

## SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE THIRD QUARTER OF THE FISCAL YEAR ENDING NOVEMBER 30, 2009

September 30, 2009

Listed company name: Q.P. Corporation  
 Listed exchanges: Tokyo Stock Exchange  
 Security code number: 2809  
 URL: <http://www.kewpie.co.jp/english/>  
 Representative: Yutaka Suzuki, President  
 Contact: Katsuhiko Sasaki,  
 Executive Managing Director  
 and General Manager of Administration Division  
 Schedule date for filing of quarterly securities report: October 15, 2009  
 Schedule date for dividend payment: -

(Amounts are rounded down to the nearest million yen)

### 1. Consolidated business results for the third quarter of the fiscal year ending November 30, 2009 (December 1, 2008 to August 31, 2009)

#### (1) Consolidated operating results (Accumulated)

(Percentage figures represent changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended August 31, 2009	339,195	-	13,685	-	14,120	-	7,468	-
Nine months ended August 31, 2008	355,845	1.4	9,670	(18.6)	9,798	(18.1)	5,255	(9.5)

	Net income per share	Net income per share -diluted
	Yen	Yen
Nine months ended August 31, 2009	49.22	-
Nine months ended August 31, 2008	34.53	-

#### (2) Consolidated financial conditions

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2009	289,770	170,271	51.1	975.21
As of November 30, 2008	291,792	163,580	49.0	941.79

(Reference) Shareholder's equity: As of August 31, 2009: ¥147,949 million

As of November 30, 2008: ¥142,905 million

### 2. Dividends

	Dividend per share				
	1st quarter end	2nd quarter end	3rd quarter end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2008	-	7.00	-	8.00	15.00
Fiscal 2009	-	7.50	-		
Fiscal 2009 (forecast)				9.50	17.00

(Note) Revision to the forecast of dividends in the current quarter: Yes

### 3. Forecasts of consolidated operating results for the fiscal year ending November 30, 2009 (December 1, 2008 to November 30, 2009)

(Percentage figures represent changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
(Accumulated) Year-end	465,000	(1.9)	16,500	17.6	16,500	16.3	8,500	10.1	56.02

(Note) Revision to the forecast of consolidated operating results in the current quarter: None

### 4. Other:

- (1) Changes of important subsidiaries during the period from December 1, 2008 to August 31, 2009 (Changes of specific subsidiaries due to change in scope of consolidation): None
- (2) Adoption of simplified accounting treatments and special accounting treatments for quarterly consolidated financial statements: Adopted
  - a) Simplified accounting treatments: No significant event
  - b) Special accounting treatments for quarterly consolidated financial statements: None
- (3) Number of shares issued and outstanding (common stock)
  - a) Number of shares issued and outstanding at the end of each period (including treasury stock):
 

August 31, 2009	155,464,515 shares
November 30, 2008	155,464,515 shares
  - b) Number of treasury stock at the end of each period:
 

August 31, 2009	3,754,105 shares
November 30, 2008	3,726,451 shares
  - c) Average number of shares issued and outstanding during nine months ended August 31:
 

Third quarter 2009	151,731,376 shares
Third quarter 2008	152,206,738 shares
- (4) Changes in accounting principles and procedures, and disclosures for quarterly consolidated financial statements
  - a) Changes resulting from revision to accounting standards: Yes
  - b) Changes other than "a)" (above): Yes
    - 1) Adoption of "Accounting Standard for Quarterly Financial Statements" and other
 

Beginning from the term ending November 2009, the Company adopts the "Accounting Standard for Quarterly Financial Statements" (Corporate Accounting Standards No.12) and the "Guides for Adopting the Accounting Standard for Quarterly Financial Statements" (Corporate Accounting Standards Adoption Guide No.14). The Company also follows the "Rules for Quarterly Consolidated Financial Statements" to prepare its quarterly consolidated financial statements. In addition, the Company adopts the revised "Rules for Quarterly Consolidated Financial Statements" in accordance with the proviso of Article 7, Paragraph 1, Item 5 of the "Cabinet Office Ordinance Concerning Partial Revision of The Rules About Accounting Terms, Forms and Methods" (Cabinet Office Ordinance No.50 issued on August 7, 2008).
    - 2) Adoption of accounting standard to value inventories
 

Inventories for ordinary sales had been principally stated at monthly moving average cost. However, beginning from the first quarter of the term ending November 2009, the Company adopts the "Accounting Standard for Valuation of Inventories" (Corporate Accounting Standards No.9 issued on July 5, 2006) and principally states at monthly moving average cost (the value method to devalue a book value for decreasing profitability). Consequently, according to this adoption, "Losses on scrapped inventories" are provided on "Cost of sales" which had been provided on "Selling, general and administrative expenses" and "Non-operating expenses".

The effect which this change has on the statement of income is immaterial.



3) Adoption of “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements”

Beginning from the first quarter of the term ending November 2009, the Company adopts “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (Practical Issues Task Force No.18 issued on May 17, 2006).

The effect which this change has on the statement of income is immaterial.

4) Adoption of accounting standards related to lease transactions

Finance lease transactions other than those which were deemed to transfer the ownership of leased assets to lessees, had been accounted for by the same method as that applied to ordinary operating leases. However, the “Accounting Standard for Lease Transactions” (Corporate Accounting Standard No.13 (originally issued on June 17, 1993, by the First Committee of the Business Accounting Council) revised on March 30, 2007) and the “Guide for Adopting the Accounting Standards for Lease Transactions” (Corporate Accounting Standard Adoption Guide No.16 (originally issued on January 18, 1994, by the Accounting System Committee of the Japanese Institute of Certified Public Accountants) revised on March 30, 2007) have been introduced for presentation of quarterly financial statements of which fiscal year starts on and after April 1, 2008. Consequently, the Company adopts these accounting standards from the first quarter of the term ending November 30, 2009 and these lease transactions are accounted for by the same method as that applied to ordinary sales transactions. In addition, “Depreciation expense” is calculated by the straight-line method by considering a lease period to be a useful life and a scrap value to be zero.

The effect which this change has on the statement of income is immaterial.

Concerning finance lease transactions other than those which are deemed to transfer the ownership of leased assets to lessees, which started before the adoption, are accounted for by the same method as that applied to ordinary operating leases.

(Additional information)

Useful life of machinery and equipment owned by the Company and domestic consolidated subsidiaries were reconsidered in accordance with the changes of tax code. Beginning from the first quarter of the term ending November 2009, useful life is based on the revised tax code.

As a result of the above, operating income, ordinary income and net income before income taxes and minority interests during nine months ended August 31, 2009 were raised by 422 million yen, respectively. The impact on segment information is presented in the relevant sections.

(Statement for an appropriate usage of the estimate information and other notes)

The forecast information in this data is reported based on available information and assumptions on uncertain factors which may have an effect on the future operating results. As a result, the estimate of operating results may differ significantly from the actual operating results due to various uncertain factors.

Beginning from the term ending November 2009, the Company adopts the “Accounting Standard for Quarterly Financial Statements” (Corporate Accounting Standards No.12) and the “Guides for Adopting the Accounting Standard for Quarterly Financial Statements” (Corporate Accounting Standards Adoption Guide No.14). The Company also follows the “Rules for Quarterly Consolidated Financial Statements” to prepare its quarterly consolidated financial statements. In addition, the Company adopts the revised “Rules for Quarterly Consolidated Financial Statements” in accordance with the proviso of Article 7, Paragraph 1, Item 5 of the “Cabinet Office Ordinance Concerning Partial Revision of The Rules About Accounting Terms, Forms and Methods” (Cabinet Office Ordinance No.50 issued on August 7, 2008).

## 5. Quarterly Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	Third quarter end (As of August 31, 2009)	Summary of previous fiscal year end (As of November 30, 2008)
<b>Assets</b>		
Current assets		
Cash and deposits	27,587	25,260
Notes and accounts receivable-trade	62,568	71,476
Securities	4,995	5,000
Purchased goods and products	12,124	12,353
Work in process	732	739
Raw materials and supplies	4,666	5,338
Other	7,500	5,903
Allowances for doubtful accounts	(351)	(464)
Total current assets	119,822	125,607
Fixed assets		
Tangible fixed assets		
Buildings and structures	124,189	121,303
Accumulated depreciation	(74,285)	(71,203)
Net book value	49,903	50,099
Machinery, equipment and transportation equipment	125,230	121,966
Accumulated depreciation	(102,164)	(98,027)
Net book value	23,066	23,939
Land	40,746	40,305
Construction in progress	2,244	2,280
Other	9,406	8,178
Accumulated depreciation	(7,184)	(6,633)
Net book value	2,221	1,545
Total tangible fixed assets	118,182	118,170
Intangible fixed assets	2,141	2,246
Investments and other assets		
Investment securities	20,235	17,683
Prepaid pension costs	18,565	17,673
Other	10,987	10,578
Allowances for doubtful accounts	(163)	(166)
Total investments and other assets	49,624	45,768
Total fixed assets	169,947	166,184
Total assets	289,770	291,792



# Q.P. Corporation

(Millions of yen)

	Third quarter end (As of August 31, 2009)	Summary of previous fiscal year end (As of November 30, 2008)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	38,927	49,160
Short-term loans payable	15,111	16,067
Current portion of bonds	10,000	10,000
Accrued income taxes	6,178	1,744
Reserve for sales rebates	3,370	692
Reserve for bonuses	4,040	764
Reserve for directors' and corporate auditors' bonuses	61	53
Other	14,907	22,947
Total current liabilities	92,597	101,431
<b>Long-term liabilities</b>		
Bonds	500	500
Long-term loans payable	13,161	13,977
Reserves	2,378	2,452
Other	10,860	9,850
Total long-term liabilities	26,901	26,779
Total liabilities	119,498	128,211
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Paid-in-capital	24,104	24,104
Capital surplus	29,432	29,432
Earned surplus	99,827	94,480
Treasury stock	(3,832)	(3,804)
Total shareholders' equity	149,532	144,212
<b>Valuation and translation adjustments</b>		
Unrealized holding gains on securities	1,638	1,288
Unrealized holding gains (or losses) on hedges	(41)	(74)
Foreign currency translation adjustments	(3,179)	(2,522)
Total valuation and translation adjustments	(1,582)	(1,307)
Minority interests	22,321	20,675
Total net assets	170,271	163,580
Total liabilities and net assets	289,770	291,792

## (2) Consolidated Statements of Income

(Millions of yen)

	Third quarter (December 1, 2008 to August 31, 2009)
Net sales	339,195
Cost of sales	257,597
Gross profit	81,597
Selling, general and administrative expenses	67,911
Operating income	13,685
Non-operating income	
Interest income	235
Dividends receivable	259
Equity in earnings of affiliates	126
Other	405
Total non-operating income	1,026
Non-operating expenses	
Interest expenses	407
Other	184
Total non-operating expenses	591
Ordinary income	14,120
Extraordinary gains	
Prior period adjustments	15
Gains on sales of fixed assets	20
Subsidies received	20
Other	25
Total extraordinary gains	81
Extraordinary losses	
Prior period adjustments	77
Losses on sales of fixed assets	13
Losses on disposal of fixed assets	383
Other	44
Total extraordinary losses	518
Net income before income taxes and minority interests	13,684
Income taxes	5,426
Minority interests	788
Net income	7,468

## (3) Consolidated Statements of Cash Flows

(Millions of yen)

	Third quarter (December 1, 2008 to August 31, 2009)
<b>Cash flows from operating activities</b>	
Net income before income taxes and minority interests	13,684
Depreciation and amortization	9,481
Equity in losses (earnings) of affiliates	(126)
Losses (gains) on valuation of investment securities	2
Increase (decrease) in reserves	5,785
Decrease (increase) in prepaid pension costs	(889)
Interest income and dividends receivable	(495)
Interest expenses	407
Losses (gains) on sales and disposal of fixed assets	376
Decrease (increase) in notes and accounts receivable-trade	9,362
Decrease (increase) in inventories	998
Increase (decrease) in notes and accounts payable-trade	(10,301)
Other	(6,273)
Sub-total	<u>22,012</u>
Interest income and dividends received	498
Interest paid	(407)
Income taxes paid	(3,464)
Net cash provided by (used in) operating activities	<u>18,638</u>
<b>Cash flows from investing activities</b>	
Purchases of tangible fixed assets	(8,540)
Purchases of intangible fixed assets	(478)
Purchases of investment securities	(3,258)
Loans receivable made	(439)
Collection of loans receivable	498
Other	1,808
Net cash provided by (used in) investing activities	<u>(10,409)</u>
<b>Cash flows from financing activities</b>	
Net increase (decrease) in short-term loans payable	(461)
Repayment of long-term loans payable	(1,348)
Cash dividends paid	(2,352)
Cash dividends paid to minority shareholders	(241)
Repurchase of treasury stock	(28)
Other	(72)
Net cash provided by (used in) financing activities	<u>(4,505)</u>
Effects of exchange rate changes on cash and cash equivalents	<u>(76)</u>
Increase (decrease) in cash and cash equivalents	<u>3,647</u>
Cash and cash equivalents at beginning of the term	26,705
Increase in cash and cash equivalents resulting from increase of consolidated subsidiaries	100
Cash and cash equivalents at end of the term	<u>30,453</u>



Beginning from term ending November 2009, the Company adopts the “Accounting Standard for Quarterly Financial Statements” (Corporate Accounting Standards No.12) and the “Guides for Adopting the Accounting Standard for Quarterly Financial Statements” (Corporate Accounting Standards Adoption Guide No.14). The Company also follows the “Rules for Quarterly Consolidated Financial Statements” to prepare its quarterly consolidated financial statements. In addition, the Company adopts the revised “Rules for Quarterly Consolidated Financial Statements” in accordance with the proviso of Article 7, Paragraph 1, Item 5 of the “Cabinet Office Ordinance Concerning Partial Revision of The Rules About Accounting Terms, Forms and Methods” (Cabinet Office Ordinance No.50 issued on August 7, 2008).

(4) Notes regarding assumption of a going concern

None

(5) Segment information

[Segment information of business lines]

Third quarter (From December 1, 2008 to August 31, 2009)

(Millions of yen)

	Foods	Distribution system	Total	Elimination and/or corporate	Consolidated
Sales					
(1) Sales to customers	270,517	68,678	339,195	-	339,195
(2) Internal sales or transfers to/from segments	10	16,354	16,364	(16,364)	-
Total	270,528	85,032	355,560	(16,364)	339,195
Operating income	15,430	1,450	16,881	(3,195)	13,685

(Notes) a. Methods classifying business segments

Business segments are classified based on business line.

b. Main products of each business segment

Foods	...	Condiments and processed foods, Health function products, Egg products, Salads and prepared foods
Distribution system	...	Warehousing and transportation

c. Additional information

As described on “4. Other (Additional information)”, useful life of machinery and equipment owned by the Company and domestic consolidated subsidiaries were reconsidered in accordance with the changes of tax code. Beginning from the first quarter of the term ending November 2009, useful life is based on the revised tax code. As a result of the above, operating income in “Foods” was raised by 431 million yen and that in “Distribution system” was reduced by 8 million yen.

[Geographical business]

Segment information of geographical business is not disclosed since the proportion of domestic sales during nine months ended August 31, 2009 exceeds 90% to the total amount of all segment sales.



[Overseas sales amounts]

Segment information of overseas sales amounts is not disclosed since the overseas sales amounts during nine months ended August 31, 2009, are less than 10% of consolidated sales.

(6) Notes regarding the significant changes of the amount on shareholders' equity

Beginning from the first quarter of the term ending November 2009, the Company added two companies, San-ei Logistics Corporation and Kewpie (Thailand) Co., Ltd. as consolidated subsidiaries. As a result of the above, "Earned surplus" was raised 232 million yen as increase of earned surplus resulting from increase of consolidated subsidiaries.



**(Reference)**

**Consolidated Financial Statements (Previous year)**

(1) Consolidated Statements of Income (Summary)

(Millions of yen)

Account	Previous third quarter (December 1, 2007 to August 31, 2008)
	Amount
I .Net sales	355,845
II .Cost of sales	276,075
Gross profit	79,769
III .Selling, general and administrative expenses	70,099
Operating income	9,670
IV .Non-operating income	1,052
Interest income and dividends receivable	557
Equity in earnings of affiliates	72
Other	422
V .Non-operating expenses	923
Interest expenses	558
Other	365
Ordinary income	9,798
VI .Extraordinary gains	1,297
Gains on sales of fixed assets	223
Gains on sales of investment securities	12
Gains on sales of shares of subsidiaries	987
Other	73
VII .Extraordinary losses	820
Losses on sales and disposal of fixed assets	419
Other	400
Net income before income taxes and minority interests	10,276
Income taxes	4,413
Minority interests	607
Net income	5,255



## (2) Consolidated Statements of Cash Flows (Summary)

(Millions of yen)

	Previous third quarter (December 1, 2007 to August 31, 2008)
	Amount
<b>I Cash flows from operating activities</b>	
Net income before income taxes and minority interests	10,276
Depreciation and amortization	9,719
Amortization of goodwill	25
Equity in earnings of affiliates	(72)
Losses on valuation of investment securities	18
Losses on valuation of golf course memberships	6
Increase (decrease) in reserve for retirement benefits	(131)
Decrease (increase) in prepaid pension costs	(2,693)
Increase (decrease) in reserve for directors' and corporate auditors' retirement pay	(675)
Increase (decrease) in reserve for sales rebates	2,050
Increase (decrease) in reserve for directors' and corporate auditors' bonuses	(5)
Increase (decrease) in reserve for bonuses	2,778
Increase (decrease) in allowances for doubtful accounts	(66)
Interest income and dividends receivable	(557)
Interest expenses	558
Losses (gains) on sales of investment securities	(2)
Losses (gains) on sales of shares of subsidiaries	(987)
Losses (gains) on sales and disposal of fixed assets	195
Decrease (increase) in notes and accounts receivable-trade	(3,197)
Decrease (increase) in inventories	(3,018)
Increase (decrease) in notes and accounts payable-trade	14,235
Increase (decrease) in accounts payable-other	(6,470)
Increase (decrease) in accrued consumption taxes	(412)
Other	(4,987)
<b>Sub-total</b>	<b>16,585</b>
Interest income and dividends received	880
Interest paid	(546)
Income taxes paid	(6,236)
<b>Net cash provided by operating activities</b>	<b>10,682</b>
<b>II Cash flows from investing activities</b>	
Purchases of tangible fixed assets	(9,523)
Purchases of intangible fixed assets	(243)
Purchases of investment securities	(128)
Proceeds from sales of investment securities	78
Proceeds from sales of subsidiaries' shares resulting in change in scope of consolidation	1,852
Acquisition of subsidiaries' shares without change in scope of consolidation	(28)
Proceeds from sales of subsidiaries' shares without change in scope of consolidation	90
Loans receivable made	(448)
Collection of loans receivable	197
Disbursements for deposit money in bank	(9)
Withdrawal of time deposits	3,583
Other	338
<b>Net cash used in investing activities</b>	<b>(4,243)</b>



# Q.P. Corporation

(Millions of yen)

	Previous third quarter (December 1, 2007 to August 31, 2008)
	Amount
III Cash flows from financing activities	
Borrowing on short-term loans payable	66,670
Repayment of short-term loans payable	(64,909)
Borrowing on long-term loans payable	1,200
Repayment of long-term loans payable	(2,288)
Paid in from minority shareholders	179
Cash dividends paid	(2,132)
Cash dividends paid to minority shareholders	(211)
Repurchase of treasury stock	(1,145)
Net cash provided by (used in) financing activities	(2,638)
IV Effects of exchange rate changes on cash and cash equivalents	(155)
V Increase (decrease) in cash and cash equivalents	3,645
VI Cash and cash equivalents at beginning of the term	27,699
VII Increase in cash and cash equivalents resulting from increase of consolidated subsidiaries	27
VIII Cash and cash equivalents at end of the term	31,373



### (3) Segment information

[Segment information of business lines]

Previous third quarter (From December 1, 2007 to August 31, 2008)

(Millions of yen)

	Foods	Distribution system	Total	Elimination and/or corporate	Consolidated
Sales					
(1) Sales to customers	284,144	71,700	355,845	-	355,845
(2) Internal sales or transfers to/from segments	8	17,834	17,842	(17,842)	-
Total	284,153	89,535	373,688	(17,842)	355,845
Operating expenses	272,593	88,404	360,997	(14,822)	346,175
Operating income	11,560	1,130	12,690	(3,020)	9,670

(Notes) a. Methods classifying business segments

Business segments are classified based on business line.

b. Main products of each business segment

Foods	...	Condiments and processed foods, Health function products, Egg products, Salads and prepared foods
Distribution system	...	Warehousing and transportation

c. Operating expenses unable to be allocated to segments mainly belong to general control division in the head office of the Company and consolidated subsidiaries K.System Co., Ltd. and Kewpie Ai Co., Ltd.

Those amounts included in Elimination and/or corporate on the column of the above table, are 3,081 million.

### (2) Geographical business

Segment information of geographical business is not disclosed since the proportion of domestic sales during nine months ended August 31, 2008 exceeds 90% to the total amount of all segment sales.

### (3) Overseas sales amounts

Segment information of overseas sales amounts is not disclosed since the overseas sales amounts during nine months ended August 31, 2008, are less than 10% of consolidated sales.