



## SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2009

January 12, 2010

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 and Representative Director  
 Contact: Nobuo Inoue,  
 General Manager, Operation Promote Department  
 Schedule date for ordinary general meeting of shareholders: February 23, 2010  
 Schedule date for dividend payment: February 24, 2010  
 Schedule date for filing of annual securities report: February 24, 2010

(Amounts are rounded down to the nearest million yen)

### 1. Consolidated business results for the fiscal year ended November 30, 2009 (December 1, 2008 to November 30, 2009)

#### (1) Consolidated operating results

(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	%
Year ended November 30, 2009	452,239	(4.6)	17,731	26.3	18,414	29.8	9,036	17.0
Year ended November 30, 2008	473,951	1.3	14,036	(11.3)	14,184	(10.4)	7,721	5.4

	Net income per share	Net income per share -diluted	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Year ended November 30, 2009	59.56	-	6.2	6.5	3.9
Year ended November 30, 2008	50.77	-	5.4	4.9	3.0

(Reference) Equity in earnings of affiliates: Year ended November 30, 2009: ¥231 million  
 Year ended November 30, 2008: ¥ 89 million

#### (2) Consolidated financial conditions

	Total assets	Net assets	Shareholders' equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
As of November 30, 2009	275,650	170,804	53.8	978.33
As of November 30, 2008	291,792	163,580	49.0	941.79

(Reference) Shareholder's equity: As of November 30, 2009: ¥148,412 million  
 As of November 30, 2008: ¥142,905 million

#### (3) Consolidated cash flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at the end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended November 30, 2009	31,301	(11,548)	(18,462)	27,831
Year ended November 30, 2008	14,466	(9,687)	(5,712)	26,705



## 2. Dividends

	Dividend per share							
	1st quarter end	2nd quarter end	3rd quarter end	Year end	Total	Total amount of annual dividends	Dividend pay-out ratio (Consolidated)	Dividend to shareholders' equity (Consolidated)
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal 2008	-	7.00	-	8.00	15.00	2,276	29.5	1.6
Fiscal 2009	-	7.50	-	9.50	17.00	2,579	28.5	1.8
Fiscal 2010 (forecast)	-	8.00	-	8.00	16.00		25.0	

(Reference)

Dividend per share of "Year end " of 2009 includes ¥2 dividend to commemorate the 90th anniversary of establishment.

## 3. Forecasts of consolidated operating results for the fiscal year ending November 30, 2010 (December 1, 2009 to November 30, 2010)

(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)									
Second quarter	238,000	5.3	9,000	19.0	9,000	15.2	4,700	16.0	30.98
Year-end	483,000	6.8	19,300	8.8	19,300	4.8	9,700	7.3	63.94

## 4. Other:

(1) Changes of important subsidiaries during the period.

(Changes of specific subsidiaries due to change in scope of consolidation): None

(2) Changes in accounting principles and procedures, and disclosures for consolidated financial statements

a) Changes resulting from revision to accounting standards: Yes

b) Changes other than "a)" (above): No

(Note) For more detail, please refer to "Basis of preparations for consolidated financial statements" on page 11.

(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):

November 30, 2009 155,464,515 shares

November 30, 2008 155,464,515 shares

b) Number of treasury stock at the end of each period:

November 30, 2009 3,765,068 shares

November 30, 2008 3,726,451 shares

(Note) For more detail about number of shares of calculation basis of net income per share (consolidated), please refer to "Consolidated per share data" on page 23

(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.



## Cash flow index

	Nov.2005	Nov.2006	Nov.2007	Nov.2008	Nov.2009
Equity ratio (%)	49.8	47.3	48.3	49.0	53.8
Equity ratio based on market price (%)	58.6	54.6	59.3	55.3	54.9
Interest-bearing debt to cash flows ratio (year)	2.4	2.0	1.9	2.8	0.8
Interest coverage ratio (times)	29.5	42.1	32.9	21.6	60.5

### (Notes)

“Equity ratio”=Shareholders' equity / Total assets

“Equity ratio based on market price”=Market value of total stock/ Total assets

“Interest-bearing debt to cash flows ratio”=Interest-bearing debt/ Cash flows from operating activities

“Interest coverage ratio”=Cash flows from operating activities / Interest paid

1. Each index is calculated based on consolidated financial figures.
2. “Market value of total stock” is calculated by multiplying the final market price by the number of outstanding shares at the end of the fiscal year (excluding treasury stock).
3. “Interest-bearing debt” includes all debts whose interest is paid in the “Consolidated balance sheets”.
4. “Cash flow” and “Interest paid” are the figure of “Net cash provided by operating activities” and “Interest paid” reported in the “Consolidated statements of cash flows”, respectively.



## 5. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	Previous fiscal year (As of November 30, 2008)	Current fiscal year (As of November 30, 2009)
<b>Assets</b>		
Current assets		
Cash and deposits	25,260	23,148
Notes and accounts receivable-trade	71,476	61,342
Securities	5,000	5,000
Inventories	18,432	-
Purchased goods and products	-	9,529
Work in process	-	762
Raw materials and supplies	-	4,097
Deferred tax assets	1,595	2,141
Other	4,307	2,709
Allowances for doubtful accounts	(464)	(356)
Total current assets	125,607	108,374
Fixed assets		
Tangible fixed assets		
Buildings and structures	121,303	123,890
Accumulated depreciation	(71,203)	(75,054)
Net book value	50,099	48,835
Machinery, equipment and transportation equipment	121,966	125,623
Accumulated depreciation	(98,027)	(102,742)
Net book value	23,939	22,880
Land	40,305	40,463
Lease assets	-	780
Accumulated depreciation	-	(83)
Net book value	-	696
Construction in progress	2,280	1,535
Other	8,178	8,747
Accumulated depreciation	(6,633)	(7,134)
Net book value	1,545	1,613
Total tangible fixed assets	118,170	116,024
Intangible fixed assets		
Computer software	1,827	1,858
Other	418	402
Total intangible fixed assets	2,246	2,261
Investments and other assets		
Investment securities	17,683	19,795
Long-term loans receivable	787	1,142
Prepaid pension costs	17,673	18,446
Deferred tax assets	596	591
Other	9,194	9,740
Allowances for doubtful accounts	(166)	(726)
Total investments and other assets	45,768	48,989
Total fixed assets	166,184	167,276
Total assets	291,792	275,650



# Q.P. Corporation

(Millions of yen)

	Previous fiscal year (As of November 30, 2008)	Current fiscal year (As of November 30, 2009)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	49,160	37,023
Short-term loans payable	16,067	11,537
Current portion of bonds	10,000	-
Accounts payable-other	15,022	13,292
Accrued expenses	7,427	8,535
Accrued income taxes	1,744	5,929
Deferred tax liabilities	16	3
Reserve for sales rebates	692	1,067
Reserve for bonuses	764	643
Reserve for directors' and corporate auditors' bonuses	53	93
Other	481	651
Total current liabilities	<u>101,431</u>	<u>78,778</u>
<b>Long-term liabilities</b>		
Bonds	500	500
Long-term loans payable	13,977	12,744
Deferred tax liabilities	7,527	7,293
Reserve for retirement benefits	2,304	2,623
Reserve for directors' and corporate auditors' retirement pay	147	-
Other	2,322	2,907
Total long-term liabilities	<u>26,779</u>	<u>26,068</u>
Total liabilities	<u>128,211</u>	<u>104,846</u>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Paid-in-capital	24,104	24,104
Capital surplus	29,432	29,432
Earned surplus	94,480	101,396
Treasury stock	(3,804)	(3,843)
Total shareholders' equity	<u>144,212</u>	<u>151,089</u>
<b>Valuation and translation adjustments</b>		
Unrealized holding gains on securities	1,288	1,213
Unrealized holding gains (or losses) on hedges	(74)	(58)
Foreign currency translation adjustment	(2,522)	(3,831)
Total valuation and translation adjustments	<u>(1,307)</u>	<u>(2,676)</u>
Minority interests	<u>20,675</u>	<u>22,391</u>
Total net assets	<u>163,580</u>	<u>170,804</u>
Total liabilities and net assets	<u>291,792</u>	<u>275,650</u>



# Q.P. Corporation

## (2) Consolidated Statements of Income

(Millions of yen)

	Previous fiscal year (From December 1, 2007 to November 30, 2008)	Current fiscal year (From December 1, 2008 to November 30, 2009)
Net sales	473,951	452,239
Cost of sales	367,285	342,978
Gross profit	106,665	109,261
Selling, general and administrative expenses	92,629	91,529
Operating income	14,036	17,731
Non-operating income		
Interest income	379	307
Dividends receivable	333	296
Equity in earnings of affiliates	89	231
Other	508	589
Total non-operating income	1,310	1,424
Non-operating expenses		
Interest expenses	685	516
Amortization of business commencement costs	122	-
Other	353	226
Total non-operating expenses	1,162	742
Ordinary income	14,184	18,414
Extraordinary gains		
Prior period adjustments	-	15
Gains on sales of fixed assets	230	28
Gains on sales of investment securities	174	-
Gains on sales of shares of subsidiaries and associated companies	985	-
Subsidies received	-	24
Other	98	38
Total extraordinary gains	1,488	107
Extraordinary losses		
Losses on sales of fixed assets	18	63
Losses on disposal of fixed assets	755	669
Losses on valuation of investment securities	404	-
Allowances for doubtful accounts	2	54
Key system equipment relocation costs	260	-
Losses on impairment of fixed assets	-	982
Other	354	155
Total extraordinary losses	1,795	1,926
Net income before income taxes and minority interests	13,876	16,595
Income taxes	3,680	7,307
Income taxes deferred	1,607	(713)
Total income taxes	5,288	6,594
Minority interests	867	964
Net income	7,721	9,036



# Q.P. Corporation

## (3) Consolidated Statements of Changes in Net Assets

(Millions of yen)

	Previous fiscal year (From December 1, 2007 to November 30, 2008)	Current fiscal year (From December 1, 2008 to November 30, 2009)
Shareholders' equity		
Paid-in capital		
Balance at beginning of the term	24,104	24,104
Changes of items during the fiscal year		
Total changes during the fiscal year	-	-
Balance at end of the term	24,104	24,104
Capital surplus		
Balance at beginning of the term	29,432	29,432
Changes of items during the fiscal year		
Total changes during the fiscal year	-	-
Balance at end of the term	29,432	29,432
Earned surplus		
Balance at beginning of the term	88,786	94,480
Changes of items during the fiscal year		
Increase in earned surplus resulting from increase of consolidated subsidiaries	104	232
Dividends from surplus	(2,132)	(2,352)
Net income	7,721	9,036
Total changes during the fiscal year	5,693	6,916
Balance at end of the term	94,480	101,396
Treasury stock		
Balance at beginning of the term	(2,655)	(3,804)
Changes of items during the fiscal year		
Repurchase of treasury stock	(1,148)	(39)
Total changes during the fiscal year	(1,148)	(39)
Balance at end of the term	(3,804)	(3,843)
Total shareholders' equity		
Balance at beginning of the term	139,667	144,212
Changes of items during the fiscal year		
Increase in earned surplus resulting from increase of consolidated subsidiaries	104	232
Dividends from surplus	(2,132)	(2,352)
Net income	7,721	9,036
Repurchase of treasury stock	(1,148)	(39)
Total changes during the fiscal year	4,544	6,876
Balance at end of the term	144,212	151,089



# Q.P. Corporation

(Millions of yen)

	Previous fiscal year (From December 1, 2007 to November 30, 2008)	Current fiscal year (From December 1, 2008 to November 30, 2009)
Valuation and translation adjustments		
Unrealized holding gains on securities		
Balance at beginning of the term	3,416	1,288
Changes of items during the fiscal year		
Net changes of items other than shareholders' equity	(2,127)	(75)
Total changes during the fiscal year	(2,127)	(75)
Balance at end of the term	1,288	1,213
Unrealized holding gains or losses on hedges		
Balance at beginning of the term	105	(74)
Changes of items during the fiscal year		
Net changes of items other than shareholders' equity	(179)	15
Total changes during the fiscal year	(179)	15
Balance at end of the term	(74)	(58)
Foreign currency translation adjustments		
Balance at beginning of the term	(1,790)	(2,522)
Changes of items during the fiscal year		
Net changes of items other than shareholders' equity	(731)	(1,309)
Total changes during the fiscal year	(731)	(1,309)
Balance at end of the term	(2,522)	(3,831)
Total valuation and translation adjustments		
Balance at beginning of the term	1,731	(1,307)
Changes of items during the fiscal year		
Net changes of items other than shareholders' equity	(3,038)	(1,369)
Total changes during the fiscal year	(3,038)	(1,369)
Balance at end of the term	(1,307)	(2,676)
Minority interests		
Balance at beginning of the term	19,741	20,675
Changes of items during the fiscal year		
Net changes of items other than shareholders' equity	934	1,715
Total changes during the fiscal year	934	1,715
Balance at end of the term	20,675	22,391
Total net assets		
Balance at beginning of the term	161,140	163,580
Changes of items during the fiscal year		
Increase in earned surplus resulting from increase of consolidated subsidiaries	104	232
Dividends from surplus	(2,132)	(2,352)
Net income	7,721	9,036
Repurchase of treasury stock	(1,148)	(39)
Net changes of items other than shareholders' equity	(2,104)	346
Total changes during the fiscal year	2,440	7,223
Balance at end of the term	163,580	170,804



# Q.P. Corporation

## (4) Consolidated Statements of Cash Flows

(Millions of yen)

	Previous fiscal year (From December 1, 2007 to November 30, 2008)	Current fiscal year (From December 1, 2008 to November 30, 2009)
<b>Cash flows from operating activities</b>		
Net income before income taxes and minority interests	13,876	16,595
Depreciation and amortization	13,408	12,980
Losses on impairment of fixed assets	-	982
Amortization of goodwill	25	0
Equity in losses (earnings) of affiliates	(89)	(231)
Losses (gains) on valuation of investment securities	404	2
Losses on valuation of golf course memberships	45	15
Increase (decrease) in reserve for retirement benefits	8	360
Decrease (increase) in prepaid pension costs	(3,565)	(770)
Increase (decrease) in reserve for directors' and corporate auditors' retirement pay	(705)	(147)
Increase (decrease) in reserve for sales rebates	(621)	374
Increase (decrease) in reserve for directors' and corporate auditors' bonuses	(8)	40
Increase (decrease) in reserve for bonuses	(59)	(121)
Increase (decrease) in allowances for doubtful accounts	(71)	447
Interest income and dividends receivable	(713)	(604)
Interest expenses	685	516
Losses (gains) on sales of investment securities	(160)	(0)
Losses (gains) on sales of shares in subsidiaries and associated companies	(985)	-
Losses (gains) on sales and disposal of fixed assets	544	704
Decrease (increase) in notes and accounts receivable-trade	(1,559)	10,480
Decrease (increase) in inventories	(1,947)	4,023
Increase (decrease) in notes and accounts payable-trade	10,000	(12,059)
Increase (decrease) in accounts payable-other	(6,821)	(1,867)
Increase (decrease) in accrued consumption taxes	(453)	941
Increase (decrease) in long-term accounts payable	375	(48)
Other	(850)	2,083
Sub-total	20,762	34,698
Interest income and dividends received	1,039	625
Interest paid	(668)	(517)
Income taxes paid	(6,668)	(3,505)
Net cash provided by (used in) operating activities	14,466	31,301
<b>Cash flows from investing activities</b>		
Purchases of tangible fixed assets	(12,170)	(10,730)
Purchases of intangible fixed assets	(562)	(798)
Purchases of investment securities	(135)	(3,461)
Proceeds from sales of investment securities	338	1,001
Proceeds from sales of subsidiaries' shares resulting in change in scope of consolidation	1,843	-
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	(515)	(459)
Collection of loans receivable	390	815
Disbursements for deposit money in bank	(1,468)	(463)
Withdrawal of time deposits	1,422	3,554
Other	1,107	(1,007)
Net cash provided by (used in) investing activities	(9,687)	(11,548)



# Q.P. Corporation

	Previous fiscal year (From December 1, 2007 to November 30, 2008)	Current fiscal year (From December 1, 2008 to November 30, 2009)
Cash flows from financing activities		
Borrowing on short-term loans	106,287	-
Repayment of short-term loans	(106,934)	-
Net increase (decrease) in short-term loans payable	-	(900)
Repayment of lease obligations	-	(108)
Borrowing on long-term loans	1,200	-
Repayment of long-term loans payable	(2,953)	(4,819)
Paid in from minority shareholders	179	-
Redemption of bonds	-	(10,000)
Cash dividends paid	(2,132)	(2,352)
Cash dividends paid to minority shareholders	(211)	(241)
Repurchase of treasury stock	(1,148)	(39)
Net cash provided by (used in) financing activities	(5,712)	(18,462)
Effects of exchange rate changes on cash and cash equivalents	(87)	(265)
Increase (decrease) in cash and cash equivalents	(1,021)	1,025
Cash and cash equivalents at beginning of the term	27,699	26,705
Increase in cash and cash equivalents resulting from increase of consolidated subsidiaries	27	100
Cash and cash equivalents at end of the term	26,705	27,831



## Notes regarding assumption of a going concern

None

## Basis of preparations for consolidated financial statements

Figures of amounts are described by discarding fractions less than one million yen.

### (1) Consolidated subsidiaries

The Company has forty eight consolidated subsidiaries in the current fiscal year.

The significant consolidated subsidiaries are K.R.S. Corporation, Q.P. Egg Corporation, Deria Foods Co., Ltd., Kanae Foods Co., Ltd. and Zenno Q.P. Egg Station Co., Ltd. Sanei Logistics which was non-consolidated subsidiary and Kewpie (Thailand) Co., Ltd. which was the non-equity method subsidiary are newly added as a consolidated subsidiary. Non-consolidated subsidiaries are comprised twenty companies. The principal non-consolidated subsidiaries are Kyuso L-Plan Corporation and Osaka San-ei Logistics Corporation. These companies are excluded from the consolidation, because their total amounts of assets, sales, net income (equal to the equity share), and earned surplus (equal to the equity share) do not have a significant effect on the total consolidated amounts of assets, sales, net income, and earned surplus.

### (2) Application of the equity method

The equity method is applied to the investments in six affiliated companies. The principal companies are Aohata Corporation and Summit Oil Mill Co., Ltd. The investments in twenty non-consolidated subsidiaries including Kyuso L-Plan Corporation and in nine affiliated companies including Thai Q.P. Co., Ltd. are not accounted for by the equity method but stated at cost, because the amounts calculated by the application of the equity method do not have a significant effect on the total consolidated net income and earned surplus.

### (3) Closing date of consolidated subsidiaries

The closing date of Kewpie (Thailand) Co., Ltd., Beijing Q.P. Foods Co., Ltd. and Hangzhou Q.P. Foods Co., Ltd. is December 31, and that of Kifuki U.S.A. Co., Ltd., Q&B Foods Inc., Henningsen Foods, Inc., and Henningsen Foods, Netherland Inc. is September 30. The subsidiaries with the closing date of December 31 are consolidated based on their temporary financial statements ended at September 30. The subsidiaries with the closing date of September 30 are consolidated based on the financial statements at their balance sheet date and significant transactions for the period from October 1 to November 30 are reflected in the consolidated financial statements.

### (4) Significant accounting policies

#### a. Valuation basis and valuation methods for significant assets

##### Securities

1. Held-to-maturity bonds are stated at amortized cost. Discounts and premiums are amortized by the straight-line method.
2. Stocks of subsidiaries and affiliated companies excluded from application of the equity method are stated at moving average cost.
3. Other securities with fair value are stated at fair value based on market price at the closing date. Valuation differences comprise net assets as valuation difference on available-for-sale securities. When sold, cost of sales is determined by the moving average method.

Other securities with no fair value are stated at moving average cost.



## Derivative financial instruments

Derivative financial instruments are stated at fair value.

Hedge accounting is adopted for derivative financial instruments which conform to requirements of hedge accounting.

## Inventories

Products and purchased goods, work in process, raw materials and supplies are principally stated at monthly moving average cost (the value method to devalue a book value for decreasing profitability).

Some joint products are stated at retail periodic average cost (the value method to devalue a book value for decreasing profitability).

(Change in accounting policies)

### Adoption of accounting standard to value inventories

Inventories for ordinary sales had been principally stated at monthly moving average cost. However, beginning from the term ended November 30, 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). As a result of changing accounting standard above, operating income, ordinary income and net income before income taxes and minority interests were decreased by ¥81 million respectively.

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".

Operating income has been decreased by 176 million yen for adopting this accounting standard, while there is no effect on the statement of ordinary income and net income before income taxes and minority interests.

The impact on segment information is presented in this relevant sections.

## b. Depreciation

### Tangible fixed assets (except lease assets)

Tangible fixed assets are depreciated by the declining balance method except for the following assets.

Buildings (except for equipment fixed inside buildings) acquired on and after April 1, 1998, are depreciated by the straight-line method.

The computation of useful lives and residual value comply with the corporation tax code requirements.

(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 this year. Beginning from the term ended November 30, 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 were raised by ¥574 million, respectively. The impact on segment information is presented in the relevant sections.

### Intangible fixed assets (except lease assets)

Intangible fixed assets are amortized by the straight-line method.

The computation of useful lives and residual value comply with the corporation tax code requirements.

Computer software purchased for internal use is amortized by the straight-line method for five years based on the estimated useful life for internal use.



## Lease assets

Finance lease transactions other than those which were deemed to transfer the ownership of leased assets to lessees are amortized as no scrap value by the straight-line method on the estimated useful life.

(Change in accounting policies)

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 December 1, 2008.

These lease transactions are accounted for by the same method as that applied to ordinary sales transactions.

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.

## Long-term prepaid expenses

Long-term prepaid expenses are amortized by the straight-line method.

## c. Accounting standards for significant reserves

### Allowance for doubtful accounts

Allowance for doubtful accounts is provided for on the amounts calculated by an estimated uncollectible rate to general credits in consideration of the past actual bad debt losses ratio, and estimated uncollectible amounts in consideration of the possibility of collection to specific bad apprehension credits are added.

### Reserve for sales rebates

Reserve for sales rebates is based on the proportion to sales on an accrual basis.

### Reserve for bonuses

Reserve for bonuses is based on the specific computation period.

### Reserve for directors' and corporate auditors' bonuses

Reserve for directors' and corporate auditors' bonuses is provided for at the necessary amounts based on the estimated amounts payable at the end of current fiscal year.

### Reserve for retirement benefits

Reserve for retirement benefits is provided for at the necessary amounts on an accrual basis based on the estimated retirement benefit obligations and pension fund assets at the end of the current fiscal year. Some consolidated subsidiaries adopt other method than the above.

Prior service liabilities are amortized by the straight-line method over twelve years (except for from ten to thirteen years of K.R.S Corporation) based on the average remaining employees' service years and their amortizations start in the respective accrual years.

Actuarial gains or losses are amortized by the straight-line method over twelve years (except for from ten to thirteen years of K.R.S Corporation) based on the average remaining employees' service



years, and their amortizations start in the next year of the respective accrual years.

Retirement benefits systems of the Company and subsidiaries consist of a defined benefit corporate pension plan (Fund-type and Contract-type) and a retirement lump-sum grants system.

Reserve for directors' and corporate auditors' retirement pay

(Additional Information)

Kanae Foods Co., Ltd. and thirteen other consolidated subsidiaries have been providing a reserve for directors' and corporate auditors' retirement pay equivalent to the estimated amounts payable at the end of the consolidated fiscal year according to each company's bylaw, but at the board of directors' meeting of the respective companies held in or after November 2008, the aforesaid companies passed resolutions to abolish the rule on retirement benefits to the directors and corporate auditors, effective the conclusion of the ordinary general meetings of shareholders of the respective companies held in or after January 2009. Moreover, the aforesaid companies passed resolutions at the ordinary general meetings of shareholders of the respective companies held in or after January 2009 to provide retirement benefits to directors and corporate auditors at the time of their retirement of amounts corresponding to the their respective tenures up until the day of abolishment. Consequently, according to these resolutions, the balance at the end of the consolidated fiscal year of ¥89 million equivalent to the retirement benefits to directors and corporate auditors corresponding to the period up until the relevant general shareholders' meeting was included in "Other" of fixed liabilities.

f. Significant hedge accounting

1. Deferral hedge is adopted in hedge accounting.

Designation transactions are applied if transactions fulfill the requirements of hedge accounting. The exceptional accounting method is adopted to the interest swap agreements which conform to the special regulated terms.

2. Hedge instruments are forward exchange contracts and interest swap contracts.

3. Hedge items are purchase transactions in foreign currencies and interest of loans.

4. The Company and consolidated subsidiaries enter into forward exchange contracts to hedge risks from fluctuation in foreign exchange rate and interest swap agreements to hedge risks from moving on fluctuation in interest rate.

In addition, the Company and consolidated subsidiaries never make use of them for the purpose of speculative transactions.

5. Assessment of the effectiveness of hedge accounting

Control procedures of hedge transactions are executed according to each company's bylaw. The effectiveness of the hedge except for the following contracts is measured by comparing movements in the fair value of hedge items with those of hedge instruments. Hedge transactions are strictly controlled, analyzed, and assessed.

Interest swap agreements conforming to the special regulated terms are omitted to measure their effectiveness.

g. Accounting for consumption taxes

Consumption taxes are recorded in separate accounts.



## h. Reclassification

(Consolidated Balance Sheets)

"Inventories" in the previous fiscal are described as "Purchased goods and products", "Work in process" and "Raw materials and supplies". "Purchased goods and products", "Work in process" and "Raw materials and supplies" in the previous fiscal year were ¥12,353 million, ¥739 million and ¥5,338 million respectively.

(Consolidated Statements of income)

"Other" of "Extraordinary gains" in the previous fiscal year is described as "Prior period adjustments" because "Prior period adjustments" exceed more than 10% of amount of "Extraordinary gains". "Extraordinary gains" in the previous fiscal year was ¥7 million.

"Gains on investment securities" of "Extraordinary gains" in the previous fiscal year is described as "Other" because "Gains on investment securities" are 10% or less of amount of "Extraordinary gains". "Gains on investment securities" of the current fiscal year is ¥0 million.

"Losses on valuation of investment securities" of "Extraordinary losses" in the previous fiscal year is described as "Other" because "Losses on valuation of investment securities" are 10% or less of amount of "Extraordinary losses". "Losses on valuation of investment securities" of the current fiscal year is ¥2 million.

(Consolidated statements of cash flows)

"Increase in short-term loans payable" and "Repayment of short-term loans payable" in the previous fiscal year are described as "Net increase (decrease) in short-term loans payable". "Increase in short-term loans payable" and "Repayment of short-term loans payable" in "Net increase (decrease) in short-term loans payable" are ¥115,296 million and (¥116,196 million).

## (5) Valuation of assets and liabilities of consolidated subsidiaries

The Company adopts the full fair value method for assets and liabilities of consolidated subsidiaries.

## (6) Amortization of goodwill and negative goodwill

Goodwill and negative goodwill are amortized over five years. Immaterial goodwill and negative goodwill are expensed as incurred.

## (7) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank deposits which can be withdrawn freely and easily converted into money, and short-term investments which have an original maturity of three months or less and are not exposed to significant valuation risks.

## (8) Change of accounting policies

Applying practical solution on unification of accounting policies for overseas subsidiaries to prepare consolidated financial statements.

Practical solution on unification of accounting policies is applied to overseas subsidiaries for consolidated financial statements. (Practical issues task force No.18, originally issued on May 17, 2006)

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



# Q.P. Corporation

(Notes)

Previous fiscal year (From December 1, 2007 to November 30, 2008)	Current fiscal year (From December 1, 2008 to November 30, 2009)
(Consolidated balance sheets)	(Consolidated balance sheets)
1. Contingent liabilities (guarantees)      ¥ 807 million	1. Contingent liabilities (guarantees)      ¥ 578 million
2. Pledged assets as collateral and secured debts	2. Pledged assets as collateral and secured debts
Pledged assets	Pledged assets
Tangible fixed assets                      ¥ 8,991 million	Tangible fixed assets                      ¥ 5,292 million
Total    ¥ 8,991 million	Total    ¥ 5,292 million
Secured debts of above pledged assets	Secured debts of above pledged assets
Short-term loans payable                ¥ 1,489 million	Short-term loans payable                ¥ 1,010 million
Long-term loans payable                ¥ 2,762 million	Long-term loans payable                ¥ 1,962 million
Total    ¥ 4,252 million	Total    ¥ 2,973 million
3. Investments in non-consolidated subsidiaries and affiliated companies	3. Investments in non-consolidated subsidiaries and affiliated companies
Investment securities                        ¥ 3,980 million	Investment securities                        ¥ 3,895 million
Sundry investments                         ¥ 408 million	Sundry investments                         ¥ 708 million



Previous fiscal year (From December 1, 2007 to November 30, 2008)	Current fiscal year (From December 1, 2008 to November 30, 2009)													
<p>(Consolidated statements of income)</p> <p>1. Research and development costs ¥ 3,218 million All of research and development costs are included in general and administrative expenses.</p> <p>2. _____</p>	<p>(Consolidated statements of income)</p> <p>1. Research and development costs ¥ 3,167 million All of research and development costs are included in general and administrative expenses.</p> <p>2. Losses on impairment of fixed assets The Company and subsidiaries recognized losses on impairment for the following group of assets in the current fiscal year.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Location</th> <th style="text-align: center;">Use</th> <th style="text-align: center;">Item</th> <th style="text-align: center;">Losses on impairment (Millions of yen)</th> </tr> </thead> <tbody> <tr> <td rowspan="3" style="text-align: center; vertical-align: middle;">Tokyo</td> <td style="text-align: center;">Factory</td> <td style="text-align: center;">Buildings and structures, etc</td> <td style="text-align: center;">839</td> </tr> <tr> <td rowspan="2" style="text-align: center; vertical-align: middle;">Company dormitory</td> <td style="text-align: center;">Land</td> <td style="text-align: center;">140</td> </tr> <tr> <td style="text-align: center;">Buildings and structures</td> <td style="text-align: center;">2</td> </tr> </tbody> </table> <p>The Company and subsidiaries classified in principle the fixed assets into groups by the type of respective operation and business place based on the management accounting units on which revenue and expenditure continuously are taken in.</p> <p>In the current fiscal year, "Foods" business of the Company made a decision of reorganization plan for production facilities in order to build up an effective production system in Kanto area in the future. By this plan, the production function in Sengawa factory is scheduled to be moved to neighboring factories and terminate its production in March in 2011.</p> <p>In addition, in the current fiscal year, "Distribution system" of the Company made a decision to sell the company dormitory which had been classified into a group for common assets.</p> <p>In accordance with this, the book value of buildings and structures, etc in Sengawa factory of which profitability have declined than expected and, land and buildings and structures, etc of the dormitory for employee of "Distribution system" which had been decided to be sold was written down to the recoverable amount by ¥ 982 million, accounted for as an extraordinary loss.</p> <p>Recoverable amount is measured by net sales amounts based on the estimated sales amounts.</p>	Location	Use	Item	Losses on impairment (Millions of yen)	Tokyo	Factory	Buildings and structures, etc	839	Company dormitory	Land	140	Buildings and structures	2
Location	Use	Item	Losses on impairment (Millions of yen)											
Tokyo	Factory	Buildings and structures, etc	839											
	Company dormitory	Land	140											
		Buildings and structures	2											



Previous fiscal year (From December 1, 2007 to November 30, 2008)			Current fiscal year (From December 1, 2008 to November 30, 2009)		
(Consolidated statements of changes in net assets)			(Consolidated statements of changes in net assets)		
1. Total numbers and periodic changes of issued shares and treasury stock by class			1. Total numbers and periodic changes of issued shares and treasury stock by class		
	Issued shares by class	Treasury stock by class		Issued shares by class	Treasury stock by class
	Common stock	Common stock		Common stock	Common stock
Number of shares at the end of previous fiscal year	155,464,515 shares	2,676,952 shares	Number of shares at the end of previous fiscal year	155,464,515 shares	3,726,451 shares
Increase in number of shares	-	1,049,499 shares	Increase in number of shares	-	38,617 shares
Decrease in number of shares	-	-	Decrease in number of shares	-	-
Number of shares at the end of current fiscal year	155,464,515 shares	3,726,451 shares	Number of shares at the end of current fiscal year	155,464,515 shares	3,765,068 shares
(Notes) Increase in number of common stock of treasury stock is due to acquisition of the odd stock of 7,399 shares and to acquisition of the stock of 1,042,100 shares in accordance with the Article 156 of the Corporate Law which is applied by Article 165, Paragraph 3 of the Corporate law.			(Notes) Increase in number of common stock of treasury stock is due to acquisition of the odd stock.		
2. Dividend			2. Dividend		
(1) Dividends from surplus			(1) Dividends from surplus		
a) The resolution matter of the board of directors' meeting held on January 11, 2008			a) The resolution matter of the board of directors' meeting held on January 13, 2009		
• Dividends on common stock			• Dividends on common stock		
(1) Total amounts of dividend		¥ 1,069 million	(1) Total amounts of dividend		¥ 1,214 million
(2) Dividend per share		¥ 7.00	(2) Dividend per share		¥ 8.00
(3) Record date		November 30, 2007	(3) Record date		November 30, 2008
(4) Effective date		February 25, 2008	(4) Effective date		February 23, 2009
b) The resolution matter of the board of directors' meeting held on July 9, 2008			b) The resolution matter of the board of directors' meeting held on June 30, 2009		
• Dividends on common stock			• Dividends on common stock		
(1) Total amounts of dividend		¥ 1,062 million	(1) Total amounts of dividend		¥ 1,138 million
(2) Dividend per share		¥ 7.00	(2) Dividend per share		¥ 7.50
(3) Record date		May 31, 2008	(3) Record date		May 31, 2009
(4) Effective date		August 11, 2008	(4) Effective date		August 10, 2009
(2) Dividends whose effective date is after the end of current fiscal year and record date is included in current fiscal year			(2) Dividends whose effective date is after the end of current fiscal year and record date is included in current fiscal year		
a) The resolution matter of the board of directors' meeting held on January 13, 2009			a) The resolution matter of the board of directors' meeting held on January 12, 2010		
• Dividends on common stock			• Dividends on common stock		
(1) Total amounts of dividend		¥ 1,214 million	(1) Total amounts of dividend		¥ 1,441 million
(2) Dividend resource		Earned surplus	(2) Dividend resource		Earned surplus
(3) Dividend per share		¥ 8.00	(3) Dividend per share		¥ 9.50
(4) Record date		November 30, 2008	(4) Record date		November 30, 2009
(5) Effective date		February 23, 2009	(5) Effective date		February 24, 2010



# Q.P. Corporation

Previous fiscal year (From December 1, 2007 to November 30, 2008)	Current fiscal year (From December 1, 2008 to November 30, 2009)																																				
<p>(Consolidated statements of cash flows)</p> <p>1. Cash and cash equivalents are comprised of the following:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">(As of November 30, 2008)</td> </tr> <tr> <td>Cash and deposits</td> <td style="text-align: right;">¥ 25,260 million</td> </tr> <tr> <td>Time deposits with maturity over three months</td> <td style="text-align: right;">¥ (3,554 million)</td> </tr> <tr> <td>Negotiable certificate of deposit</td> <td style="text-align: right;">¥ 5,000 million</td> </tr> <tr> <td style="border-top: 1px solid black;">Cash and cash equivalents</td> <td style="text-align: right; border-top: 1px solid black;">¥ 26,705 million</td> </tr> </table> <p>2. Assets and liabilities of the company that lost its status of consolidated subsidiary in the current fiscal year</p> <p>Assets and liabilities of Henningsen Nederland B.V. at the time of our sales of their shares by which the company lost its status of consolidated subsidiary.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td>Current assets</td> <td style="text-align: right;">¥ 1,059 million</td> </tr> <tr> <td>Fixed assets</td> <td style="text-align: right;">¥ 452 million</td> </tr> <tr> <td>Current liabilities</td> <td style="text-align: right;">¥ (205 million)</td> </tr> <tr> <td>Foreign currency translation adjustment</td> <td style="text-align: right;">¥ (274 million)</td> </tr> <tr> <td>Gains on sales of shares of subsidiaries and associated companies</td> <td style="text-align: right;">¥ 974 million</td> </tr> <tr> <td style="border-top: 1px solid black;">Sales value of shares</td> <td style="text-align: right; border-top: 1px solid black;">¥ 2,006 million</td> </tr> <tr> <td style="border-top: 1px solid black;">Cash and cash equivalents</td> <td style="text-align: right; border-top: 1px solid black;">¥ (163 million)</td> </tr> <tr> <td style="border-top: 1px solid black;">Net: Proceeds from sales of subsidiaries' shares resulting in change in scope of consolidation</td> <td style="text-align: right; border-top: 1px solid black;">¥ 1,843 million</td> </tr> </table>		(As of November 30, 2008)	Cash and deposits	¥ 25,260 million	Time deposits with maturity over three months	¥ (3,554 million)	Negotiable certificate of deposit	¥ 5,000 million	Cash and cash equivalents	¥ 26,705 million	Current assets	¥ 1,059 million	Fixed assets	¥ 452 million	Current liabilities	¥ (205 million)	Foreign currency translation adjustment	¥ (274 million)	Gains on sales of shares of subsidiaries and associated companies	¥ 974 million	Sales value of shares	¥ 2,006 million	Cash and cash equivalents	¥ (163 million)	Net: Proceeds from sales of subsidiaries' shares resulting in change in scope of consolidation	¥ 1,843 million	<p>(Consolidated statements of cash flows)</p> <p>1. Cash and cash equivalents are comprised of the following:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">(As of November 30, 2009)</td> </tr> <tr> <td>Cash and deposits</td> <td style="text-align: right;">¥ 23,148 million</td> </tr> <tr> <td>Time deposits with maturity over three months</td> <td style="text-align: right;">¥ (317 million)</td> </tr> <tr> <td>Negotiable certificate of deposit</td> <td style="text-align: right;">¥ 5,000 million</td> </tr> <tr> <td style="border-top: 1px solid black;">Cash and cash equivalents</td> <td style="text-align: right; border-top: 1px solid black;">¥ 27,831 million</td> </tr> </table> <p>2.</p>		(As of November 30, 2009)	Cash and deposits	¥ 23,148 million	Time deposits with maturity over three months	¥ (317 million)	Negotiable certificate of deposit	¥ 5,000 million	Cash and cash equivalents	¥ 27,831 million
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# Q.P. Corporation

(Segment information)

1. Segment information of business lines

Previous fiscal year (From December 1, 2007 to November 30, 2008) (Millions of yen)

	Foods	Distribution system	Total	Elimination and/or corporate	Consolidated
1 Sales and operating income					
Sales					
(1) Sales to customers	377,909	96,041	473,951	-	473,951
(2) Internal sales or transfers to/from segments	12	23,653	23,665	(23,665)	-
Total	377,922	119,695	497,617	(23,665)	473,951
Operating expenses	361,916	117,769	479,685	(19,770)	459,915
Operating income	16,005	1,925	17,931	(3,895)	14,036
2 Assets, depreciation expense and capital expenditure					
Assets	193,296	66,262	259,558	32,233	291,792
Depreciation expense	10,677	2,608	13,286	121	13,408
Capital expenditure	9,780	3,151	12,932	158	13,091

Current fiscal year (From December 1, 2008 to November 30, 2009) (Millions of yen)

	Foods	Distribution system	Total	Elimination and/or corporate	Consolidated
1 Sales and operating income					
Sales					
(1) Sales to customers	360,268	91,970	452,239	-	452,239
(2) Internal sales or transfers to/from segments	14	21,676	21,690	(21,690)	-
Total	360,282	113,647	473,930	(21,690)	452,239
Operating expenses	340,541	111,401	451,943	(17,435)	434,507
Operating income	19,741	2,245	21,987	(4,255)	17,731
2 Assets, depreciation expense, losses on impairment of fixed assets and capital expenditure					
Assets	178,528	64,387	242,915	32,735	275,650
Depreciation expense	9,637	3,276	12,913	66	12,980
Losses on impairment of fixed assets	839	142	982	-	982
Capital expenditure	9,919	1,951	11,870	64	11,935

(Notes)

a. Methods classifying business segments

Business segments are classified based on business line.

b. Main products of each business segment

Business segment	Main Products
Foods	Condiments and processed foods, Health function products, Egg products, Salads and prepared foods
Distribution system	Warehousing and transportation



- c. Operating expenses unable to allocate to segments, mainly belong to the 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 ¥ 3,977 million and ¥ 4,343 million for the fiscal years ended November 30, 2008 and 2009, respectively.
- d. Assets unable to allocate to segments, are mainly spare working fund (cash and deposits, and securities), investment capital (investment securities) and assets belonging to the general control division in the head office of the Company. Those amounts included in “Elimination and/or addition” on the column of the above table, are ¥ 39,489 million and ¥ 39,488 million for the fiscal years ended November 30, 2008 and 2009, respectively.
- e. “Depreciation” and “Capital expenditure” include “Long-term prepaid expenses” and their depreciation expenses.
- f. Change in accounting policies  
(Current fiscal year)  
Adoption of accounting standard to value inventories  
As already described in “Basis of preparations for consolidated financial statements” 4. a, inventories for ordinary sales had been stated at monthly moving average cost. However, beginning from the current fiscal year, 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). As a result, compared with the method used in the previous fiscal year, in “Foods” business, “Operating expense” is increased by ¥ 81 million and “Operating income” is decreased accordingly.  
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”. As a result, compared with the method used in the previous fiscal year, in “Foods” business, “Operating expense” is increased by ¥ 176 million and “Operating income” is decreased accordingly.
- g. Additional information  
(Current consolidated fiscal year)  
As already described in “Basis of preparations for consolidated financial statements” 4. b, 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 current fiscal year, useful life is based on the revised tax code.  
As a result of the above, “Depreciation expense” was decreased by ¥ 583 million in “Foods” business and increased by ¥ 8 million in “Distribution system”. In addition, in “Foods” business, “Operating expense” was decreased by ¥ 583 million, “Operating income” was increased accordingly and in “Distribution system”, “Operating expense” was increased by ¥ 8 million, “Operating income” was decreased accordingly.

## 2. Geographical business

Segment information of geographical business is not disclosed since the proportion of domestic sales and assets in the fiscal years ended November 30, 2008 and 2009 exceed 90% to the total amount of all segment sales and all segment assets, respectively.



# Q.P. Corporation

### 3. Overseas sales amounts

Segment information of overseas sales amounts is not disclosed since the overseas sales amounts in the fiscal years ended November 30, 2008 and 2009 are less than 10% of consolidated sales.



# Q.P. Corporation

(Consolidated per share data)

	Previous fiscal year (From December 1, 2007 to November 30, 2008)	Current fiscal year (From December 1, 2008 to November 30, 2009)
Shareholders' equity per share	¥ 941.79	¥ 978.33
Net income per share	¥ 50.77	¥ 59.56
Net income per share-diluted	-	-

(Notes)

1. Net income per share-diluted is not presented because potential shares have not been issued.
2. Calculation basis of net income per share is as follows.

	Previous fiscal year (From December 1, 2007 to November 30, 2008)	Current fiscal year (From December 1, 2008 to November 30, 2009)
Net income per share		
Net income (Millions of yen)	7,721	9,036
Amounts not attributable to ordinary shareholders (Millions of yen)	-	-
Net income attributable to common stock (Millions of yen)	7,721	9,036
Weighted average number of common stock (thousand shares)	152,089	151,723

(Notes)

3. Calculation basis of shareholders' equity per share is as follows.

	Previous fiscal year (From December 1, 2007 to November 30, 2008)	Current fiscal year (From December 1, 2008 to November 30, 2009)
Total of net assets (Millions of yen)	163,580	170,804
Subtracted amount from total of net assets (Millions of yen)	20,675	22,391
Minority interests	(20,675)	(22,391)
Equity of common stock at the end of term (Millions of yen)	142,905	148,412
The number of common stocks at the end of term (thousand shares)	151,738	151,699

(Significant subsequent events)

None

(Omission of disclosure)

The disclosure of "Lease Transactions", "Related party transactions", "Tax-effect accounting", "Securities", "Derivative Financial Transactions" and "Retirement Benefits" and are omitted, because these are considerably not so critical.

In addition, "Stock options and etc.", "Business combinations" and "Special purpose entities with disclosure requirements" are omitted, because these are not applicable.



## 6. Non-Consolidated Financial Statements

### (1) Balance Sheets

(Millions of yen)

	Previous fiscal year (As of November 30, 2008)	Current fiscal year (As of November 30, 2009)
<b>Assets</b>		
Current assets		
Cash and deposits	19,224	17,889
Notes receivable	576	552
Account receivable-trade	40,717	35,516
Securities	5,000	5,000
Purchased goods	2,735	-
Products	3,915	-
Purchased goods and products	-	4,898
Raw materials	2,401	-
Work in process	70	64
Supplies	242	-
Raw materials and supplies	-	1,861
Advance payments	7	203
Prepaid expenses	71	25
Deferred tax assets	698	1,234
Short-term loans receivable to employees	50	42
Short-term loans receivable to subsidiaries and affiliated companies	15,413	11,218
Accounts receivable-other	1,303	459
Other	1,718	1,638
Allowances for doubtful accounts	(1,784)	(1,673)
<b>Total current assets</b>	<b>92,365</b>	<b>78,932</b>
Fixed assets		
Tangible fixed assets		
Buildings	61,803	62,753
Accumulated depreciation	(36,112)	(37,826)
<b>Net book value</b>	<b>25,690</b>	<b>24,927</b>
Structures	7,041	7,278
Accumulated depreciation	(5,188)	(5,423)
<b>Net book value</b>	<b>1,853</b>	<b>1,854</b>
Machinery and equipment	73,973	74,934
Accumulated depreciation	(60,370)	(62,526)
<b>Net book value</b>	<b>13,603</b>	<b>12,407</b>
Auto and transportation equipment	57	53
Accumulated depreciation	(49)	(49)
<b>Net book value</b>	<b>8</b>	<b>4</b>
Tools, furniture, and fixtures	4,040	4,126
Accumulated depreciation	(3,464)	(3,534)
<b>Net book value</b>	<b>575</b>	<b>591</b>
Land	17,301	17,301
Lease assets	-	103
Accumulated depreciation	-	(11)
<b>Net book value</b>	<b>-</b>	<b>91</b>
Construction in progress	2,235	1,388
<b>Total tangible fixed asset</b>	<b>61,268</b>	<b>58,567</b>



# Q.P. Corporation

(Millions of yen)

	Previous fiscal year (As of November 30, 2008)	Current fiscal year (As of November 30, 2009)
Intangible fixed assets		
Patent rights	13	11
Leasehold rights	69	69
Computer software	987	1,023
Telephone rights and other	100	99
Total intangible fixed assets	1,170	1,203
Investments and other assets		
Investment securities	11,290	13,294
Shares of subsidiaries and affiliated companies	19,244	18,982
Sundry investment in companies	10	10
Sundry investment in subsidiaries and affiliated company	1,720	1,720
Long-term loans receivable to employees	63	48
Long-term loans receivable to subsidiaries and affiliated companies	-	530
Prepaid pension costs	13,768	14,390
Long-term prepaid expenses	359	368
Guarantee deposit	1,480	1,474
Other	1,872	1,971
Allowances for doubtful accounts	(65)	(617)
Total investments and other assets	49,745	52,173
Total fixed assets	112,184	111,943
Total assets	204,549	190,876
Liabilities		
Current liabilities		
Accounts payable-trade	28,002	20,606
Short-term loans payable	11,430	9,812
Current portion of bonds	10,000	-
Lease obligations	-	19
Accounts payable-other	9,945	8,257
Accrued expenses	3,708	4,500
Accrued income taxes	18	3,860
Advance received	0	3
Deposits received	155	166
Reserve for sales rebates	692	1,067
Reserve for bonuses	315	173
Reserve for directors' and corporate auditors' bonuses	37	66
Other	59	48
Total current liabilities	64,366	48,583
Long-term liabilities		
Long-term loans payable	10,520	10,256
Lease obligations	-	78
Deferred tax liabilities	6,176	5,982
Deposits on contract	4,799	4,474
Other	566	528
Total long-term liabilities	22,063	21,320
Total liabilities	86,429	69,904



# Q.P. Corporation

(Millions of yen)

	Previous fiscal year (As of November 30, 2008)	Current fiscal year (As of November 30, 2009)
Net assets		
Shareholders' equity		
Paid-in-capital	24,104	24,104
Capital surplus		
Capital legal reserve	29,418	29,418
Other capital surplus	14	14
Total capital surplus	29,432	29,432
Earned surplus		
Earned legal reserve	3,115	3,115
Other earned surplus		
Special depreciation reserve	20	20
Reserve for deduction of property replaced by purchase	2,300	2,253
General reserve	58,400	59,600
Earned surplus brought forward	3,576	5,397
Total earned surplus	67,412	70,386
Treasury Stock	(3,791)	(3,830)
Total shareholders' equity	117,158	120,092
Valuation and translation adjustments		
Unrealized holding gains on securities	1,019	937
Unrealized holding gains (losses) on hedges	(57)	(58)
Total valuation and translation adjustments	961	878
Total net assets	118,120	120,971
Total liabilities and net assets	204,549	190,876



# Q.P. Corporation

## (2) Statements of Income

(Millions of yen)

	Previous fiscal year (From December 1, 2007 to November 30, 2008)	Current fiscal year (From December 1, 2008 to November 30, 2009)
Net sales	235,383	226,336
Cost of sales		
Products and purchased goods at beginning of the year	6,463	6,651
Cost of products manufactured	85,228	80,811
Purchases of goods	83,633	74,019
Total	175,325	161,482
Products and purchased goods at end of the year	6,651	4,898
Transfer to/from other accounts	1,069	643
Total cost of sales	167,604	155,940
Gross profit	67,779	70,396
Selling, general and administrative expenses	62,355	61,422
Operating income	5,424	8,974
Non-operating income		
Interest income	337	236
Interest income on securities	75	102
Dividends receivable	1,024	1,085
Other	329	326
Total non-operating income	1,766	1,751
Non-operating expenses		
Interest expenses	316	283
Interest expenses on bonds	82	76
Losses on scrapped inventories	108	-
Other	197	127
Total non-operating expenses	704	487
Ordinary income	6,485	10,237
Extraordinary gains		
Gains on sales of fixed assets	206	-
Gains on sales of shares of subsidiaries and affiliated companies	64	-
Reversal of allowance for doubtful accounts	-	28
Other	50	2
Total extraordinary gains	321	31
Extraordinary losses		
Losses on disposal of fixed assets	655	315
Losses on valuation of investment securities	355	-
Allowance for doubtful accounts	240	22
Key system equipment relocation costs	260	-
Losses on impairment of fixed assets	-	839
Losses on valuation of shares of subsidiaries and affiliated companies	-	413
Other	101	8
Total extraordinary losses	1,612	1,599
Net income before income taxes	5,193	8,669
Income taxes	417	4,042
Income taxes deferred	1,216	(698)
Total Income taxes and income taxes deferred	1,633	3,343
Net income	3,560	5,326



## (3) Statements of Changes in Net Assets

(Millions of yen)

	Previous fiscal year (From December 1, 2007 to November 30, 2008)	Current fiscal year (From December 1, 2008 to November 30, 2009)
Shareholders' equity		
Paid-in capital		
Balance at beginning of the term	24,104	24,104
Changes of items during the fiscal year		
Total changes of items during the fiscal year	-	-
Balance at end of the term	24,104	24,104
Capital surplus		
Capital legal reserve		
Balance at beginning of the term	29,418	29,418
Changes of items during the fiscal year		
Total changes of items during the fiscal year	-	-
Balance at end of the term	29,418	29,418
Other capital surplus		
Balance at beginning of the term	14	14
Changes of items during the fiscal year		
Total changes of items during the fiscal year	-	-
Balance at end of the term	14	14
Total capital surplus		
Balance at beginning of the term	29,432	29,432
Changes of items during the fiscal year		
Total changes of items during the fiscal year	-	-
Balance at end of the term	29,432	29,432
Earned surplus		
Earned legal reserve		
Balance at beginning of the term	3,115	3,115
Changes of items during the fiscal year		
Total changes of items during the fiscal year	-	-
Balance at end of the term	3,115	3,115
Other earned surplus		
Special depreciation reserve		
Balance at beginning of the term	26	20
Changes of items during the fiscal year		
Transfer to special depreciation reserve	5	6
Transfer from special depreciation reserve	(11)	(6)
Total changes of items during the fiscal year	(6)	0
Balance at end of the term	20	20
Reserve for deduction of property replaced by purchase		
Balance at beginning of the term	2,257	2,300
Changes of items during the fiscal year		
Transfer to reserve for deduction of property replaced by purchase	97	-
Transfer from reserve for deduction of property replaced by purchase	(54)	(47)
Total changes of items during the fiscal year	43	(47)
Balance at end of the term	2,300	2,253



# Q.P. Corporation

(Millions of yen)

	Previous fiscal year (From December 1, 2007 to November 30, 2008)	Current fiscal year (From December 1, 2008 to November 30, 2009)
General reserve		
Balance at beginning of the term	57,300	58,400
Changes of items during the fiscal year		
Transfer to general reserve	1,100	1,200
Total changes of items during the fiscal year	1,100	1,200
Balance at end of the term	58,400	59,600
Earned surplus brought forward		
Balance at beginning of the term	3,285	3,576
Changes of items during the fiscal year		
Transfer to special depreciation reserve	(5)	(6)
Transfer from special depreciation reserve	11	6
Transfer to reserve for deduction of property replaced by purchase	(97)	-
Transfer from reserve for deduction of property replaced by purchase	54	47
Transfer to general reserve	(1,100)	(1,200)
Dividends from surplus	(2,132)	(2,352)
Net income	3,560	5,326
Total changes of items during the fiscal year	290	1,820
Balance at end of the term	3,576	5,397
Total earned surplus		
Balance at beginning of the term	65,985	67,412
Changes of items during the fiscal year		
Transfer to special depreciation reserve	-	-
Transfer from special depreciation reserve	-	-
Transfer to reserve for deduction of property replaced by purchase	-	-
Transfer from reserve for deduction of property replaced by purchase	-	-
Transfer to general reserve	-	-
Dividends from surplus	(2,132)	(2,352)
Net income	3,560	5,326
Total changes of items during the fiscal year	1,427	2,973
Balance at end of the term	67,412	70,386
Treasury stock		
Balance at beginning of the term	(2,642)	(3,791)
Changes of items during the fiscal year		
Repurchase of treasury stock	(1,148)	(39)
Total changes of items during the fiscal year	(1,148)	(39)
Balance at end of the term	(3,791)	(3,830)
Total shareholder's equity		
Balance at beginning of the term	116,879	117,158
Changes of items during the fiscal year		
Dividends from surplus	(2,132)	(2,352)
Net income	3,560	5,326
Repurchase of treasury stock	(1,148)	(39)
Total changes of items during the fiscal year	279	2,934
Balance at end of the term	117,158	120,092



# Q.P. Corporation

(Millions of yen)

	Previous fiscal year (From December 1, 2007 to November 30, 2008)	Current fiscal year (From December 1, 2008 to November 30, 2009)
Valuation and translation adjustments		
Unrealized holding gains on securities		
Balance at beginning of the term	3,019	1,019
Changes of items during the fiscal year		
Net changes of items other than shareholder's equity	(2,000)	(82)
Total changes of items during the fiscal year	(2,000)	(82)
Balance at end of the term	1,019	937
Unrealized holding gains (or losses) on hedges		
Balance at beginning of the term	(28)	(57)
Changes of items during the fiscal year		
Net changes of items other than shareholder's equity	(28)	(0)
Total changes of items during the fiscal year	(28)	(0)
Balance at end of the term	(57)	(58)
Total valuation and translation adjustments		
Balance at beginning of the term	2,991	961
Changes of items during the fiscal year		
Net changes of items other than shareholder's equity	(2,029)	(82)
Total changes of items during the fiscal year	(2,029)	(82)
Balance at end of the term	961	878
Total net assets		
Balance at beginning of the term	119,870	118,120
Changes of items during the fiscal year		
Dividends from surplus	(2,132)	(2,352)
Net income	3,560	5,326
Repurchase of treasury stock	(1,148)	(39)
Net changes of items other than shareholder's equity	(2,029)	(82)
Total changes of items during the fiscal year	(1,749)	2,851
Balance at end of the term	118,120	120,971

Notes regarding assumption of a going concern

None