

(Translation)

November 25, 2024

Dear Sirs:

Company name: Kewpie Corporation  
Name of representative: Mitsuru Takamiya,  
Representative Director,  
President and Chief Executive  
Corporate Officer  
(Securities code:2809; Prime of the Tokyo Stock Exchange)  
Inquiries: Shinichiro Yamamoto,  
Director, Senior Corporate Officer  
(TEL: 03-3486-3331)

### **Notice regarding Formulation of Medium-Term Business Plan**

Notice is hereby given that Kewpie Corporation (the "Company"), announces the formulation of a Medium-Term Business Plan, "Change & Challenge: Improving Management Efficiency in Mature Markets and Accelerating Investment in Growth Areas," covering the four-year period from the fiscal year ending November 30, 2025 to the fiscal year ending November 30, 2028.

The Company mission is to contribute to the food culture and health of the world through "great taste, empathy and uniqueness," which is our group's ideal, and In this Medium-Term Business Plan, we will promote "structural reform of domestic business" and "acceleration of global expansion" as well as "contribution to food and health, consideration for the environment, and enhancement of human capital value" to create social and economic value.

Please refer to the attached materials for details of this Medium-Term Business plan.

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FY2025-FY2028

# Medium-Term Business Plan Briefing Materials

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Kewpie Corporation November 26, 2024

# —Change & Challenge—

**Improving management efficiency in mature markets and accelerating investment in growth areas**

Along with **structural reform of domestic operations** and **acceleration of global expansion**, we will promote **contributions to food culture and health, consideration for the environment, and the enhancement of human capital value**, and create both social and economic value.

By strategically pursuing capital policies with an awareness of the cost of capital and stock price, we aim to achieve **an ROE of at least 8.5%** by FY2028.

**Summary of  
the Medium-  
Term Business  
Plan**



Chapter 1. Kewpie Group's Approach to Management

Chapter 2. Overview of the FY2025 to FY2028 Medium-Term Business Plan

Chapter 3. Business Strategy and Financial Strategy

Chapter 4. Key Strategies for Creating Social Value

### Notes regarding the information in this document

- The amounts stated in this document are rounded to the nearest 100 million yen when figures are presented in billions of yen.
- Starting in FY2025, the allocation standards for company-wide expenses have been changed to more accurately reflect the actual profits and losses of each segment. The operating income for FY2024 has been restated to reflect the new standards, and the overseas segment has decreased by 1.8 billion yen.



## Chapter 1

# Kewpie Group's Approach to Management

**Our Ideal**

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

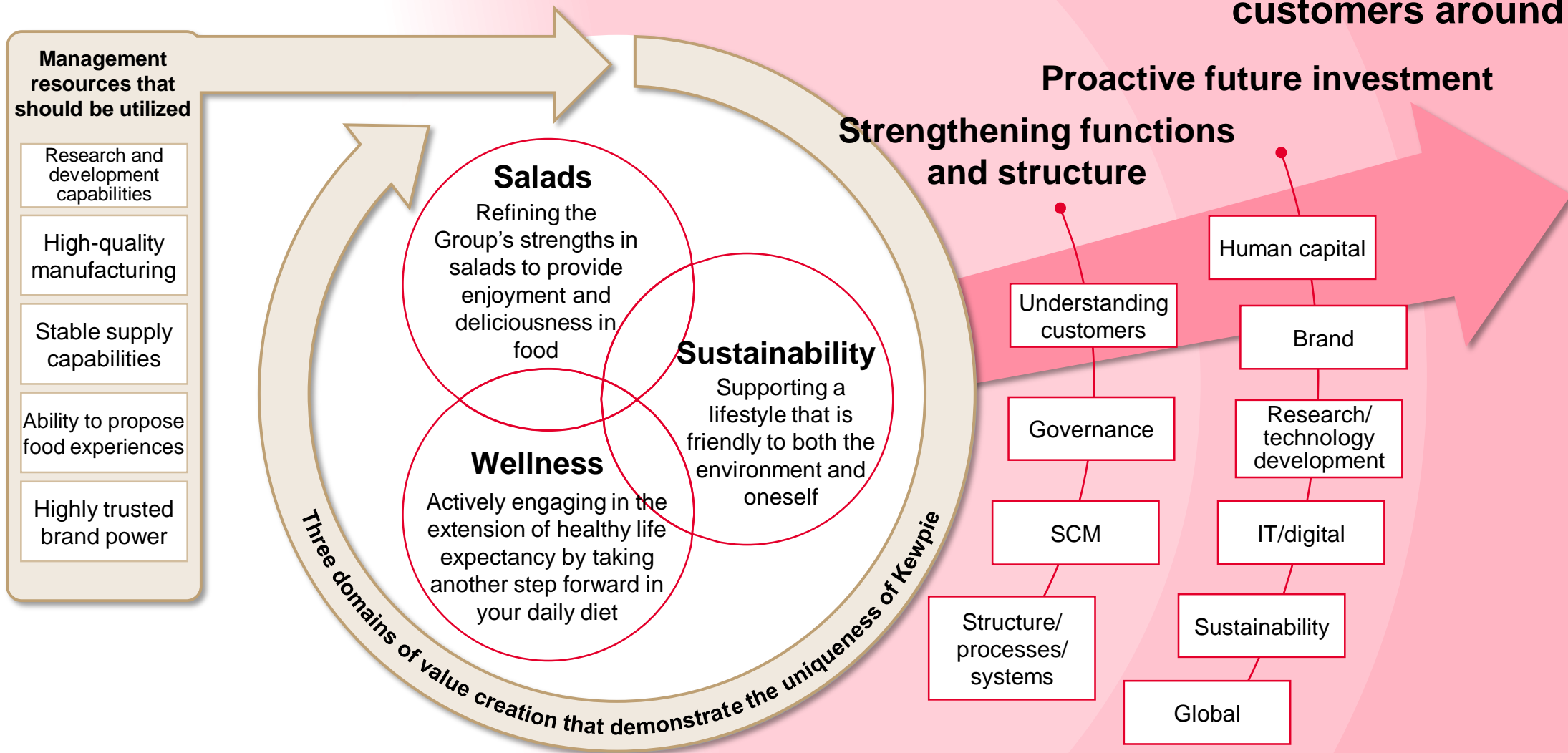
**2030 Vision**

- **Leading Company for Salads and Eggs**
- **Food Partner for Every Person**
- **Supporter for Bringing Smiles to Children**

**Basic Management Approach Until 2030**

**Creating social and economic value and contributing to customers around the world**

**Creating social and economic value and contributing to customers around the world**





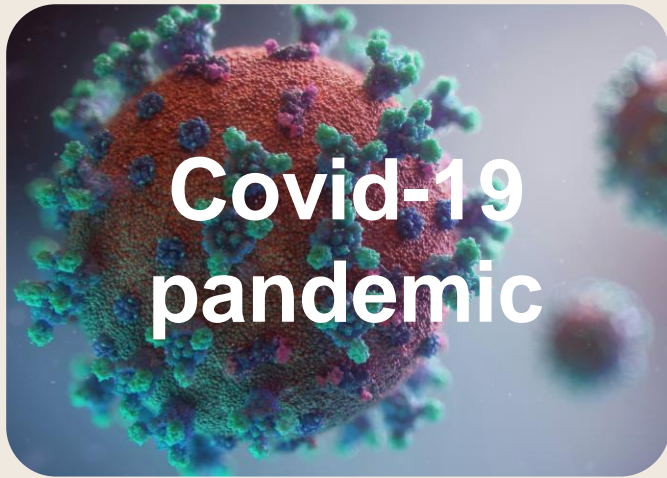
## Chapter 2

### Overview of the 2025-2028

### Medium-Term Business Plan



Sudden emergence of a difficult business environment triggered a shift in management that enabled us to respond to market changes



**Steps toward a regrowth stage have begun**

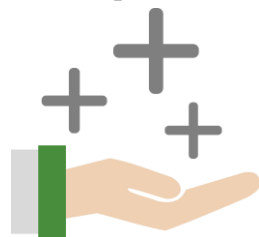
# We have overcome challenging business environments, and enhanced the strength to increase profitability and growth potential

Flexible price revisions



+

Shift to value-added products



Optimization of business locations



+

Accumulation of automation and digital technologies

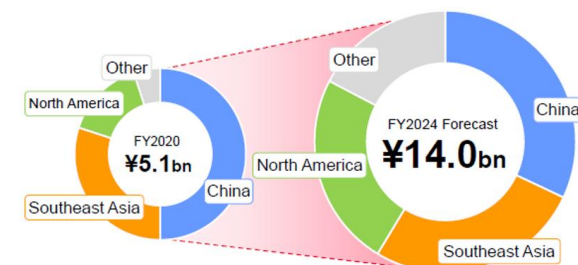


Overseas profits to exceed 30%

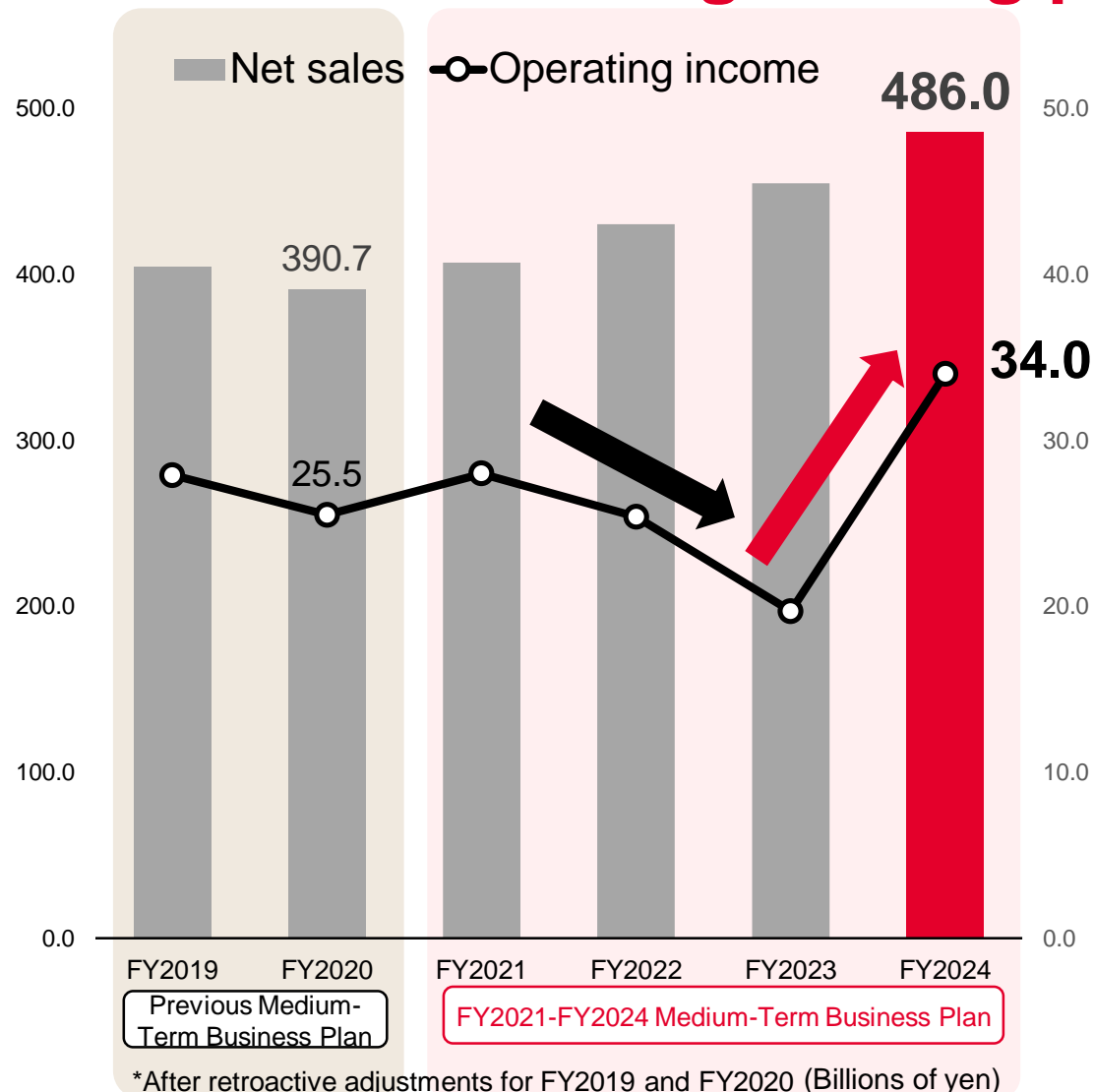


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Balanced growth in overseas areas

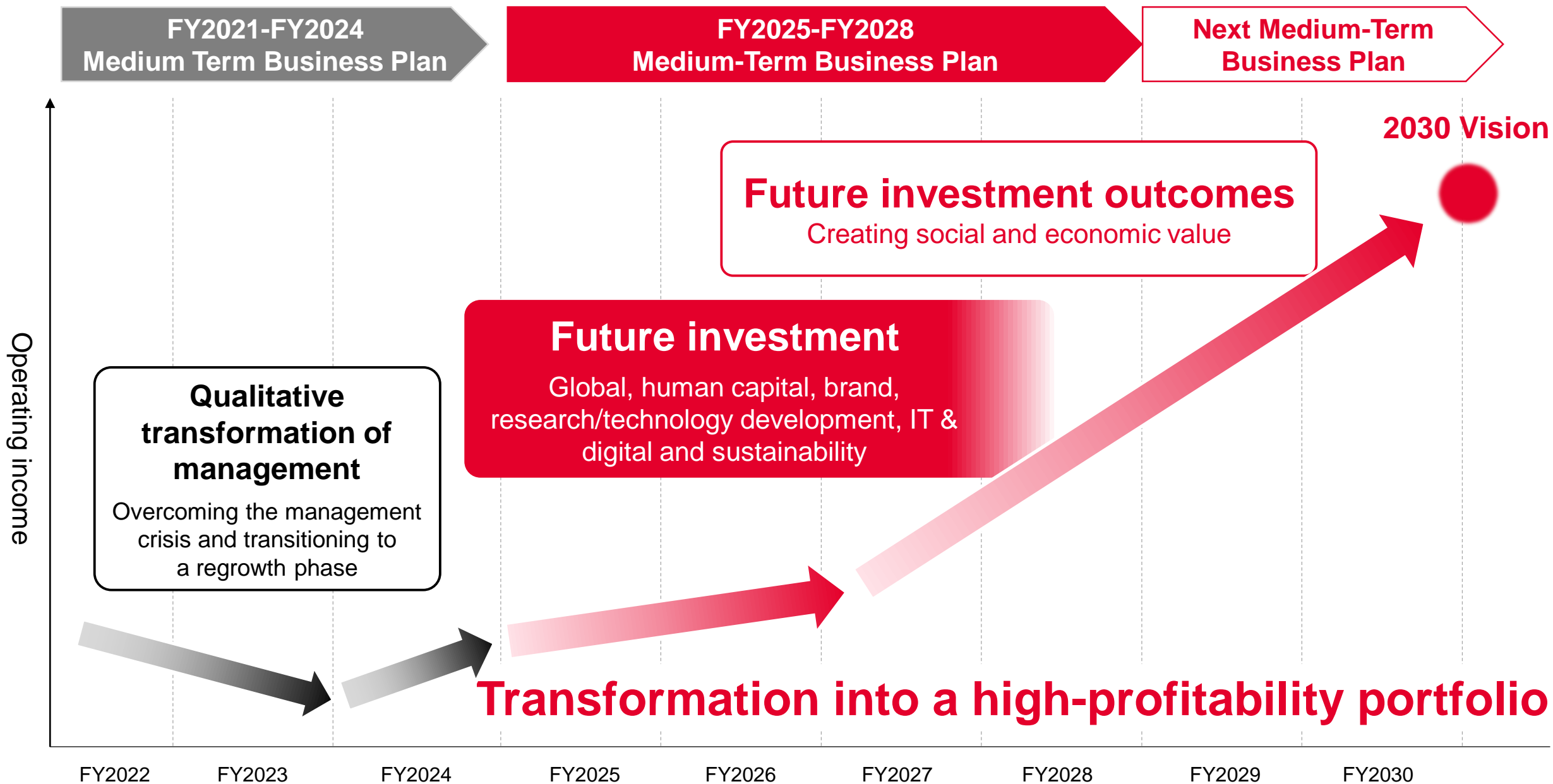


# Aiming for a qualitative transformation in management and demonstrating earning power to enter a regrowth stage



(Billions of yen)

Key indicators	FY2020 results	FY2024 Forecast
Net sales	390.7	<b>486.0</b>
Operating income	25.5	<b>34.0</b> <small>Record-high profits</small>
ROE	4.8%	<b>7.2%</b>
Operating income ratio	6.5%	<b>7.0%</b>
Overseas net sales growth rate	+3.8%	<b>+11.0%</b>



## Our Ideal and 2030 Vision

### —Change & Challenge—

Improving management efficiency in mature markets and accelerating investment in growth areas

## Evolution of the value creation process

### Economic value

#### Profitability

#### Structural reform of domestic business

- Portfolio transformation and SCM productivity improvement
- Expansion of value creation through promotion of DX

#### Growth potential

#### Acceleration of global expansion

- Expansion of business areas and enhancement of brand value
- Creation of a foundation for global management

### Social value

#### Contributing to food culture and health

- Expansion of opportunities to eat salads

#### Consideration for the environment

- Plastic reduction
- Reduction of food loss

#### Enhancing the value of human capital

- Improvement of employee engagement

Management with an awareness of the cost of capital and stock price

## Economic value

**Capital efficiency****ROE****At least 8.5%**

Focus on capital efficiency and enhance earning power

Profitability

**Domestic business income ratio****At least 8.0%**

7.2% in FY2024

Improve profitability through structural reform of domestic business

Growth potential

**Overseas sales CAGR****At least double digit %**

Improve growth potential through acceleration of global expansion

Net sales: 600.0 billion yen, operating income: 45.0 billion yen (profit ratio of 7.5%), ROIC: 8.5% or more, capital investments: 100.0 billion yen

## Social value

Contributing to food culture and health

**Number of salads eaten****At least 105%**

Compared to FY2024

Consideration for the environment

**Plastic reduction****At least 25%**

Compared to FY2018

**Reduction of food loss****At least 63%**

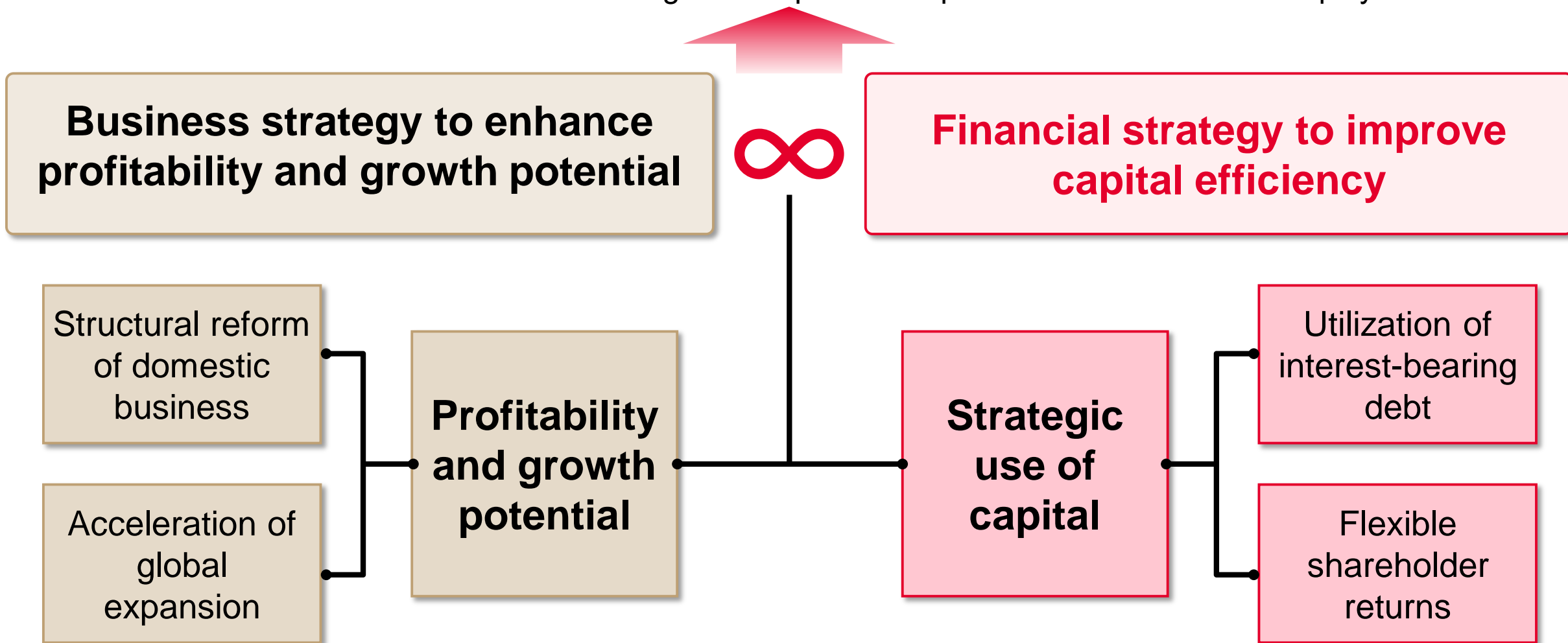
Compared to FY2015

Enhancing the value of human capital

**Employee engagement****75 points or more**

# ROE of at least 8.5%

Drive both business and financial strategies to expand the spread over shareholders' equity costs



# Improving management efficiency and accelerating investment in growth areas while emphasizing improvement in capital efficiency

## Capital investments

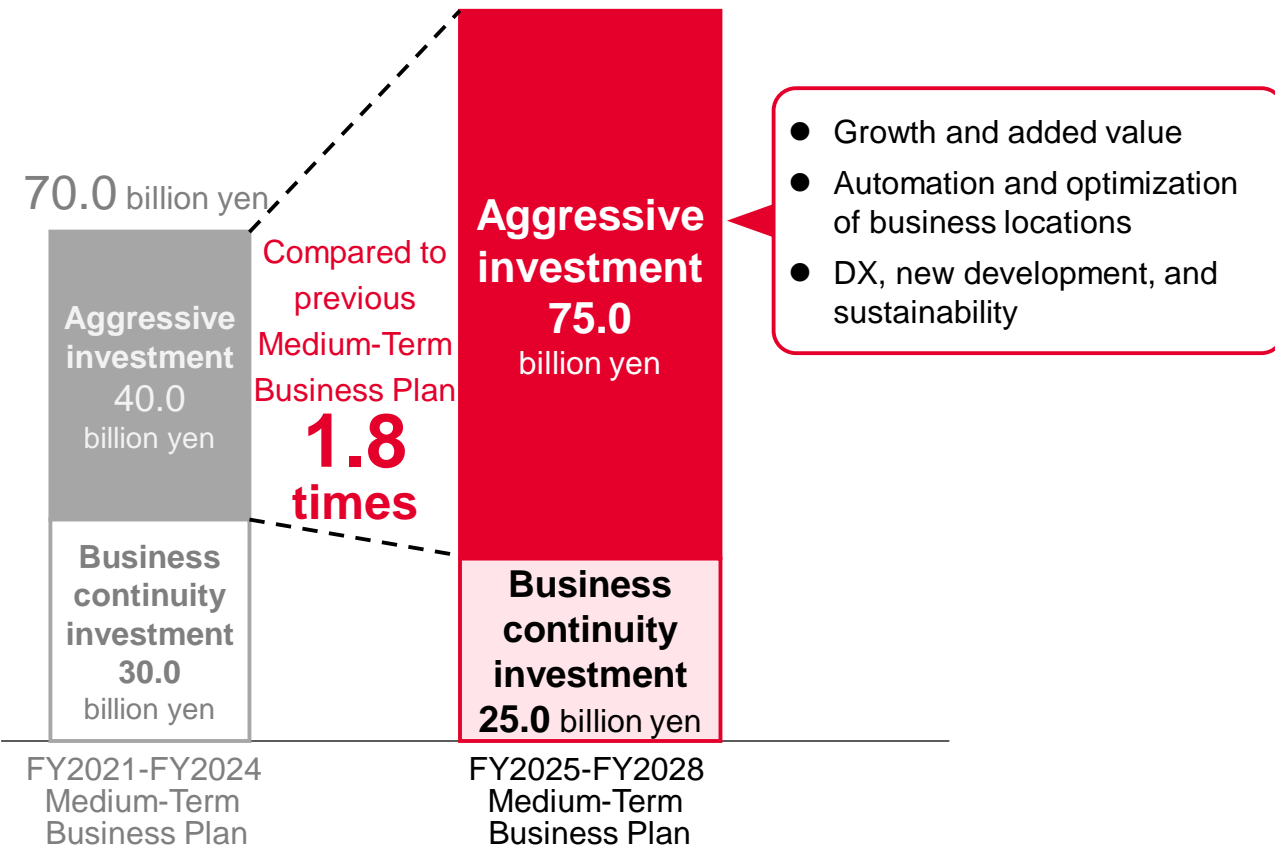
**100.0 billion yen**

+

## Proactive future investment

(4-year cumulative aggressive expenditures)

**20.0 billion yen**



### Enhancing human capital

- Achieve best performance through improvement of employee engagement

### Strengthening brand capital

- Start overseas branding under a unified concept to mark the 100th anniversary of mayonnaise

### DX, research/technology, and sustainability

- Building a foundation for sustainable growth and contributing to the realization of a sustainable society

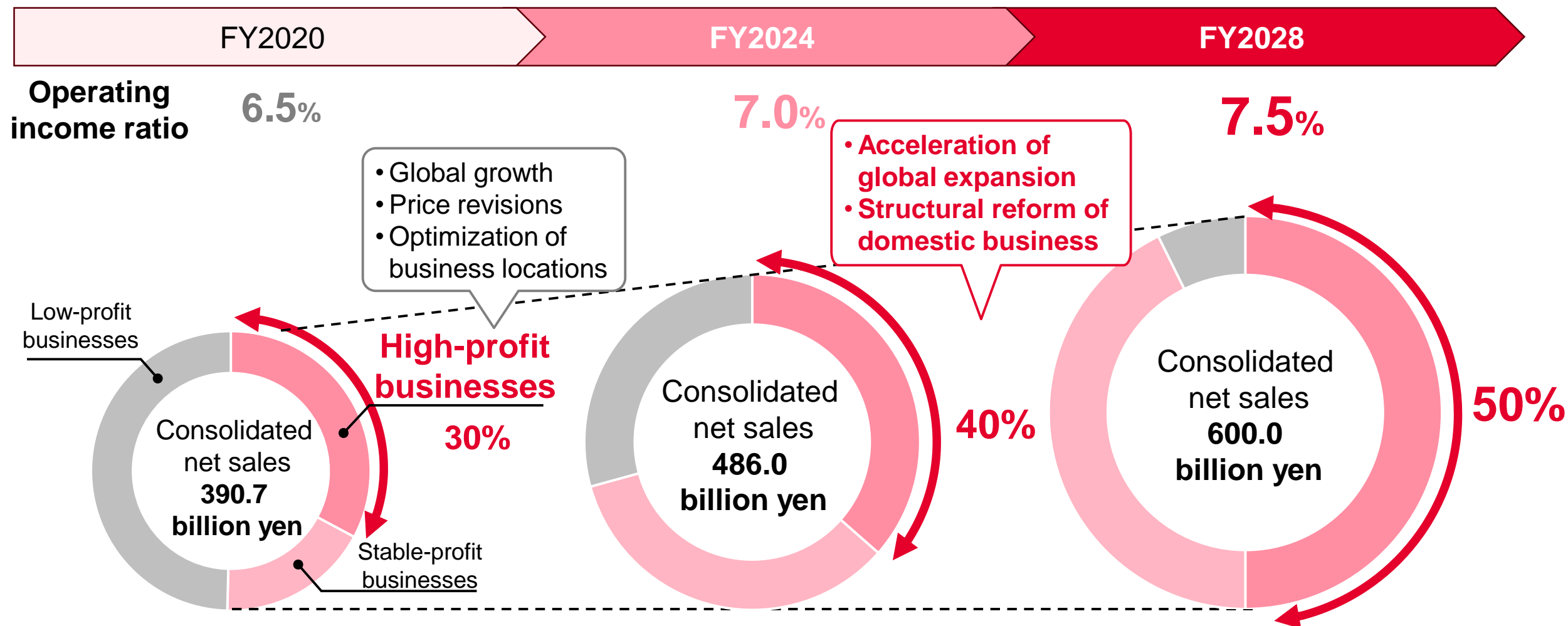




## Chapter 3

# Business Strategy and Financial Strategy

# Transformation of the company-wide portfolio by shifting away from low-profit businesses and strengthening earning power



# Generate new value through the transformation of the value chain utilizing IT and digital

—Achieve a domestic business income ratio of 8.0%—

## Product development

Increase the hit rate

- Innovating product development system
- Deepening of customer understanding, trend generation



## Production logistics

Improve efficiency through productivity transformation

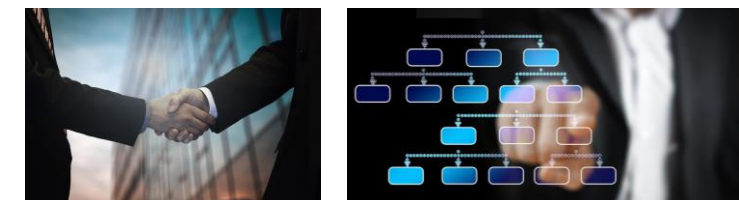
- Optimization of lines and business locations
- Smart factory concept



## Sales

Achieve greater efficiency of sales

- Concentrating sales efforts on key business categories and sales areas
- Expanding sales channels through co-creation with the industry
- Reorganizing sales organization



Optimize product portfolio / DX promotion / Improve profitability by S&OP

# Concentrate on global strategy products, accelerate global expansion



# Enhancing the value of the Kewpie brand on a global level

## Accelerate global growth

- Delegation of authority to regions
- Expansion of investment to 30.0 billion yen
- M&As for further growth

### Speed



## Expand global strategy products

- Expanding and deepening business areas
- Strengthening marketing investment

### Strategy

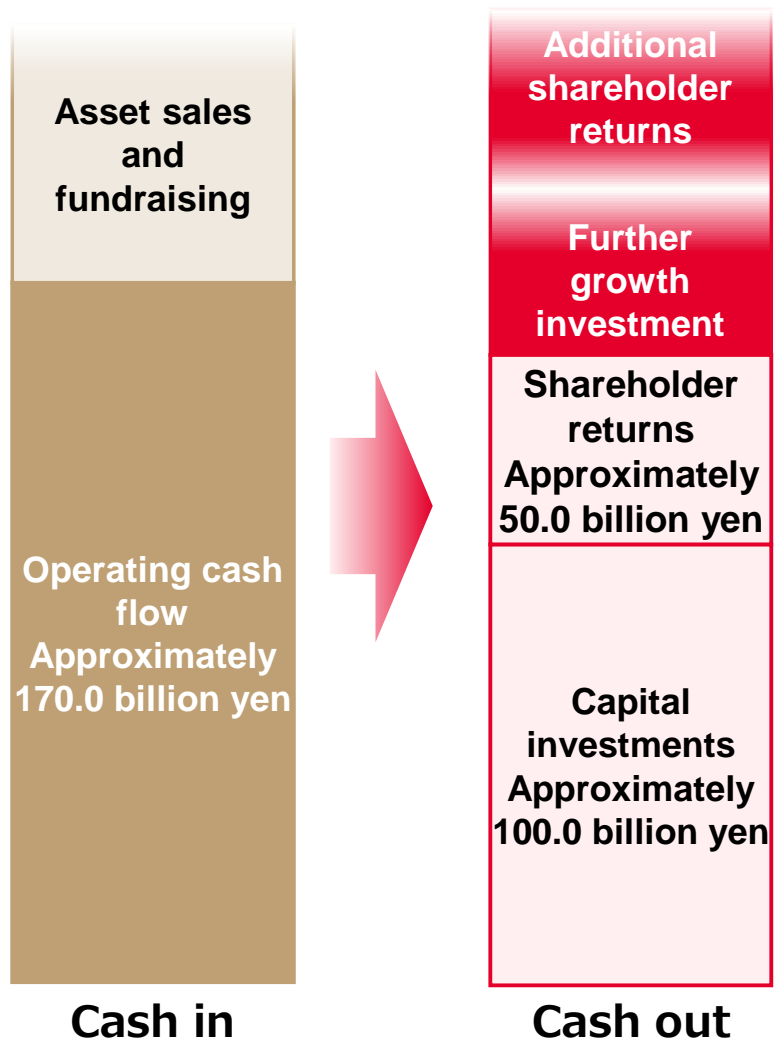
## Strengthening of governance system

### Control

- Regional governance system
- Instilling philosophy



# Aim to strategically allocate generated cash to drive business growth and enhance capital profitability



<b>Fundraising</b>	Fundraising through interest-bearing debt and optimization of capital costs Utilization of interest-bearing debt within the scope of financial discipline
<b>Capital investments</b>	Aiming for sustainable growth through efficiency improvements in Japan and growth investments overseas
<b>Shareholder returns</b>	Total return ratio of at least 50% as a standard Setting a minimum annual dividend of 54 yen per share and gradually increasing it
+	
<b>Further growth investment</b>	Investing funds strategically and flexibly in new developments and further growth (M&A, alliances, etc.)
<b>Additional shareholder returns</b>	Strengthening shareholder returns, including flexible share buybacks, to improve capital efficiency

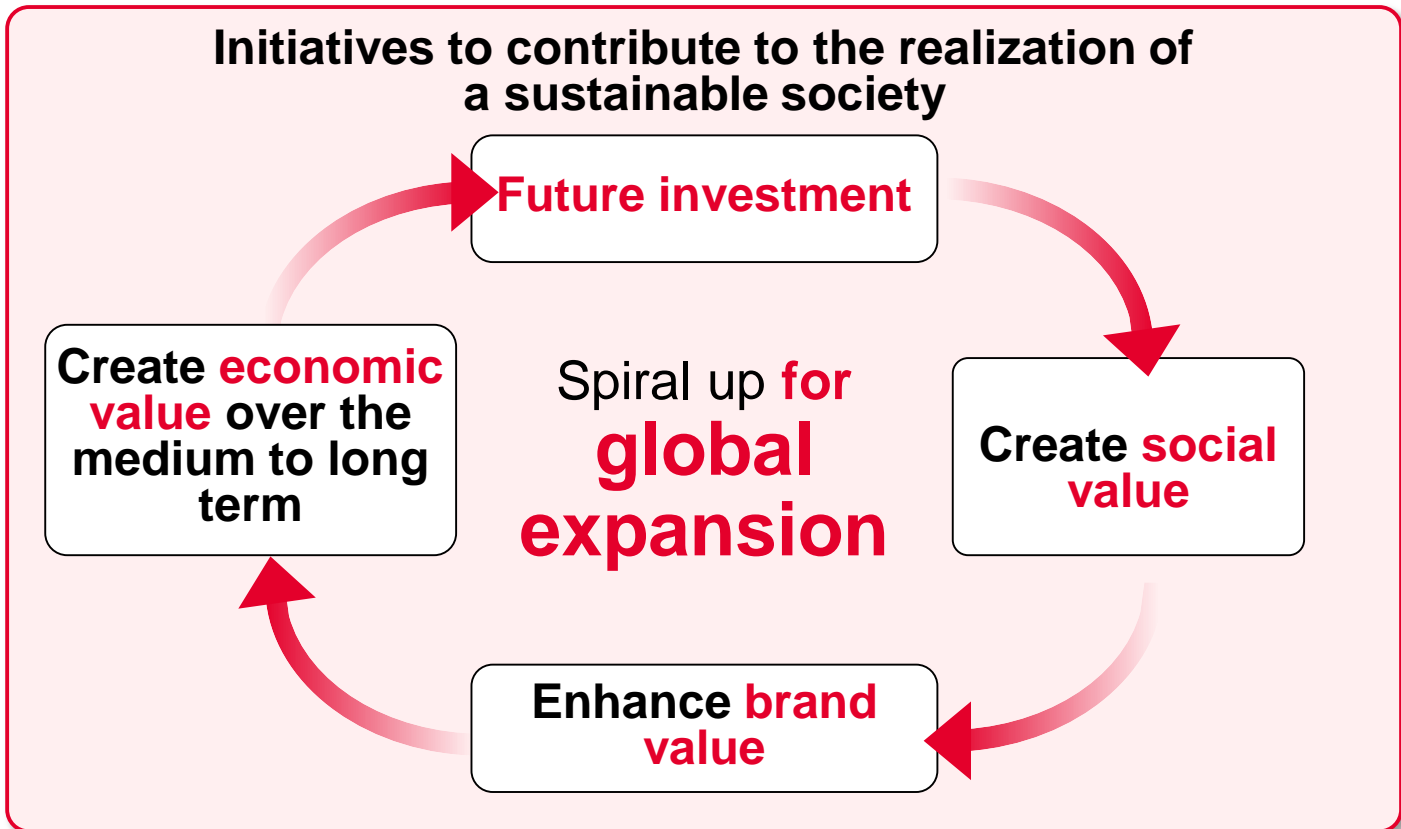


## Chapter 4

# Key Strategies for Creating Social Value

# Become a brand that generates social value through sustainability initiatives

<p><b>Basic sustainability policy</b></p>	<p>Cherishing the idea of “<b>love around the kitchen table</b>,” we tackle various challenges with “great taste, empathy, and uniqueness” to seek solutions. By caring for people and the environment throughout the entire value chain from product design and raw material procurement to production, sales, and consumption, we will create a future full of smiles.</p>
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Selected for the first time for the “**FTSE4 Good Index Series**,” the representative index for ESG investments



# Expand social value generation by working with various stakeholders

## Contributing to food culture and health

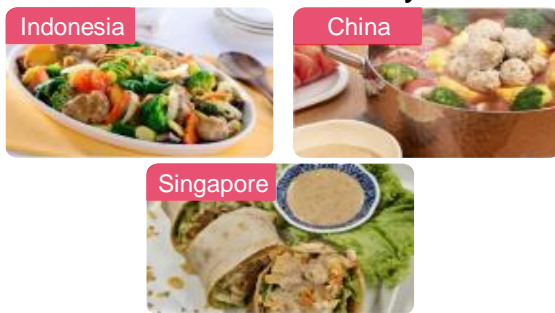
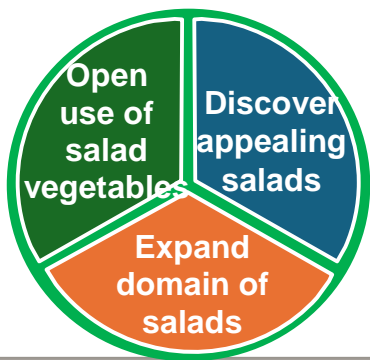
Contribute to **extending healthy life expectancy through dietary habits** based on the concept of “nutrition,” “exercise,” and “social participation”



### Increase opportunities to eat salads

Realize a society filled with connections to salads every day

Create a salad-eating culture globally, tailored to the food culture of each country



## Consideration for the environment

Achieve a global “**decarbonized society**” and “**recycling-oriented society**” by 2050



### Plastic reduction

Joint efforts with local municipalities, distributors, and manufacturers  
Accelerate the formulation of a resource-recycling society



Bottle recovery



New bottles

### Reduction of food loss

Joint efforts with surrounding businesses  
Promote energy circulation



Food loss



Use of power generation

## Looking toward sustainable growth, support efforts for each person to examine their own lifestyles and take on challenges toward self-fulfillment

### Enhancing human capital

#### Generate opportunities for new success

- Global talent development program
- Internal Open Call Startup Support Program

#### Strengthen diverse individual capabilities

- Career support that encourages autonomy in each individual
- Expand mid-career hiring

#### Enhance HR system

- Career course that enhances specialties
- Establish compensation reviews and a work environment

### Driving power of sustainable growth

Improve employee engagement

Cycle of satisfying worklife and self-fulfillment

Produce best performance

Important matters

Each employee shares the Group philosophy and a company culture centered on originality and ingenuity

## Summary of the Medium-Term Business Plan

# — Change & Challenge —

**Improving management efficiency in mature markets  
and accelerating investment in growth areas**

Along with **structural reform of domestic operations** and **acceleration of global expansion**, we will promote **contributions to food culture and health, consideration for the environment, and the enhancement of human capital value**, and create both social and economic value.

By strategically pursuing capital policies with an awareness of the cost of capital and stock price, we aim to achieve

**an ROE of at least 8.5% by FY2028.**



<Contact for inquires>

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Information disclosed by the Company is intended to deepen the reader's understanding of the Company and is not intended as an investment recommendation. Please make any investment decisions according to your own judgment. If by chance the user of this information incurs any loss or damage, the Company and the Company's information provider bears no responsibility for this loss.



# Reference Materials

(Billions of yen)

## Net sales

FY2028

**600.0** billion yenCompared  
to FY2024**+114.0** billion yen

CAGR

**+5%**

	FY2024	FY2028 target	Change	CAGR
Retail Market	186.3	<b>196.0</b>	+9.7	+1%
Food Service	171.5	<b>179.0</b>	+7.5	+1%
Overseas	93.1	<b>180.0</b>	+86.9	+18%
Other	35.1	45.0	+9.9	+6%
Total	486.0	<b>600.0</b>	+114.0	+5%

## Operating income

FY2028

**45.0** billion yenCompared  
to FY2024**+11.0** billion yen

CAGR

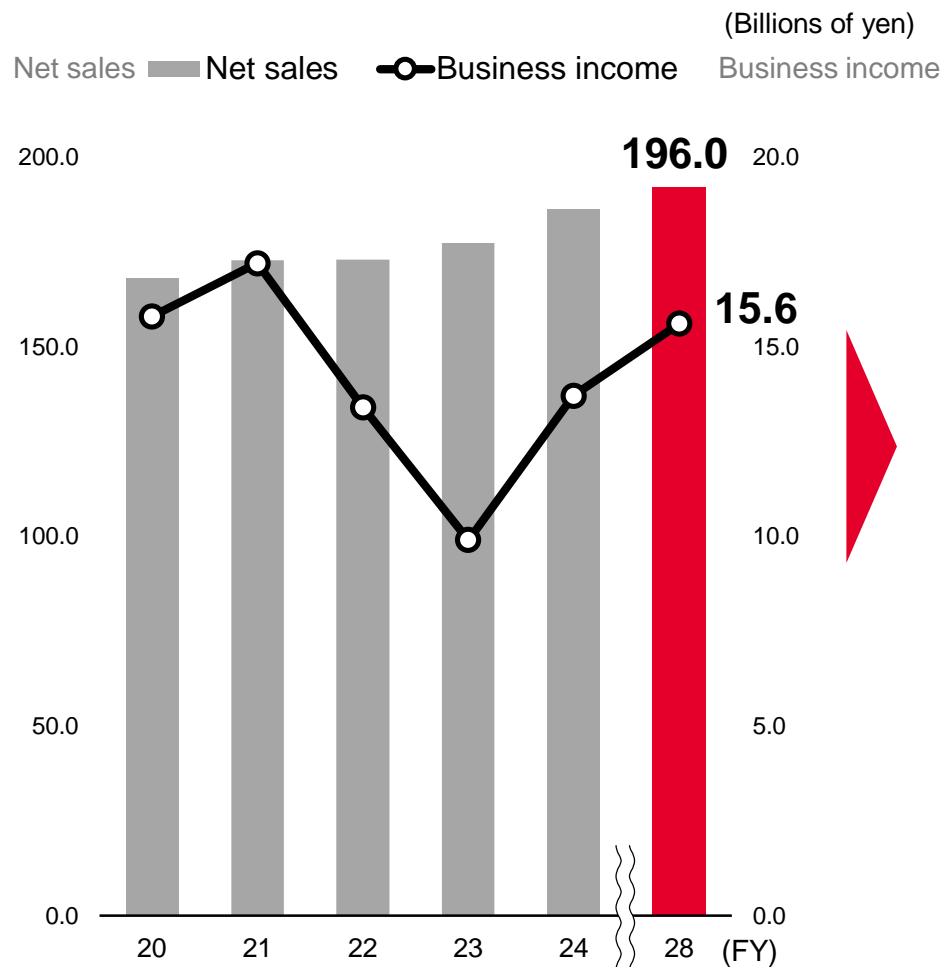
**+7%**

	FY2024	FY2028 target	Change	CAGR
Retail Market	13.7	<b>15.6</b>	+1.9	+3%
Food Service	12.6	<b>14.1</b>	+1.5	+3%
Overseas	12.2	<b>18.0</b>	+5.8	+10%
Other	1.8	<b>4.3</b>	+2.5	+24%
Company-wide expenses	(6.3)	<b>(7.0)</b>	(0.7)	-
Total	34.0	<b>45.0</b>	+11.0	+7%

\*Business income by segment

# Aim to enhance brand value through value creation from the customer's perspective

## Retail Market net sales and business income



### Condiments

Business income ratio

#### Evolution of marketing processes

- Enhancing the value and appeal of salads (promoting Salad First)
- Establishment as all-purpose condiment and lineup strengthening (basic products)

FY2024

FY2028

12.5%

13.0%

### Delicatessen

Business income ratio

#### Transform the business model through selection and concentration

- Shift to strong products (expand the Deria brand)
- Improve productivity through automation (utilizing robots)

FY2024

FY2028

4.6%

5.2%

### Cut vegetables

Business income ratio

#### Implement structural reforms throughout the entire value chain

- Strengthen the development of value-added products (explore new materials)
- Break away from a labor-intensive model

FY2024

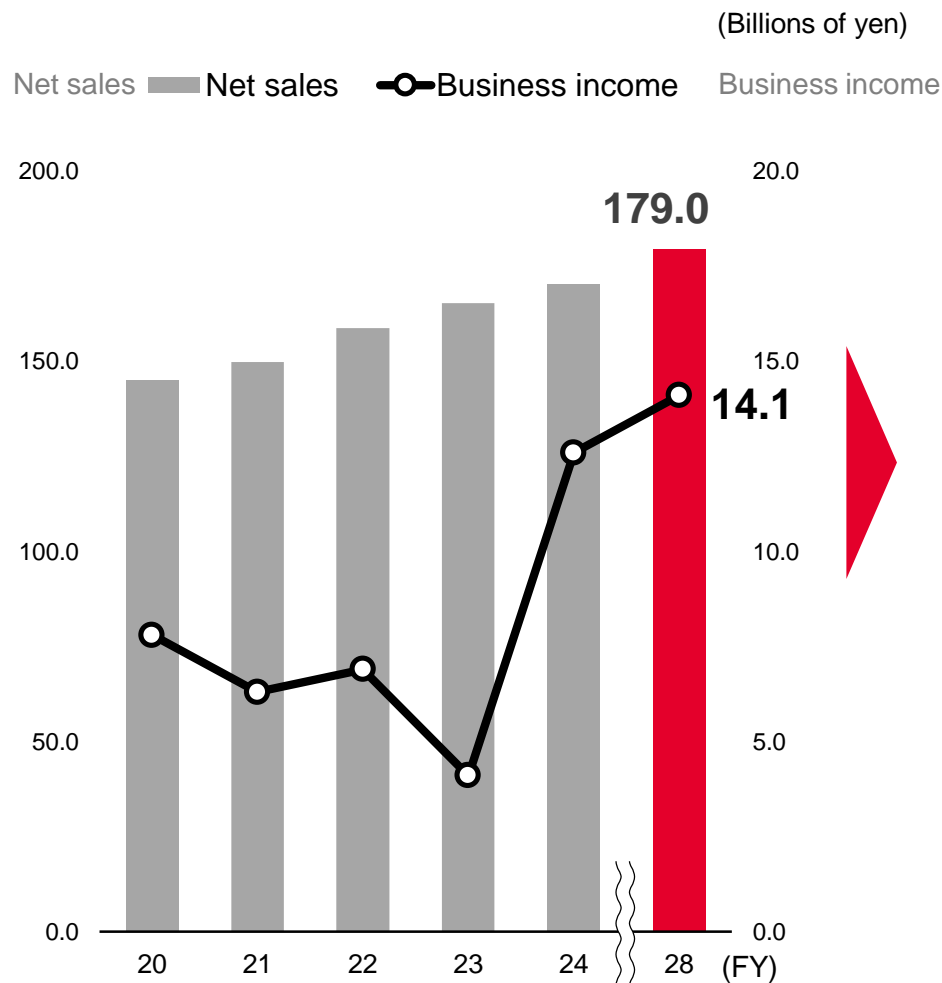
FY2028

3.2%

4.9%

# Optimize business portfolio through selection and concentration

## Food Service net sales and business income



### Condiments

#### Strengthen and establish the sauce business domain

- Improve value of salads with salad-first promotions
- Expand value-added sauces and improve profitability (Promotion of Sauce world)

Business income ratio

FY2024 FY2028

7.5% ▶ 8.5%

### Egg

#### Enhance value of egg products

- Improve productivity through production reorganization and automation
- Concentrating on value-added products
- Building a system that is not affected by market fluctuations (procurement capabilities, development of egg alternatives, and connections with government and industry)

Business income ratio

FY2024 FY2028

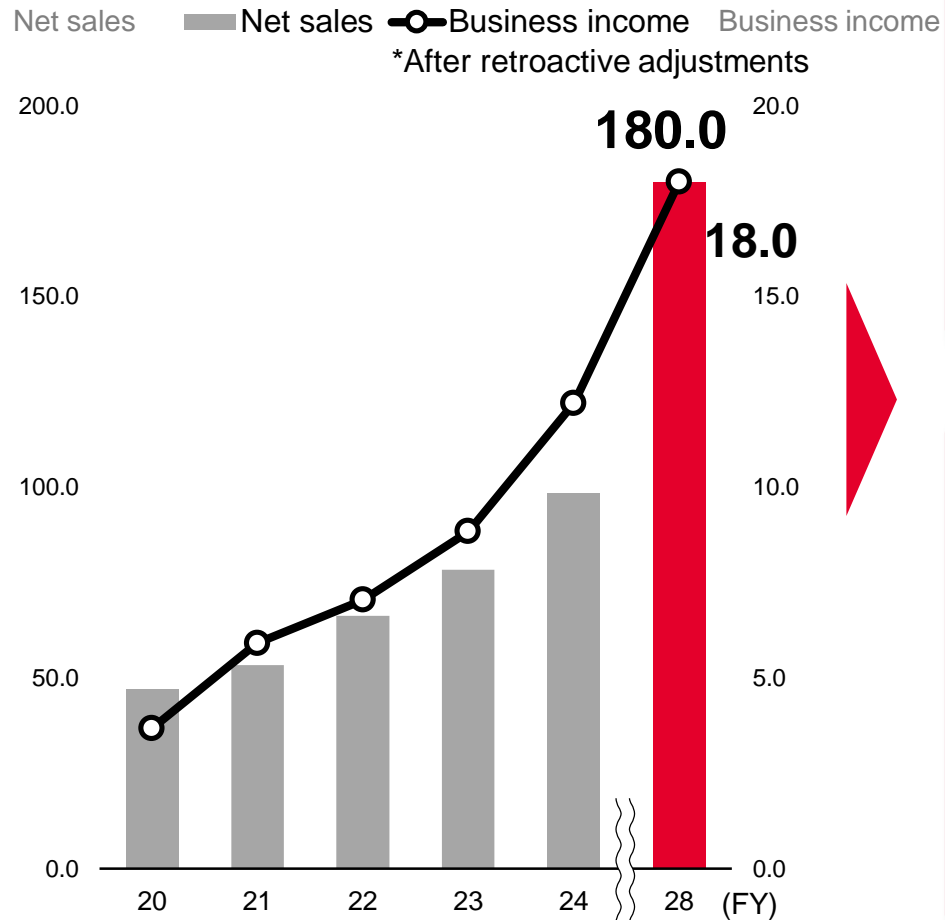
7.8% ▶ 8.0%



# Aim for sustainable growth through measures to enhance brand value

## Overseas net sales and business income

(Billions of yen)



## Enhance the brand value on a global level

- Start overseas branding under a unified concept to mark the 100th anniversary of mayonnaise
- New food experience that makes various meals even more delicious  
Share the unique appeal of Kewpie mayonnaise



## Invest 30.0 billion yen in global growth

- Further strengthen supply capabilities (North America/China/Southeast Asia)
- Strengthen automation, digitalization, quality, and logistics

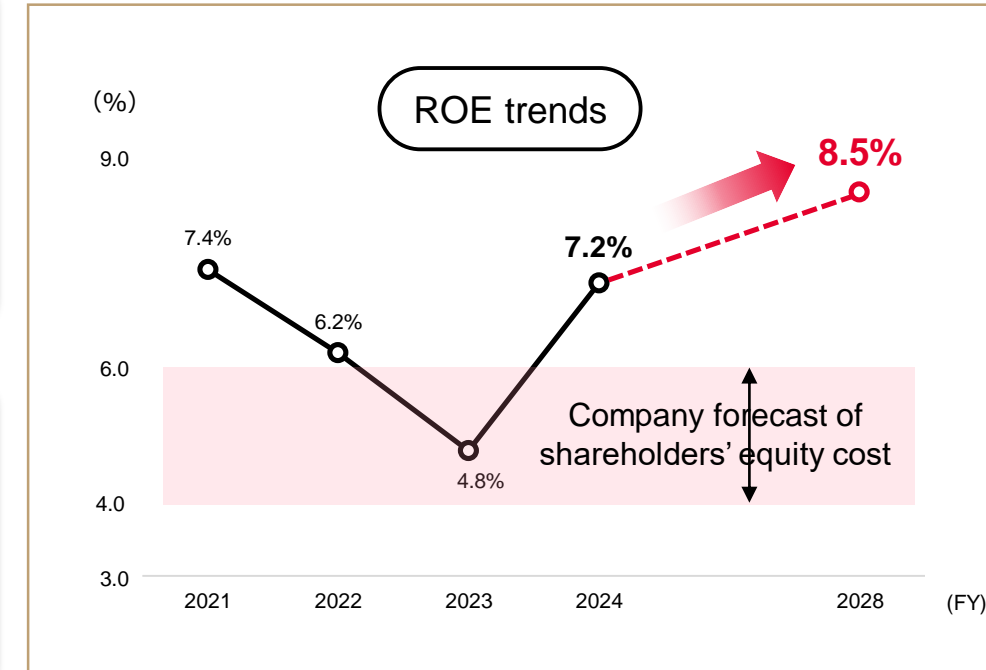


## Recognition of current situation

- We recognize that our cost of shareholders' equity is 4% to 6%.
- Although ROE is expected to be 7.2% in FY2024 which is above the cost of shareholders' equity, it is not expected to reach the target figure of 8.0%
- PBR has generally been maintained above the level of 1x

## Policy

- **Adopt ROE as an indicator of capital profitability and aim to expand the equity spread**
- **Improve ROE through the business strategy and financial strategy**
- **Aim to reduce the cost of shareholders' equity**



## Measures

### Improvement of profitability

- Structural reform of domestic operations, acceleration of global expansion
- Further growth investment
- Sale of cross-shareholdings, etc.

### Increase capital efficiency

- Flexible acquisition and cancellation of treasury shares
- Stable and continuous dividends

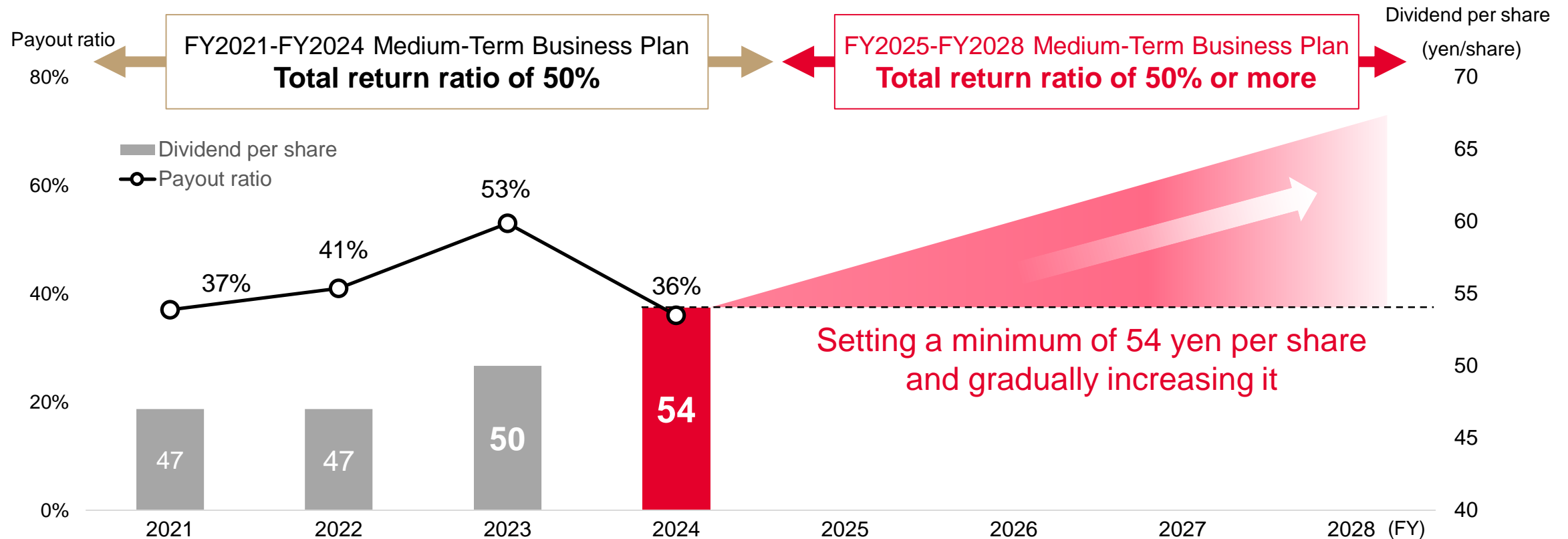
### Reduce capital cost

- Utilization of interest-bearing debt within the scope of financial discipline\*
- Strengthen IR and SR activities, including the expansion of dialogue with investors

\*Financial discipline: target equity ratio of 60%, interest-bearing debt/EBITDA ratio of less than 2 times

### FY2025-FY2028 shareholder returns plan

- Total return ratio over four years of 50% or more
- Gradually raise dividend with minimum of 54 yen per share



Acquisition of  
treasury shares

**10.0** billion yen

Perform flexible acquisition of  
treasury shares

# Strengthen relationships of trust with shareholders and investors, and aim to enhance corporate value over the medium to long term

## Strengthen communication with shareholders and investors

- Enhance the IR website
- Expand opportunities for briefings and meetings

### IR Information

Kewpie investor relations information can be accessed here.  
Information available includes financial reports and stock information.

## Proactive engagement activities






- Resume shareholder special benefit tours
- Strengthen overseas IR activities



## Incentives for enhancing corporate value

- Consider implementing a stock compensation plan
- Consider expanding the employee stock ownership plan



Key issues	Themes of initiatives	Indicators	Baseline	FY2024	FY2028 target	FY2030 target	Alignment with SDGs
<b>Contributing to food culture and health</b>	Contribution to extending healthy life expectancy	As a food partner for every person: <ul style="list-style-type: none"> <li>Contribute to achieving a vegetable intake target of 350 grams per day</li> <li>Promote a boost in egg consumption in order to contribute to increasing protein intake</li> </ul>					
	Mental and physical health support for children	Number of children's smiles via our activities	Cumulative since FY2019	At least 400 thousand people	At least 800 thousand people	At least 1,000 thousand people	
<b>Effective use and recycling of resources</b>	Reduction and effective utilization of food loss	Rate of reduction of food waste	FY2015	At least 50%	At least 63%	At least 65%	
		Rate of effective utilization of unused portion of vegetables (Main vegetables: Cabbage, etc.)	Current year	At least 70%	At least 88%	At least 90%	
		Rate of product waste volume reduction	FY2015	At least 60%	At least 70%	At least 70%	
	Reduction and reuse of plastics	Rate of plastic volume reduction	FY2018	At least 8%	At least 25%	At least 30%	
	Sustainable use of water resources	Water usage (per-unit-basis) reduction rate	FY2020	At least 3%	At least 8%	At least 10%	
<b>Dealing with climate change</b>	Reduction of CO <sub>2</sub> emissions	Reduction of CO <sub>2</sub> emissions rate	FY2013	At least 30%	At least 46%	At least 50%	
<b>Conservation of biodiversity</b>	Conservation of biodiversity	100% sustainable paper procurement rate by FY2025 (container packaging materials, printed booklets, sales promotion materials, office supplies)	Current year	—	At least 100%	At least 100%	
<b>Sustainable procurement</b>	Promotion of sustainable procurement	Promote Fundamental Policy for Sustainable Procurement in cooperation with business partners					
<b>Respect for human rights</b>	Respect for human rights	Promote the Kewpie Group Human Rights Policy to respect the human rights of all people involved in our business					