers using our unique technology.	<p>Supplements containing hyaluronic acid (Foods with Function Claims) Skincare products containing hyaluronic acid Noro Clear Protein-containing alcohol disinfectant spray</p>
Distribution System	Centered on K.R.S Corporation (listed on the First Section of the Tokyo Stock Exchange in 2004), which specializes in foodstuff distribution, the Distribution System continues to provide the highest level of distribution systems that underpin the safety and reliability of food items. We provide distribution systems that maintain quality and freshness in four temperature ranges—room, fixed, refrigerated and frozen—to suit the characteristics of food items.	

Performance Highlights

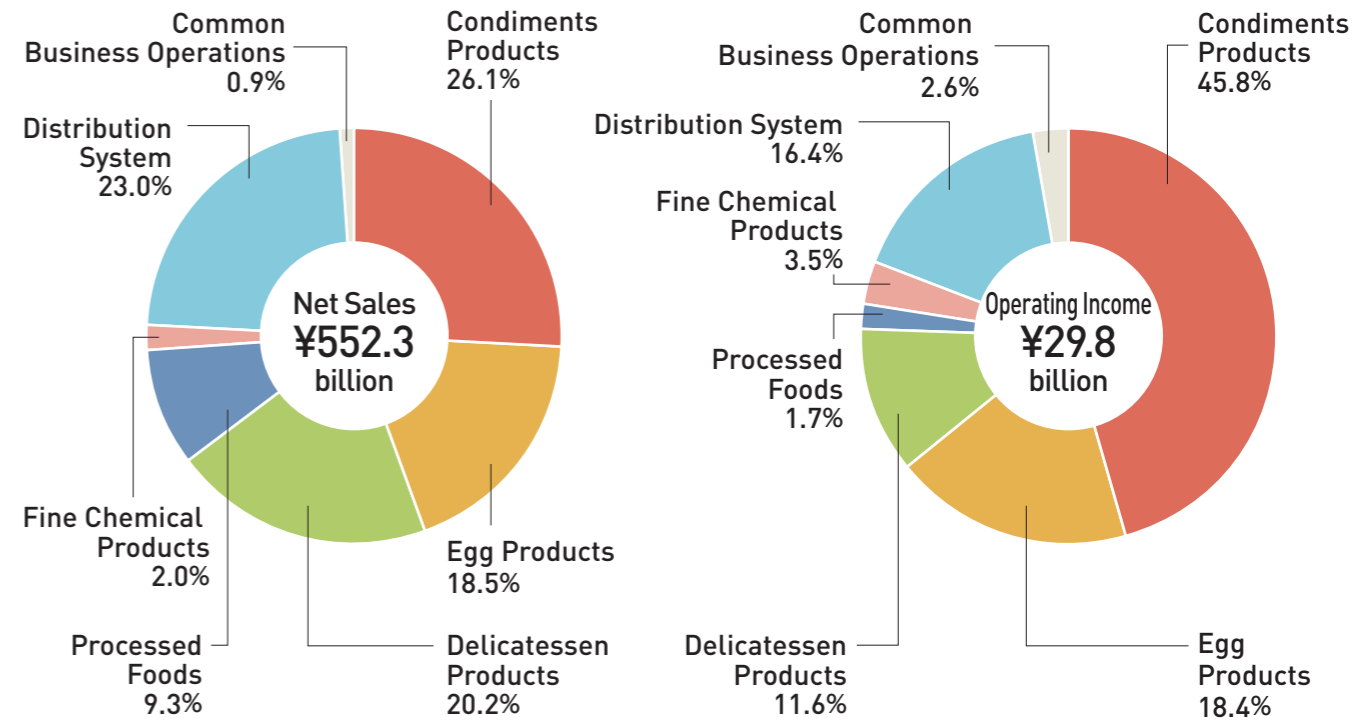
(¥ billion)

Net Sales	FY2015 (Corrected)	FY2016	Change vs.2015	FY2017 (Plan)	FY2018 (Target)
Condiments Products	142.2	144.1	101.4%	149.6	178.0
Egg Products	104.6	102.2	97.7%	102.2	114.0
Delicatessen Products	100.4	111.8	111.3%	116.4	125.0
Processed Foods	57.5	51.3	89.1%	46.1	55.0
Fine Chemical Products	11.3	10.9	96.0%	10.4	12.5
Distribution System	127.7	126.9	99.4%	129.6	135.0
Common Business Operations	5.9	5.2	86.9%	5.7	5.5
Total	549.8	552.3	100.5%	560.0	625.0

(¥ billion)

Operating Income	FY2015 (Corrected)	FY2016	Change vs.2015	FY2017 (Plan)	FY2018 (Target)
Condiments Products	12.5	13.7	109.5%	15.0	16.2
Egg Products	5.4	5.5	101.6%	4.2	6.6
Delicatessen Products	2.8	3.5	126.0%	4.1	5.0
Processed Foods	(0.3)	0.5	—	0.3	0.7
Fine Chemical Products	0.4	1.0	294.6%	0.8	1.3
Distribution System	4.8	4.9	102.7%	5.8	5.5
Common Business Operations	0.9	0.8	84.8%	0.8	0.2
Total	26.4	29.8	113.1%	31.0	35.5

FY2016 Sales by Segment



* Common Business Operations are provided by companies that support the entire Group. They include accounting and labor affairs services, and promote the employment of people with disabilities.
 * Please see page 42 for details on Kewpie Group companies.

Condiments Products



Directions in the Medium-Term Business Plan

Leading the Market through Business Models That Promote Vegetable Intake, Expanding Profits

- ▶ Cultivate demand for mayonnaise and dressings by proposing new salad styles
- ▶ Expand overseas market for mayonnaise and dressings by discerning area-specific needs

FY2016 Overview

- Net sales**
- Overseas operations such as China remained robust, and with solid domestic mayonnaise sales, net sales were up from the previous year.
- Operating income**
- In addition to the impact from increased sales, cost improvements proceeded smoothly, resulting in operating income growth.

	FY2016 Overview (¥ billion)			
	2015 (Corrected)	2016	2017 (Plan)	2018 (Target)
Net sales	142.2	144.1	149.6	178.0
Operating income	12.5	13.7	15.0	16.2

Main Initiatives for FY2017

Proposals for New Salad Styles

We plan to propose four new salad styles simultaneously in the home-cooked foods, ready-made foods, and restaurant markets that meet customer needs: customized salads, one-plate meals, pickles, and dipping sauces. By fostering a market trend toward fun-to-eat, good-tasting vegetables, we will expand demand for Group products, including mayonnaise and dressings as well as cut vegetables.

For FY2017, we will focus on launching power salads as a main menu item for customized salads, which provide a fun and customizable nutrition balance.

Mayonnaise as an All-Purpose Condiment

As an all-purpose condiment for not just salads but also in various recipes, we will suggest ideas to make everyday meals tastier through store promotions, TV commercials, the Kewpie website, and on social media to target young people and increase demand for mayonnaise.

For FY2017, some of our menus include stir fry, toast, and grilled chicken, and fried/grilled menus that use mayonnaise.

Production Structure that Captures Demand (Mother & Satellite)

Starting full operation at the Kobe Factory in May 2017, our core factory for western Japan, and the east Japan Goka Factory, we will improve the production ratios of our main products through concentrated production. While responding more accurately to customer needs by means of production lines on which product types are interchangeable and product volumes variable, we will structure satellite factory production capabilities to improve efficiency in multi-product production and cultivate new values.

Expanding Overseas Sales and Profits

In addition to making product development and menu proposals that capture each region's needs, we will make further inroads into East Asian markets, centering on China.

For FY2017, we will focus on expanding the mainstay categories of mayonnaise and dressings, as well as full-scale operations of new categories (long-life salads, processed egg products) with operations in Nantong, China, while enhancing the development of KEWPIE-brand products in the United States and Europe.

Four New Salad Styles

Customized Salads

Mix your own ingredients to personalize your salad



Dipping Sauces

Dip vegetables in sauces for convenience



One Plate

Vegetables for all kinds of menus

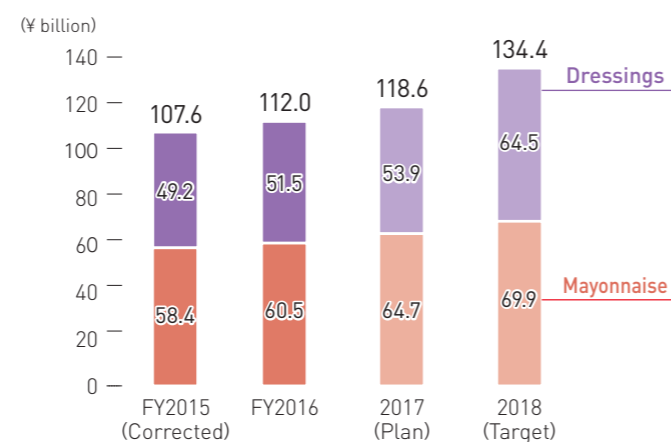


Pickles

Pickled seasonal vegetables



Mayonnaise and Dressing Sales (Including Overseas Sales)



Egg Products



Directions in the Medium-Term Business Plan

Enhance the Worldwide Value of the Egg Products through Innovation

- ▶ Make further inroads in the food service market through full use of a new factory in the Tokyo metropolitan area
- ▶ Accelerate expansion into the consumer market

FY2016 Overview

- Net sales**
- Sales were down due to a decline in the market price for shell eggs in the US and Japan, but sales of value-added products, such as frozen eggs in small packages, were robust.
- Operating income**
- Despite the downturn in shell eggs prices in the US, price revisions in Japan and growth in value-added products led to a rise in operating income.

	FY2016 Overview (¥ billion)			
	2015 (Corrected)	2016	2017 (Plan)	2018 (Target)
Net sales	104.6	102.2	102.2	114.0
Operating income	5.4	5.5	4.2	6.6

*Performance for North American egg products subsidiary (YoY)
Net sales: FY2016 -¥1.9 billion, FY2017 (Plan) -¥1.5 billion
Operating income: FY2016 -¥1.4 billion, FY2017 (Plan) -¥1.4 billion

Main Initiatives for FY2017

Make Further Inroads into Shell Egg Use in the Food Service Market

We will recommend frozen eggs and processed egg products to hotels and restaurants in the commercial field that currently crack open eggs themselves. Suggesting value-added products such as frozen eggs in small packages and processed egg products that maintain a half-boiled state when cooked, we will also cultivate demand in the commercial field by creating unique menu items such as a white omelet that uses frozen eggs that turn white when heated (Pure White).



Pure White



White omelet using Pure White

Expanding in the Consumer Market

Tsubushite-oshii egg salad, which makes an easy and freshly-made egg salad, is sold in roughly 8,000 supermarkets nationwide. We have now strengthened the product lineup through three products. Furthermore, we are expanding nationwide our offerings of omelets that leverages our soft-boiled egg techniques, which allow the omelet to stay in a soft-boiled state even when heated, further instilling the "Kewpie Egg" brand.



Tsubushite-oshii egg salad

Strengthening Business Foundations

In addition to undertaking measures in raw procurement systems and sales to minimize changes to the main shell eggs market, we will pursue cost improvements through streamlining production, including implementing labor-saving technology in factories and reducing the number of items.

Aspects of Kewpie in the Japanese Shell Eggs Market

Amount of Shell Egg Production in Japan:
Approx. **2.5 million tons/year**

The Consumer Market
Approx. **1.25 million tons/year**

Food Service and Processed Food Markets
(Hotels and Restaurants, Food Manufacturers and Others)
Approx. **1.25 million tons/year**

Source: Egg Distribution Statistics (Production Volume), Household Budget Survey (Household Consumption)

Volume of Eggs Produced by Kewpie:
Approx. **0.25 million tons/year**

- Egg yolk
- Egg white
- Whole egg

Liquid eggs and other products to food manufacturers as ingredients in a variety of foods

- Mayonnaise
- Bread and Confectionaries
- Hams and Sausages

To restaurants and hotel vendors as fully prepared processed egg products

- Egg spreads
- Omelets
- Atsuyaki Tamago (Japanese rolled omelet)

* Continuing to develop into consumer markets

Delicatessen Products



Directions in the Medium-Term Business Plan

Challenges to and Reinforcement of the System Expected 10 Years From Now

- ▶ Achieve labor savings by adopting new technologies and enhance profitability by overhauling the production structure
- ▶ Develop and expand new sales channels

FY2016 Overview

- Net sales**
- Sales increased due to a merchandise transfer from the Processed Foods and expansion into new sales channels in areas such as home delivery and restaurants.
- Operating income**
- Operating income grew as a result of factors including higher income associated with sales growth and cost improvements.

	2015 (Corrected)	2016	2017 (Plan)	2018 (Target)
Net sales	100.4	111.8	116.4	125.0
Operating income	2.8	3.5	4.1	5.0

*Transferring long-life salads caused FY2016 net sales to increase ¥6.4 billion from the previous year

Main Initiatives for FY2017

Accelerate Growth in Three Fields

Cut Vegetables

In the household market, we will continue to develop products that use highly nutritious vegetables and expand peripheral products. We are also working to boost brand recognition by employing the Kewpie logo on all products and constructing displays for Salad Club-brand products.

In the food service market, labor shortages are prompting increasing demand for individually packaged foods. We will expand our lineup to meet this demand.

Prepared Foods

Salads and cooked food are mainly manufactured and sold to supermarkets. We will pursue sales promotions and improve production methods for salads, a mainstay product, while improving the gross profit margin by streamlining production of all prepared foods.

Rice Dishes

Currently, we produce rice balls and lunch boxes for convenience stores. We will expand sales to supermarkets and mass-merchandise stores and streamline production.

Packaged Salads Using Highly Nutritious Vegetables (cut vegetables for the consumer market)



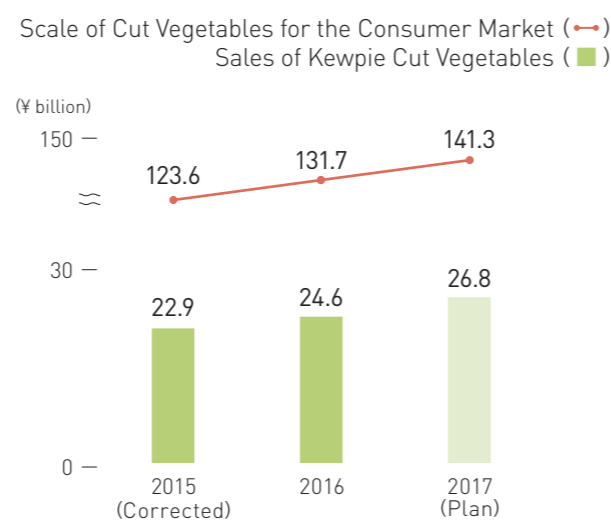
Penetrating New Market Areas

In May 2017, we opened EVERY THING SALAD Aoyama in Minami-aoyama, Minato ward, Tokyo, a restaurant directly operated by Kewpie that specializes in salads. This restaurant serves salads as a main entrée, as well as soups and freshly baked breads. We aim to spread information about salads, eventually leading to new menu proposals that meet consumer needs and the development of condiments and delicatessen foods.

Restructuring Businesses

We plan to test-run an automated production line to break away from a labor-intensive model and, to strengthen capacity of raw materials procurement, deepen ties with vegetable suppliers to boost vegetable plants.

Sales of Kewpie Cut Vegetables



*Based on Kewpie research

Processed Foods



Directions in the Medium-Term Business Plan

Refine Techniques and Enhance Business Value

- ▶ Strengthen business fundamentals by revitalizing mainstay products and shifting toward more value-added products
- ▶ Strengthen business foundations by optimizing the production structure and revamping product categories

FY2016 Overview

- Net sales**
- Sales decreased as a result of a merchandise transfer to the Delicatessen Products, but sales of value-added products were strong.
- Operating income**
- Thanks to value-added products and the elimination of unprofitable products, operating income was robust.

	2015 (Corrected)	2016	2017 (Plan)	2018 (Target)
Net sales	57.5	51.3	46.1	55.0
Operating income	(0.3)	0.5	0.3	0.7

*Effects of long-life salads transfer: Net sales of -¥6.8 billion from the previous year
*Effects of a suspension of canned corn sales and a change in the fiscal year of consolidated subsidiary Aohata Corporation (booked a 13-month period in FY2016): Net sales of -¥5.0 billion, operating income of -¥600 million from the previous year

Main Initiatives for FY2017

Developing Existing Products

In our mainstay category of processed fruit products, we will further propose new uses for the Aohata Whole Fruit series, which is made with real fruit and fruit juice but no sugar, as we seek to sustain growth. Additionally, we will pursue new customers—especially members of the younger generations—by launching whipped creams and spreads.

In pasta sauces, we will reduce costs by improving production capabilities of the pasta series that can be dressed, while raising gross profit by launching new value-added products.

We aim to boost sales in baby foods by strengthening our capacity for supplying retort pouch foods, a thriving category.

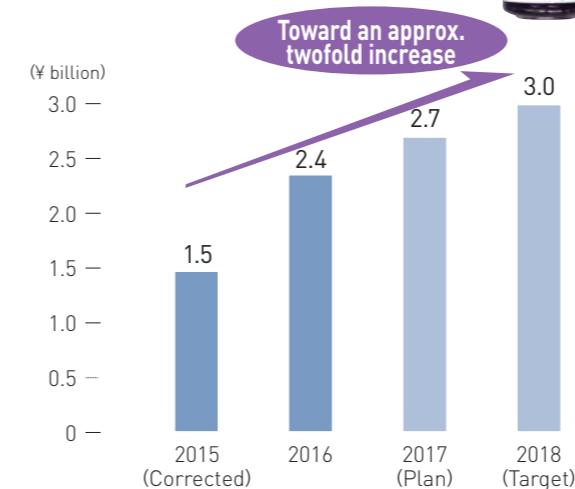
New Growth and Cultivation

From highly nutritious ingredients such as quinoa to hummus as a new way to eat beans, we plan to create new demand by launching new products. In addition, we will leverage the Group's sales channels to cultivate opportunities in the at-home care of the expanding elderly foods market.

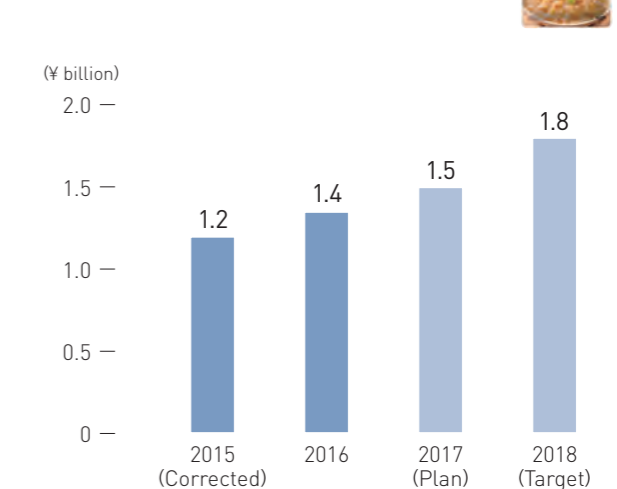
Restructuring Revenue Foundation

Moving forward, we will revise unprofitable product categories while consolidating production bases and production lines, improving costs and the ability to respond to market changes.

Marugotokajitsu Series Sales



Yasashii Kondate Sales



Fine Chemical Products



Distribution System



Directions in the Medium-Term Business Plan

Achieve an Operating Income Ratio of 10% by Rebuilding the Revenue Foundation

- ▶ Improve costs by restructuring the raw materials procurement system
- ▶ Cultivate new functions for the hyaluronic acid

FY2016 Overview

- Net sales**
- Due to the decline of EPA for medical use, sales were down, but sales of hyaluronic acid were strong.
- Operating income**
- Operating income was solid thanks to cost improvements, largely with respect to raw material procurement, and also to the growth in sales of hyaluronic acid for medical use.

	2015 (Corrected)	2016	2017 (Plan)	2018 (Target)
Net sales	11.3	10.9	10.4	12.5
Operating income	0.4	1.0	0.8	1.3

(¥ billion)

Main Initiatives for FY2017

Specialize in Value-Added Raw Materials

Strengthening Hyaluronic Acid for Medical Use

By enhancing our overseas sales system, we will expand exports of medical-use hyaluronic acid.

Amid increasing market demand and in a fiercer competitive environment, we will build and strengthen production facilities to raise cost competitiveness and production capabilities.

Cultivating New Demand for Ingredients

Leveraging data relating to functionality, we will enhance the product appeal of egg yolk lecithin and eggshell membranes.

Initiatives for Business to Consumer (B to C) Routes

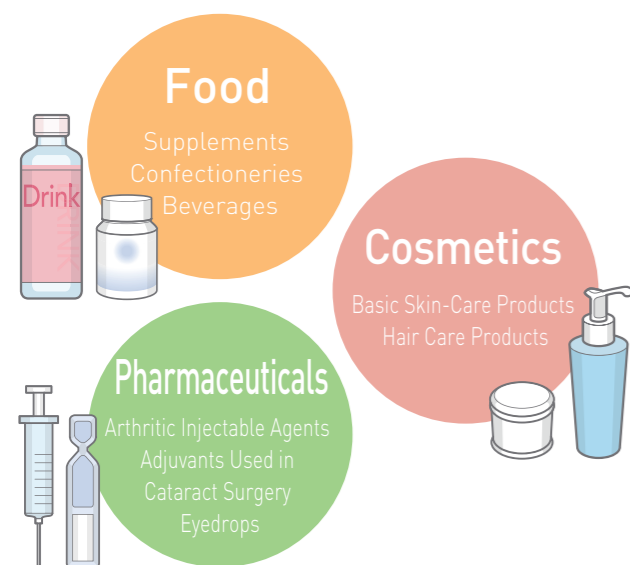
Increasing Sales by Raising Awareness of Functionality

We will expand sales by continuing to raise awareness of the functionality of YO-I·TO·KI, made of acetic acid bacteria enzymes, and K Blanche, an alcohol disinfectant spray that protects against bacteria and viruses containing Noro Clear Protein derived from egg whites (launched in 2016).

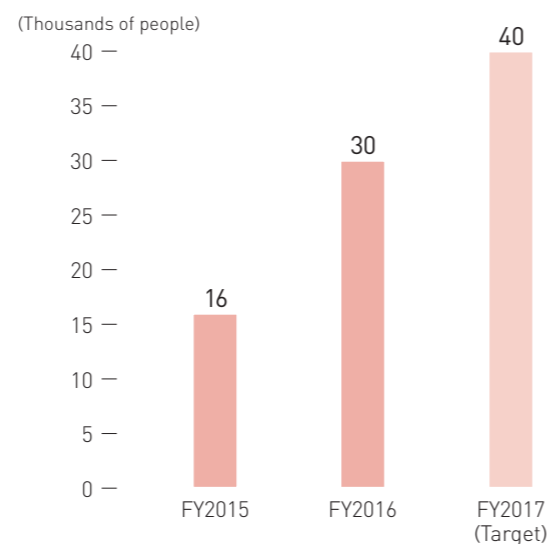
Increasing Mail-Order Sales Customers by Strengthening Advertising

Moving forward with highly appealing advertisement that leverages the functional food labeling system beginning in 2015, through newspaper, television and other forms of media, we will continue taking measures to attract younger generations with ads and keeping customers true to the brand.

Three Core Applications of Hyaluronic Acid



Regular Customers for Kewpie Mail-Order Sales



*As of November 30, 2016

Directions in the Medium-Term Business Plan

Shift to a New Growth Stage by Strengthening Our Business Foundation

- ▶ Strengthen our business foundation by using resources more efficiently and reorganizing the networks of distribution locations
- ▶ Expand service areas through new development

FY2016 Overview

- Net sales**
- Sales were down due to a decline in business with existing customers, largely resulting from changes to the distribution systems of our business partners.
- Operating income**
- Despite the effects of the decrease in business with existing clients and cost increases attributable to operations of new distribution locations, operating income was up as a result of efforts to streamline storage and delivery operations.

	2015 (Corrected)	2016	2017 (Plan)	2018 (Target)
Net sales	127.7	126.9	129.6	135.0
Operating income	4.8	4.9	5.8	5.5

(¥ billion)

Main Initiatives for FY2017

Joint Distribution

The joint distribution business significantly expands customer sales channels and lowers costs through the combined delivery of products (consolidation) for several different customers.

Strengthening Profitability

By making further inroads in client distribution, we aim to use spaces in our warehouses more wisely. We will also continue optimizing small package deliveries by revising our current services.

Rebuilding the Transportation Function

As a response to the lack of drivers and to promote shorter work hours, we will undertake one-day deliveries using relay transport, establishing stable transport capabilities and expanding the modal shift from truck to train and ship transport. This effort at reducing environmental impact will also further strengthen transport along trunk lines.



Introduced a 31-foot freezer in April 2017

New Business Towards Growth

In chilled distribution, where demand is expected to surge, we established Fresh Delica Network Co., Ltd. We aim to build a structure for daily chilled product distribution in the Delicatessen Products.

Exclusive Distribution

Through the exclusive distribution business, we offer our clients comprehensive distribution services. For example, through this business we operate distribution centers for chain stores.

We will continue expanding exclusive order-receiving areas at distribution centers for convenience stores, supermarkets and other

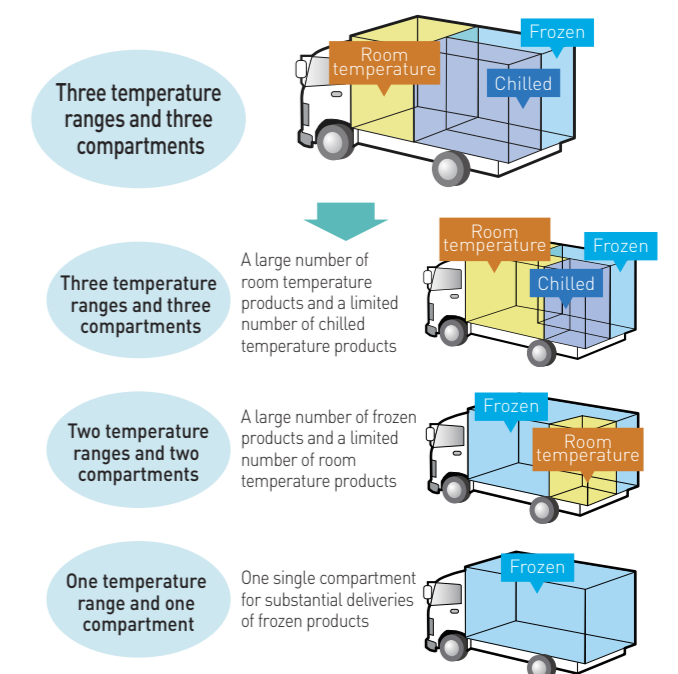
stores. We aim to achieve stable profits through measures to increase productivity, such as minimizing center operation losses.

Improving Distribution Quality and Technological Expertise

We endeavor to create an attractive working environment that is welcoming for women and seniors as well. In addition, we have introduced environmentally friendly refrigeration equipment that uses natural refrigerants.

Introducing "FCD3+1", the Flexible Vehicle

Allowing flexible modification of the compartment spaces and temperature ranges depending on shipment volumes and application, the FCD3+1 vehicle is playing an active role in the combined delivery of food and as a delivery vehicle for restaurant chains. (F: Frozen, C: Chilled, D: Dry)



2016-2018 Medium-Term Business Plan

Overseas Development

Lay a foundation for growth in new areas while accelerating growth in China and Southeast Asia

The Kewpie Group is working diligently to expand mayonnaise and dressing sales by developing products and putting forward new menu proposals that capture the needs of each area. At the same time, we are utilizing technologies that originated in Japan to expand into new categories. From an export perspective, we are focusing our energies on strengthening Kewpie Mayonnaise and Deep-Roasted Sesame Dressing activities.

China

Since entering the market in 1993, we have continued to manufacture and market mainly mayonnaise, as well as dressings and jams, in China. In addition to promoting menu proposals in line with the growing acceptance of Western-style foods including salads and bread, we have taken a wide range of steps to raise awareness of the Kewpie brand. Thanks to these endeavors, we have built a strong following of the household mayonnaise market in major metropolitan areas. The value of the Kewpie brand was recognized by the Chinese government in 2010, when Kewpie became the first Japanese food manufacturer to receive the "Far Famed Trademark*" certification.

Looking ahead, we will take full advantage of our nationwide network of 29 business offices and draw on various examples of success in metropolitan areas to expand operations in the northeastern and inland regions. At the same time, we will cultivate opportunities through bakery sales channels, Chinese food sector and the ready-made foods market, which is projected to enjoy growth. Buoyed by the start of production at a new facility in Nantong in March 2017, located near Shanghai, we will begin sales in new categories such as processed egg products, long-life salads and vinegar, which is used as an ingredient for mayonnaise and dressings.

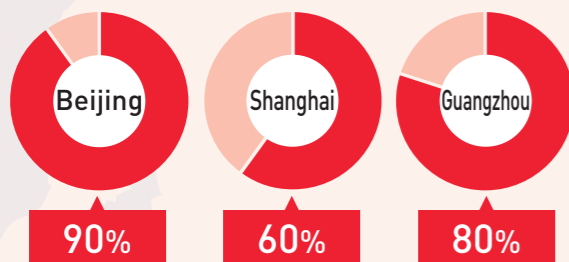


Meet-and-greet with Chinese cuisine chefs
Using dressings in Chinese cuisine



Household Mayonnaise Market Share

Capturing an Overwhelming Market Share in Urban Areas



*FY2016 data compiled by Kewpie Corporation



The Kewpie Brand

* The Far Famed Trademark is a certification issued by the Trademark Office of the State Administration for Industry & Commerce of the People's Republic of China for highly visible and recognizable brands.



- Chinese sales base
- Chinese production base
- Southeast Asia production base
- ➔ Export route

Southeast Asia

The Kewpie Group entered Thailand in 1987. In moving our business forward, we are focusing mainly on the food service market amid the increasingly Westernized nature of local diets.

In addition, factories came online in Malaysia, Vietnam and Indonesia in 2010, 2012 and 2014, respectively. With these moves, the Group has put in place a sound production structure in Southeast Asia.

Working mainly through these four countries, we will strengthen sales of mayonnaise and dressing products, work to increase brand penetration and develop products that capture regional needs in addition to implementing new categories to cultivate the Southeast



Asian markets. Complementing these endeavors, we will expand exports to surrounding areas including Oceania. Energies will also be channeled toward cultivating the Halal* product market.

* Halal means "legally sound" and refers to cooking ingredients and foods that are permissible under Islamic law. The Kewpie Group will continue to promote the sale of products that conform to the precepts of Islam.



North America

The Kewpie Group maintains a company that has engaged in the manufacture and sale of mayonnaise and dressing products since 1982. This company has provided the driving force for growth in the Condiments Products Business. In 1990, the Group also acquired a local company in the Egg Products Business that serves as a supply platform for egg ingredients.

Looking ahead, we will reinforce sales of locally manufactured Kewpie-brand mayonnaise and dressing products with every effort made to promote increased brand awareness in North America.



Exports and New Businesses

The Kewpie Group is expanding sales of condiment products in Europe working through a sales company established in the Netherlands in 2015.

In addition, we started the manufacture and sales of mayonnaise in Poland from January 2017.

We will expand sales in the 40 or so countries to which we already export, focusing mainly on such strategic products as Kewpie-brand mayonnaise and Deep-Roasted Sesame Dressing in a bid to increase brand penetration.



Net Sales and Operating Income by Overseas Area

	¥ billion			
Net sales	FY2015 (Corrected)	FY2016	FY2017 (Plan)	FY2018 (Target)
China	14.2	15.7	18.2	26.6
Southeast Asia	7.9	7.6	8.5	13.9
North America	12.9	11.8	10.3	18.9
Exports and New Business	2.7	2.7	4.8	5.1
Total	37.7	37.8	41.7	64.5

	¥ billion			
Operating income	FY2015	FY2016	FY2017 (Plan)	FY2018 (Target)
China	1.7	2.2	2.5	4.2
Southeast Asia	0.0	0.2	0.3	0.8
North America	1.9	0.6	(0.8)	1.4
Exports and New Business	0.3	0.4	0.3	0.6
Total	4.0	3.3	2.2	7.1

* The figures for fiscal 2015 sales have been corrected to include the impact of adopting a new accounting method.
* Exports and New Business refer mainly to exports from Japan.
* Figures other than exports from Japan cover the period from October to September.

Main factors of profit decrease in FY2016-2017
 • Decline in the U.S. shell eggs market
 • Exchange rate fluctuation

Promotion of Corporate Governance

Basic Concepts and Definitions with Regard to Corporate Governance

The Kewpie Group defines mechanisms to perform transparent, fair, swift and decisive decision making for its corporate governance. We have put in place appropriate and effective systems, which we enhance on an ongoing basis in compliance with Group Policies and in accordance with the following basic policy.

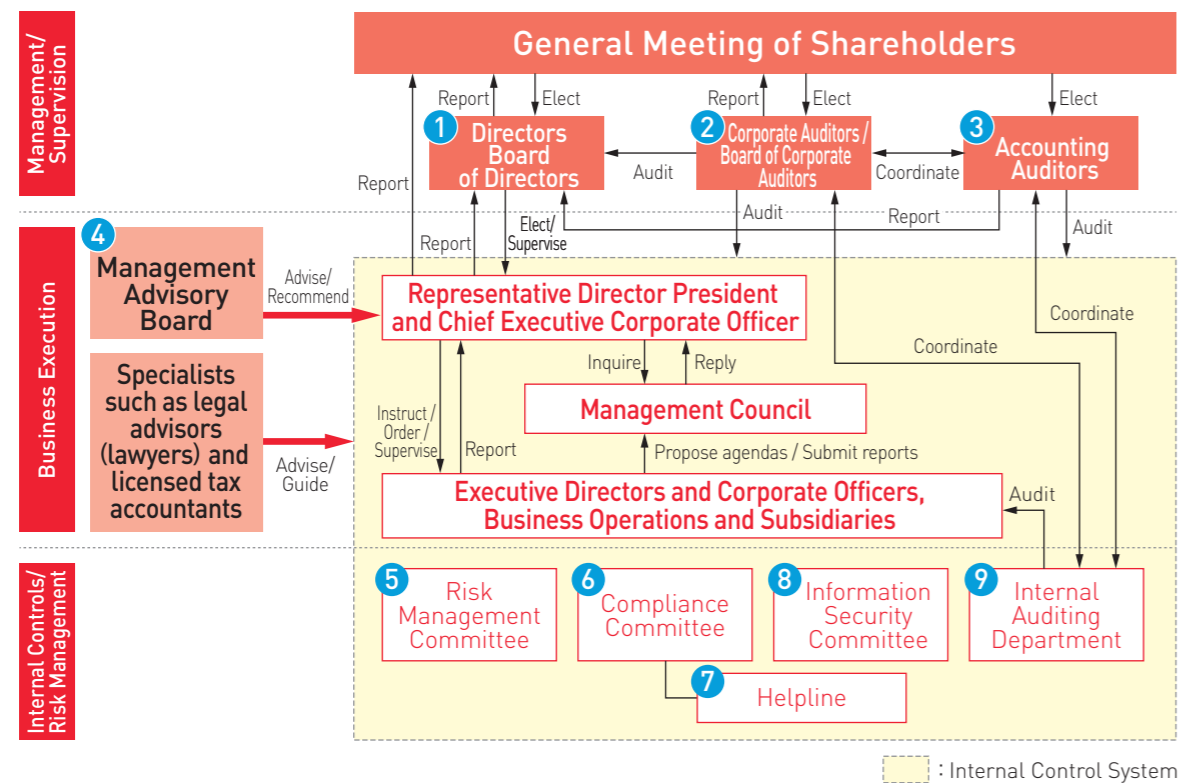
The Group's basic policies and framework for corporate governance are defined in our Corporate Governance Guidelines. [Corporate Governance Guidelines \(Japanese only\) >> https://www.kewpie.co.jp/company/corp/governance/pdf/governance_guideline.pdf](https://www.kewpie.co.jp/company/corp/governance/pdf/governance_guideline.pdf)

Basic Policies and Structure

Basic Policy of Corporate Governance

- 1 The Company shall respect the rights of its shareholders and ensure equality.
- 2 The Company shall respect the positions and rights of its various stakeholders, including its customers, shareholders, business partners, employees and local communities and foster proper cooperative relationships.
- 3 The Company shall disclose Company information in a proper manner and ensure transparency.
- 4 The Company shall build mechanisms to facilitate collaboration between the organizational structures that together constitute the corporate governance structure.
- 5 The Company shall engage in constructive dialog with shareholders who expect the generation of profits over the medium to long term.

Corporate Governance System



Internal Control System The resolutions concerning the basic policy of the Company's internal control system were passed at a Board of Directors' meeting in accordance with Article 362, Paragraph 5 of the Companies Act. The aforesaid resolutions provide a broad framework for articles and paragraphs required for the system establishment of an internal control system, as provided by Article 100 of the Ordinance for Enforcement of the Companies Act.

While the Company's objective for the internal control system based on the aforesaid resolutions is rapid implementation, the Company aims to review the system on a regular basis, or when otherwise required, for the purpose of improvement and, through such, aims to create an efficient and proper system for corporate operations.

As the Company has declared its corporate spirit under its mottoes and precepts and come to foster a corporate culture by making executive officers and employees alike aware of the ongoing and thorough training programs over many years, its executive officers also respect that corporate culture in their management decisions.

The Company stipulates the Group Policies and compliance regulations so that directors and employees act in ways that respect the Company's corporate spirit and the Group's philosophy.

Note: The Kewpie Group philosophy and Group Policies appear on page 1.

Management / Supervision (As of February 24, 2017)

Organizational Form	1 Directors Board of Directors	2 Corporate Auditors / Board of Corporate Auditors	3 Accounting Auditor
Company with corporate auditors	Number of directors according to Articles of Incorporation: 20 Number of directors: 12 Chairman of the Board of Directors: Chairman and representative director Number of outside directors (number of whom are independent): 2 (2) Term of office according to Articles of Incorporation: 1 year	Number of corporate auditors according to Articles of Incorporation: 5 Number of corporate auditors: 5 Number of outside corporate auditors (number of whom are independent): 3 (3) Term of office according to Articles of Incorporation: 4 years	In addition to three certified public accountants from Ernst & Young ShinNihon LLC, 50 people assist with auditing tasks (24 certified public accountants and 26 others)

Execution of Business

- 4 **Management Advisory Board** The Management Advisory Board has been set up as an advisory body to the Company's Representative Director President and Chief Executive Officer, who receives the board's advice and recommendations for maintaining and improving the soundness, fairness and transparency and reflects these in decision making. Holding regular meetings twice a year, the Management Advisory Board meets at any time the need arises. In addition to having four experts from outside the Company as board members and the Company's Representative Director President and Chief Executive Corporate Officer take part, directors also attend depending on the agenda item. The Company's outside directors also participate as observing committee members.

Internal Control and Risk Management

- 5 **Risk Management Committee** In accordance with the Company's risk management basic policy, the Risk Management Committee headed by the Representative Director President and Chief Executive Corporate Officer focuses on information concerning the risk factors affecting the Company as a whole by evaluating and prioritizing risks to comprehensively manage risk.
- 6 **Compliance Committee** Having established compliance regulations, the Company has also stipulated the Group philosophy for taking action to ensure that directors and employees remain in compliance with laws and regulations, the Company's Articles of Incorporation and the Group Policies. With a view to thoroughly inculcating matters relating to compliance, the Company maintains a compliance system that extends laterally across the Company, under the member of the Board of Directors responsible for compliance issues who chairs the Compliance Committee, and works to keep abreast of problematic issues. In addition, the Compliance Committee plays a central role in keeping compliance manuals up to date and in conducting employee training. The director in charge of compliance regularly reports on the status of compliance activities to the Board of Directors and to the Board of Corporate Auditors.
- 7 **Helpline** Under the Compliance Committee and serving as an internal reporting system for the protection of people reporting information in the public interest, the Company has set up a helpline as a means by which corporate auditors, lawyers from outside the Company and third-party bodies, etc. are the recipients of such information. Upon receiving a report or notice from an information recipient, the Compliance Committee shall investigate the substance of the report and, if a violation is apparent, hold discussions with the department or departments concerned and decide upon measures that will prevent a recurrence. In addition to releasing an internal Company report that includes the result of any disciplinary action, the Compliance Committee shall carry out measures that will prevent any recurrence of such a violation within the Company.
- 8 **Information Security Committee** With regard to information security, the Company has formulated regulations governing the handling of Company information and basic rules on personal data protection and also prepared operational manuals covering each topic. The Company undertakes the storage and management of information in accordance with those regulations, rules and manuals. Centered on the Information Security Committee, the Company verifies the operational status of its information security systems, such as by providing employee training on information management, and conducts reviews of, for example, the rules and regulations.
- 9 **Internal Auditing Department** In cooperation with independent auditing staff in such areas as product quality, environmental protection, safety and labor management, the Internal Auditing Department audits the day-to-day management status of each department and regularly provides progress reports on matters relating to risk management and in-house risk management system upgrades to the Risk Management Committee, the Board of Directors as well as to the Board of Corporate Auditors.

Promotion of Corporate Governance

Standards for the Nomination of Corporate Officers

Procedures for Nominating Director and Corporate Auditor Candidates

In response to the shareholders' mandate, the Board of Directors is responsible for respecting the Company's corporate philosophy, promoting sustainable corporate growth and improving corporate value over the medium to long term, and enhancing earnings power and capital efficiency.

In keeping with the mandate of the shareholders, the corporate auditors are responsible for striving to prevent infringements of laws, regulations and the Articles of Incorporation and for maintaining and improving the soundness of the Group's management and earning society's trust.

Standards for Nomination of Directors and Corporate Auditors (Inside Director)

- Must respect the corporate philosophy of the Company and embody its values
- Must possess abundant knowledge on domestic and international market trends concerning the Group business
- Must have a strong ability for objective managerial judgment and business execution that will benefit to the Group's management directions

(Outside Director)

- Must provide a guiding role in particular fields, such as legal affairs, corporate management, overseas business, human resource development and CSR and have substantial experience and expertise in these fields
- Must be familiar with the corporate philosophy and business of the Company; possess the ability to express opinions, provide guidance and advice; and carry out supervision with respect to the inside directors when deemed timely and appropriate to do so
- Must secure sufficient time to perform his or her duties as an outside director of the Company

(Inside Corporate Auditor)

- Must respect the corporate philosophy of the Company and embody its values
- Must maintain a stance of fairness and possess the capability to fulfill auditing duties
- Must have an overall grasp of the Group operations and be able to propose management tasks

(Outside Corporate Auditor)

- Must provide a guiding role in particular fields, such as legal affairs, corporate management, accounting, overseas business, human resource development and CSR and have substantial experience and expertise in these fields
- Must be familiar with the corporate philosophy and business of the Company and possess the ability to express opinions, provide guidance and carry out supervision with respect to the directors from an objective and fair standpoint
- Must secure sufficient time to perform his or her duties as an outside corporate auditor of the Company

Procedures for Nominating Corporate Officers

In nominating candidates for directors and corporate auditors,

the representative director shall consider and recommend candidates at an internal management meeting comprising full-time directors. Candidates shall then be reviewed and decided upon at a Board of Directors meeting.

For decisions regarding the organizational structure of the Company and the composition of its personnel, the representative director shall create opportunities to exchange opinions with outside corporate officers as required.

As for corporate auditors, election proposals for the General Meeting of Shareholders must be approved by the Board of Corporate Auditors, as provided in the Companies Act.

Independence Criteria for Outside Corporate Officers

To judge the independence of outside directors and outside corporate auditors as stipulated in the Companies Act, we check the requirements for independent corporate officers stipulated by the Tokyo Stock Exchange, Inc. as well as checking whether the following apply.

- (1) A major shareholder of the Company (holding 10% or more of voting rights either directly or indirectly), or a person who executes business for a major shareholder of the Group (*1)
- (2) A person/entity for which the Group is a major client, or a person who executes business for such person/entity (*2)
- (3) A major client of the Group or a person who executes business for such client (*3)
- (4) A person who executes business for a major lender of the Group (*4)
- (5) A senior partner or partner of the accounting auditor for the Company
- (6) A provider of expert services, such as a consultant, attorney at law, or certified public accountant, who receives cash or other assets exceeding ¥10 million in one business year other than director/corporate auditor compensation from the Company
- (7) A person/entity receiving contributions from the Group exceeding ¥10 million in one business year, or a person who executes business for such person/entity
- (8) A person to whom any of (1) to (7) above has applied in the past three business years
- (9) Where any of (1) to (8) above apply to a key person, and his or her immediate relatives, which includes his or her grandparents, grandchildren, siblings, spouse and his or her grandparents, siblings and grandchildren (*5)
- (10) A special reason other than the preceding items that will prevent the person from performing their duties as an independent outside corporate officer, such as the potential for a conflict of interest with the Company.

*1 A person who executes business means an executive director, executive officer, corporate officer, or other employee, etc.
 *2 A person/entity for which the Group is a major client means a person/entity who receives payments from the Group amounting to at least the higher of either 2% of their annual consolidated net sales or ¥100 million.
 *3 A major client of the Group means a client that makes payments to the Group amounting to at least the higher of either 2% of the Company's consolidated net sales or ¥100 million.
 *4 A major lender of the Group means a lender named as a major lender in the Group's business report.
 *5 A key person means a director (excluding outside directors), corporate auditor (excluding outside corporate auditors), executive officer, corporate officer, or other person in the rank of general manager or above, or a corporate officer corresponding to these positions.

Corporate Officer Compensation

Compensation paid to directors is comprised of a regular monthly amount and a bonus. The amount of regular monthly compensation is set in line with the role of each executive and is no more than the maximum amount determined and approved at the Company's General Meeting of Shareholders. The total amount of bonuses paid to directors is determined at a Board of Directors' meeting after due deliberation at the Company's General Meeting of Shareholders. Bonuses paid to executive officers is determined based on the role of each executive, the level of consolidated operating income, and various

indicators that measures the degree to which the targets of responsible divisions are achieved. Outside directors are excluded from the scope of bonus payment.

Compensation paid to corporate auditors is comprised solely of a regular monthly amount. The amount of regular monthly compensation is determined after due deliberation by corporate auditors and paid on an individual basis. The amount is no more than the maximum amount determined and approved at the Company's General Meeting of Shareholders.

Perspective on Compensation for Directors, Corporate Auditors and Corporate Officers

1. Perspective and procedures for compensation of directors, corporate auditors and corporate officers

- (1) The Company's system for the compensation of directors and corporate officers comprises monthly remuneration and bonuses. Compensation is linked with the Company's financial performance and reflects the officers' responsibilities and achievements.
- (2) The Company provides opportunities for exchanges of opinion with outside directors and corporate auditors on the rationale behind the design of the compensation system, in the aim of enhancing the system's transparency and fairness.
- (3) The total amount of bonuses paid to directors must be approved by the General Meeting of Shareholders.
- (4) The compensation of outside directors and corporate auditors (inside and outside) shall be fixed amounts, with no bonuses.

2. Method of Calculating Monthly Remuneration

- (1) Monthly remuneration of a consistent amount for performing director duties is paid to inside directors, with separate, additional remuneration provided to individuals with representative authority.

- (2) The monthly remuneration for corporate officers is set at a suitable level that takes into consideration such factors as the Company's management environment and corresponds to officer rank (president and chief executive corporate officer, senior executive corporate officer, executive corporate officer and senior corporate officer).

3. Method of Calculating Bonuses for Corporate Officers' (Delegation Agreement)

- (1) The bonus amount is calculated according to the rank of the corporate officer, using consolidated operating income and the goal attainment levels of the individual and assigned division of responsibility as indicators.
- (2) Bonuses based on single-year performance (calculation method for the 2016-2018 Medium-Term Business Plan) When calculating bonuses for the 2016-2018 Medium-Term Business Plan, the weightings for bonus calculations are raised primarily according to the results of efforts to achieve quantitative targets and key performance indicators (KPIs).
- (3) Bonuses based on the numerical targets of the 2016-2018 Medium-Term Business Plan The Company will consider the addition of an incentive bonus based on indicators or coefficients when numerical targets are achieved.

Overview of Fiscal 2016

Corporate Officer Category	Total Compensation (¥ million)	Amount of Compensation by Type (¥ million)		Number of Eligible Corporate Officers
		Base Amount	Bonus	
Directors (excluding outside directors)	446	363	83	12
Corporate auditors (excluding outside corporate auditors)	51	51	—	2
Outside corporate officers	56	56	—	7

Note: The compensation amounts listed above exclude employee salaries (including bonuses) of those serving concurrently as employee and director.

Status of Concurrent Posts Held by Outside Corporate Officers, Reasons for Appointment, and Other Information (As of February 24, 2017)

In addition to ensuring the objectivity and neutrality of management oversight functions, the five people listed below are being appointed to draw on their extensive knowledge and experience in advising and giving their opinions, from positions that are independent from the Company, on management in general.

	Important Concurrent Posts Held	Reasons for Appointment	Attendance at Board Meetings (FY2016)
Kazunari Uchida Outside Director	Professor of the Graduate School of Commerce at Waseda University, Outside Director of LIFENET INSURANCE COMPANY, Outside Director of ERI Holdings Co., Ltd., External Director of MITSUI-SOKO HOLDINGS Co., Ltd., External Director of Lion Corporation	Mr. Uchida has many years of experience as a corporate management consultant as well as a high level of expertise and a broad range of knowledge on corporate management. Mr. Uchida has no special interests with the Company and is more than qualified to serve as an independent corporate officer.	Board of Directors' Meetings: 10/12
Shihoko Urushi Outside Director	Principal of Shinagawa Joshi Gakuin, Member of the Education Rebuilding Implementation Council (Cabinet Office)	In addition to her abundant experience as an educator and her insight as a corporate executive, Ms. Urushi has no special interests with the Company and is thus more than qualified to serve as an independent corporate officer.	Board of Directors' Meetings: 9/10 (following her appointment as an outside director)
Haruo Kasama Outside Corporate Auditor	Attorney at Law, Outside Director at Japan Post Holdings Co., Ltd., Outside Corporate Auditor at Sumitomo Corporation, Outside Audit & Supervisory Board Member at Sampo Japan Nipponkoa Holdings, Inc.	Mr. Kasama has a high level of expertise and a broad range of knowledge as a legal practitioner. Mr. Kasama has no special interests with the Company and is more than qualified to serve as an independent corporate officer.	Board of Directors' Meetings: 11/12 Board of Corporate Auditors' Meeting: 12/13
Emiko Takeishi Outside Corporate Auditor	Professor, Faculty of Lifelong Learning and Career Studies, Hosei University, Outside Audit & Supervisory Board Member of Tokio Marine & Nichido Fire Insurance Co., Ltd.	In addition to her experience in the administrative field, Ms. Takeishi possesses a broad range of knowledge on human resource systems and labor policies. She has no special interests with the Company and is more than qualified to serve as an independent corporate officer.	Board of Directors' Meetings: 11/12 Board of Corporate Auditors' Meeting: 12/13
Sumio Tarui Outside Corporate Auditor	Director of Center for the Promotion of Disarmament and Non-Proliferation, the Japan Institute of International Affairs	Due to his abundant experience as a diplomat, Mr. Tarui possesses insights into the management of risks associated with overseas development. Having no special interests with the Company, he is thus more than qualified to serve as an independent corporate officer.	Board of Directors' Meetings: 10/10 (following his appointment as an outside corporate auditor) Board of Corporate Auditors' Meeting: 10/10 (following his appointment as an outside corporate auditor)

Promotion of Corporate Governance

Directors and Corporate Auditors (As of February 24, 2017)

Directors



Amane Nakashima
Chairman
In charge of Compliance and Brand



Osamu Chonan
Representative Director
President and Chief Executive Corporate Officer in charge of Divisions of Marketing



Masafumi Furutachi
Representative Director
Senior Executive Corporate Officer in charge of Condiments Products and Group Sales in general



Tadaaki Katsuyama
Director
Executive Corporate Officer in charge of Overseas Business in general and Division of Overseas



Nobuo Inoue
Director
Executive Corporate Officer in charge of Operation Promote Dept., Public Relations and CSR Office, Division of Personnel Affairs and Division of Logistics



Kengo Saito
Director
Executive Corporate Officer in charge of Egg Products



Shigeki Takemura
Director
Senior Corporate Officer in charge of Processed Foods



Yoshinori Henmi
Director
Senior Corporate Officer in charge of Division of Group Production in general



Seiya Sato
Director
Senior Corporate Officer in charge of Delicatessen Products



Yoshinori Hamachiyo
Director
Senior Corporate Officer in charge of Division of Research and Development, Division of Quality Assurance, Intellectual Property Office



Kazunari Uchida
Outside Director



Shihoko Urushi
Outside Director

Corporate Auditors



Jiro Ichise
Corporate Auditor (full-time)



Haruo Fuse
Corporate Auditor (full-time)



Haruo Kasama
Outside Corporate Auditor



Emiko Takeishi
Outside Corporate Auditor



Sumio Tarui
Outside Corporate Auditor

CSR Efforts

Contribute to Society by Engaging in the Group's Philosophy

The Kewpie Group's motto, "RAKU-GYOU-KAI-ETSU," is the idea that people who have the same ambitions enjoy working together, endure struggles together and rejoice together. Expanding the idea of allies to society, realizing "RAKU-GYOU-KAI-ETSU" means fulfilling one's social responsibilities and giving back to society and communities. The Group policies clearly outline what each employee needs to keep in mind to realize the Company's philosophy. The following activities are based on four of the Group policies.

*Please see page 1 for details on Group policies.

1 "Quality First" Principle

Kewpie Group's Approach

With the overarching belief that good products begin with good ingredients, all facets of the Kewpie Group's activities are geared toward developing safe and good-tasting products. We abide by internal rules to deliver products that are trusted by our customers. From planning to sales, the entire process is rooted in the "Quality First" principle.

Activities In our quality assurance division, we maintain the "Quality First" principle through personnel development and systems that underpin the Company's high quality, and pursue technologies that take quality to the next level.

Personnel Development to Ensure High Quality

People ensure that high quality is achieved. The Kewpie Group has established Monodukuri Gakko, a school for all managers across divisions involved in the product-making process. Aiming to ensure Companywide quality, we cultivate personnel who will become the core of the Company and strengthen alliances in the production field.

Pursuing Technologies That Enhance Quality

Learning the newest manufacturing and analysis innovations, we aim to enhance technological capacities every year. Further, we collaborate with outside institutions on building new technologies, sharing worthy innovations with the entire food industry.

Systems that Underpin the Company's Quality

The Group's production facilities, both in Japan and overseas, have been certified by the Global Food Safety Initiative (GFSI). By regularly receiving outside screening, we are able to look at the Company's quality assurance objectively, enabling the level of quality to evolve year by year.

Domestic and overseas Group production facilities are certified by the Global Food Safety Initiative (GFSI)

91 facilities

FSSC22000 : 87 facilities
SQF : 4 facilities

Each division, not just the quality assurance division, works to improve quality.

Wakuwaku Katsudo Combined Presentation

The production division, sales and staff divisions, and overseas teams gather to present the activities they have been involved in for customer quality improvement and employee happiness. These annual presentations provide useful information to other teams and allow for the Kewpie Group's growth.

2 Promotion of Diversity

Kewpie Group's Approach

In its quest to become a Group where the people and the Company grow through the successes of diverse, lively personnel, the Kewpie Group promotes diversity. For individual employees to be successful, we strive to expand the Group's potential and support growth from both inside and outside Japan.

Activities

Initiatives Towards Diversity

At Kewpie, we aim for the ratio of female managers to be 10% by the end of fiscal 2018. The Company has already created an action plan based on The Act on Promotion of Women's Participation and Advancement in the Workplace, working towards this goal.

In employing people with disabilities, special subsidiary Kewpie

Ai Co., Ltd., was established in June 2003 to help people with disabilities to become independent and engage in society.

There are roughly 3,000 employees in overseas Group companies, of which 98% are hired locally. More than 100 people undergo skills training locally, with philosophy-based and specialized training taking place in Japan.

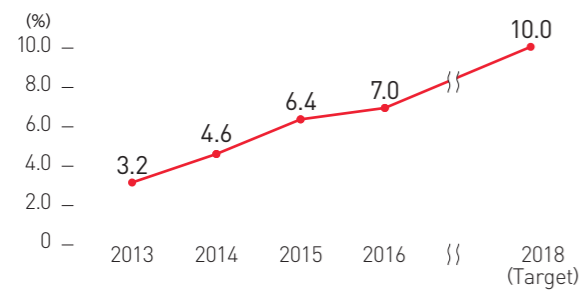
Social Responsibilities, Sustainability

CSR Efforts

Initiatives Towards a Work-Life Balance

Our hopes are for each person to grow and live an enriching life. To promote a work-life balance, in fiscal 2016 Kewpie introduced a work-from-home system and a paid leave system that can be taken by the hour. We have also worked to enhance systems related to nursing care.

Percentage of Women in Management Positions (Kewpie Corporation)

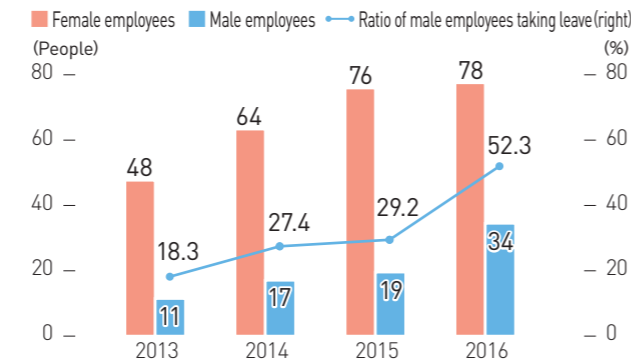


Percentage of Employees with Disabilities (Kewpie Group in Japan)

FY2013	FY2014	FY2015	FY2016
2.13%	2.50%	2.69%	3.02%

*Data is as of December 1 of each year (excludes Distribution System Business)

Parental Leave (Kewpie Corporation)



*Ratio taking leave: Ratio of employees, out of those whose babies were born during the year, who take parental leave

3 Contributing to Society Through Dietary Education

Kewpie Group's Approach

Establishing healthy dietary habits during childhood fosters physical health and a healthy personality, becoming the basis for lifelong health. Based on the spirit of our founder, Toichiro Nakashima, of "contributing to society through food," we are working beyond just business activities to different initiatives towards social contribution.

Activities

Dietary Educational Activities

The Kewpie Group conveys food safety and security and the enjoyment and importance of food through food educational activities. At Open Kitchen (factory tours), participants can observe the manufacturing process, in addition to learning about systems that prevent incidents that result from mixing the wrong ingredients. (In FY2016, roughly 100,000 people joined the tours, including Mayoterrace visitors). Employees (roughly 170 employees in FY2016) with a Kewpie certificate (Mayostar) serve as instructors to hold on-site Mayonnaise Classes at elementary schools, where students learn about the importance of consuming vegetables and have first-hand experience in how mayonnaise is made.



Mayonnaise Classes

Sharing Knowledge on Food and Health

The Kewpie Group publishes a monthly magazine, Kewpie News, which promotes a healthy body and mind. Covering current topics, the magazine is distributed to consumer affairs agencies and nutritional educators. Furthermore, we distribute videos and DVDs free of charge to schools and consumer affairs centers through our Media Library Activities, as well as hosting seminars on food.



Kewpie News



Media Library Activities

Impact on Society

We engage in social contribution activities as part of our aim to remain in business for a long period of time, help numerous people and maintain strong community ties. Being sympathetic to the spirit of the Bellmark campaign and efforts to support an equal education for all children against the backdrop of a rich and prosperous environment, since 1960 the Kewpie Group has continued

to support the campaign by displaying the Bellmark on its products. Since 2007, Kewpie has employed a matching gift system (Q Peace), where the Company

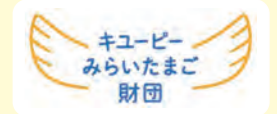


Cooking classes in Minamisanriku, Miyagi Prefecture

matches employee donations. In addition, we support organizations under the Food Bank initiative* and continue supporting the reconstruction of areas affected by the Great East Japan Earthquake by holding cooking classes with an organization based in Minamisanriku, Miyagi Prefecture. We also sponsor the Mothers' Chorus and the All-Japan Elementary School Dance Competition, giving mothers who are busy with chores and work the opportunity to enjoy choir music and support the healthy growth of their children.

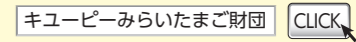
*Under the Food Bank initiative, food is donated and delivered to welfare facilities, including foster care, as well as the poor and needy.

Established the Kewpie Mirai Tamago Foundation



The Kewpie Mirai Tamago Foundation was established in April 2017 based on the spirit of our founder Toichiro Nakashima to "contribute to society through food." The foundation's aim is to support organizations devoted to food education and create meaningful spaces through food, such as the Kodomo Shokudo. Adding existing CSR activities centering on dietary education to the initiatives of this foundation, we aim to solve food-related social issues and realize a healthy society.

Please refer to the related website for details. (Japanese only)



4 Contribution to the Environment

Kewpie Group's Approach

The Kewpie Group business operations are only possible due to the gifts of nature, starting with our raw materials. It is our responsibility to pass on the enriching environment to the next generation. Making effective use of natural resources, preventing global warming and conserving nature are the three pillars of our contribution to the environment.

Activities

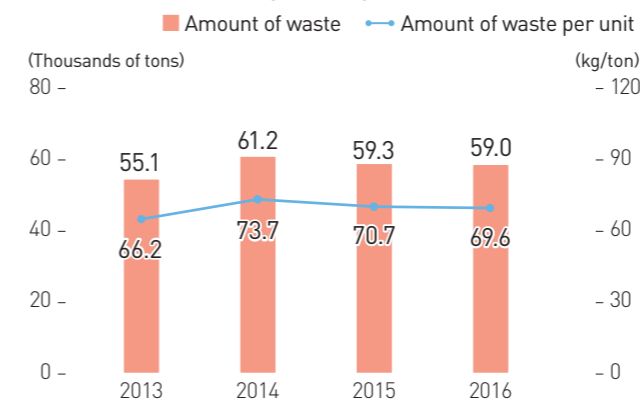
Making Effective Use of Natural Resources

Egg yolks from shell eggs are used in mayonnaise, while egg whites are used as food ingredients in confectioneries, fish cake and other foods. Meanwhile, we utilize egg shells as fertilizer and a source of calcium. Furthermore, potato peels and sprouts from the production of prepared foods are liquefied and used for pig feed. In these ways, we recycle products and eliminate waste.

We work to reduce waste by improving yields through revised production processes, enhancing ingredient and material packages, and adding more value to leftover products.

We treat production line wastewater to the point at which it can be dispersed into sewers. We have also introduced membrane filtration equipment capable of converting water from that point into pure water. We utilize this water to clean the factory floors and toilets, water green spaces and cool outdoor air-conditioning units.

Amount of Waste (Kewpie Group Production Factories)

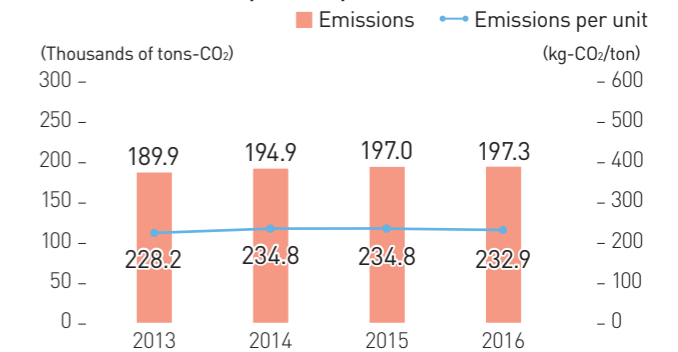


*Amount of waste per unit: Waste per ton of production

Preventing Global Warming

Efforts to eliminate CO₂ emissions include fuel conversions and upgrades to highly efficient equipment. We also strive to improve energy efficiency by visualizing energy usage by the production division. In the distribution division, we are working to improve transportation efficiency by improving load factors, promoting modal shifts and shortening delivery distances.

CO₂ Emissions (Kewpie Group Production Factories)



*Emissions per unit: emissions per one ton of production

Conservation of the Natural Environment

Through Kiritappu Wetland National Trust, a nonprofit organization that protects the natural environment of the valuable Kiritappu Wetlands in Hokkaido, we engage in wetland conservation and help maintain the forest. In Fujijoshida, Yamanashi Prefecture, the Group is involved in forest conservation activities at the Kewpie Forest.



Constructing wooden fences in the Kiritappu Wetlands

11-Year Financial Summary

*The Accounting Standard for Business Combinations (ASBJ Statement No. 21, September 13, 2013) and other standards have been applied, and net income has been revised to profit attributable to owners of parent from the fiscal year ended November 2016.

*From the fiscal year ended November 2016, the Group has changed its accounting policies to the following:

- Changes to policies on recording net sales (deduct sales promotion expenses and part of the distribution costs from net sales when recording sales)
- Changes to amortization method for fixed assets (changed from declining-balance method to straight-line method, revised evaluation methods for useful life and residual value)

Figures for FY2015 have been adjusted when comparing to figures after FY2016.

(¥ million)

Years ended November 30	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	
Performance										(Adjusted)		
Net sales	456,067	468,006	473,951	452,239	471,010	486,435	504,997	530,549	553,404	578,192	549,774	552,306
Gross profit	110,825	111,707	106,665	109,261	116,388	117,088	125,065	128,266	134,362	145,702	117,285	123,457
Selling, general and administrative expenses	96,665	95,882	92,629	91,529	94,268	96,271	101,696	105,864	110,018	119,261	90,931	93,639
Operating income	14,159	15,824	14,036	17,731	22,119	20,816	23,368	22,402	24,343	26,441	26,354	29,818
Ordinary income	14,262	15,836	14,184	18,414	22,762	21,912	24,467	23,749	25,368	27,311	27,224	31,364
Profit attributable to owners of parent	6,071	7,328	7,721	9,036	10,613	9,449	12,291	12,567	13,366	17,031	16,973	17,093
EBITDA (Operating income+Depreciation and amortization)	26,321	28,212	27,444	30,711	35,248	34,457	37,457	36,974	40,475	45,535	45,449	48,072
Research and development expenses	3,196	3,229	3,218	3,167	3,172	3,232	3,421	3,660	3,882	4,201	—	4,028
Capital investments	15,316	11,263	13,091	11,935	12,596	13,418	20,916	27,122	30,111	32,369	—	32,968
Depreciation and amortization	12,162	12,388	13,408	12,980	13,129	13,641	14,089	14,572	16,132	19,094	—	18,254
Cash flows												
Cash flows from operating activities	21,443	22,331	14,466	31,301	25,731	23,405	33,246	27,369	34,392	28,094	—	45,260
Cash flows from investing activities	(16,589)	(11,166)	(9,687)	(11,548)	(15,120)	(12,166)	(24,434)	(21,897)	(30,847)	(31,181)	—	(32,046)
Cash flows from financing activities	3,187	(2,757)	(5,712)	(18,462)	(5,381)	(19,583)	7,022	(2,307)	(3,149)	(7,101)	—	(5,805)
Free cash flow (Operating cash flows+investing cash flows)	4,854	11,165	4,779	19,752	10,611	11,239	8,811	5,471	3,545	(3,086)	—	13,213
Cash and cash equivalents at the end of the fiscal year	21,212	27,699	26,705	27,831	33,121	24,509	40,387	43,963	44,788	34,841	—	40,790
Financial position (year-end)												
Total assets	290,186	292,823	291,792	275,650	287,957	275,790	306,515	334,655	356,994	372,419	373,017	385,914
Interest-bearing debt	43,248	43,175	40,545	25,595	23,923	10,909	23,185	25,882	29,110	30,559	—	36,066
Total net assets	156,217	161,140	163,580	170,804	180,901	185,293	195,928	210,285	220,397	245,929	244,717	245,861
Per share data (yen)												
Net income	39.66	47.96	50.77	59.56	69.97	62.63	82.09	83.94	88.69	112.21	111.82	113.47
Total net assets	896.69	925.46	941.79	978.33	1,029.26	1,068.67	1,141.68	1,230.32	1,284.36	1,410.53	1,403.05	1,420.63
Cash dividend	14.0	14.0	15.0	17.0	18.0	18.0	20.0	22.0	23.0	29.0	—	34.5
Financial indicators (%)												
Gross profit to net sales	24.3	23.9	22.5	24.2	24.7	24.1	24.8	24.2	24.3	25.2	21.3	22.4
Operating income to net sales	3.1	3.4	3.0	3.9	4.7	4.3	4.6	4.2	4.4	4.6	4.8	5.4
Equity ratio	47.3	48.3	49.0	53.8	54.2	58.0	55.8	55.0	54.6	57.5	57.1	55.1
Return on equity (ROE)	4.5	5.3	5.4	6.2	7.0	6.0	7.4	7.1	7.0	8.3	8.3	8.0
Return on assets (ROA)	5.1	5.4	4.9	6.5	8.1	7.8	8.4	7.4	7.3	7.5	7.5	8.3
Dividend payout ratio	35.3	29.2	29.5	28.5	25.7	28.7	24.4	26.2	25.9	25.8	25.9	30.4
Dividend on equity ratio	1.6	1.5	1.6	1.8	1.8	1.7	1.8	1.9	1.8	2.2	2.2	2.4
Other data												
Stock price at year-end (yen)	1,035	1,136	1,063	997	1,019	1,056	1,200	1,454	1,942	2,953	—	2,703
Number of employees (consolidated)	8,805	8,885	9,283	10,507	11,732	12,028	12,425	12,598	12,933	13,478	—	14,095
Number of consolidated subsidiaries	44	45	46	48	52	51	52	51	52	54	—	56

Consolidated Balance Sheets

At November 30, 2015 and 2016 (¥ million)

	FY2015	FY2016
Assets		
Total current assets	148,518	150,160
Cash and deposits	29,844	35,794
Notes and accounts receivable—trade	78,151	75,134
Securities	5,000	5,000
Purchased goods and products	17,178	15,669
Work in process	979	972
Raw materials and supplies	10,247	9,229
Deferred tax assets	3,297	3,264
Other	3,996	5,268
Allowances for doubtful accounts	(176)	(173)
Total fixed assets	224,498	235,754
Total tangible fixed assets	166,815	183,378
Buildings and structures	168,599	179,789
Accumulated depreciation	(95,402)	(99,764)
Net book value	73,196	80,024
Machinery, equipment and vehicles	155,974	161,169
Accumulated depreciation	(121,743)	(122,204)
Net book value	34,231	38,965
Land	47,468	48,099
Lease assets	7,734	8,102
Accumulated depreciation	(2,950)	(3,427)
Net book value	4,784	4,675
Construction in progress	3,742	7,238
Other	13,542	14,820
Accumulated depreciation	(10,150)	(10,444)
Net book value	3,392	4,375
Total intangible fixed assets	5,659	5,675
Goodwill	1,785	1,563
Computer software	3,176	3,129
Other	697	982
Total investments and other assets	52,023	46,700
Investment securities	28,547	27,408
Long-term loans receivable	492	450
Assets for retirement benefits	12,427	7,413
Deferred tax assets	1,630	1,984
Other	9,424	9,657
Allowances for doubtful accounts	(499)	(213)
Total assets	373,017	385,914

	FY2015	FY2016
Liabilities		
Total current liabilities	94,870	102,245
Notes and accounts payable—trade	45,192	47,050
Short-term loans payable	9,096	8,301
Accounts payable—other	18,628	22,074
Accrued expenses	13,273	12,809
Accrued income taxes	3,960	7,016
Deferred tax liabilities	1	1
Reserves for sales rebates	821	749
Reserves for bonuses	1,541	1,826
Reserves for directors' bonuses	169	160
Other reserves	89	91
Other	2,094	2,162
Total non-current liabilities	33,429	37,807
Bonds	10,000	10,000
Long-term loans payable	6,343	12,498
Lease obligations	3,727	3,774
Deferred tax liabilities	7,956	5,135
Liabilities for retirement benefits	3,075	3,893
Asset retirement obligations	748	1,112
Other	1,578	1,392
Total liabilities	128,299	140,053
Net assets		
Total shareholders' equity	207,412	215,047
Paid-in capital	24,104	24,104
Capital surplus	30,302	30,300
Earned surplus	154,421	166,765
Treasury stock	(1,416)	(6,123)
Total accumulated other comprehensive income	5,525	(2,426)
Unrealized holding gains (losses) on securities	9,330	8,916
Unrealized gains (losses) on hedges	(8)	79
Foreign currency translation adjustments	(552)	(3,947)
Accumulated adjustments for retirement benefits	(3,243)	(7,474)
Non-controlling interests	31,780	33,240
Total net assets	244,717	245,861
Total liabilities and net assets	373,017	385,914

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

For the fiscal years ended November 30, 2015 and 2016 (¥ million)

Consolidated Statements of Income	FY2015	FY2016
Net sales	549,774	552,306
Cost of sales	432,489	428,848
Gross profit	117,285	123,457
Selling, general and administrative expenses	90,931	93,639
Operating income	26,354	29,818
Total non-operating income	1,734	2,347
Interest income	121	79
Dividends income	450	458
Equity in earnings of affiliates	134	295
Subsidy income	—	291
Reversal of allowances for doubtful accounts	6	274
Other	1,021	948
Total non-operating expenses	863	801
Interest expenses	314	311
Other	548	490
Ordinary income	27,224	31,364
Total extraordinary gains	3,816	730
Gains on sales of investment securities	105	396
Gains on sales of fixed assets	128	160
Compensation income	86	158
Gains on change in equity	1,197	—
Gains on extinguishment of tie-in shares	901	—
Gains on step acquisitions	830	—
Gains on negative goodwill	105	—
Other	462	15
Total extraordinary losses	2,465	1,804
Losses on disposal of fixed assets	1,368	1,178
Losses on valuation of investment securities	9	320
Losses on impairment of fixed assets	373	89
Losses on liquidation of subsidiaries and affiliates	261	—
Losses on valuation of investments in capital of subsidiaries and affiliates	257	—
Other	195	215
Profit before income taxes	28,576	30,290
Total income taxes	8,878	10,255
Income taxes	8,860	11,245
Income taxes—deferred	17	(989)
Profit	19,697	20,034
Profit attributable to non-controlling interests	2,724	2,941
Profit attributable to owners of parent	16,973	17,093

For the fiscal years ended November 30, 2015 and 2016 (¥ million)

Consolidated Statements of Comprehensive Income	FY2015	FY2016
Profit	19,697	20,034
Total other comprehensive income	6,461	(9,079)
Unrealized holding gains (losses) on securities	3,552	(375)
Unrealized gains (losses) on hedges	(12)	113
Foreign currency translation adjustments	683	(4,179)
Adjustments for retirement benefits	2,237	(4,638)
Comprehensive income	26,159	10,955
(Breakdown)		
Comprehensive income attributable to owners of parent	23,199	9,141
Comprehensive income attributable to non-controlling interests	2,959	1,814

Consolidated Statements of Changes in Net Assets

For the fiscal years ended November 30, 2014 and 2015 (¥ million)

FY2015	Shareholders' equity					Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Paid-in capital	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity	Unrealized holding gains (losses) on securities	Unrealized gains (losses) on hedges	Foreign currency translation adjustments	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income		
Balance at November 30, 2014	24,104	30,309	142,489	(1,150)	195,752	5,902	4	(1,234)	(5,373)	(701)	25,346	220,397
Cumulative effects of changes in accounting policies			(1,398)		(1,398)						(43)	(1,441)
Restated balance	24,104	30,309	141,091	(1,150)	194,354	5,902	4	(1,234)	(5,373)	(701)	25,302	218,955
Changes of items during the fiscal year												
Dividends from surplus			(3,642)		(3,642)							(3,642)
Profit attributable to owners of parent			16,973		16,973							16,973
Repurchase of shares		(6)		(266)	(272)							(272)
Net changes of items other than shareholders' equity						3,428	(13)	681	2,130	6,226	6,477	12,704
Total changes during the fiscal year	—	(6)	13,330	(266)	13,057	3,428	(13)	681	2,130	6,226	6,477	25,762
Balance at November 30, 2015	24,104	30,302	154,421	(1,416)	207,412	9,330	(8)	(552)	(3,243)	5,525	31,780	244,717

For the fiscal years ended November 30, 2015 and 2016 (¥ million)

FY2016	Shareholders' equity					Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Paid-in capital	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity	Unrealized holding gains (losses) on securities	Unrealized gains (losses) on hedges	Foreign currency translation adjustments	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income		
Balance at November 30, 2015	24,104	30,302	154,421	(1,416)	207,412	9,330	(8)	(552)	(3,243)	5,525	31,780	244,717
Cumulative effects of changes in accounting policies					—							—
Restated balance	24,104	30,302	154,421	(1,416)	207,412	9,330	(8)	(552)	(3,243)	5,525	31,780	244,717
Changes of items during the fiscal year												
Dividends from surplus			(4,749)		(4,749)							(4,749)
Profit attributable to owners of parent			17,093		17,093							17,093
Repurchase of shares				(4,706)	(4,706)							(4,706)
Changes in equity in controlled subsidiaries		(2)			(2)							(2)
Net changes of items other than shareholders' equity						(414)	88	(3,395)	(4,230)	(7,951)	1,460	(6,491)
Total changes during the fiscal year	—	(2)	12,343	(4,706)	7,635	(414)	88	(3,395)	(4,230)	(7,951)	1,460	1,143
Balance at November 30, 2016	24,104	30,300	166,765	(6,123)	215,047	8,916	79	(3,947)	(7,474)	(2,426)	33,240	245,861

Consolidated Statements of Cash Flows

For the fiscal years ended November 30, 2015 and 2016 (¥ million)

	FY2015	FY2016
Cash flows from operating activities		
Profit before income taxes	28,576	30,290
Depreciation and amortization	19,094	18,254
Losses on impairment of fixed assets	373	89
Amortization of goodwill	229	221
Retirement benefit expenses	1,222	993
Equity in losses (earnings) of affiliates	(134)	(295)
Losses (gains) on valuation of investment securities	9	320
Losses on valuation of investments in capital of subsidiaries and affiliates	257	—
Gains on negative goodwill	(105)	—
Losses (gains) on step acquisitions	(830)	—
Losses (gains) on change in equity	(1,197)	—
Losses (gains) on extinguishment of tie-in shares	(901)	—
Increase (decrease) in liabilities for retirement benefits	473	154
Decrease (increase) in assets for retirement benefits	(1,653)	(1,837)
Increase (decrease) in reserves for sales rebates	(112)	(71)
Increase (decrease) in reserves for directors' bonuses	56	(9)
Increase (decrease) in reserves for bonuses	340	334
Increase (decrease) in allowances for doubtful accounts	(89)	(287)
Interest and dividends income	(572)	(538)
Interest expenses	314	311
Losses (gains) on sales of investment securities	52	(396)
Losses (gains) on sales and disposal of fixed assets	1,258	1,025
Decrease (increase) in notes and accounts receivable - trade	8,854	2,114
Decrease (increase) in inventories	(1,151)	1,905
Increase (decrease) in notes and accounts payable - trade	(12,687)	2,072
Increase (decrease) in accounts payable - other	(3,262)	1,416
Increase (decrease) in accrued consumption taxes	(802)	(450)
Increase (decrease) in long-term accounts payable	(73)	(185)
Other	288	(1,646)
Sub-total	37,830	53,787
Interest and dividends income received	627	670
Interest paid	(314)	(309)
Income taxes paid	(10,049)	(8,888)
Net cash provided by (used in) operating activities	28,094	45,260

(¥ million)

	FY2015	FY2016
Cash flows from investing activities		
Purchases of securities	(10,000)	—
Proceeds from redemption of securities	10,000	—
Purchases of tangible fixed assets	(30,032)	(31,148)
Purchases of intangible fixed assets	(1,529)	(1,290)
Purchases of investment securities	(157)	(123)
Proceeds from sales of investment securities	178	653
Proceeds from sales of shares of subsidiaries and affiliates	58	—
Acquisition of subsidiaries' shares	(21)	—
Proceeds from sales of subsidiaries' shares	30	—
Proceeds from acquisition of subsidiaries' shares resulting in change in scope of consolidation	44	—
Net decrease (increase) in short-term loans receivable	(82)	333
Payments of long-term loans receivable	(21)	(39)
Collection of long-term loans receivable	19	24
Payments into time deposits	(98)	(3)
Proceeds from withdrawal of time deposits	117	3
Other	313	(456)
Net cash provided by (used in) investing activities	(31,181)	(32,046)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(541)	(1,312)
Repayment of lease obligations	(1,753)	(1,350)
Proceeds from long-term loans payable	1,303	8,640
Repayment of long-term loans payable	(1,466)	(1,942)
Proceeds from share issuance to non-controlling interests	181	254
Cash dividends paid	(3,642)	(4,749)
Cash dividends paid to non-controlling interests	(550)	(610)
Repurchase of shares	(79)	(4,734)
Purchase of treasury shares of subsidiaries	(551)	—
Net cash provided by (used in) financing activities	(7,101)	(5,805)
Effects of exchange rate changes on cash and cash equivalents	235	(1,458)
Increase (decrease) in cash and cash equivalents	(9,952)	5,949
Cash and cash equivalents at the beginning of the fiscal year	44,788	34,841
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	5	—
Cash and cash equivalents at the end of the fiscal year	34,841	40,790

FY2016 Operating and Financial Analysis

1. Consolidated Balance Sheet

[Total assets (increased ¥12.9 billion from end-FY2015)]

- Rose mainly due to cash and deposits (up ¥5.9 billion from end-FY2015) and tangible fixed assets (increased ¥16.6 billion from end-FY2015).

[Total liabilities (increased ¥11.8 billion from end-FY2015)]

- Increased mainly due to accounts payable (up ¥3.4 billion from end-FY2015), accrued income taxes (rose ¥3.1 billion from end-FY2015) and long-term loans payable (increased ¥6.2 billion from end-FY2015).

[Net assets (increased ¥1.1 billion from end-FY2015)]

- Despite a ¥4.7 billion acquisition of treasury shares, a decrease in foreign currency translation adjustments (decrease of ¥3.4 billion from end-FY2015) and a reduction in accumulated adjustments for retirement benefits (down ¥4.2 billion from end-FY2015), net assets grew due to a rise in earned surplus (up ¥12.3 billion from end-FY2015).

2. Consolidated Statements of Income

[Net sales (rose ¥2.5 billion from the previous year)]

- Net sales increased on growth in prepared foods and salads for the ready-made foods market, while mayonnaise and dressings outside Japan also expanded.

[Cost of sales, gross profit]

- Thanks to continued efforts to raise added value and decrease costs, compared to the previous year, cost of sales was down ¥3.6 billion, gross profit up ¥6.2 billion, and gross profit margin increased 1.1%.
- Main initiatives to add more value included shifting to value-added products, building and strengthening existing products, and revisions in egg products.
- Measures to improve costs included lowering costs at production fields and eliminating unprofitable products.

[Selling, general and administrative expenses]

- Labor expenses (up ¥1.1 billion from the previous year) and sales promotion expenses (increased ¥0.2 billion from the previous year) mainly increased.

[Operating income (increased ¥3.5 billion from the previous year)]

- As a result, operating income came to ¥29.8 billion and the operating income ratio was 5.4% (up 0.6 percentage point from the previous year).

[Ordinary income (increased ¥4.1 billion from the previous year)]

- Due to an increase in subsidy income (up ¥0.3 billion from the previous year) and reversal of allowances for doubtful accounts (increased ¥0.3 billion from the previous year), net non-operating income rose ¥0.7 billion year on year, with ordinary income at ¥31.4 billion.

[Profit attributable to owners of parent (increased ¥0.1 billion from the previous year)]

- Partly due to the recording of extraordinary gains of ¥2.8 billion in the preceding fiscal year due to making Aohata Corporation into a consolidated subsidiary and a merger with Aohata's subsidiaries, extraordinary gains/losses were down ¥2.4 billion from the year before. Profit attributable to owners of parent was ¥17.1 billion.

*Changes in accounting policies

- From fiscal 2016 onwards, we have made changes on policies for recording net sales and the method of depreciating fixed assets.
- In changes to policies on recording net sales, the Group has changed the method to deduct sales promotion expenses and part of the distribution costs from net sales when recording sales. Figures for FY2015 have been adjusted when comparing to figures after FY2016.
- Cost of sales and selling and general expenses include ¥5.2 billion from the impact of changing the depreciation method for fixed assets to the straight-line method from the declining-balance method, as well as the ¥2.8 billion loss in residual value from bullet amortization.

3. Consolidated Cash Flow

[Net cash provided by operating activities]

- Net cash came to ¥45.3 billion. This was the result of profit before income taxes of ¥30.3 billion, depreciation and amortization of ¥18.3 billion and income taxes paid of ¥8.9 billion.

[Net cash used in investing activities]

- Net cash amounted to ¥32.0 billion. This was the result of purchases of tangible fixed assets of ¥31.1

billion and purchases of intangible fixed assets of ¥1.3 billion.

[Net cash used in financing activities]

- Net cash amounted to ¥5.8 billion. Against a net increase in loans payable of ¥5.4 billion, repayment of lease obligations was ¥1.4 billion, dividend payments were ¥4.7 billion and repurchase of shares was ¥4.7 billion.

Operational Risks

The following factors may significantly affect the earnings and financial conditions of the Kewpie Group and the decisions of investors.

The Group, recognizing the risks inherent in the Group's business, takes all reasonable measures to inhibit or avoid the occurrence of risks. An overview of the risks involved is given below, but this is not intended to be an exhaustive list of all risks attendant on the Group's business operations.

	Risks	Initiatives to Minimize Risks
Market Trends in the Condiments for Salads (Mayonnaise and Dressings) that Contribute a High Portion of Sales and Profits to the Kewpie Group	<ul style="list-style-type: none"> Shrinkage in the market for condiments for salad as a result of decline in demand Decline in market share of the Company's products owing to competition with other manufacturers' products 	[Stimulating Market to Uncover New Areas of Latent Demand and Strengthen Competitiveness] <ul style="list-style-type: none"> Developing and expanding the scale of other product categories Proposing new menus and occasions for eating Developing and updating products to suit consumer preferences such as responding to health needs Cutting costs through collaboration between business units
Fluctuations in the Prices of the Principal Ingredients (Shell Eggs, Edible Oils)	<ul style="list-style-type: none"> Sharp rises in market prices of the principal ingredients 	[Measures to Ensure Necessary Volume at a Reasonable Cost] <ul style="list-style-type: none"> Shell eggs: Contracted under a combination of annual fixed-volume contracts with major egg producers, fixed-price contracts and supplementary spot contract purchases on the open market Edible oils: Forward trading
Product Safety and Health-Related Concerns	<ul style="list-style-type: none"> Incidents causing damage to the health of consumers, such as the insertion of foreign matter into products and false or mistaken indications on the product labels Problems affecting the whole society and thus beyond the control of the Group 	[Preventing Product Safety Issues by Guaranteeing Quality] <ul style="list-style-type: none"> Using hazard analysis and critical control point (HACCP) systems Acquisition of FSSC 22000 Trans-group quality monitoring Traceability systems that make use of data processing used in factory automation Building a development management system Building a strict quality control system for procured ingredients
Social Turmoil from Contingencies such as Natural Disasters or Diseases in Areas of Operation	Worse-than-expected social turmoil may result in damage to manufacturing or distribution facilities, or difficulties in obtaining raw materials, energy or the human resources necessary for operations, lowering production and sales capabilities	*Examples of social turmoil: <ul style="list-style-type: none"> Large-scale natural disasters such as severe earthquakes or torrential rainfall Epidemics of highly virulent, infectious diseases Large-scale incidents not caused by natural disasters, such as sustained, wide-ranging electric power cuts Political problems such as terrorism or disputes
Relationship with K.R.S. Corporation that Contributes a Large Portion of Sales and Profits to the Kewpie Group	In the event of a decline in the percentage of the Company's voting rights in the future—currently 46%—or changes in the personal and/or trading relationship between the two companies, K.R.S. Corporation may lose the status of consolidated subsidiary of the Company	

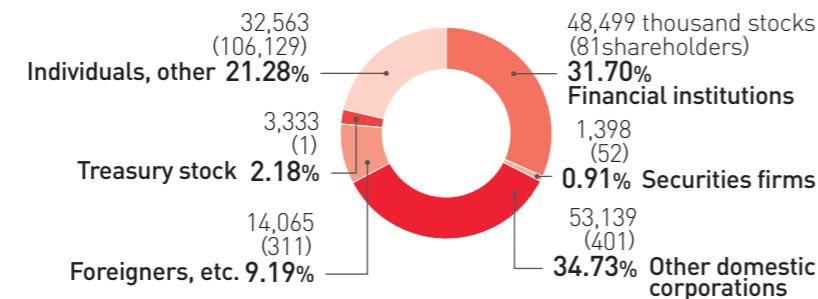
Note: For more information on operational risks, please see page 17 of Annual Report 2016, which is available on our website. <https://www.kewpie.co.jp/english/ir/pdf/annual-report/2016.pdf>

Stock Information (As of November 30, 2016)

● Share Overview

Number of Authorized Shares: 500,000,000 shares
 Number of Shares Issued: 153,000,000 shares
 Shares per Trading Unit: 100 shares
 Number of Shareholders: 106,975

● Breakdown of Shareholders

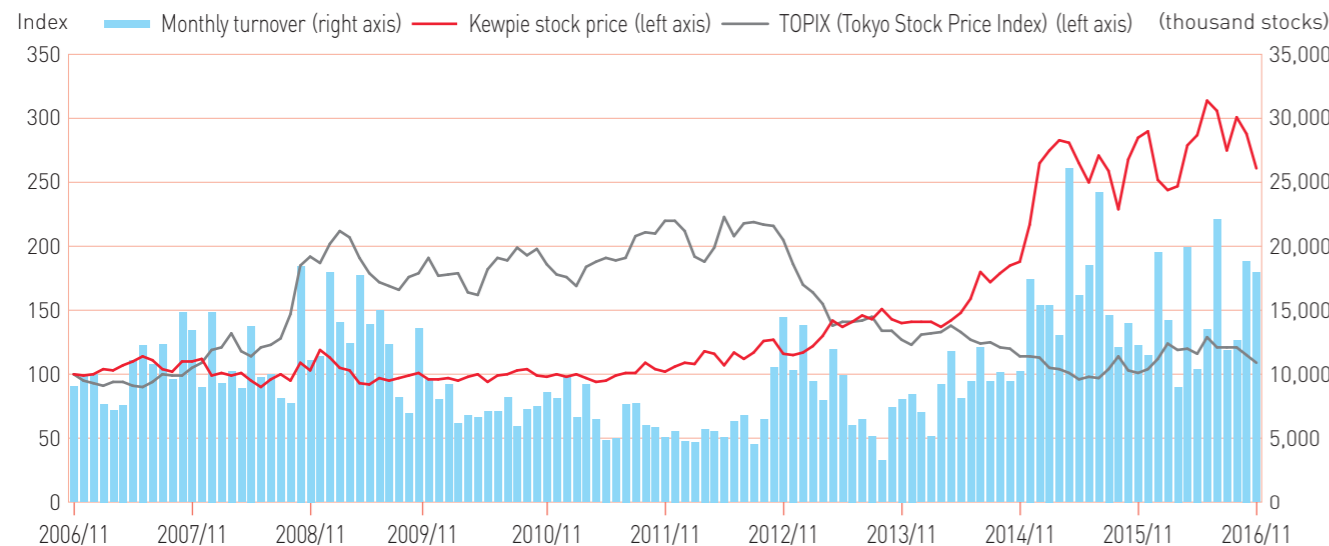


● Principal Shareholders

Trade name	Number of the Company's shares held (thousand shares)	Stock holdings ratio (%)
Nakashimato Co., Ltd.	19,441	12.99
Tohka Co., Ltd.	11,872	7.93
Japan Trustee Services Bank, Ltd. (Trust Account)	5,721	3.82
Mizuho Trust & Banking Co., Ltd. employee pension trust, asset management service trust for beneficiary of the retrust	4,827	3.23
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,795	3.20
Kieikai Research Foundation	4,251	2.84
Sumitomo Mitsui Banking Corporation	3,208	2.14
Nippon Life Insurance Company	3,039	2.03
The Dai-ichi Life Insurance Company, Limited	3,012	2.01
Nakato Scholarship Foundation	2,494	1.67

Notes:
 1. The 4,827,000 shares of the Company held by Trust & Custody Services Bank, Ltd. as trustee for Mizuho Bank, Ltd. Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd. represents shares of the Company held by Mizuho Bank, Ltd that have been contributed to the retirement benefit trust.
 2. The Company holds 3,333,991 shares of treasury stock.
 3. The stock holdings ratios identified above are calculated after deducting treasury stock.

● Share Price Movement



* Stock price index of Kewpie and TOPIX (November 30, 2006 = 100)

Corporate Information (As of November 30, 2016)

● Corporate Data

Corporate Name: Kewpie Corporation
 Founded: November 1919
 Paid-in Capital: ¥24,104 million
 Number of Employees (consolidated): 14,095

Location of Head Office: 4-13, Shibuya 1-chome, Shibuya-ku, Tokyo, Japan
 Stock Exchange Listing: Tokyo Stock Exchange First Section (Ticker Code: 2809)
 American Depositary Receipts (ADRs): OTC (Symbol: KWCPY)
 Transfer Agent: Sumitomo Mitsui Trust & Banking Co., Ltd.

● Kewpie Group

■ Condiments Products Business
 ■ Egg Products Business
 ■ Delicatessen Products Business
■ Processed Foods Business
 ■ Fine Chemical Products Business
■ Distribution System Business
 ■ Common Business Operations

Domestic Subsidiaries

Kewpie Jyozo Co., Ltd.	Production and sale of vinegar
Dispen Pak Japan Co., Inc.	Production and sale of foods, subdividing and packing work
Salad Mate Co., Ltd.	Sale of condiments and processed foods
Deft Co., Ltd.	Sale of condiments and frozen / processed foods
Kpack Co., Ltd.	Production and sale of condiments
Fujiyoshida Kewpie Co., Ltd.	Production and processing of foods; outsourced work
Kanae Foods Co., Ltd.	Production and sale of processed eggs
Zen-noh Kewpie Egg-station Co., Ltd.	Production and sale of dried eggs and liquid eggs, etc.
Kewpie Egg Corporation	Production and sale of liquid / frozen eggs
Kewpie-Egg World Trading Co., Ltd.	Sale of eggs and processed eggs
Deria Foods Co., Ltd.	Sale of salads and delicatessen foods
Shunsai Deli Co., Ltd.	Production and sale of delicatessen foods
Seto Delica Co., Ltd.	Production and sale of delicatessen foods
Ishikari 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
Kitakami Delica Co., Ltd.	Production and sale of delicatessen foods
Enshu Delica Co., Ltd.	Processing and sale of fresh vegetables
Potato Delica Co., Ltd.	Production of frozen / chilled foods
Gourmet Delica Co., Ltd.	Production and sale of delicatessen foods
Salad Club, Inc.	Processing and sale of fresh vegetables
Green Message Co., Ltd.	Processing and sale of vegetable products
Aohata Corporation	Production and sale of canned food
Kowa Delica Co., Ltd.	Production of canned food
Co-op Foods Co., Ltd.	Production and sale of canned / bottled, canned and /or retort pouch foods
Hashikami Kewpie Co., Ltd.	Production and processing of foods; outsourced work
Tosu Kewpie Co., Ltd.	Production and processing of foods; outsourced work
Tou Kewpie Co., Ltd.	Mail-order sales business
K.R.S. Corporation	Warehousing and transportation

S. Y. Promotion Co., Ltd.	Transportation
K. Tis Corporation	Warehousing and transportation
Kewso Services Corporation	Sale of equipment for cars
K Logistics Corporation	Transportation
San-ei Logistics Corporation	Transportation
Osaka San-ei Logistics Corporation	Transportation
M Logistics Corporation	Transportation
Sun Family Corporation	Transportation
YSystem Corporation	Transportation
Fresh Delica Network Corporation	Transportation
Shiba Seisakusyo Co., Ltd.	Production of machinery and equipment
San-ei Provisions Co., Ltd.	Sale of products for commercial use
K.System Co., Ltd.	Consigned clerical work
Kewpie Ai Co., Ltd.	Consigned clerical work
K.SS Co., Ltd.	Planning, production and services for sales promotion

Overseas Subsidiaries

Q&B Foods, Inc.	Production and sale of mayonnaise and dressings
BEIJING KEWPIE CO., LTD.	Production and sale of condiments
Kewpie (Thailand) Co., Ltd.	Production and sale of condiment sauce, powdered condiments and bottled and/or canned foods
Hangzhou Kewpie Corporation	Production and sale of condiments
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
Nantong Kewpie Corporation	Production and sale of vinegar, processed eggs and salads
Kewpie Poland Sp. z o.o.	Production and sale of condiments
Henningsen Foods, Inc.	Production and sale of egg products and dried meats
Henningsen Foods, Netherlands Inc.	Investment in affiliates in the Netherlands
Kifuki U.S.A. Co., Inc.	Investment in and management of U.S. associates





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