

# Kewpie Corporation

1-4-13 Shibuya, Shibuya-ku, Tokyo 150-0002, Japan Tel:03-3486-3331



(Translation)

January 7, 2021

Dear Sirs:

Name of the Company: Kewpie Corporation  
Representative: Osamu Chonan,  
Representative Director, President  
and Chief Executive Corporate  
Officer  
(Code No. 2809; the first section of the Tokyo Stock Exchange)  
Person to contact: Nobuo Inoue,  
Director, Executive Corporate Officer  
(TEL: 03-3486-3331)

## **Notice regarding Partial Sale of Shares Involving Change in Consolidated Subsidiary**

It is hereby notified that Kewpie Corporation (the "Company"), at the meeting of its Board of Directors held today, resolved a sale of a part of shares in its consolidated subsidiary, K.R.S. Corporation (Securities code No. 9369, the first section of the Tokyo Stock Exchange; hereinafter referred to as "KRS") (hereinafter referred to as the "Sale of Shares"). Following the implementation of the Sale of Shares, KRS is scheduled to become an affiliated company accounted for by the equity method, as described below.

### Description

#### 1. Reasons for the Sale of Shares:

KRS was established in 1966 upon the reorganization making the Company's warehouse division to its newly incorporated subsidiary and thereafter it has contributed to the Kewpie Group's progressive business development through its highly qualified and competitive food logistics services.

In these years, amid dramatic changes in food products and logistics business environment, the Company and KRS have discussed and examined their future business developments from the perspective of sustained growth of both companies.

As a result, KRS concluded that its corporate value would be enhanced by dissolving the parent-subsidiary relationship with the Company so that KRS may be able to speed up its decision-making and make independent judgment on strategic investments, and reinforce its comprehensive food logistics operations in domestic market and aggressively expand its businesses in overseas markets promoting more innovative growth strategies than ever.

On the other hand, the Company has determined that its corporate value would be

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enhanced for the future towards “Our Ideal”<sup>\*</sup> through further concentration of management resources in domestic and overseas food businesses.

Taking the above into account, in spite of the Sale of Shares, the Company and KRS will keep sharing a common idea of highly qualified food distribution system that covers from manufacturing to delivery of products, and KRS will bear responsibility for the Kewpie Group’s logistics duties.

The Company and KRS will continue a strong partnership in the food manufacturing and logistics operations and work together for sustained growth in corporate value for both companies.

<sup>\*</sup> We aim to be a group contributing to the food culture and health of the world through “great taste, empathy, and uniqueness”.

## 2. Outline of K.R.S. Corporation

(1) Name	K.R.S. Corporation		
(2) Address	3-50-1 Chofugaoka, Chofu-shi, Tokyo		
(3) Title and name of representative	President and Representative Director: Hideaki Nishio		
(4) Content of the business	Warehousing business and transportation business		
(5) Share capital	4,063 million yen		
(6) Founded	February 1, 1966		
(7) Major shareholders and holding ratios (as of November 30, 2020)	The Company: 45.33% <sup>*</sup> Subsidiary of the Company: 0.32% NAKASHIMATO CO., LTD.: 5.93%		
(8) Relationship between the Company and K.R.S. Corporation	Capital	The Company, subsidiary of the Company and NAKASHIMATO CO., LTD., the parent of the Company, jointly hold 51.60% of the total voting rights of KRS. KRS is the consolidated subsidiary of the Company.	
	Personnel	One officer of the Company holds a concurrent post of KRS.	
	Business	The operating revenue of KRS from the Company is 11,182 million yen, and the percentage to total operating revenue is 6.53%.	
(9) Consolidated operating results and financial position for the last three years	(Millions of yen)		
Fiscal year end	November 2018	November 2019	November 2020
Net assets	38,550	40,085	43,590
Total assets	82,517	88,175	105,414

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Net assets per share (yen)	2,850.00	2,940.07	2,908.30
Operating revenue	169,155	172,185	171,171
Operating profit	4,698	4,133	2,601
Ordinary profit	4,822	4,350	2,611
Profit attributable to owners of parent	2,331	1,835	728
Earnings per share (yen)	187.60	147.71	58.63
Dividend per share (yen)	44	46	46

\* The above holdings ratio is calculated excluding the treasury shares of KRS.

### 3. Method of the Sale of Shares

The shares will be sold by off-auction distribution to be implemented by KRS.

### 4. Number of shares to be sold, sale price and status of share ownership before and after the sale

(1) Number of shares held before the sale	6,411,368 shares (Number of voting rights: 64,113) (Percentage of voting rights: 51.60% (including 6.26% joint ownership))
(2) Number of shares to be sold	253,600 shares
(3) Sale price	To be determined
(4) Number of shares held after the sale (scheduled)	6,157,768 shares (Number of voting rights: 61,577) (Percentage of voting rights: 49.56% (including 6.26% joint ownership))

(Note) The number of voting rights (percentage of voting rights) is calculated based on the number of total voting rights (124,239), which are obtained based on the figure excluding the number of shares without voting rights (254,000 shares, comprised of 4,514 shares of less than one unit and 249,486 treasury shares) from the total number of outstanding shares of KRS (12,677,900 shares) as of November 30, 2020.

### 5. Schedule

(1) Date of board resolution	January 7, 2021
(2) Date of sale (scheduled)	Any day during the period from January 18, 2021 to January 20, 2021

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## 6. Future outlook

Following the Sale of Shares, KRS will become an affiliated company accounted for by the equity method of the Company from the fiscal year ending November 2021. Forecast of operating results for the fiscal year ending November 2021 in the Company's summary of consolidated financial statements released today reflects the effects of the Sale of Shares.

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