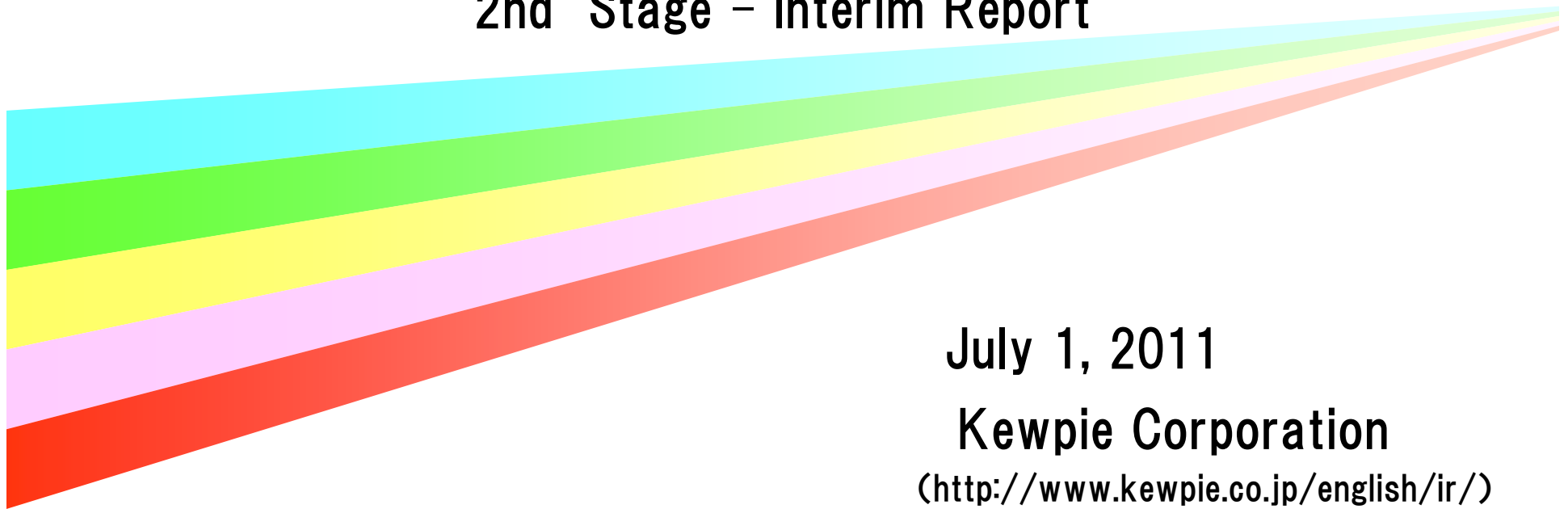


**Fiscal 2011 2nd Quarter Financial Meeting**  
(Period ended November 30, 2011)

# **Strengthening of Operating Base and Challenge to New Developments**

**2nd Stage – Interim Report**



**July 1, 2011**

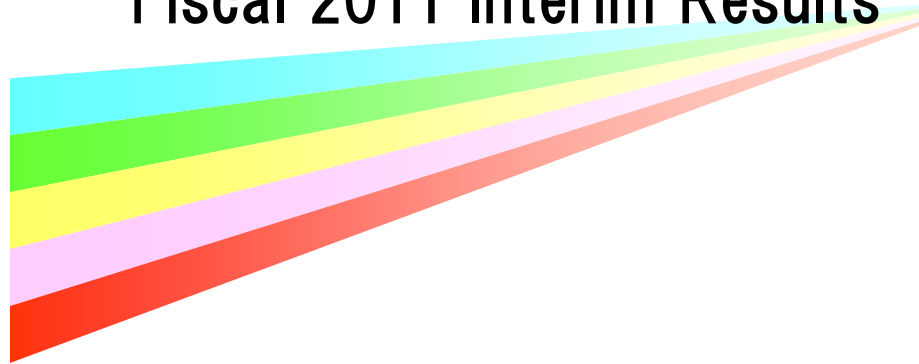
**Kewpie Corporation**

(<http://www.kewpie.co.jp/english/ir/>)

- 1) Fiscal 2011 Interim Results**
- 2) Fiscal 2011 Plans**
- 3) Fiscal 2011 Plans by Segment**
- 4) Reference Materials**

**\* Figures less than the units indicated have been rounded off.**

# Fiscal 2011 Interim Results



# Fiscal 2011 Interim Results

Increase in sales and decrease in profits: Net sales increase by 7.8 billion yen;  
Operating income decrease by 2.4 billion yen (both year-on-year)

(¥bn)

	5/10	5/11 Result	Year on Year	Increase (Decrease)	Plan Comparison
<b>Net Sales</b>	230.9	238.7	3.4 %	7.8	1.2
Foodstuffs	175.5	181.1	3.2	5.6	—
Distribution	55.4	57.6	4.0	2.2	—
<b>Operating Income</b>	11.8	9.4	-20.3 %	(2.4)	0.3
Foodstuffs	12.8	10.5	-18.0	(2.3)	—
Distribution	1.5	1.4	-6.7	(0.0)	—
<b>Adjustments</b> (Elimination/Corporate)	(2.4)	(2.4)	0.0	(0.0)	—
<b>Ordinary Income</b>	12.1	10.1	-16.5 %	(2.0)	0.4
<b>Net Income</b>	6.2	4.0	-35.5 %	(2.3)	0.1

\*Plan comparison indicates difference for figures announced on 13th May, 2011

# Fiscal 2011 Interim Summary of Sales

Sales growth achieved despite impact of the earthquake disaster, led by salad and prepared foods segment and other factors

(¥bn)

	5/10	5/11 Result	Year on Year	Increase (Decrease)	Impact of Earthquake Disaster
<b>Sales</b>	230.9	238.7	3.4%	7.8	(3.9)
Condiments and Processed Foods	85.4	85.7	0.4	0.3	(2.8)
Health Function Products	8.3	9.2	10.8	0.9	0
Egg Products	40.4	43.1	6.7	2.7	(0.5)
Salad and Prepared Foods	37.8	40.2	6.3	2.4	(0.6)
Common Business Operations	3.7	2.9	-21.6	(0.7)	0
Distribution Systems	55.4	57.6	4.0	2.2	0

## Sales by Segment

## Increase (Decrease)

Condiments and Processed Foods	Domestic sales decreased due to impact of the earthquake disaster, but overseas operations contributed to the increase in segment sales
Health Function Products	Sales of medical materials such as hyaluronic acid as well as baby foods expanded, and foods for suitable for aged people grew steadily
Egg Products	Sales increased due to positive impact of soaring market prices of eggs and thanks to expanded sales of products for convenience stores
Salad and Prepared Foods	Steady growth achieved in packaged salads, as well as in prepared foods for the strong ready-made foods market
Distribution Systems	Sales rose due to acquisitions of new dedicated distribution deals and expanded operational coverage for existing customers

# Fiscal 2011 Interim Summary of Operating Income

Earthquake disaster and rising prices of major raw materials gave adverse impact, but operating income increased in health function products and salad and prepared foods segments

(¥bn)

	5/10	5/11 Result	Year on Year	Increase (Decrease)	Impact of Earthquake Disaster
<b>Operating Income</b>	11.8	9.4	-20.3%	(2.4)	(1.0)
Condiments and Processed Foods	8.8	7.2	-18.2	(1.7)	(0.7)
Health Function Products	0.6	0.9	50.0	0.3	0.0
Egg Products	2.2	1.3	-40.9	(0.9)	(0.1)
Salad and Prepared Foods	0.6	0.7	16.7	0.1	(0.2)
Common Business Operations	0.5	0.4	-20.0	(0.1)	0.0
Distribution Systems	1.5	1.4	-6.7	(0.0)	0.0
Adjustments (Elimination/Corporate)	(2.4)	(2.4)	0.0	(0.0)	0.0

## Sales by Segment

## Increase (Decrease)

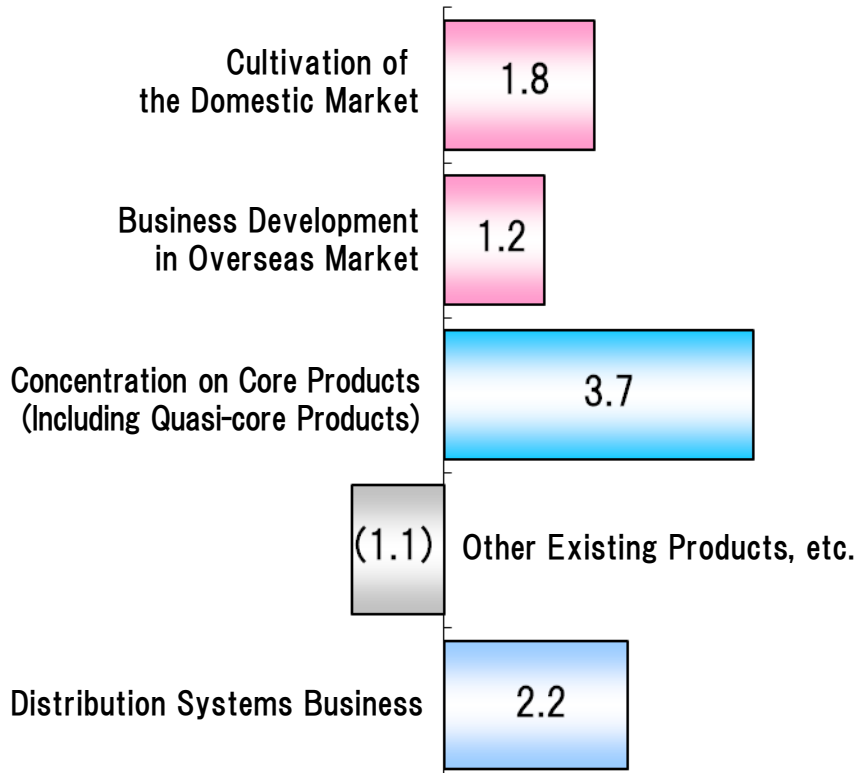
Condiments and Processed Foods	Profits decreased due to increases in raw material costs and the impact of the earthquake disaster, but improvement of cost structure of the group progressed steadily
Health Function Products	Profits rose due to increased sales and expansion of products with added value
Egg Products	Profits decreased due to the gap of timing for price revisions against soaring market prices of eggs, though improvement in profitability progressed for business development in the U.S.
Salad and Prepared Foods	Profits rose due to reinforcement of business constitution through shifts of business categories and in accordance with increased net sales
Distribution Systems	Profitability worsened as a result of a decrease in transactions with existing customers, but winning new deals and other measures managed to secure profits at the level of a year earlier

# Fiscal 2011 Interim Factors Causing Increase and Decrease in Net Sales and Operating Income

## Factors causing increase and decrease in net sales

(¥bn)

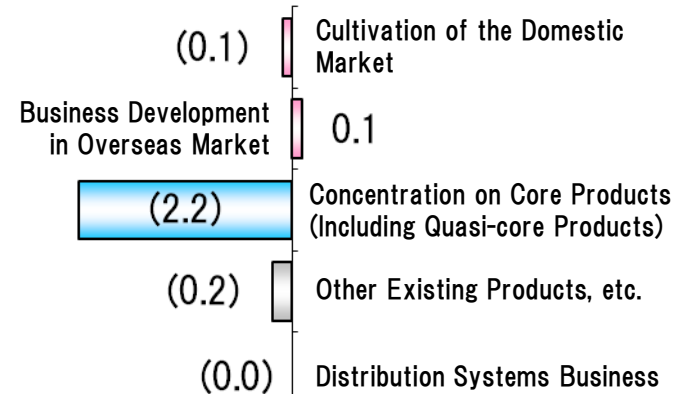
	5/10	5/11 Result	Increase
Net Sales	230.9	238.7	7.8



## Factors causing increase and decrease in operating income

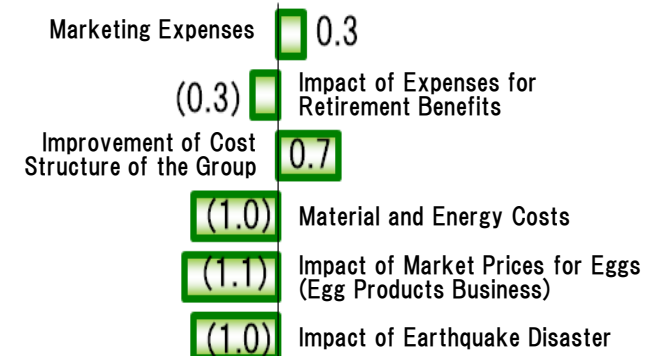
(¥bn)

	5/10	5/11 Result	(Decrease)
Operating Income	11.8	9.4	(2.4)



### Impact of cost and other

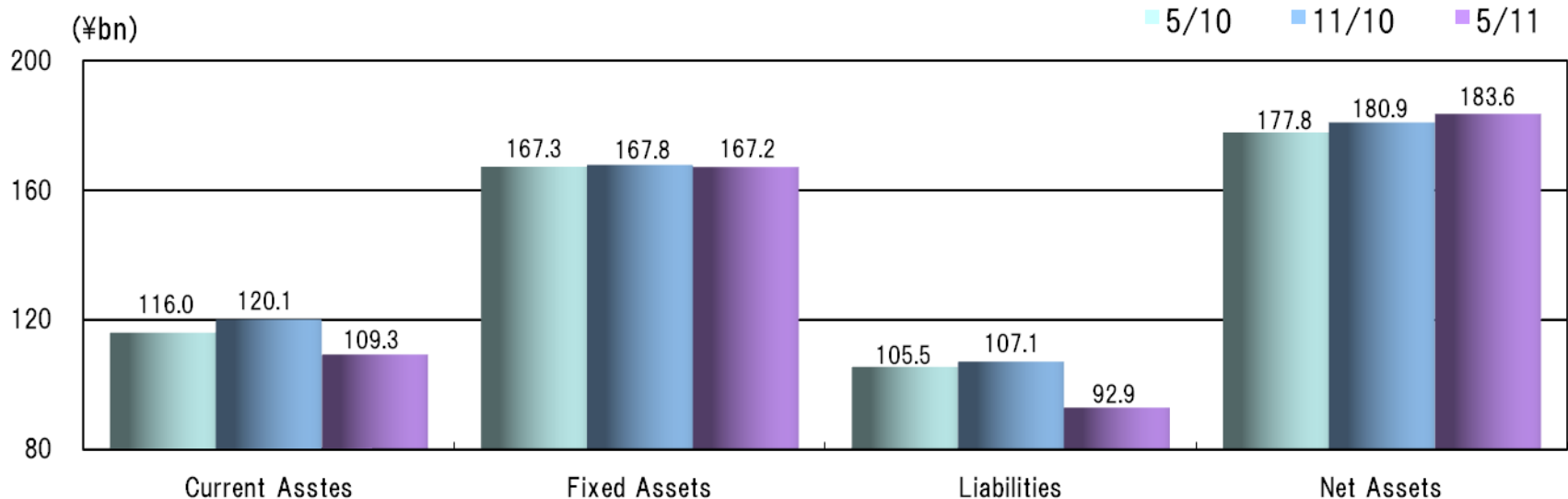
\* Major factors included in the operating income indicated above



# Fiscal 2010 Interim Key Points of Non-operating and Extraordinary Income/Expenses

	(¥bn)			
	5/10	5/11	Increase (Decrease)	
Operating Income	11.8	9.4	(2.4)	
Non-operating Income/Expenses	0.3	0.7	0.4	<ul style="list-style-type: none"> <li>▪ Increase in dividends receivable 0.04</li> <li>▪ Decrease in interest expenses 0.10</li> <li>▪ Decrease in foreign exchange losses 0.12</li> </ul>
Ordinary Income	12.1	10.1	(2.0)	<ul style="list-style-type: none"> <li>▪ Increase in losses from disaster (1.64)</li> </ul>
Extraordinary Income/Expenses	(0.1)	(2.5)	(2.4)	<ul style="list-style-type: none"> <li>▪ Increase in losses on disposal of fixed assets (0.47)</li> <li>▪ Increase in losses on posting of asset retirement obligations (0.21)</li> </ul>
Income before Income Taxes	12.0	7.6	(4.4)	
Income Taxes Minority Interests	5.8	3.6	(2.2)	<ul style="list-style-type: none"> <li>▪ Decrease in income taxes (1.89)</li> <li>▪ Decrease in minority interests (0.27)</li> </ul>
Net Income	6.2	4.0	(2.3)	

# Fiscal 2011 Interim Key Points of Balanced Sheet



## Comparison with FY2010

### Decrease in current assets (¥10.8)bn

- Decrease in cash and deposit (¥13.8)bn
- Increase in receivable in trade ¥1.2 bn
- Increase in inventories ¥1.7 bn

### Increase in tangible and in tangible fixed assets (¥0.1)bn

- Increase in purchase ¥6.5 bn
- Decrease in depreciation (¥6.5)bn

### Decrease in invest and other assets (¥0.5)bn

- Decrease in prepaid pension costs (¥0.5)bn

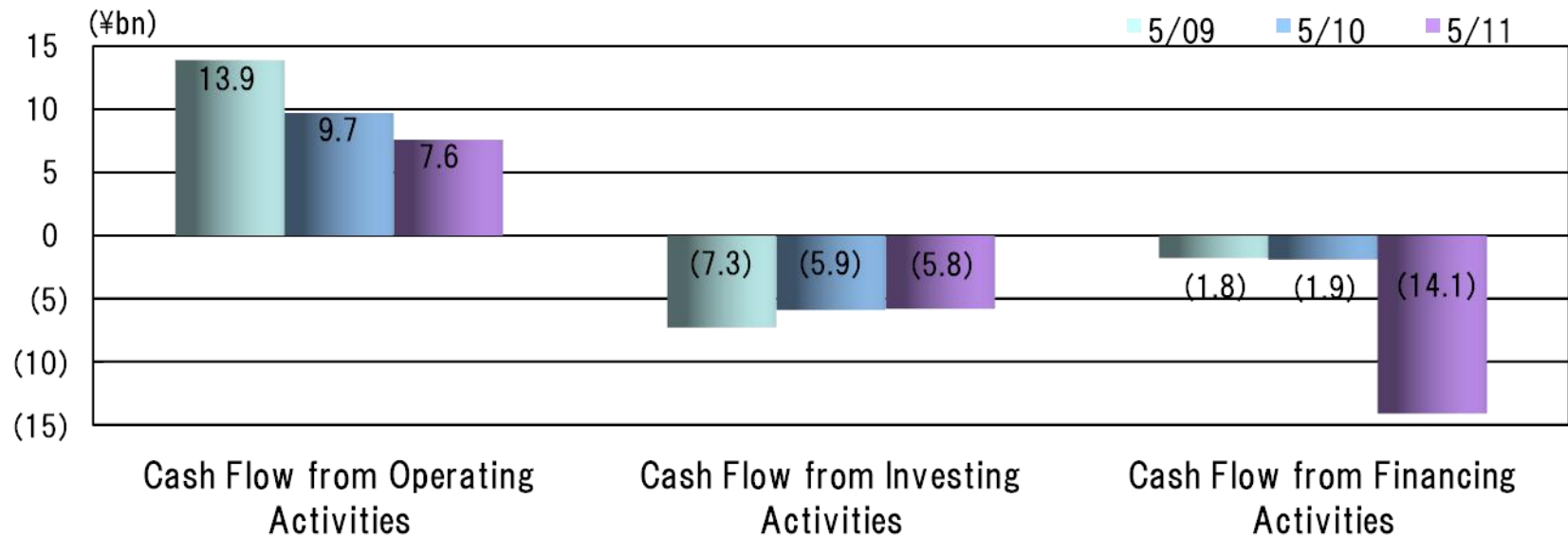
### Decrease in liabilities (¥14.2)bn

- Decrease in loans payable (¥12.0)bn
- Decrease in accrued income taxes (¥2.0)bn

### Increase in net assets ¥2.7 bn

- Increase in earned surplus ¥2.4 bn
- Increase in minority interests ¥0.2 bn

# Fiscal 2011 interim Key Points of Cash flow



## Comparison with FY2010

### Cash flow from operating activities

- Decrease in net income (¥4.4)bn
- Increase in inventories (¥1.0)bn
- Increase/decrease in notes and accounts receivable and payable ¥0.8 bn
- Income taxes paid, amortization, reserve, etc. ¥1.2 bn

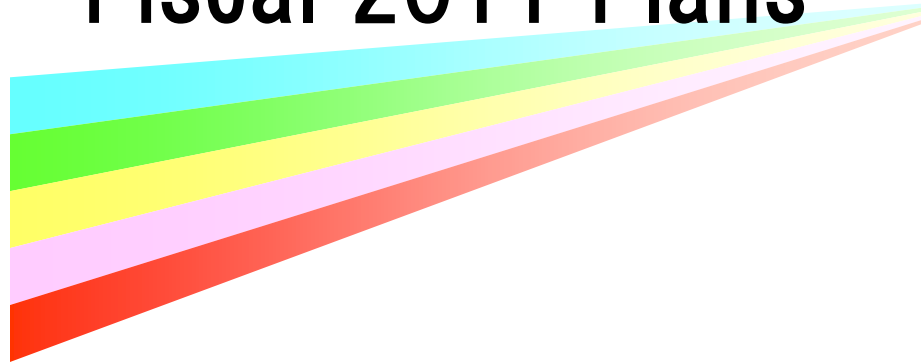
### Cash flow from investing activities

- Increase in purchase of tangible fixed assets (¥1.7)bn
- Decrease in loans receivable ¥0.5 bn
- Transfer from deposits in bank ¥1.3 bn

### Cash flow from financing activities

- Increase in repayment of loan payable (¥11.7)bn

# Fiscal 2011 Plans



## Renewed recognition of the raison d'etre as a food manufacturer

- Fulfill our responsibility to supply foods
- Support revival from disaster and bring cheers to dining tables

### Reinforce fundamental business constitution

- ◆ Diversify the sales and profit bases
- ◆ Take countermeasures against risks and heighten efficiency in a compatible way
- ◆ Change and firmly set the way we work

### Ability to make proposals that grasp changes

- ◆ Suit the market environments of each area
- ◆ Induce latent demand through publicity and exposure
- ◆ Create trends by developing sales channels in a multi-faceted way

# Fiscal 2011 Pains

Increase in sales and decrease in profits planned: Sales to increase by 9.0 billion yen and operating income to decrease by 2.9 billion yen

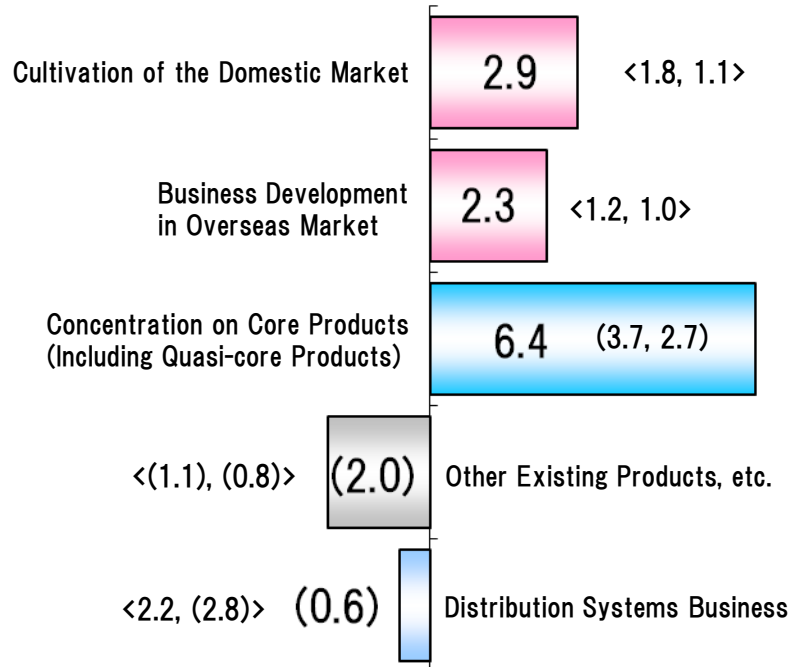
(¥bn)

	11/10	11/11 Plan	Year on Year	Increase (Decrease)
<b>Net Sales</b>	471.0	480.0	1.9 %	9.0
Foodstuffs	357.3	366.9	2.7	9.6
Distribution	113.7	113.1	-0.5	(0.6)
<b>Operating Income</b>	22.1	19.2	-13.1 %	(2.9)
Foodstuffs	24.0	21.4	-10.8	(2.6)
Distribution	2.8	2.4	-14.3	(0.4)
<b>Adjustments</b> (Elimination/Corporate)	(4.6)	(4.6)	0.0	0.0
<b>Ordinary Income</b>	22.8	19.7	-13.6 %	(3.1)
<b>Net Income</b>	10.6	8.7	-17.9 %	(1.9)
<b>ROA</b>	8.1 %	7.0 %	—	-1.1 %

# Fiscal 2011 Factors Causing Increase and Decrease in Net Sales and Operating Income

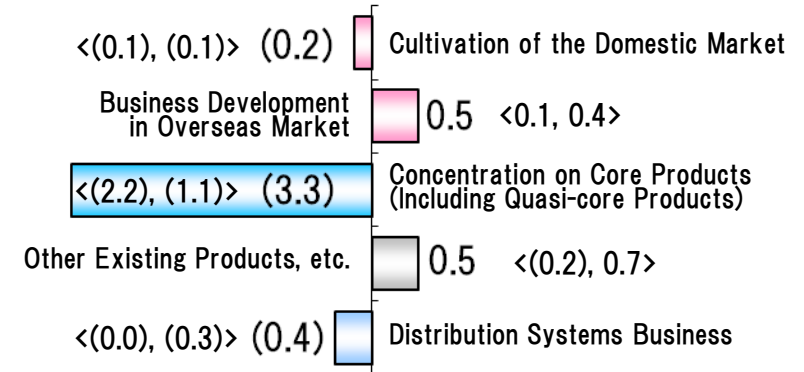
## Factors causing increase and decrease in net sales

	11/10	11/11 Plan	Increase
Net Sales	471.0	480.0	9.0



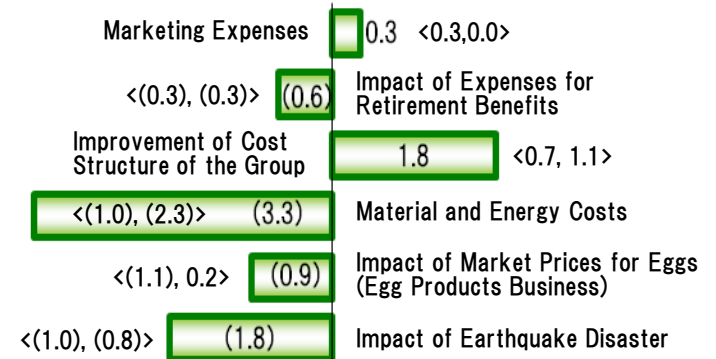
## Factors causing increase and decrease in operating income

	11/10	11/11 Plan	(Decrease)
Operating Income	22.1	19.2	(2.9)



### Impact of costs and other

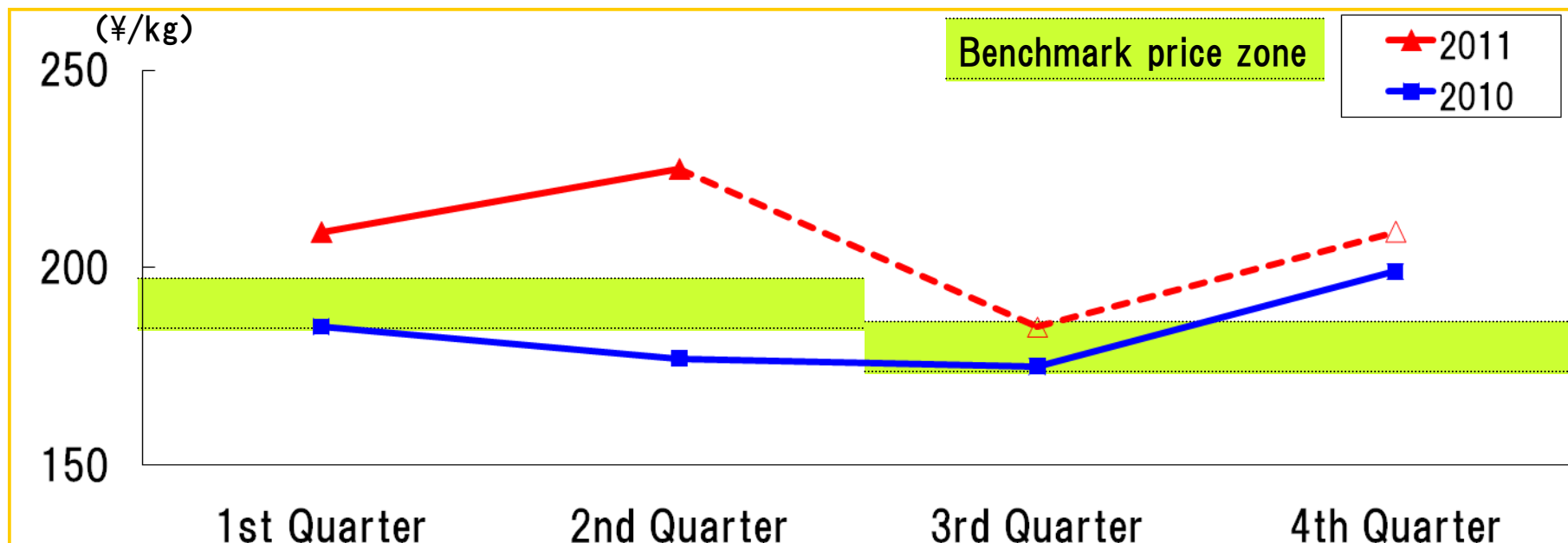
\* Major factors included in the operating income indicated above



Figures in < >: (first half year-on-year difference, second half year-on-year difference)

# Situation of Egg Market and Other Issues

## 【 Benchmark price for medium-sized eggs, Tokyo market 】



### 【1st Quarter】

- Market prices rose due to the impact of bird flu
- Profits decreased due to the gap of timing for price revisions

### 【 2nd Quarter 】

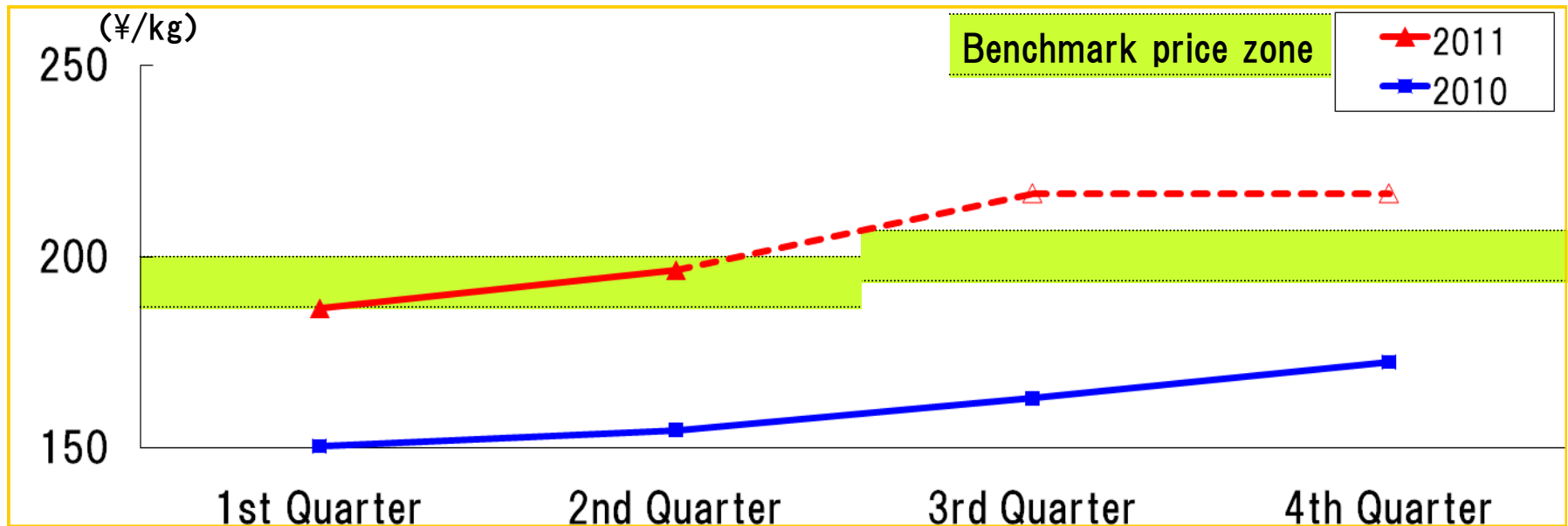
- Price rose significantly due to direct damages from the earthquake and lack of feed
- Top priority placed on stable supply

### 【Second Half】

- Supply and demand balance will more or less settle down, but the grain market and other factors will pose a risk for high egg prices
- Implement price revisions for processed foods

# Situation of Cooking Oil Market

【Average institutional-use market price (tank truck base) of refined soybean and colseed oils for processed oils and fats】



## 【First Half】

- International market of grains and oilseeds soared
- Yen's appreciation slightly eased the high market
- Prices remained within the benchmark price zone

## 【Second Half】

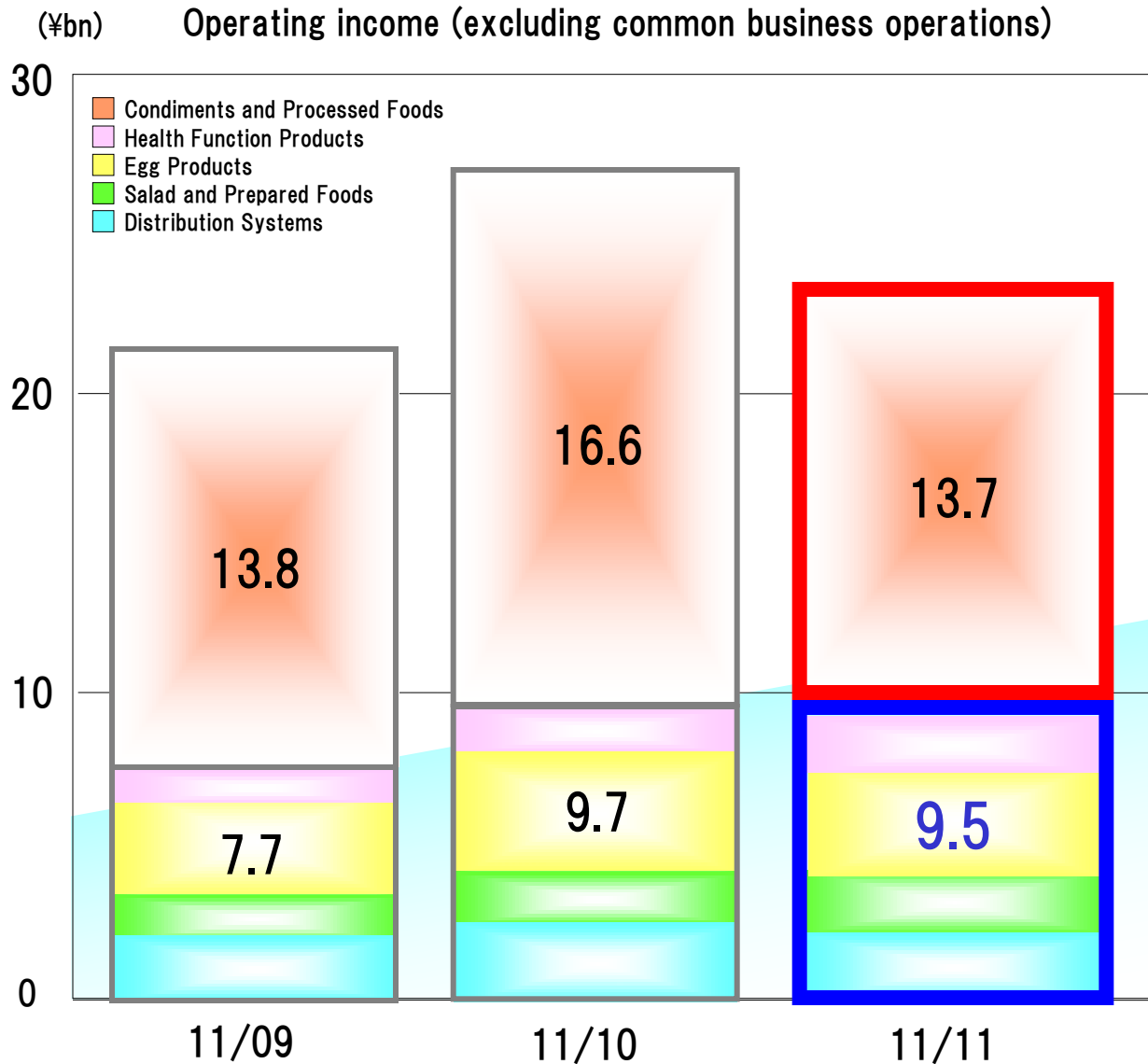
- International market of grains and oilseeds are expected to remain high, surpassing the benchmark price zone

## I . Surmount Increases in Major Raw Materials Costs

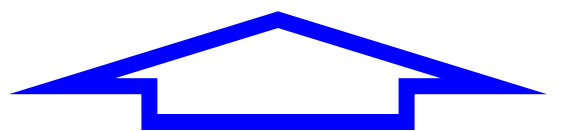
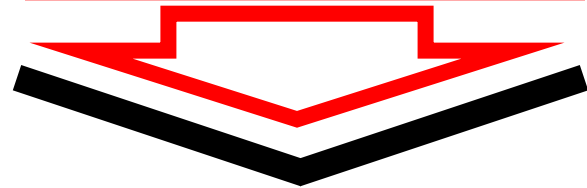
- I - 1 Reinforce profit-generating capabilities in segments other than condiments and processed foods
- I - 2 Create demand through promoting groupwide proposals
- I - 3 Promote improvement of cost structure of the group by taking advantage of reorganization of production bases in the Kanto area

## II . Accelerate Expansion in East Asia

Diversified revenue and profit bases in order to pursue stable growth over a long term



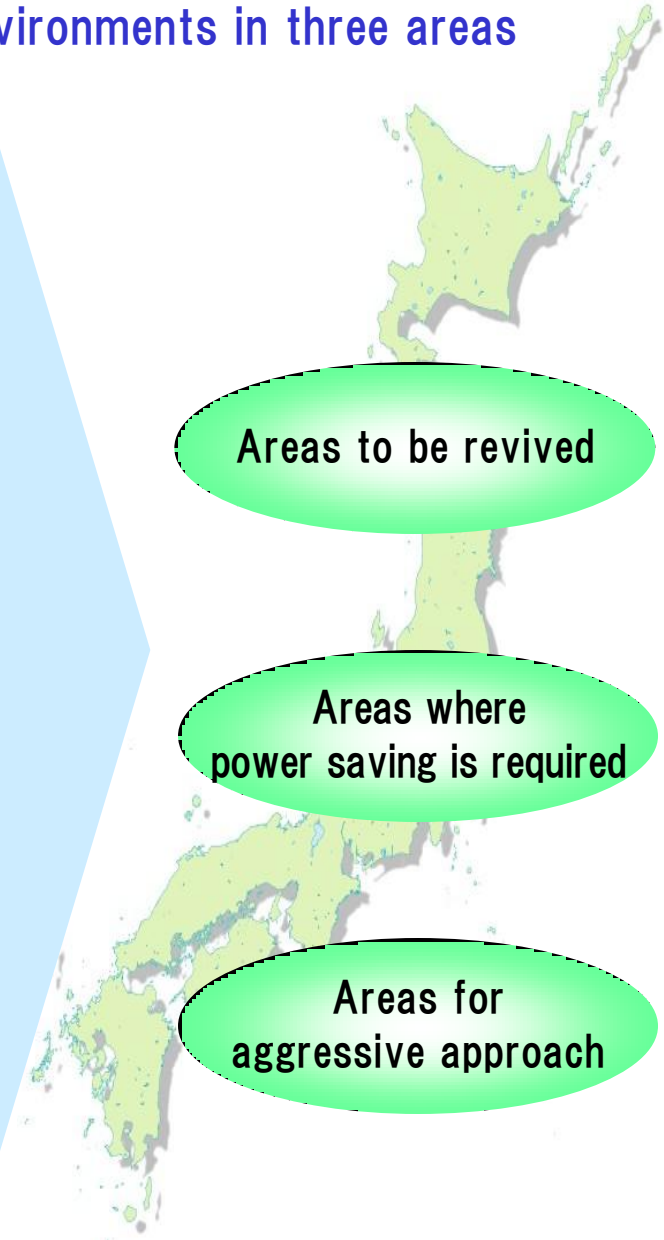
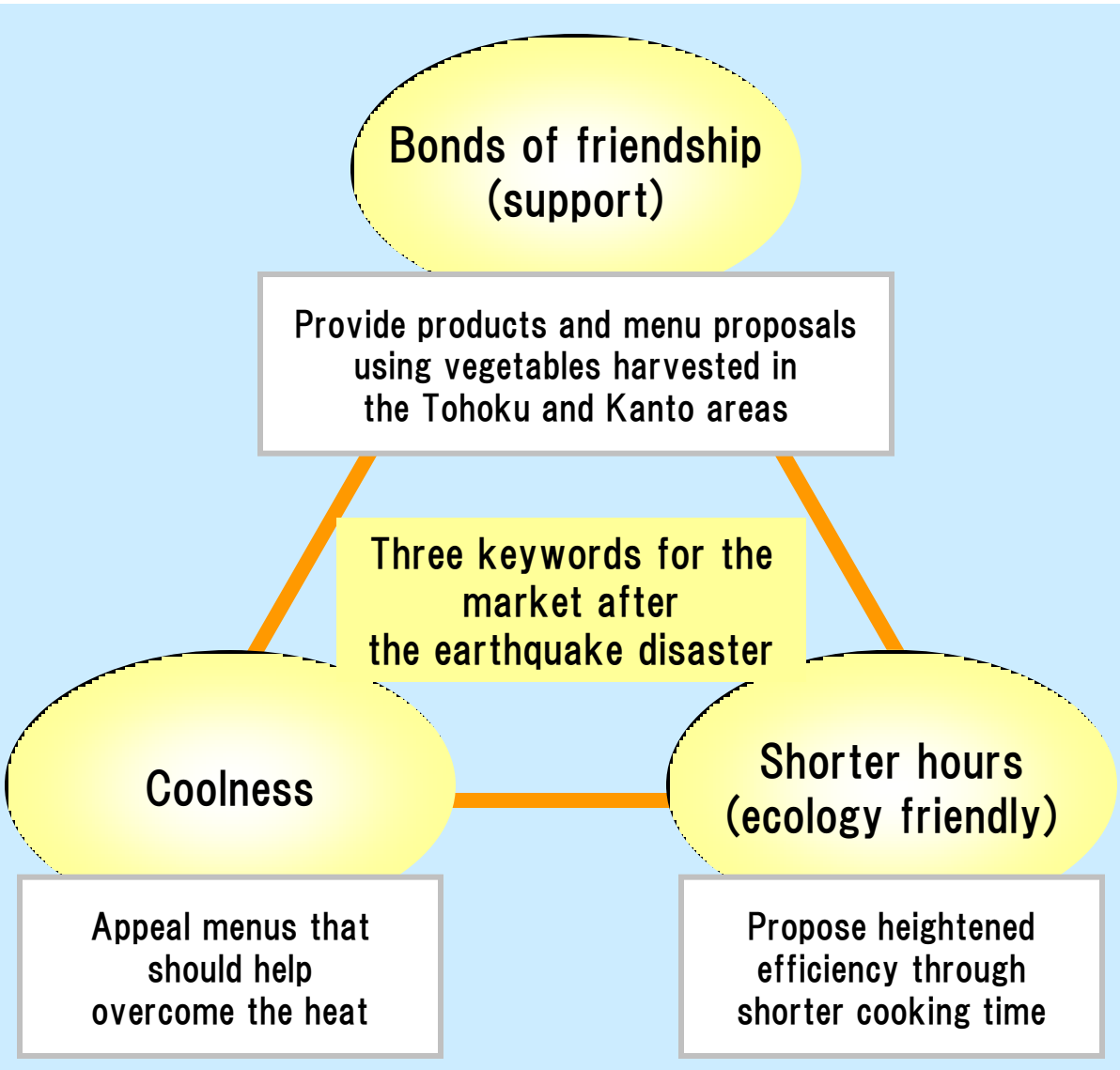
Condiments and processed foods business operations impacted by the earthquake disaster and rising costs of major raw materials



Strengths of other 4 business segments to bolster the profit level

# I - 2 Create Demand through Promoting Groupwide Proposals

Develop groupwide proposals tuned to the market environments in three areas



# I - 2 Create Demand through Promoting Groupwide Proposals

Take advantage of the Group's approach of "Technologies x Products x Information + Sales channels" to realize food solutions timely tuned to changes

	Aim	Endeavors in fiscal 2011 Year-on-year variation in sales
Take effective route flow of foods to utilization of the product mass-merchandise stores to the second stage	Make comprehensive proposals for effective utilization of the product route flow of foods at stores by utilizing the Group's wide-ranging capabilities	<p>Propose groupwide unified menus to provide coolness and shorter cooking time</p> <p>(First Half) -0.1 billion yen → (Second Half) +1.0 billion yen</p>
Reinforce proposals to dessert and soft drink markets	Propose new values around our strength in eggs and take advantage of the unique features of the Group	<p>Provide joy of selecting by proposing new values of "jiggly" and "soft and cushiony"</p> <p>(First Half) +1.1 billion yen → (Second Half) +0.7 billion yen</p>
Offer groupwide proposals to the market of foods suitable for aged people	Deeply cultivate the market of foods for aged people by integrating our know-how in healthcare and egg products	<p>Provide expansion of menus, appetite stimulation and easy cooking by offering products that utilize our technologies</p> <p>(First Half) +0.1 billion yen → (Second Half) +0.2 billion yen</p>

Generate effects of reorganization of production bases in the Kanto area in addition to horizontal deployment of what we have learned from the earthquake disaster

<Values generated through improvement of cost structure of the group>

Values to be generated in fiscal 2011:  
1.8 billion yen in full-year plan (0.7 billion yen for the first half and 1.1 billion yen for the second half)

Evolution of the "Mudadori" activities

Effects of reorganization, etc.

Fiscal 2011

Fiscal 2012

### Major subjects to be carried out in the second half

#### Take countermeasures against risks and enhance efficiency in a compatible way

- ◇ Implement the "Mudadori" activities centered on stable operations
- ◇ Accelerate optimization of the number of items
- ◇ Promote integration of specifications for raw materials
- ◇ Horizontal development of energy-saving measures in an aggressive way

#### Reorganization of production bases in the Kanto area is entering the fruit harvesting season

- ◇ Secure results generated from reorganization of production bases in the Kanto area
- ◇ Re-deployment of distribution bases is conceived as the next step

Effects of reorganization of production bases in the Kanto area: 0.3 billion yen for fiscal 2011



Reinforce menu-proposals and sales staffing service for leading companies

Run TV, subway and magazine advertisements

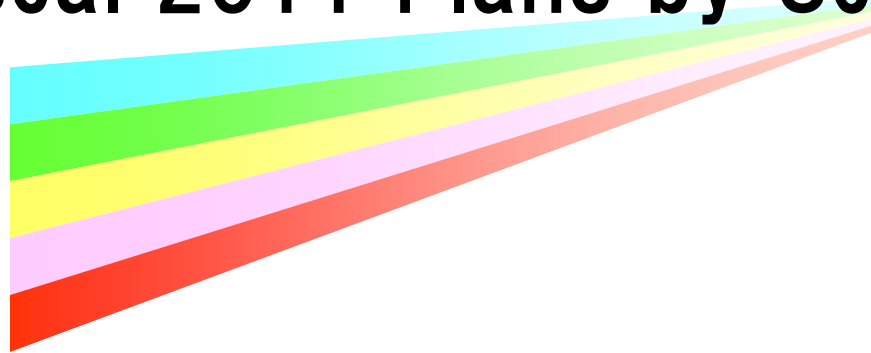
Conduct elaborate sales promotion activities by utilizing know-how acquired in Japan

<Subway advertisement>

<Sales areas in sync with advertisement>



# Fiscal 2011 Plans by Segment



# Fiscal 2011 Plans by Segment

Changes to increases in sales and profits for salad and prepared foods and health function products segments

## Sales by Segment

## Operating Income by Segment (¥bn)

	11/10	11/11 Plan	Increase (Decrease)	Impact of Earthquake Disaster	11/10	11/11 Plan	Increase (Decrease)	Impact of Earthquake Disaster
<b>Total</b>	<b>471.0</b>	<b>480.0</b>	<b>9.0</b>	<b>(7.1)</b>	<b>22.1</b>	<b>19.2</b>	<b>(2.9)</b>	<b>(1.8)</b>
Condiments and Processed Foods	171.7	173.7	2.0	(5.3)	16.6	13.7	(2.9)	(1.4)
Health Function Products	17.8	18.7	0.9	(0.3)	1.4	1.7	0.3	(0.1)
Egg Products	83.1	86.7	3.6	(0.7)	3.9	3.4	(0.5)	(0.1)
Salad and Prepared Foods	78.1	82.5	4.4	(0.8)	1.6	2.0	0.4	(0.2)
Common Business Operations	6.7	5.3	(1.4)	0.0	0.5	0.6	0.1	0.0
<b>Food Business Total</b>	<b>357.3</b>	<b>366.9</b>	<b>9.6</b>	<b>(7.1)</b>	<b>24.0</b>	<b>21.4</b>	<b>(2.6)</b>	<b>(1.8)</b>
Distribution Systems	113.7	113.1	(0.6)	0.0	2.8	2.4	(0.4)	0.0
Adjustments (Elimination /Corporate)	—	—	—	—	(4.6)	(4.6)	0.0	0.0

# Condiments and Processed Foods Business

Create unique occasions for eating by promotion of products and marketing activities that integrate the group's strengths

## <Plans>

## <Endeavors in second half>

(¥bn)	11/10	11/11 Plan	Increase (Decrease)
Net Sales	171.7	173.7	2.0
Operating Income	16.6	13.7	(2.9)
Operating Income Ratio	9.7%	7.9%	-1.8%

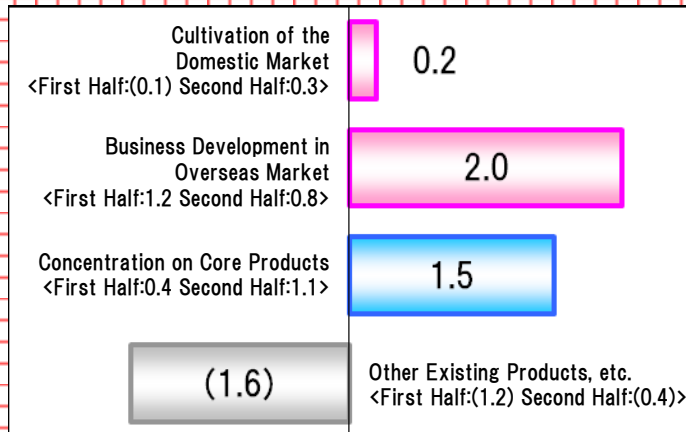
## Challenge to New Developments

### Establish the "new sauce world"

- ◇ Focus on "Gu-no-Sauce"
  - Raise repeat customer purchase rate by introducing easier-to-use bottles
  - Raise trial purchase rate by introducing new products
- ◇ Make proposals in line with "coolness," "bonds of friendship (support)" and "shorter hours (ecology friendly)"

### Accelerate expansion in East Asia

## <Factor causing increase and decrease in net sales>



## Strengthening of Operating Base

### Further refine core products

- ◇ Expand sales and enhance competitiveness of condiments for salads
  - In health-conscious product areas, popularize Light products and expand Half products
  - Reinforce dressings through cost reductions and expansion of use areas
- ◇ Expand sales and profits by reinforcing product strengths of processed foods
  - Strengthen bread-related products (such as jam with calories reduced by 50%)

# Capture Changes in the Market to Lead to Create Demand

## Gu-no-Sauce and Gudakusan Sauce



For convenience stores



For mass-merchandise stores



For restaurants

## Salad Dressing



For convenience stores



For mass-merchandise stores



For restaurants

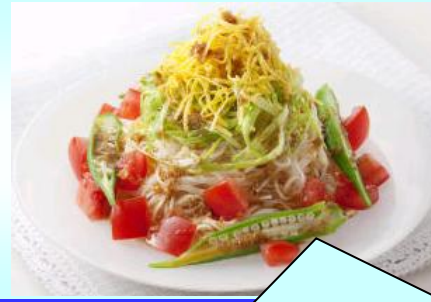
“Coolness” “Bonds of friendship (support)” “Shorter hours (ecology friendly)”



Half-Boiled Egg



Salad Noodle



Packaged Salad

Convenience Store

Mass-merchandise stores

Restaurants

Propose new deliciousness through combinations of groupwide products, with considerations given to operational aspects

# Health Function Products Business

Provide our proprietary products and service with the value of health function to contribute the society

## <Plans>

(¥bn)	11/10	11/11 Plan	Increase
Net Sales	17.8	18.7	0.9
Operating Income	1.4	1.7	0.3
Operating Income Ratio	7.9%	9.1%	1.2%

## <Factor causing increase and decrease in net sales>

Cultivation of the Domestic Market <First Half:0.1 Second Half:0.1>	0.2
Business Development in Overseas Market <First Half:0.1 Second Half:0.1>	0.3
Concentration on Core Products <First Half:0.7 Second Half:0.1>	0.8
(0.4) Other Existing Products, etc. <First Half:(0.1) Second Half:(0.3)>	

## <Endeavors in second half>

### Challenge to New Developments

- ◇ Promote food service strategy for the facility nursing care food market
  - Focus on expanding menus for facility nursing care food service and making proposals for operational improvement
- ◇ Expand hyaluronic acid products in East Asia
  - Expand hyaluronic acid products for supplements in South Korea
  - Make proposals with high-functional hyaluronic acid products in China

### Strengthening of Operating Base

- ◇ Expand hyaluronic acid products
  - Deeply cultivate the cosmetic market by introducing new, high-functional hyaluronic acid products
  - Reduce costs by rationalizing production and expand production volume
- ◇ Spread and expand home-use nursing care foods and baby foods
  - Focus on promoting product recognition and information campaign activities as well as expanding sales areas, in response to people's wants
- ◇ Promote proposals of solutions for liquid foods
  - Expand supplementary foods to liquid foods (REF-P1) by introducing new containers
  - Promote proposals for solving diarrhea by using our proprietary lecithin liquid foods

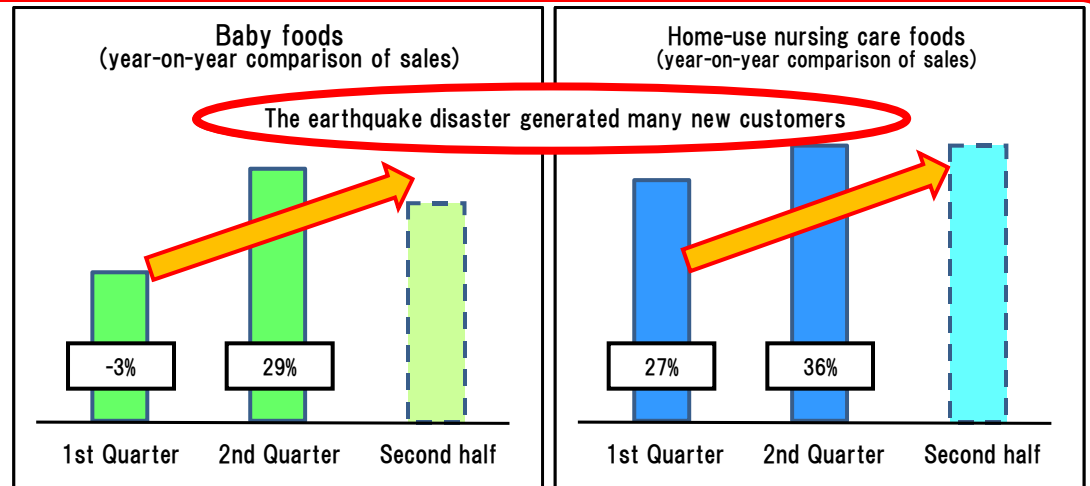
# Induce Latent Demand and Secure Product Delivery to Customers

Voices from customers in suffered areas for baby foods and home-use nursing care foods



New demand is rising from customers throughout Japan

- ◆ Want to purchase and stock
- ◆ Want foods that can be cooked easily



# Induce Latent Demand and Secure Product Delivery to Customers

## Baby Foods and Home Nursing Care Foods

2010 Autumn to 2011 Spring

Expand product lineup through renewals

Create price affordability

## Second half of the year

Extensive information campaign

Expand sales areas

## Respond to customers' wants



Find and create new customers



Net sales: year-on-year increase of 10%

Net sales: year-on-year increase of 30%

# Egg Products Business

Enhance competitiveness in the existing area and establish an “Egg World” by expanding new areas

## <Plans>

(¥bn)	11/10	11/11 Plan	Increase (Decrease)
Net Sales	83.1	86.7	3.6
Operating Income	3.9	3.4	(0.5)
Operating Income Ratio	4.7%	3.9%	-0.8%

\*Net sales include 3.1 billion yen positive impact of egg market.

## <Factor causing increase and decrease in net sales>

Cultivation of the Domestic Market <First Half:1.4 Second Half:0.2>	1.6
Business Development in Overseas Market <First Half:(0.2) Second Half:0.2>	0
Concentration on Core Products <First Half:1.3 Second Half:0.6>	1.9
Other Existing Products, etc. <First Half:0.2 Second Half:(0.2)>	0

## <Endeavors in second half>

### Challenge to New Developments

- ◇ Implement full-fledged expansion of new areas
  - Expand the market by making proposals in response to power shortage in summer
- ◇ Make the second step in the marketing of chilled egg products
  - Conduct nationwide marketing of home-use prepared foods and chilled products for daily foods sales areas
- ◇ Focus on business development in the U.S. and start business expansion in East Asia
  - Heighten management efficiency of the U.S. subsidiary and set step stone for business expansion in East Asia

### Strengthening of Operating Base

#### Expand core products

- ◇ Quickly carry out horizontal deployment of successful concepts

#### Continue cost reduction activities

- ◇ Establish a business constitution that is not affected by the egg market
- ◇ Reduce manufacturing cost and operating cost
  - Realize price affordability in efforts of the cross-sectional working team

## Changes in the market environment after the earthquake disaster

Egg shortage

Response to power shortage

Rise in liquid egg prices due to soaring market prices

Shortage of eggs for boiled eggs due to limited supply in appropriate size

Proposal of operations that can contribute to power saving

Response to simple and convenient menus that are growing in demand

Switch proposals from liquid eggs to dehydrated eggs



Dehydrated eggs



Bread manufacturers



Confectionery manufacturers

Switch proposals from boiled eggs to molding eggs



Egg halves



Cooked noodles

Product quality that can be used to replace liquid eggs

Realize by employing Kewpie's technologies

Product quality that can be used to replace boiled eggs

# Salad and Prepared Foods Business

Promote the development of new market by utilizing our nationwide network

<Plans>

<Endeavors in second half>

(¥bn)	11/10	11/11 Plan	Increase
Net Sales	78.1	82.5	4.4
Operating Income	1.6	2.0	0.4
Operating Income Ratio	2.0%	2.4%	0.4%

## Challenge to New Developments

- ◇ Promote product development by utilizing the group's resources
  - Promote development of differentiating products in salad noodles and deserts
- ◇ Promote activation of sale areas that are changing after the earthquake disaster
  - Have lightly marinated pickle salads take firm root and expand in sale areas throughout Japan
  - Focus on introducing cooked rice for mass-merchandise stores
- ◇ Make proposals of prepared foods for aged people

<Factor causing increase and decrease in net sales>

Cultivation of the Domestic Market <First Half:0.4 Second Half:0.5>	0.9
Concentration on Core Products <First Half:1.3 Second Half:0.8>	2.1
Other Existing Products, etc. <First Half:0.7 Second Half:0.8>	1.5

## Strengthening of Operating Base

- ◇ In terms of salads, expand proposals of products with added value
  - Accelerate proposals of health-conscious types of salads
  - For packaged salads, create sales areas with reinforced products with added value
- ◇ Reinforce our competitiveness by strengthening regional area-management capability
  - Heighten production efficiency through coordination of operation bases within areas
- ◇ Focus on reinforcing capability to procure vegetables
  - Reinforce the traceability system and promote coordination with local farming areas

Evoked consumption, which leads to supporting suffered areas, by proactively using vegetables produced in and around suffered areas

## Signboard examples



食卓にもっと、  
**サラダクラブ**  
SALAD CLUB

食卓にもっと  
パッケージサラダ。

**食べて応援しよう！**

**被災地を応援**

農林水産省の被災地応援の取り組みに協力しています。

## Product examples



Using spinach from Ibaraki



Using potato from Ibaraki



Using sweet potato from Ibaraki



Using burdock from Aomori

# Distribution Systems Business

Promote improvement of quality and strengthening of functions of physical distribution

<Plans>

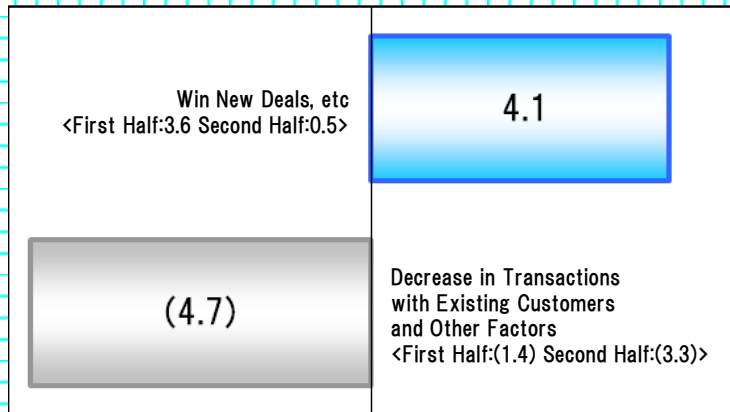
<Endeavors in second half>

(¥bn)	11/10	11/11 Plan	(Decrease)
Net Sales	113.7	113.1	(0.6)
Operating Income	2.8	2.4	(0.4)
Operating Income Ratio	2.5%	2.1%	-0.4%

## Challenge to New Developments

- ◇ Reinforce the capability to meet customer needs to outsource physical distribution
  - Offer services in a general-purpose package and reinforce supply capability of dedicated distribution services
  - Enhance our superiority by developing small-size, flexible vehicles
  - Work to activate marketing that is in close contact with respective areas
- ◇ Develop new customers by offering import cargo handling services
  - Expand handling of import cargo through reinforced marketing

<Factor causing increase and decrease in net sales>



## Strengthening of Operating Base

- ◇ Improve profitability by establish standardization of operations
  - Promote continuous activities for enhanced quality of physical distribution
- ◇ Restructure distribution functions
  - Concentrate vehicle dispatch centers and strengthen transportation capacities via trunk lines
  - Re-construct the operation base networks
- ◇ Establish information systems
  - Introduce new transportation systems

Build a base that should lead the long-term development of the Group

**Product development**

Create new added value of products by **“concentrating” our technologies and brains**

**Business development**

Increase speed, quality and volume through a single team by **“sharing” information and schemes**

**Social contribution**

Place value on our connections with the regions and customers as well as the environment through **“realizing and developing” our thoughts and dreams**

# Implementation of Purchase and Cancellation of Treasury Stock

Return profits of 5.1 billion yen, in combination with total dividends of 2.7 billion yen, to shareholders for fiscal 2011

While keeping the policy on returning profits by “placing top priority on dividends”

Purchase of treasury stock:  
up to 2,000,000 shares  
equivalent to 2.4 billion yen

+

Cancellation of treasury stock:  
2,464,515 shares

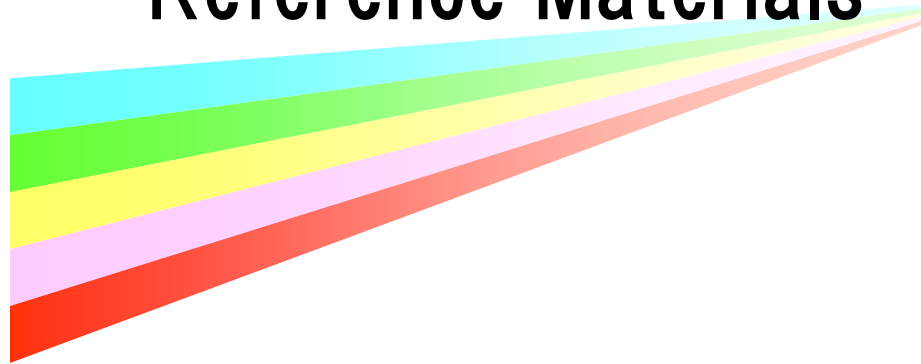
1.3% of issued shares  
(excluding treasury stock)

The number of issued shares will be  
153,000,000 shares

《Forecast for fiscal 2011: payment ratio of 31% and total return ratio of 59%》

Endeavor to enhance return of profits to shareholders by also employing dynamic and flexible capital measures

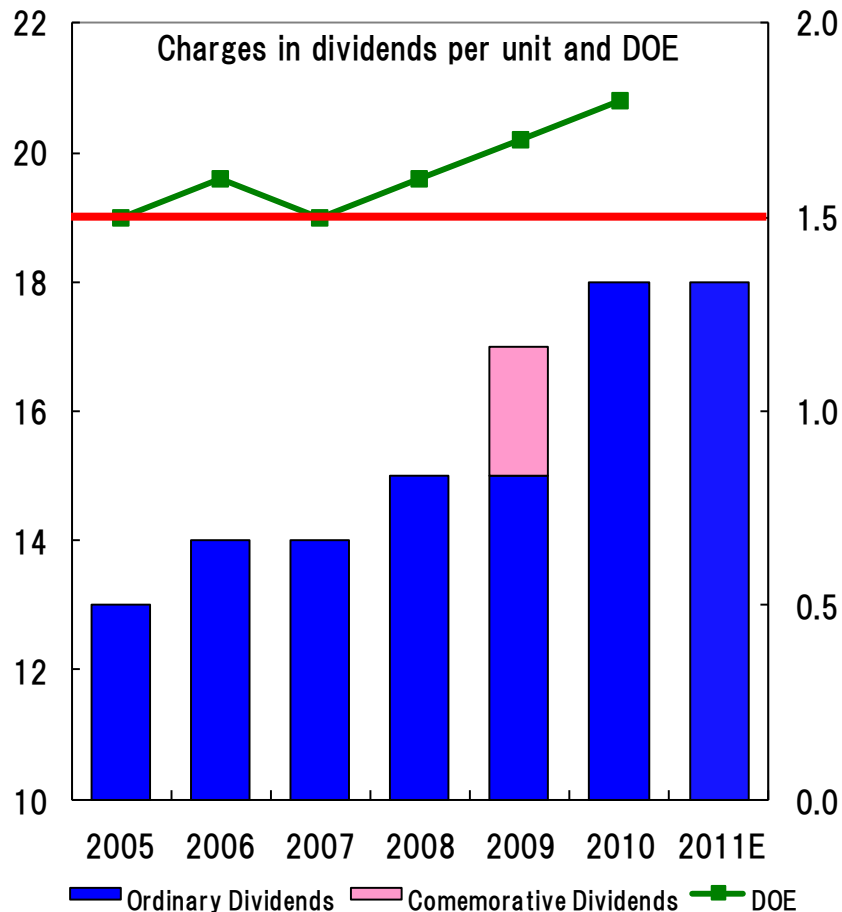
# Reference Materials



# Reference: Policy on Dividends

## Conduct steady payment of dividend with DOE of 1.5% or more as a standard

《Plans to distribute 18 yen per share for fiscal 2011》  
 (¥) (%)



**Basic policy on returning profits to our shareholders**

**Place top priority on dividends**

Realize steady increase of dividends over a long term

**Standards for deciding dividends**

Set DOE (dividend on equity ratio) as a standard while considering future requirements for funds and other factors

~Numerical standard (on consolidated basis)~

**DOE of 1.5% or more**  
 (Target payment ratio of around 25%)

# Reference: Performance Trends

(¥bn)

	11/07	11/08	11/09	11/10	11/11 Plan	11/12 Med-Term Business Plan
<b>《New Business Segments》</b>						
Condiments and Processed Foods			175.7	171.7	173.7	185.5
			13.8	16.6	13.7	15.2
Health Function Products			17.3	17.8	18.7	22.5
			0.6	1.4	1.7	2.4
Egg Products			79.5	83.1	86.7	90.5
			3.6	3.9	3.4	4.2
Salad and Prepared Foods			80.7	78.1	82.5	92.0
			1.3	1.6	2.0	2.3
Common Business Operations			7.1	6.7	5.3	7.5
			0.4	0.5	0.6	0.5
Distribution Systems			92.0	113.7	113.1	127.0
			2.2	2.8	2.4	3.2
Adjustments (Elimination/Corporate)			(4.3)	(4.6)	(4.6)	(4.3)
<b>Total</b>	<b>468.0</b>	<b>474.0</b>	<b>452.2</b>	<b>471.0</b>	<b>480.0</b>	<b>525.0</b>
	<b>15.8</b>	<b>14.0</b>	<b>17.7</b>	<b>22.1</b>	<b>19.2</b>	<b>23.5</b>
<b>《Former Business Segments》</b>						
Condiments and Processed Foods	177.3	177.6	175.0			
	11.6	9.9	14.6			
Health Function Products	17.5	18.2	17.8			
	1.1	0.8	0.6			
Egg Products	84.8	88.3	81.6			
	3.2	3.6	3.6			
Salad and Prepared Foods	96.2	93.8	85.9			
	1.9	1.7	1.0			
Distribution Systems	92.2	96.0	92.0			
	2.2	1.9	2.2			
Elimination/Corporate	(4.0)	(3.9)	(4.3)			
<b>Total</b>	<b>468.0</b>	<b>474.0</b>	<b>452.2</b>			
	<b>15.8</b>	<b>14.0</b>	<b>17.7</b>			

Note: Figure in the upper column are sales, and those in the lower column are operating income

# Reference: Major Expenses, etc

(¥bn)

	5/07	5/08	5/09	5/10	5/11	11/10	11/11 Plan
Sales Promotion Expenses	11.5	9.9	8.6	8.7	8.9	18.2	18.1
Advertising Expenses	4.7	4.5	4.0	4.1	3.6	7.8	7.6
Distribution Expenses	13.4	13.4	12.5	12.5	13.1	25.8	27.1
Labor Expenses	9.8	9.6	10.7	11.3	11.8	22.8	23.5
R&D Expenses	1.5	1.5	1.5	1.4	1.5	3.2	3.3
Capital Investments	5.7	7.5	6.3	5.8	7.5	12.6	15.7
Depreciation Expenses	5.9	6.4	6.2	6.2	6.5	13.1	14.3

	11/10	11/11 Plan	Breakdown of Increase/Decrease (Comparison between fiscal 2010 and plans for fiscal 2011)	
Non-operating Income/Expenses	0.7	0.5	Decrease in interest expenses	0.1
			Decrease in other income	(0.3)
Extraordinary Income/Expenses	(1.4)	(3.5)	Increase in losses from disaster	(1.8)
			Increase in losses on disposal of fixed assets	(0.4)

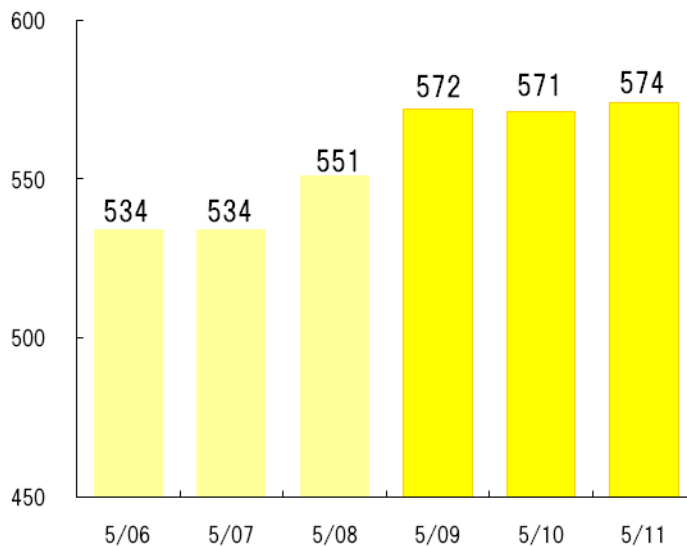
# Reference: Condiments for Salads and Sales Results by Sector

		5/06	5/07	5/08	5/09	5/10	5/11	Year-on-Year
Home-use	Volume (1,000t)	62	64	63	61	62	61	-1.6%
	Amount (¥bn)	33.1	34.2	34.7	34.9	35.4	35.0	-1.1%
Commercial-use	Volume (1,000t)	45	46	45	46	48	48	0.0%
	Amount (¥bn)	15.8	16.2	16.2	18.4	18.1	18.4	1.7%
Total	Volume (1,000t)	106	110	108	107	110	110	0.0%
	Amount (¥bn)	48.9	50.4	51.0	53.3	53.5	53.4	-0.2%

※Actual results of fiscal 2009 have been adjusted in line with the arrangement of product categories conducted in fiscal 2010

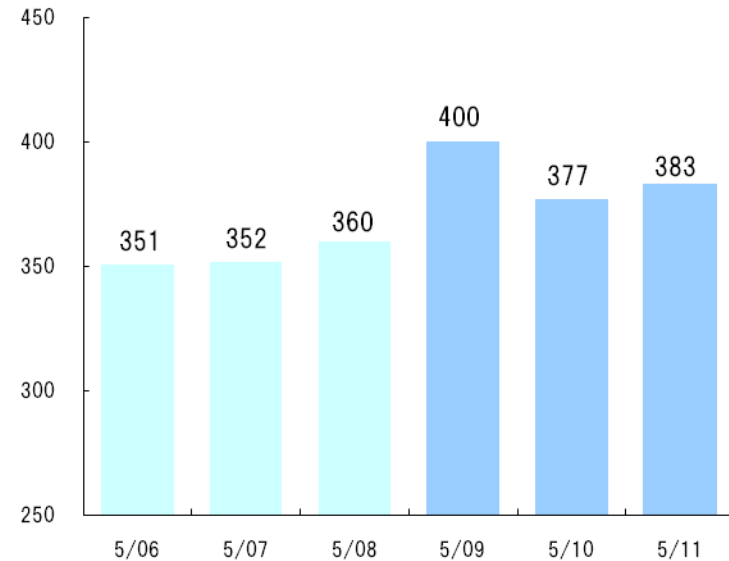
(¥/kg)

Home-use price (per kg)



(¥/kg)

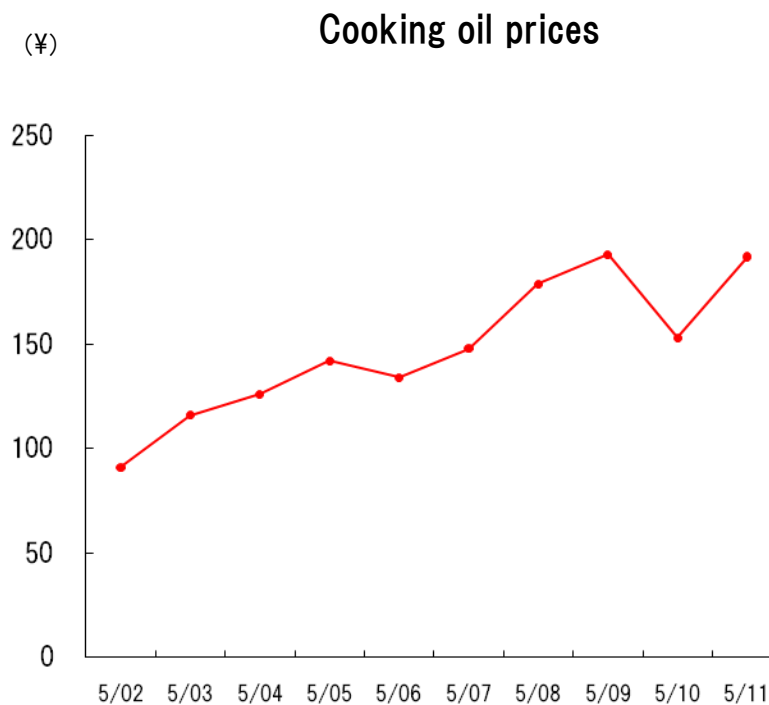
Commercial-use price (per kg)



# Reference: Movement in Egg and Cooking Oil Prices

	(¥)									
	5/02	5/03	5/04	5/05	5/06	5/07	5/08	5/09	5/10	5/11
Medium-Sized Egg, Tokyo Market Average Price (per kg)	174	169	138	246	182	183	182	177	181	217
Average Price of Institutional Use (Tank Truck Base) for Processed oil and Fats (per kg)	91	116	126	142	134	148	179	193	153	192

(Monthly average from December to November for each year)



**Note:**

**The above content comprises statements that constitute forward-looking statements. These include descriptions regarding the intent, belief or current expectations of the Company or its officers with respect to the consolidated results of operations and the financial condition of the Company.**

**Such forward-looking statements are not guarantees of future performance but involve risks and uncertainties, and actual results may differ from those in the forward-looking statements due to various factors.**