

INVESTORS' GUIDE 2017

〈 For the fiscal year ended November 30, 2017 〉



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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* Figures in this brochure depicting monetary amounts and shares owned are rounded down with the exception of monetary amounts expressed in billions of yen, which are rounded to the nearest billion. Ratios of owned shares are also rounded to the nearest whole figure.

* Figures indicating projections for FY2018 were released on January 11, 2018.

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.

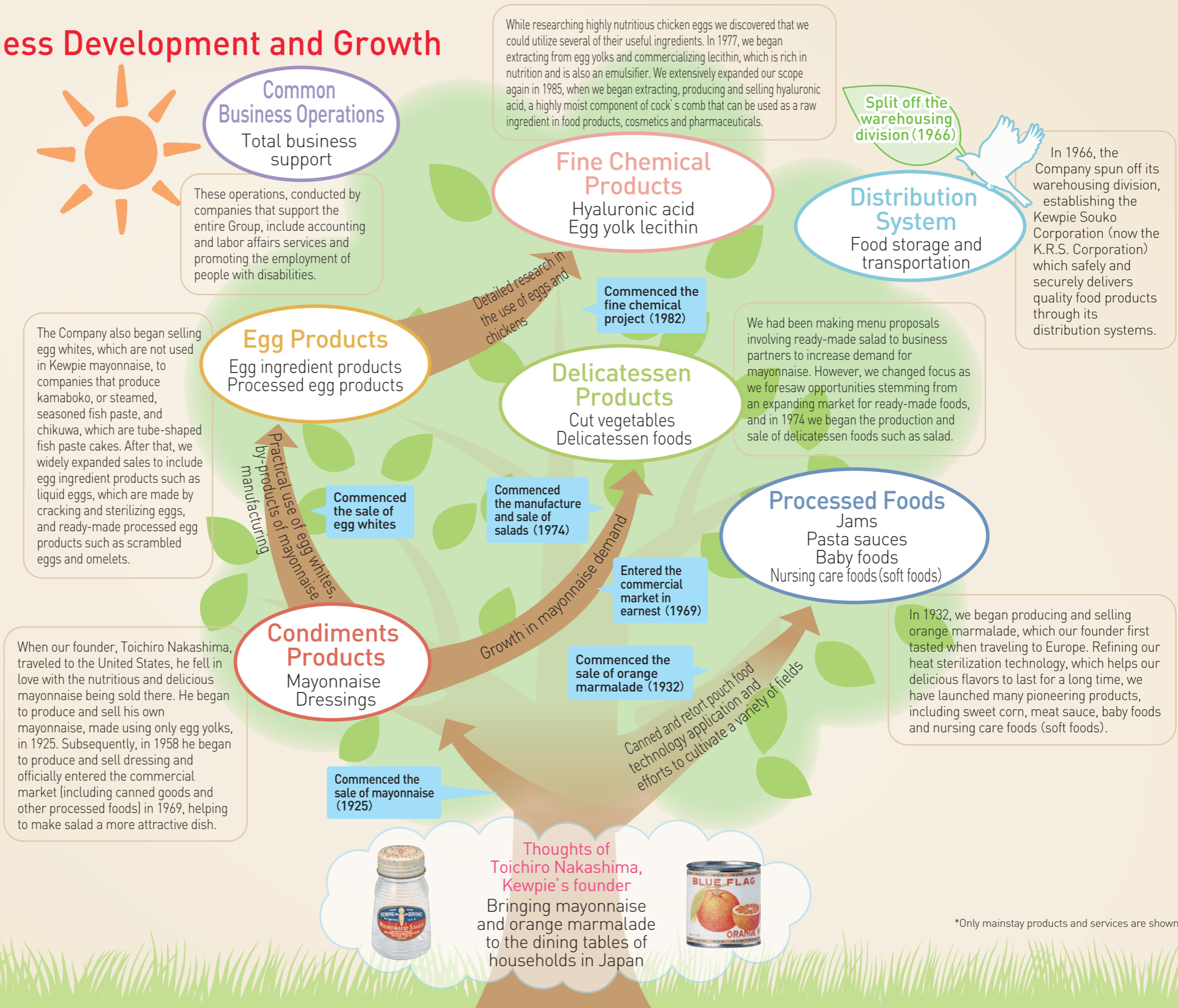
A History of Business Development and Growth

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 first tasted mayonnaise and orange marmalade. He returned with the dream of introducing these delicious treats to Japan. In 1925, with the added goal of improving Japanese people's physiques, he began selling mayonnaise that used only egg yolks and was rich in nutrients and flavor. In 1932, he also began selling orange marmalade.

These two products 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 for which we feel an intense passion and delivering products that the Kewpie Group is uniquely able to offer.



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

- Trend toward increasingly diverse purchasing channels in Japan
- Trend toward increasingly simple cooking methods in Japan
- Increase in worldwide population
- Trend toward increasingly Westernized foods in emerging nations

Societal needs

- Improvement in quality of life for the elderly
- Expanded opportunities to learn about and experience food
- Curtailment of food loss
- Containment of climate change
- Creation of accommodating working environments

2016-2018 Medium-Term Business Plan

▶ P11

Corporate Philosophy of the Kewpie Group

▶ P1

- Promotion of corporate governance ▶ P23
- CSR efforts ▶ P29

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

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 foods ▶ P17

Processed Foods



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

Fine Chemical Products



Hyaluronic acid
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



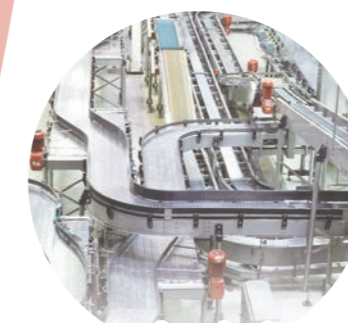
Distribution business
(supermarkets, convenience stores, other)



Mail-order sales, delivery



Food service industry
(hotels, restaurants, other)



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

*Only mainstay products and services are shown.

Providing value to stakeholders



People's health



New food lifestyles



The pleasures and importance of food



Food safety and reliability



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 orange marmalade and have been working to develop jams that use various types of fruits, maintaining the top share of the consumer market for jams, as well.



Began the manufacture and sales of Kewpie Mayonnaise in 1925



Kewpie Mayonnaise advertisement from the early days

- 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.

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 sales 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 the 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 FY2018: Veggie Bowl

The veggie bowl we propose replaces a portion of its rice with beans and assorted grains serving protein and vegetables together in a bowl. **The entire Kewpie Group recommends these menu items 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.



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 Dispens Pak is a container that can easily be opened and emptied with one hand, keeping your hands cleaner than the bag and cup containers of the past.

Creating New Value with an Emphasis on Group Cooperation



Osamu Chonan

President and Chief Executive Corporate Officer
Representative Director
Kewpie Corporation

FY 2017 Summary

Amid domestic lifestyle changes, including a rise in single-person households and a growing number of women entering the work force, consumer demand is rising for simple and ready-to-serve foods, and purchasing channels, such as those using the internet, are diversifying. Turning to markets outside Japan, we are seeing changes in dietary habits and lifestyles. These changes are 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 fiscal 2016 through fiscal 2018, we are working to maximize the Group's strengths to create value under the overarching theme of Group cooperation. To expand gross profit, we are creating and cultivating products with high added value, eliminating unprofitable products and reevaluating categories. We are also continuing to cut production costs by improving efficiency in the manufacturing process and reconstructing the raw materials procurement system.

In fiscal 2017, the suspension of Aohata Tokachi corn sales and the decline in the U.S. hen's egg market affected our business negatively. However, we achieved year-on-year rises in net sales and operating income by reducing costs, such as streamlining our production and improving unprofitable categories.

We bolstered our products with high added value in Japan by developing packaged salads containing vegetables with high nutritional value, including kale and watercress, and expanding our Aohata Marugotokajitsu lineup.

In addition, our Kobe factory in Hyogo Prefecture, which produces our key products, mayonnaise and dressing, began full operations in May 2017. This facility uses an ultrafast production line with cutting-edge technology that packages mayonnaise at almost twice the speed of prior production lines. To reduce energy costs, the factory employs LED lamps and natural light and processes and reuses waste heat. These attributes allow us to improve quality and strengthen cost competitiveness. Together with the Goka factory in Ibaraki Prefecture of the Kanto region, the Kobe factory enhances efficiency by enabling us to produce mainstay products centrally and efficiently.

We are also focusing on four areas in overseas markets—China, Southeast Asia, the United States and Europe—where the demand for mayonnaise and dressing is expanding.

We established the Nantong Kewpie Corporation in the suburbs of Shanghai in March 2017, our third production base in China. This company produces vinegar, which is a raw ingredient used in mayonnaise and dressing, and processed egg products and extended shelf-life salads, which are new categories for the Group. We will put the technology and experience we honed in Japan to use in expanding new categories and securing new demand.

FY 2018 Forecast

In fiscal 2018, we aim for net sales of ¥580.0 billion, up ¥18.3 billion year on year and operating income of ¥33.0 billion, up ¥1.7 billion year on year.*1

In the domestic Condiments Products Business, we aim to strengthen our chief product series, our deep-roasted sesame dressing series, through the addition of a new product with a slightly spicy flavor. We will also create further demand in the Delicatessen Products Business by expanding to new sales routes, including home delivery and restaurants.

In the Egg Products Business, we will strengthen our products with high added value, such as our highly functional eggs, while creating demand through technology that prevents products from hardening during heating and by conducting menu proposals.

Overseas, we intend to increase mayonnaise and dressing sales and expand new categories mainly in China and Southeast Asia.

To accelerate growth in China, we established a China business controlling company in December 2017. This company will conduct general control of and support for local subsidiaries in their business and financial management and their formulation of business strategies.

Domestically and internationally, we will continuously conduct cost-reduction initiatives through strengthening products with high added value, streamlining production and improving unprofitable categories. In this manner, we aim to steadily improve our profit structure.

We anticipate that operating cash flow for the three years since fiscal 2016 will reach about ¥115.0 billion. We expect capital investments of about ¥100.0 billion due to the start of reorganization activities in the Kansai region and aim for continuously stable dividend distribution with a standard consolidated dividend payout ratio of 30% or higher. For fiscal 2018, the company forecasts dividend payments of ¥38 per share, up ¥1.50 year on year.

Our 100-Year Anniversary and Beyond

As we mark the 100th anniversary of the Company's founding in 1919, I intend to further enhance our Group management.

To that end, we will reemphasize management that values and prioritizes the Group's philosophy.

The Kewpie Group has passed down the corporate motto and principles (refer to page 1), both intangible 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,"*2 the spirit of Kewpie founder Toichiro Nakashima.

To make the switch from an outstanding supporting player to a central player in the food industry, we will enhance our collaborative efforts both inside and outside the Company.

Until now, mayonnaise, which was the origin of our Company, has decorated dinner tables as an outstanding supporting player. However, as time has passed, dietary habits have undergone major changes. While continuing to steadily refine our mayonnaise and dressing we will strengthen our expansion into the ready-made food market utilizing wisdom and management resources from outside the Company to provide products that respond to current demands, including processed egg products, delicatessen products and cut vegetables. Through these initiatives we will contribute as a main player in the food industry.

Finally, we will continually aim for improvement in preparation for the Company's next 100 years.

To achieve sustainability and harmonious coexistence for society, we will promote CSR activities as a foundation for sustainable growth. We will actively contribute to the realization of a sustainable society by conducting initiatives aimed at resolving core CSR issues: "contribution to healthy life-span extension," "support for the mental and physical health of children," "efficient use and sustainable procurement of resources," "reduction of CO₂ emissions (climate change response)" and "promotion of diversity."

*1 Figures indicating projections for FY2018 were released on January 11, 2018.

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

Summary of the Medium-Term Business Plan for FY2016–2018

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	Enhance cost competitiveness
	<ul style="list-style-type: none"> ● Generate value tailored to needs ● Utilize and open up sales channels ● Strengthen proposals for core products 	<ul style="list-style-type: none"> ● Improve efficiency of production, sales, and distribution ● Ensure technological innovation in manufacturing ● Strengthen the procurement capacity for raw materials

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

Main Initiatives
<ul style="list-style-type: none"> ● Provide proposals that capture area needs ● Strengthen export expansion areas using strategic products ● Expand into new categories

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

Management Indices

	(¥ billion)				
	FY2015 (Corrected)	FY2016	FY2017	Change vs.2016	FY2018 (Plan)
Net Sales	549.8	552.3	561.7	101.7%	580.0
Domestic	512.1	514.5	519.0	100.9%	529.1
Overseas	37.7	37.8	42.7	112.9%	50.9
Operating Income	26.4	29.8	31.3	104.8%	33.0
Domestic	22.3	26.5	29.0	109.3%	29.3
Overseas	4.0	3.3	2.3	69.0%	3.7
Operating Income Ratio (%)	4.8	5.4	5.6	—	5.7
Ordinary Income	27.2	31.4	32.5	103.7%	34.1
Profit Attributable to Owners of Parent	17.0	17.1	18.1	105.9%	18.6
ROE (Return on equity) (%)	8.3	8.0	8.2	—	8.2
ROA (Return on assets) (%)	7.5	8.3	8.1	—	8.1
EBITDA (Operating income + Depreciation and amortization)	45.4	48.1	48.1	100.0%	51.5

*Figures presented for FY2015 have been corrected to reflect changes in policies for recording net sales.

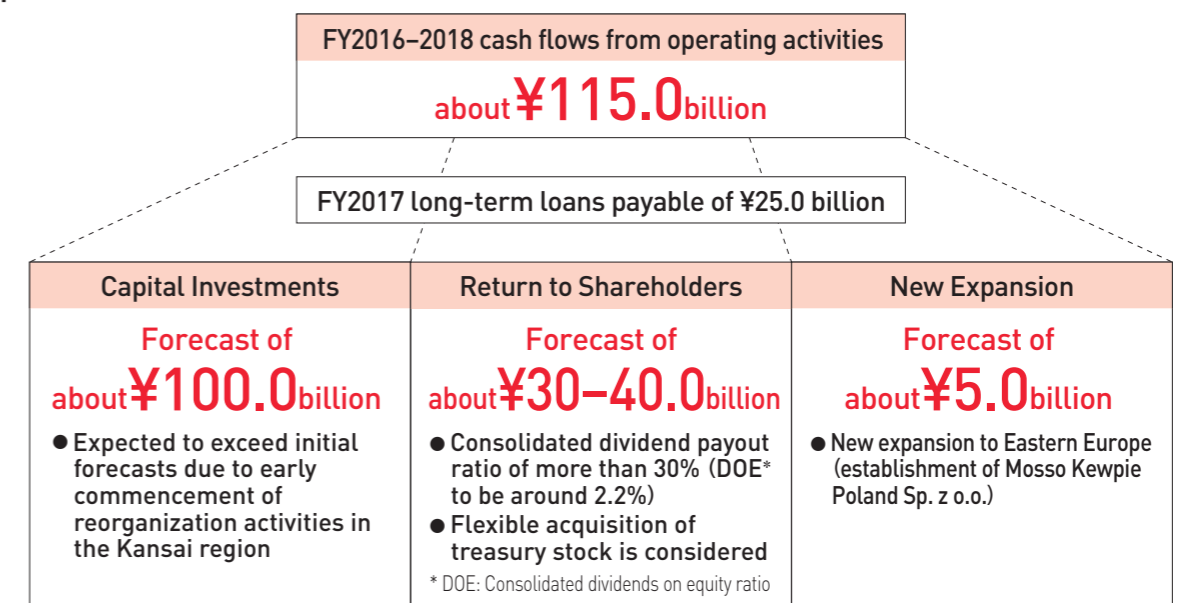
*Figures indicating projections for FY2018 were released on January 11, 2018.

*Figures for overseas businesses are recorded from October to September, including exports from Japan. (Exports from Japan are recorded from December to November.)

Changes in Accounting Methods (from Fiscal 2016)

- **Change to accounting standard for net sales**
From the fiscal year ended November 2016, the Company has changed its accounting method of recording sales promotion expenses and part of distribution expenses.
[Prior to change] Sales promotion expenses were posted as marketing costs when the cost was finalized.
→ [After change] When sales are posted, sales promotion expenses, etc., are deducted from net sales.
- **Change to amortization method for fixed assets**
From the fiscal year ended November 2016, the Company changed its amortization method for fixed assets.
[Prior to change] Declining-balance method → [After change] Straight-line method
(The Company has reviewed its evaluation methods for service life and residual value.)

Capital investments and Return to Shareholders



Business Overview

(¥ billion)

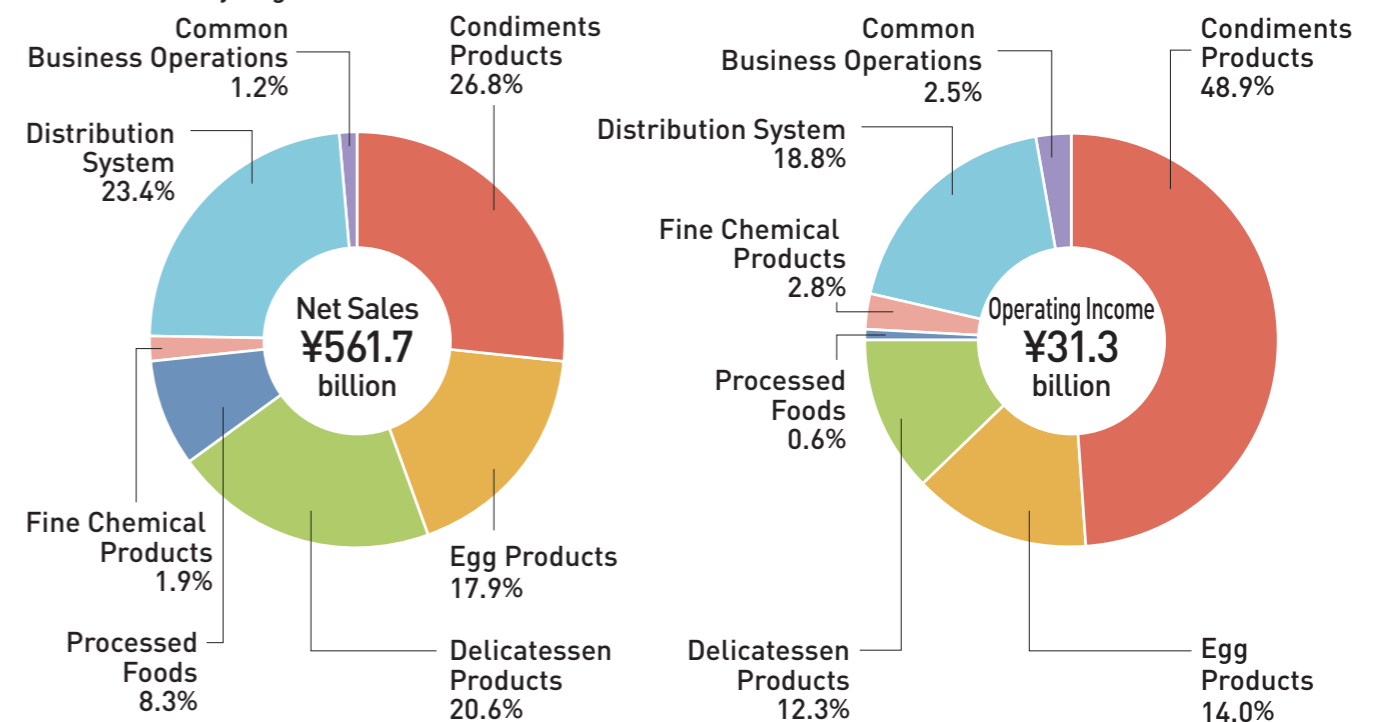
	Overview	Mainstay Products
Condiments Products	Mainly comprising mayonnaise and dressings, the Condiments Products is the core of the Group's businesses. Offering product development and menu proposals from household to commercial use that meet the needs of wide-ranging customers, the Condiments Products operates in Japan and overseas, driving the Group's growth.	<p>Mayonnaise Dressings Mustard 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. Additionally, we sell frozen and ready-cooked eggs as processed egg products to the food-service industry, including hotels and restaurants.	<p>Whole eggs for cooking Twin Pack (Yolk & White) Torotto egg series Tsubushite-oihii 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, the restaurant industry and the e-commerce market. 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 hyaluronic acid, egg yolk lecithin and other components of eggs, as well as medical-use eicosapentaenoic acid (EPA), 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</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.	

Net Sales	FY2015 (Corrected)	FY2016	FY2017	Change vs.2016	FY2018 (Plan)
Condiments Products	142.2	144.1	150.4	104.4%	161.0
Egg Products	104.6	102.2	100.5	98.3%	102.0
Delicatessen Products	100.4	111.8	115.5	103.3%	120.5
Processed Foods	57.5	51.3	46.6	90.9%	47.5
Fine Chemical Products	11.3	10.9	10.6	97.5%	11.0
Distribution System	127.7	126.9	131.2	103.4%	134.0
Common Business Operations	5.9	5.2	6.8	132.7%	4.0
Total	549.8	552.3	561.7	101.7%	580.0

(¥ billion)

Operating Income	FY2015 (Corrected)	FY2016	FY2017	Change vs.2016	FY2018 (Plan)
Condiments Products	12.5	13.7	15.3	111.9%	15.3
Egg Products	5.4	5.5	4.4	79.7%	5.2
Delicatessen Products	2.8	3.5	3.8	111.0%	4.6
Processed Foods	(0.3)	0.5	0.2	38.5%	0.4
Fine Chemical Products	0.4	1.0	0.9	83.8%	0.9
Distribution System	4.8	4.9	5.9	120.5%	6.0
Common Business Operations	0.9	0.8	0.8	103.8%	0.6
Total	26.4	29.8	31.3	104.8%	33.0

FY2017 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 the 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

FY2017 Overview

- Net sales**
- Net sales of mayonnaise and dressing in China and southeast Asia were robust and increased year on year.
- Operating income**
- Income rose, reflecting growth in value-added products and reduced costs for key raw materials.

	FY2017 Overview (¥ billion)			
	FY2015 (Corrected)	FY2016	FY2017	FY2018 (Plan)
Net sales	142.2	144.1	150.4	161.0
Operating income	12.5	13.7	15.3	15.3

Main Initiatives for FY2018

Make Core Products the Foundation

We are working to create demand mainly for dressing, which we will have been selling for 60 years as of 2018. We added a new item with a slightly spicy flavor to our line of deep-roasted sesame dressings and aim to develop it into a multi-purpose condiment that can be used on anything from salads to main dishes.

Additionally, we will expand sales of healthy Veggie Bowl main-meal salads to home-cooked foods, ready-made foods and restaurant markets. The Company will also stimulate the salad market and broaden demand for dressing by increasing the marketability of its menu proposals.

Finally, we aim to make our mayonnaise into a more versatile condiment by spreading information regarding cooked and fried menu items via television commercials and social networking.

Break into New Fields

The Company will simplify food preparation, shorten serving times in the restaurant market by strengthening development efforts for hearty condiments with a homemade flavor.

In addition, we will secure new, mainly younger, customers who want to savor the essential flavors of vegetables by expanding our new salad condiment, Salad Salt, which allows customers to enjoy salads through the aroma of herbs.

Operate Production and Distribution Based on Demand

Our Kobe factory went into full operation in May 2017 and, together with the Goka factory in Ibaraki Prefecture, created a domestic mother production system. While improving the production efficiency of key products through centralized production, this system quickly responds to customer demand through logistical cooperation, reducing the number of days products spend in inventory.

Expand Overseas

The Company will cultivate markets in China and southeast Asia, developing products and making menu proposals in response to each area's demands.

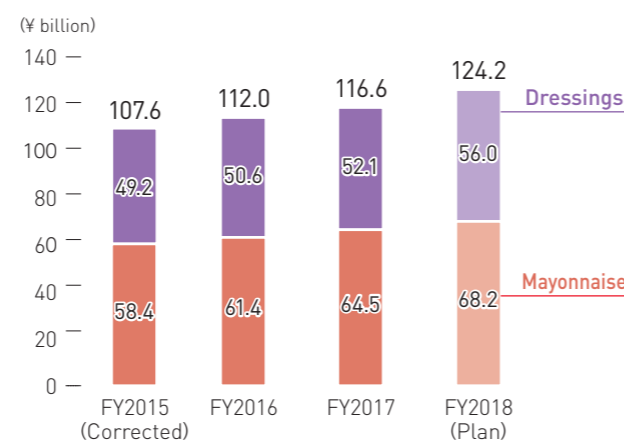
We will also expand our mainstay categories of mayonnaise and dressings in China and southeast Asia.

Additionally, we will steadily develop our KEWPIE-brand products in the United States and Europe.

Development of New Salad Condiments



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

FY2017 Overview

- Net sales**
- Both sales and operating income decreased due to a decline in the U.S. hen's egg market, but sales of value-added products such as small packaged frozen eggs grew.
- Operating income**

	FY2017 Overview (¥ billion)			
	FY2015 (Corrected)	FY2016	FY2017	FY2018 (Plan)
Net sales	104.6	102.2	100.5	102.0
Operating income	5.4	5.5	4.4	5.2

Main Initiatives for FY2018

Expand in the Food Service Market

The Company aims to increase demand in the food service market for products containing our select eggs and products utilizing our unique technologies while responding to labor shortfalls by strengthening proposals for simple operations.

We will also create new demand by proposing unique menu items including white omelets, which can be made using our Pure White frozen eggs, which become white when heated. Finally, we will further expand demand by creating new menu items with technology that prevents them from hardening when heated.



Pure White



White omelet made with Pure White

Expand in the Consumer Market

In addition to our Tsubushite-Oishii Egg Salad product, which can be used to create fresh egg salad, we will launch Fluffy Scrambled Eggs, which do not harden when heated, at nationwide supermarkets.



Fluffy Scrambled Eggs

Strengthening of Operation Base

Through collaboration with producers and feed companies, the Company will stabilize the procurement of hen's eggs, a key raw material, to minimize the impact of market fluctuation. Additionally, we will introduce high-speed egg breaking equipment that allows us to break eggs faster and in larger quantities, improving productivity and reducing costs.

Our North American egg products subsidiary will streamline raw material procurement and sales methods and conduct system reinforcement.

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

FY2017 Overview

- Net sales**
- Net sales increased along with our expansion into new sales routes in addition to supermarkets, including home delivery and restaurants.
- Operating income**
- Income increased, due in part to growth in value-added products including highly nutritious cut vegetables.

	(¥ billion)			
	FY2015 (Corrected)	FY2016	FY2017	FY2018 (Plan)
Net sales	100.4	111.8	115.5	120.5
Operating income	2.8	3.5	3.8	4.6

Main Initiatives for FY2018

Accelerate Growth in Three Fields

Cut Vegetables

In the consumer market, we will continue to develop products that use highly nutritious vegetables and salad-related products and expand our number of sales locations.

In addition, we will intensify our efforts in food service markets where product needs are increasing due to the effects of factors such as personal shortages.

Prepared Foods

The Company will strengthen its product lineup to include cooking kit products that contain all necessary ingredients in response to diversifying needs, including shortened food preparation times. We will also move into growing markets with new sales routes such as restaurants and home delivery.

Finally, we will augment our key salad product and improve profitability by streamlining production and consolidating products.

Cooked Rice

The Company will further its expansion into supermarkets while opening new sales routes, including mail-order sales and home delivery.

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



Cooking Kits with all Ingredients Included (Delicatessen Product)



Salad made with our soft-boiled egg and Caesar salad kit

Entry into New Fields

Developing products in response to customer needs, the Company will intensify its expansion into the e-commerce market.



Everything Salad Aoyama

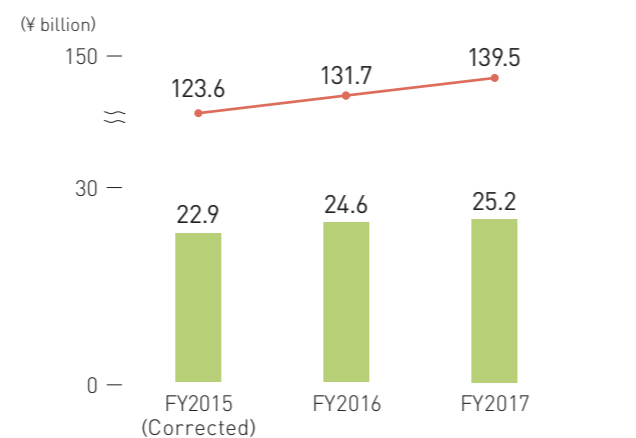
We will also use information that we obtained from customers at our salad specialty restaurant, Everything Salad Aoyama, which opened in May 2017, for future product development.

Structural Reform of Businesses

The Company will operate using energy-conserving lines on a full-scale, improving quality and productivity in an effort to strengthen market competitiveness for cut vegetables and to resolve labor shortages. We will also minimize damage to vegetables during washing and cutting and improve their taste while enhancing quality by shortening the durations of manufacturing processes and through automation. Furthermore, we predict that we can curtail energy costs by 25% and will strive to set ourselves apart from the competition by enhancing quality while showing consideration for the environment.

Sales of Kewpie Cut Vegetables

Scale of Cut Vegetables for the Consumer Market (→)
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

FY2017 Overview

- Net sales**
- Sales decreased due to the suspension of Aohata Tokachi corn sales and from a shift in Aohata Corporation's fiscal year.
- Operating income**
- The suspension of Aohata Tokachi corn sales caused income to fall, but the Company experienced growth in value-added products and streamlined unprofitable products.

	(¥ billion)			
	FY2015 (Corrected)	FY2016	FY2017	FY2018 (Plan)
Net sales	57.5	51.3	46.6	47.5
Operating income	(0.3)	0.5	0.2	0.4

Main Initiatives for FY2018

Strengthen Competitiveness in Existing Categories Revitalize Market with Aohata jam

Aiming to increase the purchasing frequency of our loyal senior citizen customer base, we will propose our Aohata Marugotokajitsu series, which is made without sugar and with real fruit and fruit juice, as an easy way to consume more fruit.

Additionally, we will target younger customers with products you can eat simply by spreading them onto bread, such as Aohata 55 Jam, and by proposing new ways to enjoy them.

Actively Expand Cooking Sauces

The Company will strengthen sales and promotions and advertising to gain customer support and position Dress Pasta Sauce as a key product series.

Expand Processed Goods with Salad Menu Proposals

Coupled with proposals from the Condiments Products Business, we will propose products containing beans and assorted grains as ingredients for salad.

We suspended sales of Aohata Tokachi corn in fiscal 2017, but the Company will relaunch sales using Salad Club brand retort pouches, which use corn made in Hokkaido, to restore sales and income.



Salad Club Hokkaido corn bowl

New Growth and Creation Cultivate Food for the Elderly across the Group

We will cultivate food for the elderly across the Group, offering products that address their food-related concerns.

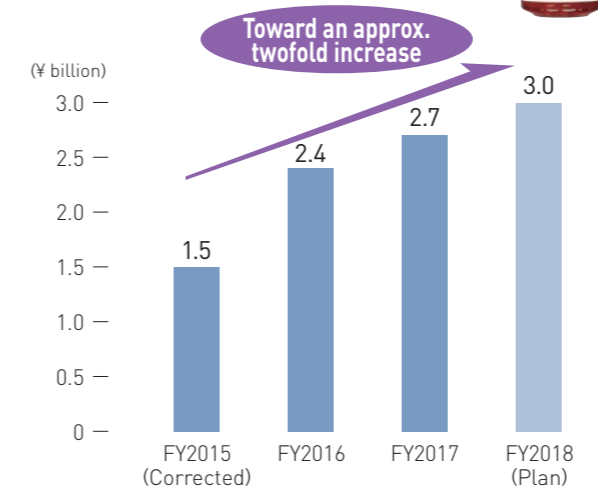
Expand Utilizing Fruit-Processing Technology

Including our low-sugar processed fruit and fresh, chunky frozen fruit sauce, we will expand products that utilize our fruit-processing technology.

Strengthen Our Revenue Base

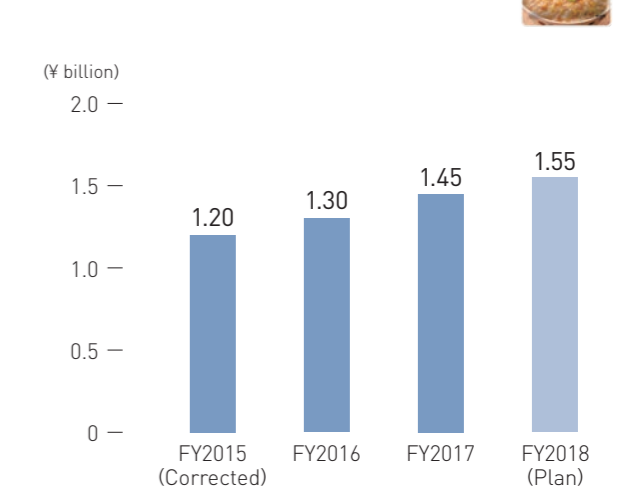
We will improve our ability to respond to markets by pulling out of unprofitable categories, reorganizing production, reducing costs and accelerating product development.

Marugotokajitsu Series Sales



Toward an approx. twofold increase

Yasashii Kondate Sales





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

FY2017 Overview

- Net sales** • Sales decreased due to a decline in EPA shipments for medical use, but sales of products for mail-order sales were strong.
- Operating income** • Income decreased due to a rise in sales promotion expenses but sales of hyaluronic acid for medical use grew.

	(¥ billion)			
	FY2015 (Corrected)	FY2016	FY2017	FY2018 (Plan)
Net sales	11.3	10.9	10.6	11.0
Operating income	0.4	1.0	0.9	0.9

Main Initiatives for FY2018

Focus on Value-Added Products

The Company is raising profitability by focusing on raw material sales of hyaluronic acid for medical use. In the past, we had extracted this substance from cockscomb, but now we employ microbial fermentation. With this ability, we will increase our domestic share and expand into overseas markets through lowered costs and widened sales routes.

Additionally, we will begin manufacturing and selling medical equipment that uses hyaluronic acid to achieve growth for the next period's medium-term business plan.

* Hyaluronic acid is a component of the human body that exists in the eyes, skin and joints and helps with the retention of moisture. The amount of hyaluronic acid in the human body decreases with age.

Strengthen BtoC Route Initiatives

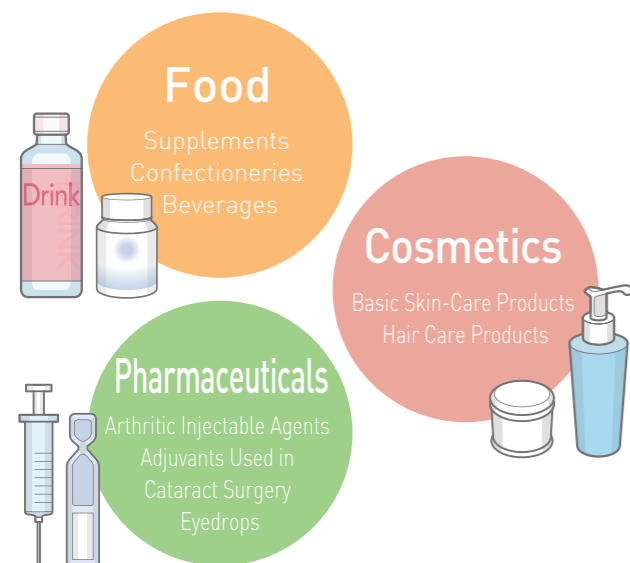
The Company will intensify promotions aimed at customers with high need for YOITOKI, a supplement that contains 100 million acetic acid bacteria enzymes within two tablets, and K Blanche, an alcohol disinfectant spray containing Noro Clear Protein derived from egg whites that protects against bacteria and viruses.

Additionally, we will increase our number of regular mail-order customers by beginning full-scale expansion of Internet and television sales efforts centering on Hyalomoisture 240, a food with functional claims containing 240 mg of hyaluronic acid, which preserves skin moisture and relieves dryness.

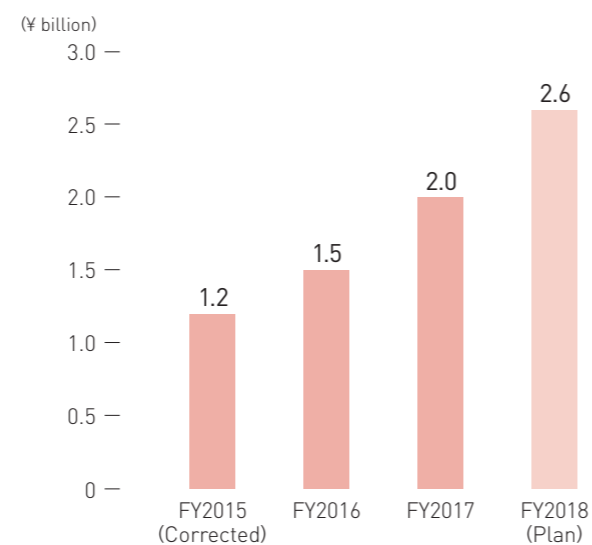


Hyalomoisture 240 (Foods with Functional Claims)

Three Core Applications of Hyaluronic Acid



Kewpie Mail-Order Sales



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

FY2017 Overview

- Net sales** • Sales increased by expanding service areas for existing customers and acquiring new customers.
- Operating income** • Income increased thanks to higher revenue and successful efforts to streamline storage and transportation, despite cost rises due to the opening of new logistics locations.

	(¥ billion)			
	FY2015 (Corrected)	FY2016	FY2017	FY2018 (Plan)
Net sales	127.7	126.9	131.2	134.0
Operating income	4.8	4.9	5.9	6.0

Main Initiatives for FY2018

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.

In addition to improving storage and distribution efficiency, the Company will also increase throughput, thereby improving sales capacity. Additionally, we will respond to driver shortages by promoting active contributions from our diverse human resources and creatively modifying carrying methods to strengthen transportation capabilities along trunk routes such as encouraging joint transportation for long-distance deliveries and conducting a modal shift from truck transport to train transport.



Joint transportation using a trailer



Train transport by refrigerated container

Exclusive Distribution

Through the exclusive distribution business, we offer our clients comprehensive distribution services. For example, 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.

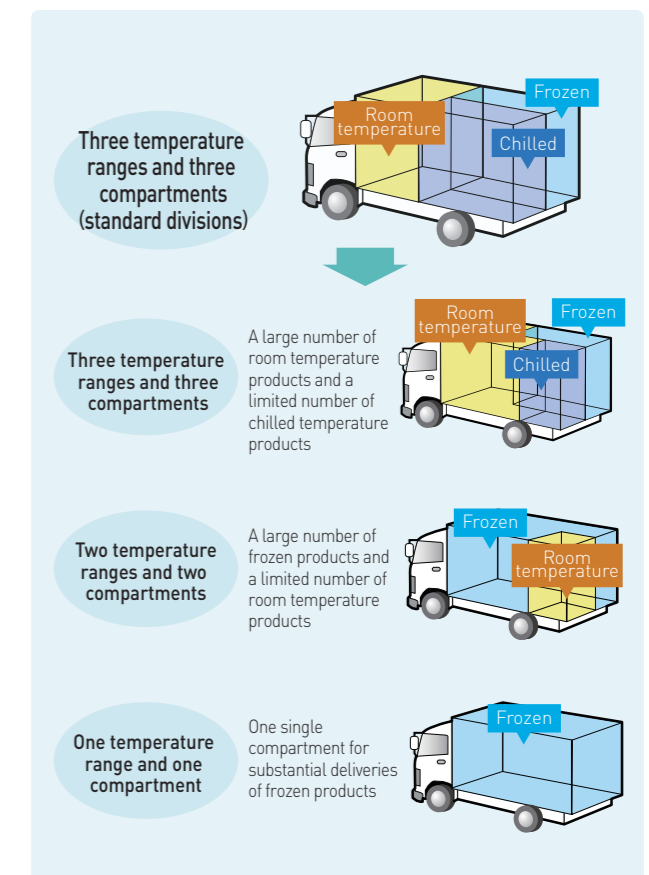
Improvements of Distribution Quality and Technical Capabilities

We endeavor to create an attractive working environment that is welcoming for women and seniors. In addition, we will introduce environmentally friendly equipment, including refrigeration equipment that uses natural refrigerants.

To enhance its technical capabilities, the Company will also strive to automate warehouse unloading, storage, sorting and loading operations.

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)



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.

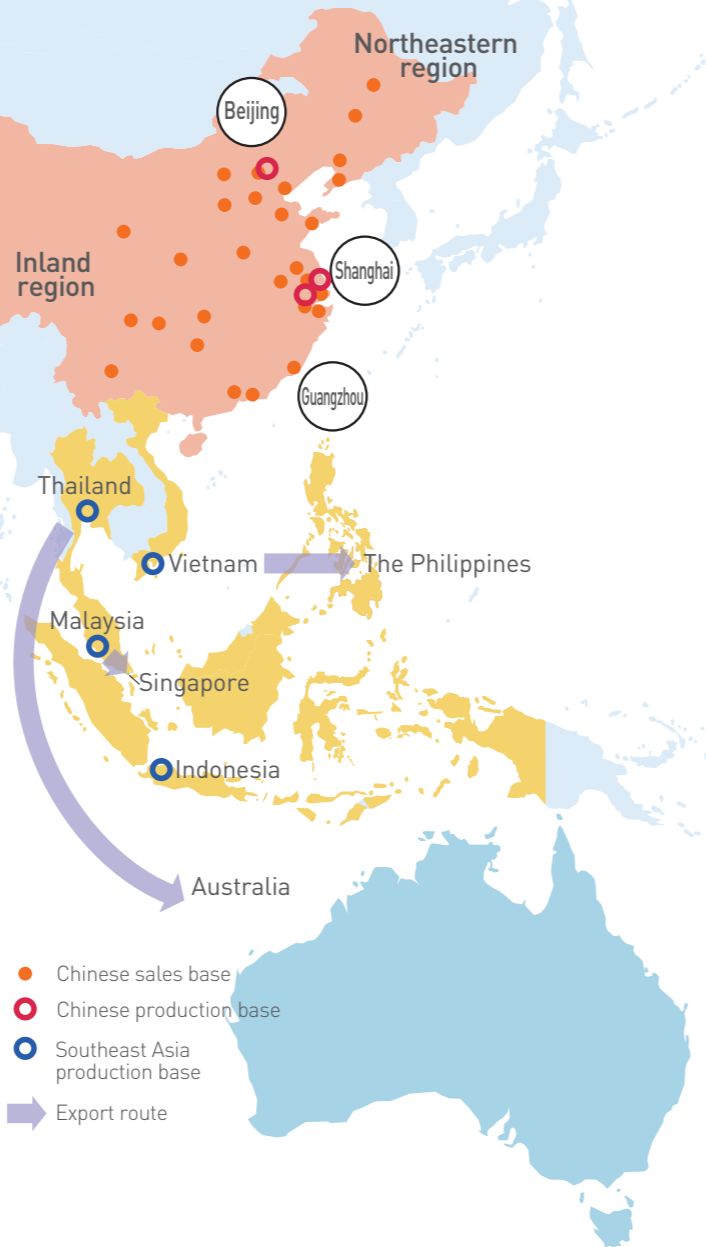
China

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

Beijing
90%

Shanghai
60%

Guangzhou
80%

*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.



Southeast Asia

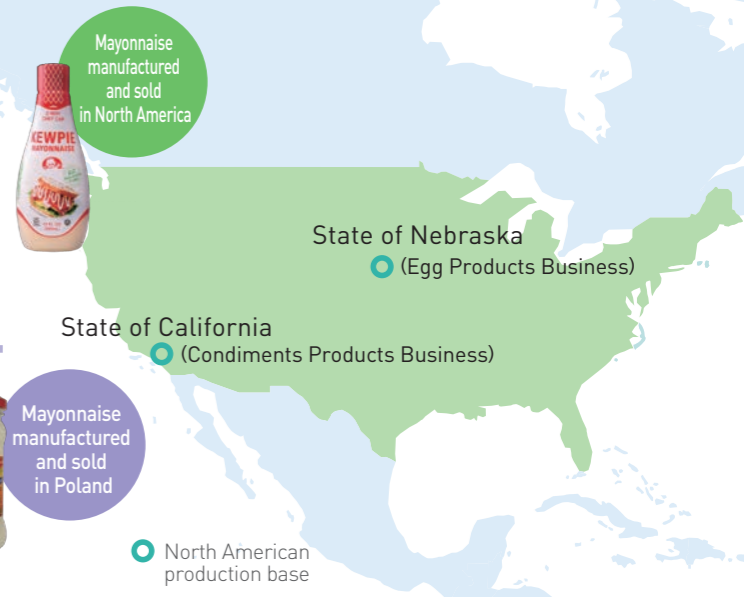
The Kewpie Group entered Thailand in 1987. In moving our business forward, we are focusing mainly on the food service market amid the increasingly Westernized nature of local diets. In addition, factories came online in Malaysia, Vietnam and Indonesia in 2010, 2012 and 2014, respectively. With these 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

	FY2015 - FY2018 (Plan)			
	FY2015 (Corrected)	FY2016	FY2017	FY2018 (Plan)
(¥ billion)				
Net sales				
China	14.2	15.7	18.1	21.4
Southeast Asia	7.9	7.6	8.5	10.1
North America	12.9	11.8	11.1	12.4
Exports and New Business	2.7	2.7	5.0	7.0
Total	37.7	37.8	42.7	50.9
(¥ billion)				
Operating income				
China	1.7	2.2	2.2	2.7
Southeast Asia	0.0	0.2	0.3	0.5
North America	1.9	0.6	(0.4)	0.4
Exports and New Business	0.3	0.4	0.2	0.1
Total	4.0	3.3	2.3	3.7

*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 FY2017

- 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.

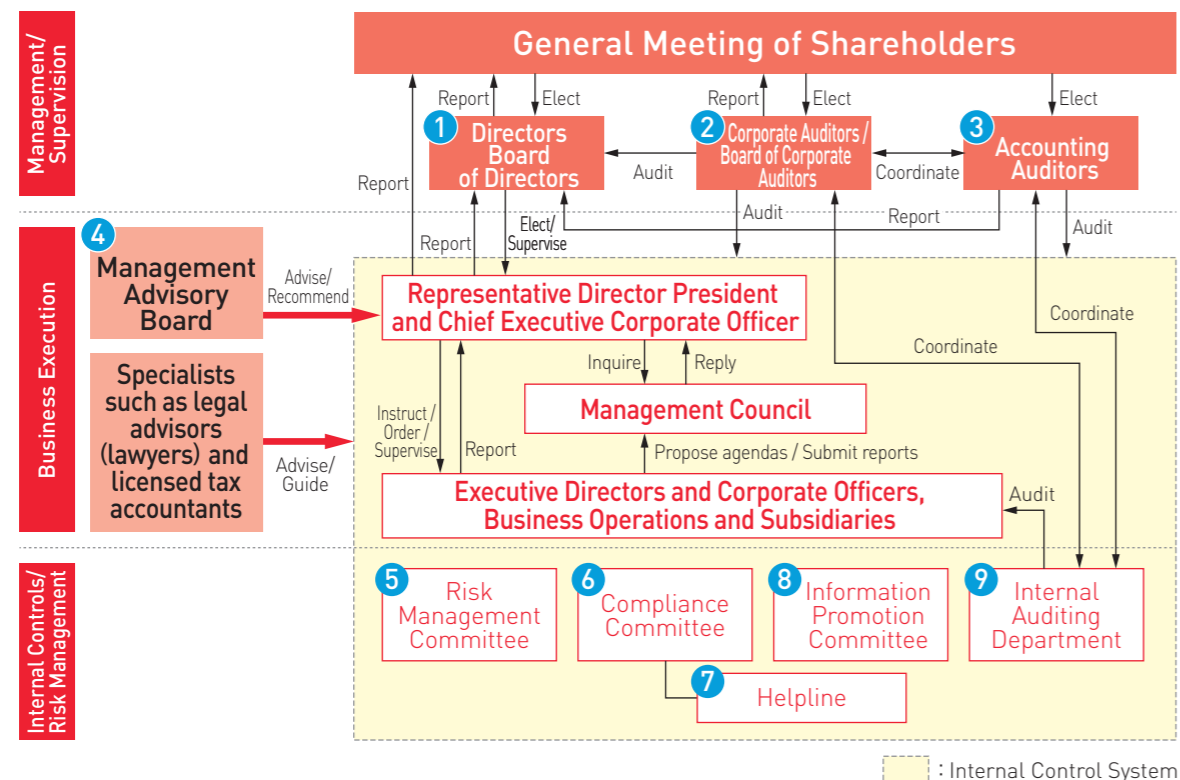
Corporate Governance Guidelines (Japanese only) >> https://www.kewpie.co.jp/company/corp/governance/pdf/kewpie_Corporate_Governance_Guidelines171226.pdf

Basic Policies and Structure

Basic Policies 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 27, 2018)

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 or less Number of directors: 11 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 or less 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 3 certified public accountants from Ernst & Young ShinNihon LLC, 48 people assist with auditing tasks (21 certified public accountants and 27 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 regulations related to the compliance system, the Company has also stipulated the Group policies for taking action to ensure that directors and employees remain in compliance with laws and regulations, the Company's Articles of Incorporation and its corporate motto and principles. With a view to thoroughly inculcating matters relating to compliance, the Company appoints the directors responsible for compliance issues who chairs the Compliance Committee, establishes a company-wide compliance system 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 Promotion 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 Promotion 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 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.

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. 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.

■ Rationale and Calculation Method for Compensation of 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. Calculation Method for Bonuses

- (1) The bonus amount is calculated according to the rank of directors and corporate officers, 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 2017

Corporate Officer Category	Total Compensation (¥ million)	Amount of Compensation by Type (¥ million)		Number of Eligible Corporate Officers
		Monthly Amount	Bonus	
Directors (excluding outside directors)	396	333	62	13
Corporate auditors (excluding outside corporate auditors)	51	51	–	2
Outside corporate officers	54	54	–	5

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

■ Evaluation of the Effectiveness of the Board of Directors

From November through December 2016, the Company implemented an evaluation of the effectiveness of the Board of Directors (first evaluation) and worked to improve the Board of Directors based on those results.

Going forward, an evaluation of the effectiveness of the Board of Directors will be implemented every year, and we will work to build a management framework that contributes to the medium- to long-term development of the Group.

Implementation methods and details	<ul style="list-style-type: none"> ● Covering all corporate officers, we implemented a questionnaire using an external organization. The questionnaire was composed of 50 questions in both multiple-choice and free-response format, and included sections on "Thorough Deliberations at the Board of Directors," "Ensuring and Improving the Qualifications and Knowledge of the Directors and the Board of Directors," "Designing, Structuring, and Operating the Board of Directors and its Related Organizations," "The Mission, Roles, and Responsibilities of the Directors and the Board of Directors," "The Relationship and Dialogue with the Shareholders," and "The Handling of Non-Shareholder Stakeholders." ● The external organization analyzed and evaluated the responses to the questionnaire, and, following the reporting and sharing of those results with the Board of Directors, an exchange of opinions was held among all Directors at a meeting of the Board of Directors.
Evaluation results	<ul style="list-style-type: none"> ● No serious insufficiencies or structural failings were identified in our corporate governance centered on the Company's Board of Directors in terms of either the Companies Act or our Corporate Governance Code. ● Overall, our desired corporate governance stance was generally being realized, but certain issues were identified from the standpoint of the effectiveness of the Board of Directors.
Improvement initiatives	<ul style="list-style-type: none"> ● In regard to the expected role of outside corporate officers and priority items for discussion at the Board of Directors, management discussed and organized the issues. ● Mainly covering newly appointed Directors, executive training was conducted by external instructors. ● While working to expand information sharing with outside corporate officers, we increased the opportunities for outside corporate officers to tour business offices.

Furthermore, the second evaluation of the effectiveness of the Board of Directors mainly focused on the state of improvement of the main issues identified in the first evaluation and was implemented through a questionnaire given to corporate officers in December 2017 using an external organization.

Thereafter, following the reporting and sharing of the questionnaire results and evaluation by the external organization with the Board of Directors, an exchange of opinions was held among all corporate officers at a meeting of the Board of Directors.

In the questionnaire, the evaluation showed that overall many of the issues had been improved, and future issues as well as plans for concrete initiatives will again be shared at a meeting of the Board of Directors as we work toward further improvement.

Status of Individuals Who Have Retired from the Position of Representative Director, President and Chief Executive Corporate Officer, etc.

The Company has not currently appointed an Executive Corporate Adviser.

The Company, where the President and Chief Executive Corporate Officer recognizes a specific business need, shall, in accordance with the required internal procedures, delegate a retired President and Chief Executive Corporate Officer as an Executive Corporate Adviser, or a retired corporate officer as a Corporate Adviser.

The Executive Corporate Adviser, mainly for the smooth succession of management, shall provide advice where requested by the President and Chief Executive Corporate Officer, and shall fulfill other duties as requested by the President and Chief Executive Corporate Officer, including industry group activities and activities to maintain relationships with business partners. Furthermore, a Corporate Adviser will be delegated particularly when there is a specific mission to be requested based on the Corporate Adviser's knowledge and experience during his or her time as a corporate officer.

Neither the Executive Corporate Adviser nor the Corporate Adviser has authority in the decision-making process of management, neither do they attend meetings of the Management Council or other internal meetings.

The terms shall be in principle one-year term with a maximum of two years for the Executive Corporate Adviser and a maximum of one year for the Corporate Adviser, meaning retired corporate officers do not maintain long-term business relationships with the Company.

Furthermore, in terms of internal procedures, the delegation of the Executive Corporate Adviser requires a resolution by the Board of Directors, and the delegation of the Corporate Adviser requires a decision by the President and Chief Executive Corporate Officer reported to the Board of Directors.

Promotion of Corporate Governance

Directors and Corporate Auditors (As of February 27, 2018)

Directors



Amane Nakashima
Chairman of the Board of Directors
In charge of Compliance and Brand



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



Masafumi Furutachi
Representative Director
Senior Executive Corporate Officer in charge of Condiments Products Business, Processed Foods Business 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 Division, Public Relations and CSR Office, Division of Personnel Affairs and Division of Logistics



Kengo Saito
Director
Executive Corporate Officer in charge of Egg Products Business



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 Business

Corporate Auditors



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



Kazunari Uchida
Outside Director
Independent Officer



Shihoko Urushi
Outside Director
Independent Officer



Haruo Fuse
Standing Corporate Auditor



Kiyotaka Yokokoji
Standing Corporate Auditor



Emiko Takeishi
Outside Corporate Auditor
Independent Officer



Kazuyoshi Tsunoda
Outside Corporate Auditor
Independent Officer



Kazumine Terawaki
Outside Corporate Auditor
Independent Officer

Note: The Company has notified the Tokyo Stock Exchange, Inc., that the Company's outside directors and outside corporate auditors are independent corporate officers with no risk of conflicts of interest with the general shareholders.

Status of Outside Corporate Officers

	Reason for Appointment	Important Concurrent Posts Held	Attendance at Board Meetings
Outside Director Kazunari Uchida	Mr. Uchida possesses a high level of expertise and broad ranging insights regarding corporate management and provides useful advice and opinions in regard to the promotion of healthy and efficient management. For these reasons, we judge that he meets the Company's nomination policy.	Professor of Graduate School of Commerce at Waseda University, External Director of MITSUI-SOKO HOLDINGS Co., Ltd., External Director of Lion Corporation	Board of Directors' Meetings: 12/12
Outside Director Shihoko Urushi	Ms. Urushi not only has abundant experience as an educator, but is also full of drive and passion as a corporate executive, and provides useful advice and opinions from the perspectives of both human resource training and corporate management. For these reasons, we judge that she meets the Company's nomination policy.	President of Shinagawa Joshi Gakuin and Principal of Shinagawa Joshi Gakuin Junior High School, Member of the Education Rebuilding Implementation Council (Cabinet Office)	Board of Directors' Meetings: 11/12
Outside Corporate Auditor Emiko Takeishi	In addition to her experience in the administrative field, Ms. Takeishi possesses a broad range of knowledge on human resource systems and labor policies. For these reasons, we judge that she will be able to secure sufficient time to provide useful advice and opinions in regard to the overall management.	Professor, Faculty of Lifelong Learning and Career Studies, Hosei University, Outside Audit & Supervisory Board Member of Tokio Marine & Nichido Fire Insurance Co., Ltd.	Board of Directors' Meetings: 11/12 Board of Corporate Auditors' Meeting: 12/13
Outside Corporate Auditor Kazuyoshi Tsunoda	We judge that Mr. Tsunoda will be able to secure sufficient time to provide useful advice and opinions in regard to the overall management, as he possesses the broad experience such as working in positions responsible for both executing and supervising operations of business companies.	—	Assumed at the conclusion of the 105th Ordinary General Meeting of Shareholders held on February 27, 2018
Outside Corporate Auditor Kazumine Terawaki	We judge that Mr. Terawaki will be able to secure sufficient time to provide useful advice and opinions in regard to the overall management, particularly internal control systems like compliance and risk management, as he possesses specialist knowledge and broad insight as a legal expert.	—	

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 his or her 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.

CSR Efforts









The Company has emphasized the founder's focus on customer health since establishment in 1919. At this time, as a company whose diverse employees contribute actively toward achieving goals, we have established a fundamental CSR mindset and important CSR issues so that the next generation can grow in harmony with society.

Fundamental CSR Mindset

We will adhere to the Group's philosophy and standards, contributing to a sustainable society while promoting CSR activities as a foundation for continuous growth.

Important CSR Issues

The Company will work toward the resolution of social issues in pursuit of a sustainable society and company. Based on the Kewpie Group's strengths and uniqueness, and referring to Sustainable Development Goals (SDGs), we selected social issues to which we believe the Company should respond and evaluated each issue's influence on society and importance to the Company. With this information, we outlined the Company's priority CSR issues.

Priority Issue	Our Sentiment	Link with SDGs
Contribution to extending the healthy lifespan	We will contribute to a society in which the elderly can also live in good health.	 
Mental and physical health support for children	We will support children's mental and physical health through their diets and support their future activities.	 
Efficient use of resources and sustainable procurement	We will show gratitude for our natural blessings and be mindful of Earth's sustainability.	  
Reduction of CO ₂ emissions (response to climate change)	We will work to reduce CO ₂ emissions in pursuit of global warming prevention.	
Promotion of diversity	All Group members will accept, and learn from, one another in pursuit of a sustainable society and Group growth in accordance with the Group philosophy.	 

For more details please see the 2018 Kewpie Social and Environmental Report (Japanese only) at >> <http://www.kewpie.co.jp/csr/>

Sustainable Development Goals (SDGs)

The United Nations established its worldwide Sustainable Development Goals (SDGs) at a summit held in September 2015. The SDGs comprise 17 goals that all nations should accomplish by 2030 to achieve sustainable societies. However, they are not goals of which only countries or governments should be aware, but rather goals that all organizations and individuals in all countries worldwide, whether developed or developing, should pursue.

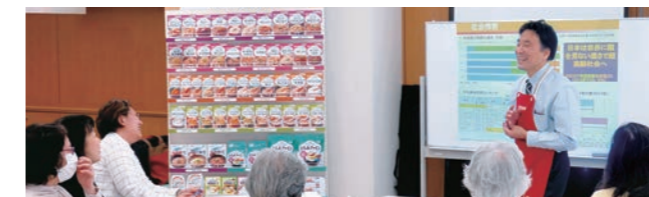


Initiatives Contributing to Extending the Healthy Life Span



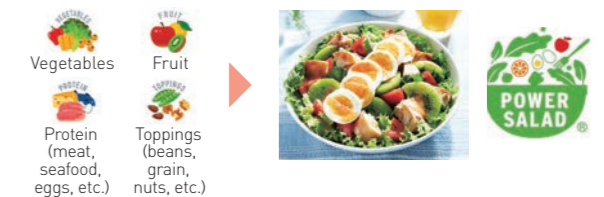
The Japanese life expectancy is one of the longest in the world. At the same time, nursing care requirements are extensive, and rising medical care and nursing costs are becoming a social issue. Under these conditions, it is desirable to extend healthy lifespans and, to that end, nutritionally balanced eating habits are important. Eating habits correlate closely with long, healthy life, and consuming vegetables, which provide fiber and minerals such as vitamins and potassium, can help prevent adult-onset diseases such as high blood pressure. Seniors also need to take in sufficient quantities of protein and energy because life functions tend to decline due to malnutrition during these years. Eggs, which the body efficiently utilizes as high-quality sources of protein, are effective in this regard. The Company helps people extend healthy lifespans by making dietary proposals that mainly involve salad (vegetables) and eggs, which are focuses of our operations.

Sponsor Workshops and Assemblies Regarding Nursing Care



In fiscal 2017, the Company held more than 300 workshops and assemblies regarding nursing care throughout Japan. Our employees lecture at these events and share information about problems related to nursing care while introducing our nursing care foods, which provide good nutritional balance while reducing the burden of meal preparation (Yasashii Kondate series).

Give Vegetables the Main Role on the Dinner Table



The Company offers a well-balanced and nutritious "power salad," a new style of salad that combines vegetables, fruit, sources of protein and toppings. Through various menu suggestions, we are proposing new ways to enjoy vegetables, leading to increased vegetable consumption and supporting healthy eating habits.

Initiatives Providing Mental and Physical Health Support for Children



In recent years, children's environments have changed significantly, due to increasingly diverse lifestyles and eating habits and the trends from extended to nuclear families and increases in the number of dual-income and single-parent households. These changes are also leading to social issues, including deficits for children in knowledge and experiences, dilution of relationships with people and the spread of child poverty.

The Basic Act on Food Education maintains that dietary education is "fundamental to living and should be the foundation for intellectual, moral and physical education." Dinner tables are important as places to eat healthy meals and as places to mingle with others, encouraging socialization and feeding us emotionally. In accordance with its desire for improved mental and physical health for children, the Group is working to offer opportunities for knowledge acquisition and experience regarding diet, to resolve parental concerns about diet and to create places where children feel at home. Through these activities, the Company is fostering children's living and thinking abilities as well as supporting their future activities.

Hold Nationwide Mayonnaise Classes



We began holding on-site Mayonnaise Classes at elementary schools in 2002, and in fiscal 2017 we held these classes at 328 schools nationwide. At these classes, employees with Kewpie Mayostar certificates serve as lecturers and teach students that diet is both fun and important by making mayonnaise together by hand.

Support Groups Working to Resolve Issues Through Diet



The foundation's award ceremony

The Company established the Kewpie Mirai Tamago Foundation in April 2017 to support groups that share our idea of contributing to society through diet. We established this foundation to encourage social contributions that went beyond the scope of a single company. During the foundation's first year, we provided assistance to 20 external groups.

CSR Efforts

Initiatives Aiming for Efficient Use of Resources and Sustainable Procurement

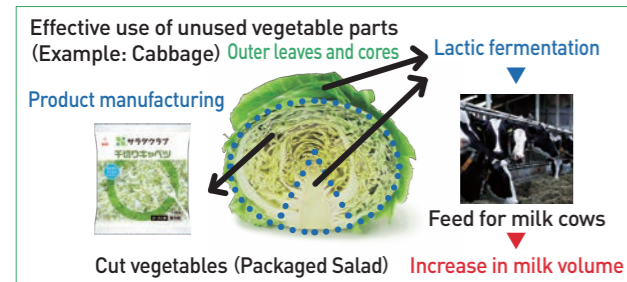


As a food manufacturer, the Company believes its efforts to make customers feel secure go beyond offering safe products. We also focus on responsible initiatives throughout the entire product lifecycle, spanning procurement of raw ingredients and materials, production, sales and recycling of waste.

We established the Kewpie Group Fundamental Policy for Sustainable Procurement in January 2018, announcing our intent to collaborate with business partners to conduct safe procurement that is sensitive to the environment and to human rights. Meanwhile, we are applying creative measures to achieve maximum utilization of our raw ingredients out of consideration for the sustainability of our whole supply chain. These measures include recycling all the eggshells left over from mayonnaise production and effectively utilizing unused vegetable parts in the delicatessen products business.

▼ For more details regarding the Kewpie Group Fundamental Policy for Sustainable Procurement, please visit the following link. (Japanese Only) <https://www.kewpie.co.jp/company/activity/procurement/policy.html>

Use the Outer Leaves and Center Cores of Cabbage and Lettuce as Feed for Milk Cows



The Group is applying creative measures to effectively use, and eliminate waste of, parts of vegetables that are not used in our cut vegetable products, such as the outer leaves and cores of cabbage and lettuce. In 2017, we developed a process through which we ferment unused vegetable parts and mix them into feed for milk cows. This feed produces higher milk yields than general feed* so we are promoting the use of this feed among dairy farmers. * Joint research of the Tokyo University of Agriculture and Technology and the Kewpie Group presented at the 124th Annual Meeting of the Japanese Society of Animal Science. (March 2018)

Convert Abandoned Fields and Rice Paddies to Cultivated Land Along with the Youth Who Will Shoulder the Next Generation



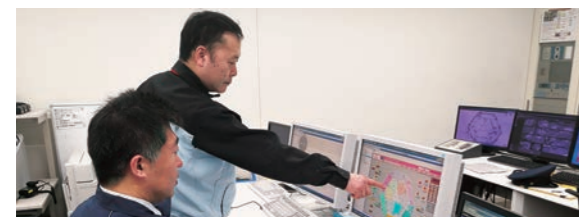
A plantation in Tsukuba, Ibaraki Prefecture
The growing number of abandoned fields and rice paddies due to unseasonable weather and a lack of successors in the farming industry has become an issue for Japanese agriculture. In response, the Company began conducting collaborative initiatives with World Farm, Ltd. in 2017 to convert abandoned fields and rice paddies in Japan to cultivated land and to grow vegetables on them. These initiatives will lead to stable vegetable procurement and an increase in the number of young people interested in trying their hand at agriculture.

Initiatives to Reduce CO₂ Emissions (Response to Climate Change)



As a global warming prevention measure, the Company is aiming to reduce CO₂ emissions for all business operations in accordance with the 2015 Paris Agreement on climate change. To this end, we are improving efficiency in our manufacturing processes, installing energy-saving equipment and converting from heavy oil to natural gas. We are also reducing emissions by collaborating with manufacturers of raw ingredients and materials that are involved in the first part of our manufacturing process and with distribution companies, that handle later stages. Through these initiatives, we will increase the efficiency of all business operations and reduce CO₂ emissions. Moving forward, we will work to reduce CO₂ emissions throughout the whole supply chain, from procurement of raw ingredients to product use and disposal.

Promoting Energy Conservation at Our Sengawa Kewport Facility



We have installed an atrium-based natural ventilation system, a cogeneration system, solar power generation and LED lighting at our Sengawa Kewport office, which we opened in 2013. By optimizing our use of this equipment, we are achieving maximum performance and reducing CO₂ emissions by about 250 tons per year.

Environmentally Friendly Model Factory



The Kewpie Kobe factory, which began operations in October 2016, aims to reduce energy consumption by 50% when compared to mayonnaise-manufacturing factories of the past. To this end, we installed diverse, environmentally friendly technologies that allow the factory to both conserve and reuse energy. This factory models our aim of preserving a sustainable society for the next generation, and we will work to spread the application of its technology and expertise throughout the Group.

Initiatives Promoting Diversity



Corporate and working environments are changing in unprecedented ways. Under these conditions, the Group has promoted its corporate philosophies, including its corporate motto of RAKU-GYOU-KAI-ETSU. We also encourage Group members to listen to each other and work energetically while placing high importance on a corporate culture of conveying gratitude. Our diverse human resources encourage Group growth by accepting and learning from one another, which will lead to individual growth and new value-creating innovations to lead a richer society.

Everyone Cooperates Toward a Unified Goal



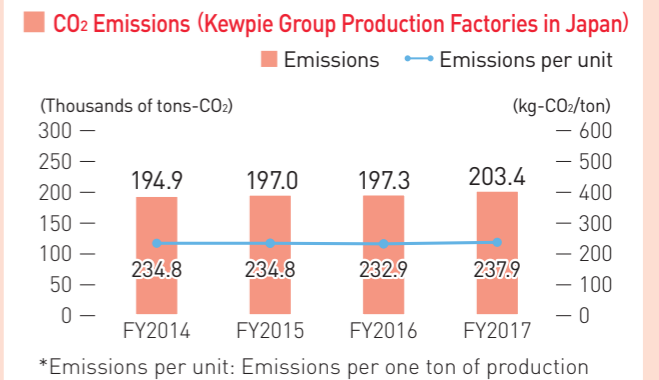
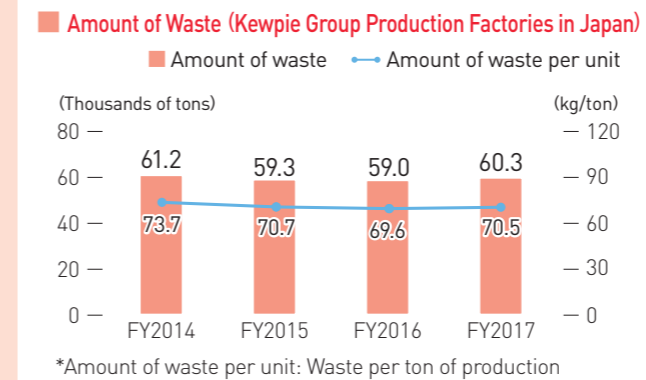
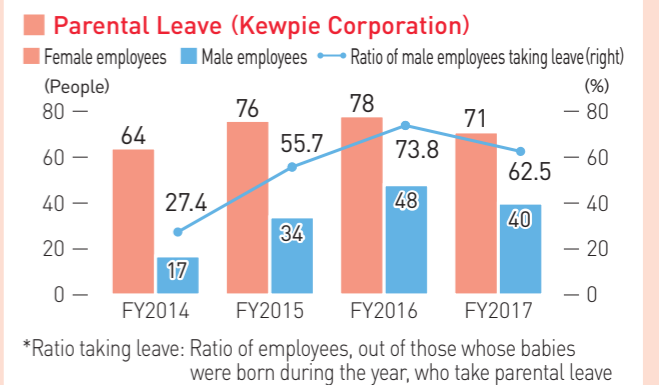
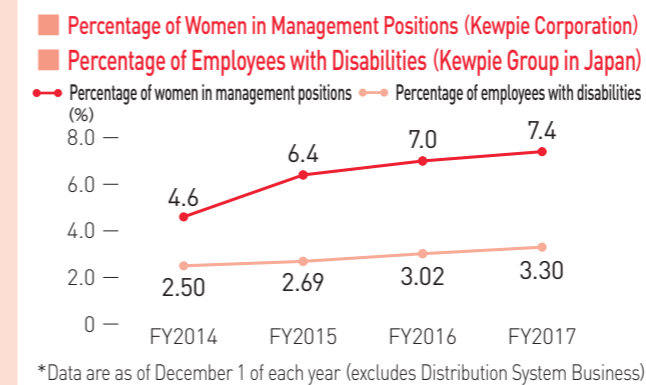
The Company values listening and conversation among coworkers. The Group holds joint training sessions at its headquarters, branch offices and factories to help employees learn about the Company's philosophy and history. We also hold networking events where employees can speak directly with board members. Such opportunities help employees internalize the Company philosophy and boost job satisfaction.

Aim to Create Workplaces in which Anyone Can Continue Working



As part of its social mission, the Group creates workplaces where people with disabilities can fully realize the joys of work and living. For this reason, we promote employment of people with disabilities while building relationships with aid agencies and special-needs schools throughout Japan. Our fiscal 2017 employment ratio for those with disabilities was 3.3%. At special subsidiary Kewpie Ai Co., Ltd., we are expanding a wide array of operations through which employees who are disabled are demonstrating their abilities in their own areas of expertise, such as electronic documentation, creation and shipping of promotional items, internal logistics and cleaning.

Major Indices



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	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Performance											
Net sales	468,006	473,951	452,239	471,010	486,435	504,997	530,549	553,404	549,774	552,306	561,688
Gross profit	111,707	106,665	109,261	116,388	117,088	125,065	128,266	134,362	117,285	123,457	128,915
Selling, general and administrative expenses	95,882	92,629	91,529	94,268	96,271	101,696	105,864	110,018	90,931	93,639	97,654
Operating income	15,824	14,036	17,731	22,119	20,816	23,368	22,402	24,343	26,354	29,818	31,261
Ordinary income	15,836	14,184	18,414	22,762	21,912	24,467	23,749	25,368	27,224	31,364	32,511
Profit attributable to owners of parent	7,328	7,721	9,036	10,613	9,449	12,291	12,567	13,366	16,973	17,093	18,099
EBITDA (Operating income+Depreciation and amortization)	28,212	27,444	30,711	35,248	34,457	37,457	36,974	40,475	45,449	48,072	48,055
Cash flows											
Cash flows from operating activities	22,331	14,466	31,301	25,731	23,405	33,246	27,369	34,392	28,094	45,260	27,234
Cash flows from investing activities	(11,166)	(9,687)	(11,548)	(15,120)	(12,166)	(24,434)	(21,897)	(30,847)	(31,181)	(32,046)	(31,421)
Cash flows from financing activities	(2,757)	(5,712)	(18,462)	(5,381)	(19,583)	7,022	(2,307)	(3,149)	(7,101)	(5,805)	4,010
Free cash flow (Operating cash flows+investing cash flows)	11,165	4,779	19,752	10,611	11,239	8,811	5,471	3,545	(3,086)	13,213	(4,186)
Cash and cash equivalents at the end of the fiscal year	27,699	26,705	27,831	33,121	24,509	40,387	43,963	44,788	34,841	40,790	41,411
Financial position (year-end)											
Total assets	292,823	291,792	275,650	287,957	275,790	306,515	334,655	356,994	373,017	385,914	419,207
Interest-bearing debt	43,175	40,545	25,595	23,923	10,909	23,185	25,882	29,110	30,559	36,066	60,120
Total net assets	161,140	163,580	170,804	180,901	185,293	195,928	210,285	220,397	244,717	245,861	263,432
Per share data (yen)											
Net income	47.96	50.77	59.56	69.97	62.63	82.09	83.94	88.69	111.82	113.47	121.05
Total net assets	925.46	941.79	978.33	1,029.26	1,068.67	1,141.68	1,230.32	1,284.36	1,403.05	1,420.63	1,539.94
Cash dividend	14.0	15.0	17.0	18.0	18.0	20.0	22.0	23.0	29.0	34.5	36.5
Financial indicators (%)											
Gross profit to net sales	23.9	22.5	24.2	24.7	24.1	24.8	24.2	24.3	21.3	22.4	23.0
Operating income to net sales	3.4	3.0	3.9	4.7	4.3	4.6	4.2	4.4	4.8	5.4	5.6
Equity ratio	48.3	49.0	53.8	54.2	58.0	55.8	55.0	54.6	57.1	55.1	54.0
Return on equity (ROE)	5.3	5.4	6.2	7.0	6.0	7.4	7.1	7.0	8.3	8.0	8.2
Return on assets (ROA)	5.4	4.9	6.5	8.1	7.8	8.4	7.4	7.3	7.5	8.3	8.1
Dividend payout ratio	29.2	29.5	28.5	25.7	28.7	24.4	26.2	25.9	25.9	30.4	30.2
Dividend on equity ratio	1.5	1.6	1.8	1.8	1.7	1.8	1.9	1.8	2.2	2.4	2.5
Other data											
Stock price at year-end (yen)	1,136	1,063	997	1,019	1,056	1,200	1,454	1,942	2,953	2,703	2,885
Number of employees (consolidated)	8,885	9,283	10,507	11,732	12,028	12,425	12,598	12,933	13,478	14,095	14,924
Number of consolidated subsidiaries	45	46	48	52	51	52	51	52	54	56	56

Consolidated Balance Sheets

At November 30, 2016 and 2017 (¥ million)

	FY2016	FY2017		FY2016	FY2017
Assets			Liabilities		
Total current assets	150,160	156,332	Total current liabilities	102,245	90,697
Cash and deposits	35,794	29,618	Notes and accounts payable—trade	47,050	48,008
Notes and accounts receivable—trade	75,134	78,212	Short-term loans payable	8,301	8,037
Securities	5,000	12,000	Accounts payable—other	22,074	17,547
Purchased goods and products	15,669	16,355	Accrued expenses	12,809	6,533
Work in process	972	972	Accrued income taxes	7,016	4,005
Raw materials and supplies	9,229	11,377	Deferred tax liabilities	1	11
Deferred tax assets	3,264	2,823	Reserves for sales rebates	749	801
Other	5,268	5,192	Reserves for bonuses	1,826	1,831
Allowances for doubtful accounts	(173)	(222)	Reserves for directors' bonuses	160	121
			Other reserves	91	100
			Other	2,162	3,699
Total fixed assets	235,754	262,875	Total non-current liabilities	37,807	65,077
Total tangible fixed assets	183,378	194,746	Bonds	10,000	10,000
Buildings and structures	179,789	185,446	Long-term loans payable	12,498	35,947
Accumulated depreciation	(99,764)	(104,416)	Lease obligations	3,774	4,506
Net book value	80,024	81,030	Deferred tax liabilities	5,135	9,068
Machinery, equipment and vehicles	161,169	170,766	Liabilities for retirement benefits	3,893	3,147
Accumulated depreciation	(122,204)	(121,373)	Asset retirement obligations	1,112	1,120
Net book value	38,965	49,393	Other	1,392	1,286
Land	48,099	49,820			
Lease assets	8,102	9,729	Total liabilities	140,053	155,775
Accumulated depreciation	(3,427)	(4,257)			
Net book value	4,675	5,472	Net assets		
Construction in progress	7,238	4,571	Total shareholders' equity	215,047	217,509
Other	14,820	15,707	Paid-in capital	24,104	24,104
Accumulated depreciation	(10,444)	(11,248)	Capital surplus	30,300	29,425
Net book value	4,375	4,459	Earned surplus	166,765	170,583
			Treasury stock	(6,123)	(6,603)
Total intangible fixed assets	5,675	8,359			
Goodwill	1,563	3,778	Total accumulated other comprehensive income	(2,426)	8,929
Computer software	3,129	3,210	Unrealized holding gains (losses) on securities	8,916	13,429
Other	982	1,369	Unrealized gains (losses) on hedges	79	(3)
			Foreign currency translation adjustments	(3,947)	(1,141)
			Accumulated adjustments for retirement benefits	(7,474)	(3,354)
Total investments and other assets	46,700	59,769			
Investment securities	27,408	34,495	Non-controlling interests	33,240	36,992
Long-term loans receivable	450	519			
Assets for retirement benefits	7,413	12,630	Total net assets	245,861	263,432
Deferred tax assets	1,984	2,027	Total liabilities and net assets	385,914	419,207
Other	9,657	10,278			
Allowances for doubtful accounts	(213)	(182)			
Total assets	385,914	419,207			

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

For the fiscal years ended November 30, 2016 and 2017 (¥ million)

Consolidated Statements of Income	FY2016	FY2017
Net sales	552,306	561,688
Cost of sales	428,848	432,773
Gross profit	123,457	128,915
Selling, general and administrative expenses	93,639	97,654
Operating income	29,818	31,261
Total non-operating income	2,347	2,162
Interest income	79	69
Dividends income	458	514
Equity in earnings of affiliates	295	93
Subsidy income	291	269
Other	1,222	1,215
Total non-operating expenses	801	911
Interest expenses	311	376
Business commencement expenses	68	139
Other	422	395
Ordinary income	31,364	32,511
Total extraordinary gains	730	1,331
Gains on sales of investment securities	396	1,179
Gains on sales of fixed assets	160	87
Other	173	65
Total extraordinary losses	1,804	3,060
Losses on abolishment of retirement benefit plans	—	1,309
Losses on disposal of fixed assets	1,178	1,062
Losses on impairment of fixed assets	89	581
Other	536	107
Profit before income taxes	30,290	30,783
Total income taxes	10,255	9,223
Income taxes	11,245	8,926
Income taxes—deferred	(989)	296
Profit	20,034	21,560
Profit attributable to non-controlling interests	2,941	3,460
Profit attributable to owners of parent	17,093	18,099

For the fiscal years ended November 30, 2016 and 2017 (¥ million)

Consolidated Statements of Comprehensive Income	FY2016	FY2017
Profit	20,034	21,560
Total other comprehensive income	(9,079)	12,337
Unrealized holding gains (losses) on securities	(375)	4,591
Unrealized gains (losses) on hedges	113	(102)
Foreign currency translation adjustments	(4,179)	3,383
Adjustments for retirement benefits	(4,638)	4,465
Comprehensive income	10,955	33,897
(Breakdown)		
Comprehensive income attributable to owners of parent	9,141	29,456
Comprehensive income attributable to non-controlling interests	1,814	4,441

Consolidated Statements of Changes in Net Assets

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
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)
Disposal of treasury stock												—
Retirement of treasury stock												—
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

For the fiscal years ended November 30, 2016 and 2017 (¥ million)

FY2017	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, 2016	24,104	30,300	166,765	(6,123)	215,047	8,916	79	(3,947)	(7,474)	(2,426)	33,240	245,861
Changes of items during the fiscal year												
Dividends from surplus			(5,639)		(5,639)							(5,639)
Profit attributable to owners of parent			18,099		18,099							18,099
Repurchase of shares				(9,999)	(9,999)							(9,999)
Disposal of treasury stock		(875)	(1,897)	2,773	1							1
Retirement of treasury stock			(6,745)	6,745	—							—
Changes in equity in controlled subsidiaries												—
Net changes of items other than shareholders' equity						4,513	(82)	2,805	4,119	11,356	3,752	15,108
Total changes during the fiscal year	—	(875)	3,818	(480)	2,462	4,513	(82)	2,805	4,119	11,356	3,752	17,570
Balance at November 30, 2017	24,104	29,425	170,583	(6,603)	217,509	13,429	(3)	(1,141)	(3,354)	8,929	36,992	263,432

Consolidated Statements of Cash Flows

For the fiscal years ended November 30, 2016 and 2017 (¥ million)

	FY2016	FY2017
Cash flows from operating activities		
Profit before income taxes	30,290	30,783
Depreciation and amortization	18,254	16,794
Losses on impairment of fixed assets	89	581
Losses on abolishment of retirement benefit plan	—	1,309
Amortization of goodwill	221	407
Retirement benefit expenses	993	1,740
Equity in losses (earnings) of affiliates	(295)	(93)
Losses (gains) on valuation of investment securities	320	14
Increase (decrease) in liabilities for retirement benefits	154	(706)
Decrease (increase) in assets for retirement benefits	(1,837)	(1,821)
Increase (decrease) in reserves for sales rebates	(71)	51
Increase (decrease) in reserves for directors' bonuses	(9)	(39)
Increase (decrease) in reserves for bonuses	334	(53)
Increase (decrease) in allowances for doubtful accounts	(287)	1
Interest and dividends income	(538)	(584)
Interest expenses	311	376
Losses (gains) on sales of investment securities	(396)	(1,179)
Losses (gains) on sales and disposal of fixed assets	1,025	988
Decrease (increase) in notes and accounts receivable - trade	2,114	(2,064)
Decrease (increase) in inventories	1,905	(1,477)
Increase (decrease) in notes and accounts payable - trade	2,072	(1,152)
Increase (decrease) in accounts payable - other	1,416	(1,058)
Increase (decrease) in accrued consumption taxes	(450)	676
Increase (decrease) in long-term accounts payable	(185)	(70)
Other	(1,646)	(3,989)
Subtotal	53,787	39,436
Interest and dividends income received	670	622
Interest paid	(309)	(359)
Income taxes paid	(8,888)	(12,464)
Net cash provided by (used in) operating activities	45,260	27,234

	FY2016	FY2017
Cash flows from investing activities		
Purchases of tangible fixed assets	(31,148)	(25,499)
Purchases of intangible fixed assets	(1,290)	(1,169)
Acquisition of subsidiaries' shares resulting in changes in scope of consolidation	—	(82)
Purchases of investment securities	(123)	(892)
Proceeds from sales of investment securities	653	1,651
Net decrease (increase) in short-term loans receivable	333	(279)
Payments of long-term loans receivable	(39)	(264)
Collection of long-term loans receivable	24	126
Payments into time deposits	(3)	(219)
Proceeds from withdrawal of time deposits	3	—
Payments for acquisition of business	—	(4,568)
Other	(456)	(223)
Net cash provided by (used in) investing activities	(32,046)	(31,421)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(1,312)	(1,180)
Repayment of lease obligations	(1,350)	(1,785)
Proceeds from long-term loans payable	8,640	25,700
Repayment of long-term loans payable	(1,942)	(2,261)
Proceeds from share issuance to non-controlling interests	254	—
Cash dividends paid	(4,749)	(5,639)
Cash dividends paid to non-controlling interests	(610)	(767)
Repurchase of shares	(4,734)	(10,024)
Other	—	(30)
Net cash provided by (used in) financing activities	(5,805)	4,010
Effects of exchange rate changes on cash and cash equivalents	(1,458)	797
Increase (decrease) in cash and cash equivalents	5,949	621
Cash and cash equivalents at the beginning of the fiscal year	34,841	40,790
Cash and cash equivalents at the end of the fiscal year	40,790	41,411

FY2017 Operating and Financial Analysis

1. Consolidated Balance Sheet

[Total assets (increased ¥33.3 billion from end-FY2016)]

- Total assets grew mainly due to rises in tangible fixed assets (up ¥11.4 billion from end-FY2016), investment securities (up ¥7.1 billion) and assets for retirement benefits (up ¥5.2 billion).

[Total liabilities (increased ¥15.7 billion from end-FY2016)]

- Total liabilities increased due to a rise in long-term

loans payable (up ¥23.4 billion from end-FY2016) despite decreases in accounts payable-other (down ¥4.5 billion) and accrued expenses (down ¥6.3 billion).

[Net assets (increased ¥17.6 billion from end-FY2016)]

- Net assets rose mainly due to increases in accumulated other comprehensive income (up ¥11.4 billion from end-FY2016) and earned surplus (up ¥3.8 billion).

2. Consolidated Statements of Income

[Net sales (up ¥9.4 billion from the previous year)]

- Net sales increased due to favorable performance in delicatessen products for ready-made meals and expanded mayonnaise and dressing sales overseas, despite the discontinuation of Aohata Tokachi corn sales and the decline in the U.S. hen's egg market.

[Cost of sales, gross profit]

- Despite the impact of the decline in the U.S. hen's egg market, cost of sales increased ¥3.9 billion, gross profit rose ¥5.5 billion and gross profit margin increased 0.6% year on year due to the effects of the one-time write-off of residual book value that accompanied changes in depreciation method in fiscal 2016 and progress in added-value-raising and cost-improvement initiatives.
- As initiatives aimed at raising added value, we made a shift toward value-added products and developed and enhanced existing products.
- As cost-improvement initiatives, we lowered costs at production sites and revamped unprofitable categories.

[Selling, general and administrative expenses (up ¥4.0 billion from the previous year)]

- Selling, general and administrative expenses rose mainly due to increases in labor expenses (up ¥1.5 billion), transportation and warehousing expenses (up ¥0.8 billion) and sales promotion expenses (up ¥0.3 billion).

[Operating income (up ¥1.4 billion from the previous year)]

- As a result, operating income came to ¥31.3 billion and the operating income ratio was 5.6% (up 0.2 percentage point).

[Ordinary income (increased ¥1.1 billion from the previous year)]

- Ordinary income was ¥32.5 billion and non-operating income fell ¥0.3 billion from the previous year, mainly due to a decrease in equity in earnings of affiliates (down ¥0.2 billion) and an increase in business commencement expenses (up ¥0.1 billion).

[Profit attributable to owners of parent (increased ¥1.0 billion from the previous year)]

- Gains on sales of investment securities increased (up ¥0.8 billion) but extraordinary gains/losses were down ¥0.7 billion from the year before due to subsidiary losses on abolishment of retirement benefit plans of ¥1.3 billion. Profit attributable to owners of parent was ¥18.1 billion.

Polish company Mosso Kwaśniewscy Sp.J.

[Net cash provided by financing activities]

- Net cash provided by financing activities amounted to ¥4.0 billion. Key sources of funds included income from long-term loans payable amounting to ¥25.7 billion, while uses included repurchase of shares of ¥10.0 billion and cash dividends paid of ¥6.4 billion.

(Figures for cash dividends paid include cash dividends paid to non-controlling interests.)

3. Consolidated Cash Flow

[Net cash provided by operating activities]

- Net cash provided by operating activities was ¥27.2 billion, due mainly to profit before income taxes of ¥30.8 billion, depreciation and amortization of ¥16.8 billion and income taxes paid of ¥12.5 billion.

[Net cash used in investing activities]

- Net cash used in investing activities amounted to ¥31.4 billion, mostly due to purchases of tangible fixed assets of ¥25.5 billion and payments for acquisition of business of ¥4.5 billion incurred for the purchase of

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"> ● Acquisition of FSSC 22000 ● Trans-group quality monitoring ● Traceability systems that make use of data processing used in factory automation ● Building quality standards 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	

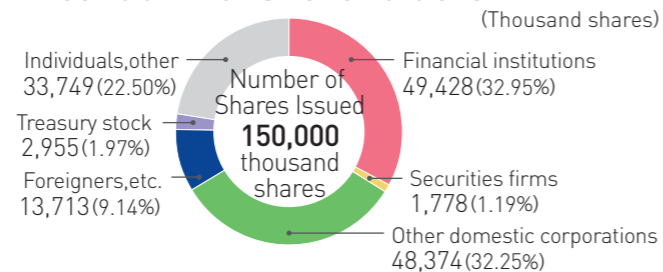
Note: For more information on operational risks, please see page 18 of Annual Report 2017, which is available on our website. <https://www.kewpie.co.jp/english/ir/pdf/annual-report/2017.pdf>

Stock Information (As of November 30, 2017)

Share Overview

Number of Authorized Shares: 500,000,000 shares
 Number of Shares Issued: 150,000,000 shares
 Shares per Trading Unit: 100 shares
 Number of Shareholders: 113,703

Breakdown of Shareholders



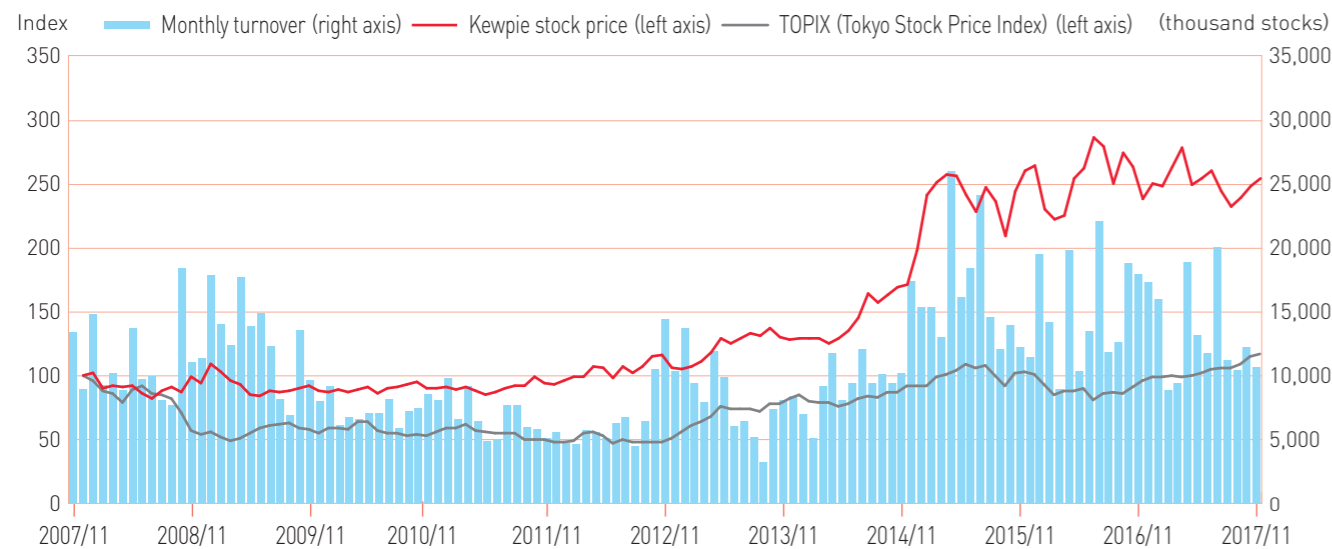
Principal Shareholders

Trade name	Number of the Company's shares held (thousand shares)	Stock holdings ratio (%) ⁴
Nakashimoto Co., Ltd. ¹	18,571	12.63
Tohka Co., Ltd.	8,622	5.86
Japan Trustee Services Bank, Ltd. (Trust Account) ²	7,195	4.89
The Master Trust Bank of Japan, Ltd. (Trust Account)	5,084	3.46
Mizuho Trust & Banking Co., Ltd. employee pension trust, asset management service trust for beneficiary of the retrust ³	4,827	3.28
Kieikai Research Foundation	4,251	2.89
Sumitomo Mitsui Banking Corporation	3,208	2.18
Nippon Life Insurance Company	3,039	2.07
The Dai-ichi Life Insurance Company, Limited	3,012	2.05
Nakato Scholarship Foundation	2,494	1.70

Notes:

1. NAKASHIMATO CO., LTD. is our largest shareholder, possessing 18.5% of the Company's voting rights (5.9% of which comprises voting rights attendant on shares held indirectly) but the Company independently decides important management-related matters. The Company conducts various transactions with Nakashimoto, including purchase and sale of products, expense transactions and transactions involving the leasing or renting of real estate. These transactions are made after considering market prices and with permission of the Board of Directors in the same way as general transactions and no relationship involving cash loans or debt guarantees exists between the Company and the Nakashimoto Group. Therefore, the Company perceives itself as sufficiently independent from the influence of the Nakashimoto group.
2. The Company has named Sumitomo Mitsui Trust & Banking Co., Ltd. as its trustee, Japan Trustee Services Bank, Ltd. as its standby trustee and the Kewpie Mirai Tamago Foundation as its beneficiary in its third-party-benefit trust. The number of shares owned by Japan Trustee Services Bank, Ltd. (trust account) includes 1.5 million of the Company's own shares. The dividends from these shares are used as a source of funding for the Kewpie Mirai Tamago Foundation's activities. In terms of voting rights, Sumitomo Mitsui Trust & Banking Co., Ltd. exercises voting rights of the shares in accordance with Japan Trustee Services Bank, Ltd.'s standards regarding the exercising of voting rights.
3. 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. represent shares of the Company held by Mizuho Bank, Ltd. that have been contributed to the retirement benefit trust.
4. The Company holds 2,955,521 shares of treasury stock. The stock holdings ratios identified above are calculated after deducting treasury stock.

Share Price Movement



Corporate Information (As of November 30, 2017)

Corporate Data

Corporate Name: Kewpie Corporation
 Location of Head Office: 4-13, Shibuya 1-chome, Shibuya-ku, Tokyo, Japan
 Founded: November 1919
 Stock Exchange Listing: Tokyo Stock Exchange First Section (Ticker Code: 2809)
 Paid-in Capital: ¥24,104 million
 American Depositary Receipts (ADRs): OTC (Symbol: KWCPY)
 Number of Employees (consolidated): 14,924
 Transfer Agent: Sumitomo Mitsui Trust & Banking Co., Ltd.
 (Non-consolidated): 2,523
 Fiscal year: December 1 to November 30

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	K. Tis Corporation	Warehousing and transportation
Dispen Pak Japan Co., Inc.	Production and sale of foods, subdividing and packing work	Kewso Services Corporation	Sale of equipment for cars
Salad Mate Co., Ltd.	Sale of condiments and processed foods	KLQ Corporation	Transportation
Deft Co., Ltd.	Sale of condiments and frozen / processed foods	San-ei Logistics Corporation	Transportation
Kpack Co., Ltd.	Production and sale of condiments	Osaka San-ei Logistics Corporation	Transportation
Kanae Foods Co., Ltd.	Production and sale of processed eggs	Sun Family Corporation	Transportation
Zen-noh Kewpie Egg-station Co., Ltd.	Production and sale of dried eggs and liquid eggs, etc.	KAT Corporation	Transportation
Kewpie Egg Corporation	Production and sale of liquid / frozen eggs	Fresh Delica Network Corporation	Freight forwarding
Kewpie-Egg World Trading Co., Ltd.	Sale of eggs and processed eggs	Shiba Seisakusyo Co., Ltd.	Production of machinery and equipment
Deria Foods Co., Ltd.	Sale of salads and delicatessen foods	San-ei Provisions Co., Ltd.	Sale of products for commercial use
Shunsai Deli Co., Ltd.	Production and sale of delicatessen foods	K.System Co., Ltd.	Consigned clerical work
Seto Delica Co., Ltd.	Production and sale of delicatessen foods	Kewpie Ai Co., Ltd.	Consigned clerical work
Ishikari Delica Co., Ltd.	Production and sale of delicatessen foods	K.SS Co., Ltd.	Planning, production and services for sales promotion
Hanshin Delica Co., Ltd.	Production and sale of delicatessen foods	TO AD KEWPIE CO., LTD.	Agency service for advertising, publicity and exhibitions
Tosu Delica Co., Ltd.	Production and sale of delicatessen foods		
Kitakami Delica Co., Ltd.	Production and sale of delicatessen foods		
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		
Fujiyosida 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		
		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
		Mosso Kewpie Poland Sp. z o.o.	Production and sale of condiments
		Henningesen Foods, Inc.	Production and sale of egg products and dried meats
		Kifuki U.S.A. Co., Inc.	Investment in and management of U.S. associates





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