

# Kewpie Corporation

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



## Summary of Consolidated Financial Statements for the Third Quarter of the Fiscal Year Ending November 30, 2016 [JAPAN GAAP]

October 3, 2016

Listed company name: Kewpie Corporation  
Listed exchange: Tokyo Stock Exchange  
Securities code: 2809  
URL: <http://www.kewpie.co.jp/english/>  
Representative: Minesaburo Miyake, President and Representative Director and Officer  
Contact: Masato Shinohara,  
Officer and General Manager of Operation Promote Department

Scheduled date for filing quarterly securities report: October 14, 2016

Scheduled date for dividend payment: –

Quarterly supplementary data: Yes

Quarterly results briefing: None

(Amounts are rounded down to the nearest million yen.)

### 1. Consolidated business results for the third quarter of the fiscal year ending November 30, 2016 (From December 1, 2015 to August 31, 2016)

#### (1) Consolidated operating results (Cumulative)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended August 31, 2016	413,915	0.9	23,431	12.0	24,279	12.3	13,592	(2.1)
Nine months ended August 31, 2015	410,313	–	20,916	–	21,618	–	13,890	–

(Note) Comprehensive income: Nine months ended August 31, 2016 ¥10,987 million (Decrease of 45.8%)  
Nine months ended August 31, 2015 ¥20,282 million (–%)

	Earnings per share	Earnings per share (diluted)
	Yen	Yen
Nine months ended August 31, 2016	90.06	–
Nine months ended August 31, 2015	91.51	–

(Notes) 1. Because results have been retrospectively adjusted in accordance with changes in accounting policies, the comparative year-on-year rate of change for the nine months ended August 31, 2015 is not presented.

2. Earnings per share is based on profit attributable to owners of parent.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of August 31, 2016	382,946	245,895	55.6
As of November 30, 2015	373,017	244,717	57.1

(Reference) Shareholders' equity: As of August 31, 2016 ¥213,004 million  
As of November 30, 2015 ¥212,937 million

(Note) The effect of retrospectively applying changes in accounting policies is reflected in the figures presented for the period ended November 30, 2015.

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## 2. Dividends

	Annual dividend per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Total
Fiscal year 2015	– Yen	12.50 Yen	– Yen	16.50 Yen	29.00 Yen
Fiscal year 2016	–	15.00	–		
Fiscal year 2016 (Forecast)				17.00	32.00

(Note) Revision to the most recently announced forecast of dividends: None

The year-end dividend for fiscal year 2015 includes a dividend of ¥1 to commemorate the 90th anniversary of launching mayonnaise.

## 3. Forecasts of consolidated operating results for the fiscal year ending November 30, 2016 (From December 1, 2015 to November 30, 2016)

(Percentage figures show changes from the previous year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending November 30, 2016	560,000	1.9	29,000	10.0	30,100	10.6	15,900	(6.3)	105.55

(Note) Revision to the most recently announced forecast of consolidated operating results: None

### \*Notes

- (1) Changes in significant subsidiaries during the nine months (Changes in specified subsidiaries resulting in the change in the scope of consolidation): None
- (2) Application of special accounting treatments for the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies and estimates, and restatements
  - a) Changes in accounting policies due to revision of accounting standards: Yes
  - b) Changes in accounting policies due to reasons other than "a)" (above): Yes
  - c) Changes in accounting estimates: Yes
  - d) Restatements: None
- (4) Number of issued shares (common stock)
  - a) Number of issued shares at the end of the period (including treasury stock):
 

August 31, 2016	153,000,000 shares
November 30, 2015	153,000,000 shares
  - b) Number of shares of treasury stock at the end of the period:
 

August 31, 2016	3,333,419 shares
November 30, 2015	1,232,318 shares
  - c) Average number of shares during the period:
 

December 1, 2015 to August 31, 2016	150,927,072 shares
December 1, 2014 to August 31, 2015	151,787,873 shares

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## **\*Status of implementation of quarterly review procedures**

This summary of consolidated financial statements is outside the scope of the quarterly review procedures based on the Financial Instruments and Exchange Act. As of the time of its disclosure, review procedures for quarterly consolidated financial statements based on the Financial Instruments and Exchange Act are still in process of being implemented.

## **\*Statement for an appropriate usage of the forecasts of operating results and other special notes**

The forecasts and other forward looking statements contained in this summary are based on the information currently available to the Company and certain assumptions considered reasonable by the Company. Therefore, they are not guaranteed to be achieved by the Company. As a result, the forecasts of operating results may differ significantly from the actual operating results due to various factors.

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## I. Quarterly consolidated financial statements

### 1. Quarterly Consolidated Balance Sheets

(Millions of yen)

	Previous fiscal year (As of November 30, 2015)	Current third quarter (As of August 31, 2016)
<b>Assets</b>		
Current assets		
Cash and deposits	29,844	24,182
Notes and accounts receivable - trade	78,151	80,092
Securities	5,000	5,000
Purchased goods and products	17,178	16,286
Work in process	979	928
Raw materials and supplies	10,247	10,226
Other	7,294	10,958
Allowances for doubtful accounts	(176)	(199)
Total current assets	148,518	147,476
Fixed assets		
Tangible fixed assets		
Buildings and structures	168,599	170,054
Accumulated depreciation	(95,402)	(98,909)
Net book value	73,196	71,144
Machinery, equipment and vehicles	155,974	158,893
Accumulated depreciation	(121,743)	(122,980)
Net book value	34,231	35,912
Land	47,468	47,345
Construction in progress	3,742	15,526
Other	21,277	22,387
Accumulated depreciation	(13,101)	(13,796)
Net book value	8,176	8,590
Total tangible fixed assets	166,815	178,520
Intangible fixed assets		
Goodwill	1,785	1,618
Other	3,874	3,870
Total intangible fixed assets	5,659	5,488
Investments and other assets		
Investment securities	28,547	25,958
Assets for retirement benefits	12,427	13,795
Other	11,547	12,191
Allowances for doubtful accounts	(499)	(484)
Total investments and other assets	52,023	51,460
Total fixed assets	224,498	235,469
<b>Total assets</b>	<b>373,017</b>	<b>382,946</b>

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(Millions of yen)

	Previous fiscal year (As of November 30, 2015)	Current third quarter (As of August 31, 2016)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	45,192	46,187
Short-term loans payable	9,096	8,134
Accrued income taxes	3,960	6,785
Reserves for bonuses	1,541	5,163
Other reserves	1,080	2,697
Other	33,998	31,314
<b>Total current liabilities</b>	<b>94,870</b>	<b>100,284</b>
Non-current liabilities		
Bonds	10,000	10,000
Long-term loans payable	6,343	11,029
Liabilities for retirement benefits	3,075	3,000
Asset retirement obligations	748	1,109
Other	13,262	11,626
<b>Total non-current liabilities</b>	<b>33,429</b>	<b>36,766</b>
<b>Total liabilities</b>	<b>128,299</b>	<b>137,050</b>
<b>Net assets</b>		
Shareholders' equity		
Paid-in capital	24,104	24,104
Capital surplus	30,302	30,300
Earned surplus	154,421	163,265
Treasury stock	(1,416)	(6,121)
<b>Total shareholders' equity</b>	<b>207,412</b>	<b>211,548</b>
Accumulated other comprehensive income		
Unrealized holding gains (losses) on securities	9,330	7,859
Unrealized gains (losses) on hedges	(8)	(17)
Foreign currency translation adjustments	(552)	(3,617)
Accumulated adjustments for retirement benefits	(3,243)	(2,768)
<b>Total accumulated other comprehensive income</b>	<b>5,525</b>	<b>1,456</b>
<b>Non-controlling interests</b>	<b>31,780</b>	<b>32,890</b>
<b>Total net assets</b>	<b>244,717</b>	<b>245,895</b>
<b>Total liabilities and net assets</b>	<b>373,017</b>	<b>382,946</b>

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## 2. Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive

### Income

(Quarterly Consolidated Statements of Income)

(Nine months ended August 31, 2015 and August 31, 2016)

(Millions of yen)

	Previous third quarter (From December 1, 2014 to August 31, 2015)	Current third quarter (From December 1, 2015 to August 31, 2016)
Net sales	410,313	413,915
Cost of sales	322,225	321,159
Gross profit	88,088	92,756
Selling, general and administrative expenses	67,171	69,324
Operating income	20,916	23,431
Non-operating income		
Interest income	95	58
Dividends income	430	416
Equity in earnings of affiliates	67	268
Other	731	763
Total non-operating income	1,325	1,508
Non-operating expenses		
Interest expenses	237	235
Other	385	425
Total non-operating expenses	623	660
Ordinary income	21,618	24,279
Extraordinary gains		
Gains on sales of investment securities	75	330
Gains on sales of fixed assets	114	101
Gains on change in equity	1,118	—
Gains on step acquisitions	830	—
Gains on negative goodwill	105	—
Other	548	14
Total extraordinary gains	2,792	446
Extraordinary losses		
Losses on disposal of fixed assets	1,079	685
Losses on impairment of fixed assets	71	49
Losses on valuation of investments in capital of subsidiaries and affiliates	257	—
Provision of reserves for losses on liquidation of subsidiaries and affiliates	261	—
Other	33	376
Total extraordinary losses	1,704	1,110
Profit before income taxes	22,706	23,614
Income taxes	7,028	7,905
Profit	15,677	15,709
Profit attributable to non-controlling interests	1,787	2,116
Profit attributable to owners of parent	13,890	13,592

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(Quarterly Consolidated Statements of Comprehensive Income)  
(Nine months ended August 31, 2015 and August 31, 2016)

(Millions of yen)

	Previous third quarter (From December 1, 2014 to August 31, 2015)	Current third quarter (From December 1, 2015 to August 31, 2016)
Profit	15,677	15,709
Other comprehensive income		
Unrealized holding gains (losses) on securities	2,837	(1,475)
Unrealized gains (losses) on hedges	(15)	(17)
Foreign currency translation adjustments	1,610	(3,751)
Adjustments for retirement benefits	172	523
Total other comprehensive income	4,604	(4,721)
Comprehensive income	20,282	10,987
(Breakdown)		
Comprehensive income attributable to owners of parent	18,072	9,523
Comprehensive income attributable to non-controlling interests	2,209	1,464



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## 3. Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Previous third quarter (From December 1, 2014 to August 31, 2015)	Current third quarter (From December 1, 2015 to August 31, 2016)
<b>Cash flows from operating activities</b>		
Profit before income taxes	22,706	23,614
Depreciation and amortization	13,989	14,186
Losses on impairment of fixed assets	71	49
Equity in losses (earnings) of affiliates	(67)	(268)
Losses (gains) on valuation of investment securities	0	166
Losses on valuation of investments in capital of subsidiaries and affiliates	257	—
Increase (decrease) in reserves	5,274	5,250
Gains on negative goodwill	(105)	—
Losses (gains) on step acquisitions	(830)	—
Losses (gains) on change in equity	(1,118)	—
Increase (decrease) in liabilities for retirement benefits	315	4
Decrease (increase) in assets for retirement benefits	(1,104)	(1,367)
Interest and dividends income	(526)	(475)
Interest expenses	237	235
Losses (gains) on sales and disposal of fixed assets	967	592
Decrease (increase) in notes and accounts receivable - trade	4,350	(2,754)
Decrease (increase) in inventories	(2,238)	371
Increase (decrease) in notes and accounts payable - trade	(9,297)	1,160
Other	(10,366)	(7,392)
<b>Sub-total</b>	<b>22,518</b>	<b>33,373</b>
Interest and dividends income received	557	609
Interest paid	(256)	(251)
Income taxes paid	(9,594)	(8,427)
<b>Net cash provided by (used in) operating activities</b>	<b>13,224</b>	<b>25,303</b>
<b>Cash flows from investing activities</b>		
Purchases of securities	(10,000)	—
Proceeds from redemption of securities	5,000	—
Purchases of tangible fixed assets	(25,082)	(22,233)
Purchases of intangible fixed assets	(925)	(585)
Proceeds from acquisition of subsidiaries' shares resulting in change in scope of consolidation	44	—
Purchases of investment securities	(85)	(96)
Proceeds from sales of shares of subsidiaries and affiliates	58	—
Net decrease (increase) in short-term loans receivable	(374)	45
Payments of long-term loans receivable	(18)	(37)
Collection of long-term loans receivable	9	15
Payments into time deposits	(98)	(3)
Proceeds from withdrawal of time deposits	117	—
Other	(120)	350
<b>Net cash provided by (used in) investing activities</b>	<b>(31,476)</b>	<b>(22,544)</b>

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(Millions of yen)

	Previous third quarter (From December 1, 2014 to August 31, 2015)	Current third quarter (From December 1, 2015 to August 31, 2016)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	8	(1,303)
Proceeds from long-term loans payable	603	6,440
Repayment of long-term loans payable	(1,073)	(1,382)
Cash dividends paid	(3,642)	(4,749)
Cash dividends paid to non-controlling interests	(531)	(610)
Repurchase of shares	(77)	(4,732)
Proceeds from share issuance to non-controlling interests	—	254
Purchase of treasury shares of subsidiaries	(551)	—
Other	(1,143)	(980)
Net cash provided by (used in) financing activities	(6,409)	(7,064)
Effects of exchange rate changes on cash and cash equivalents	482	(1,356)
Increase (decrease) in cash and cash equivalents	(24,178)	(5,662)
Cash and cash equivalents at the beginning of the period	44,788	34,841
Cash and cash equivalents at the end of the period	20,609	29,178

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## 4. Notes regarding quarterly consolidated financial statements

(Notes regarding assumption of a going concern)

Not applicable.

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

Not applicable.

(Segment information)

### [Segment information]

#### I. Previous third quarter (From December 1, 2014 to August 31, 2015)

##### 1. Information on amounts of net sales and profit or loss by reported segment

(Millions of yen)

	Condi- ments products	Egg products	Delica- tessen products	Processed foods	Fine chemical products	Distri- bution system	Common business operations	Total	Adjust- ments	Amount reported on the quarterly consolidated statement of income (Note)
Net sales										
Net sales to outside customers	107,274	76,643	74,876	43,136	8,320	95,777	4,284	410,313	—	410,313
Intersegment net sales or transfers	5,079	4,370	173	1,893	225	18,305	7,478	37,526	(37,526)	—
Total	112,353	81,014	75,049	45,030	8,546	114,083	11,762	447,839	(37,526)	410,313
Segment profit	10,051	4,025	2,030	147	187	3,611	857	20,910	6	20,916

(Note) Adjustments are made between "Segment profit" and "Operating income" reported on the quarterly consolidated statement of income.

##### 2. Information on losses on impairment of fixed assets or goodwill, etc. by reported segment

(Significant losses on impairment of fixed assets)

Not applicable.

(Significant changes in amount of goodwill)

Not applicable.

(Significant gains on negative goodwill)

Not applicable.

#### II. Current third quarter (From December 1, 2015 to August 31, 2016)

##### 1. Information on amounts of net sales and profit or loss by reported segment

(Millions of yen)

	Condi- ments products	Egg products	Delica- tessen products	Processed foods	Fine chemical products	Distri- bution system	Common business operations	Total	Adjust- ments	Amount reported on the quarterly consolidated statement of income (Note)
Net sales										
Net sales to outside customers	109,575	76,707	82,887	38,138	8,074	94,714	3,817	413,915	—	413,915
Intersegment net sales or transfers	5,547	4,440	211	1,584	223	18,779	7,751	38,538	(38,538)	—
Total	115,123	81,147	83,098	39,722	8,297	113,494	11,569	452,454	(38,538)	413,915
Segment profit	10,853	4,555	2,606	567	894	3,513	440	23,431	—	23,431

(Note) Adjustments are made between "Segment profit" and "Operating income" reported on the quarterly consolidated statement of income.

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## 2. Changes to reported segment

Changes to accounting standards for recording sales have been applied retrospectively, which has resulted in adjustments to the financial results of each segment for the "previous third quarter" as follows:

In comparison with the figures prior to this change, Condiments products net sales are ¥11,253 million lower and segment profit is ¥263 million lower; Egg products net sales are ¥97 million lower and segment profit is almost the same; Delicatessen products net sales are ¥6,431 million lower and segment profit is ¥8 million higher; and Processed foods net sales are ¥3,469 million lower and segment profit is ¥20 million lower.

Additionally, as a result of changes in the method for calculating depreciation of tangible fixed assets and revision of useful life and residual value figures, the financial results of each segment for the "current third quarter" have been adjusted as follows:

In comparison with the figures prior to this change, Condiments products segment profit is ¥193 million lower; Egg products segment profit is ¥257 million higher; Delicatessen products segment profit is ¥406 million higher; Processed foods segment profit is ¥137 million lower; Fine chemical products segment profit is ¥59 million higher; Distribution system segment profit is ¥587 million higher; and Common business operations segment profit is ¥100 million lower.

## 3. Information on losses on impairment of fixed assets or goodwill, etc. by reported segment

(Significant losses on impairment of fixed assets)

Not applicable.

(Significant changes in amount of goodwill)

Not applicable.

(Significant gains on negative goodwill)

Not applicable.

## (Significant subsequent events)

The Company agreed to acquire manufacturing and sales operations centered on condiments such as mayonnaise from Polish condiments manufacturer Mosso Kwaśniewscy Sp.J. On September 29, 2016, a new wholly owned subsidiary of the Company (the company name will be Mosso Kewpie Poland Sp. z o.o. after the business acquisition), whose registration is currently underway, entered into a business transfer agreement with Mosso Kwaśniewscy Sp.J. The execution of the acquisition of the business is ultimately subject to licenses and approvals from the relevant authorities, including a review on the antimonopoly requirements.

### 1. Purpose of acquisition of business

By acquiring brands, production bases and sales channels in Eastern Europe, the Company aims to speed up market expansion in Europe.

### 2. Name of counterparty in acquisition of business

Mosso Kwaśniewscy Sp.J.

### 3. Primary businesses to be acquired

Businesses relating to manufacture and sales of condiments (commercial rights, manufacturing facilities, land, etc.)

### 4. Amounts of assets/liabilities to be acquired and consideration for acquisition

The amounts of assets/liabilities to be acquired are still undetermined as of the date hereof. The consideration for the acquisition cannot be disclosed due to the Company's obligation to maintain confidentiality regarding the agreement with the counterparty.

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## 5. Acquisition schedule

Discussions are currently in progress between the relevant parties as the transfer schedule is subject to licenses and approvals from the relevant authorities, including a review on the antimonopoly requirements.

## 6. Financing for acquisition and method of payment

The Company plans to use its own capital.

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## II. Supplementary data

- (Notes) 1. Fraction errors may occur due to rounding figures less than 100 million.  
 2. The following changes took effect at the beginning of fiscal year 2016.  
 ◇ Certain sales promotion expenses and transportation and warehousing expenses were deducted from net sales.  
 The figures presented for fiscal year 2015 have been adjusted in accordance with the new accounting method applied in fiscal year 2016.  
 ◇ The domestic consolidated subsidiaries changed the depreciation method from the declining balance basis to the straight-line basis.  
 The figures for fiscal year 2015 have not been retrospectively adjusted for the change in the depreciation method, but the effect of the change in terms of fiscal year 2016 and fiscal year 2015 comparisons is stated in the description of factors behind changes in operating income.

### 1. Summary of net sales and operating income and factors behind changes in operating income

<Net sales>

(Billions of yen)

Former accounting method	Segment	1st quarter	2nd quarter	2nd quarter (Cumulative)	3rd quarter	3rd quarter (Cumulative)	4th quarter	Year
Fiscal Year 2014	Condiments products	35.9	40.2	76.1	38.6	114.7	36.7	151.5
	Egg products	24.1	25.3	49.4	24.0	73.4	26.1	99.5
	Delicatessen products	24.2	25.5	49.7	26.8	76.5	25.7	102.2
	Processed foods	13.6	15.0	28.6	14.1	42.7	14.5	57.2
	Fine chemical products	2.3	2.8	5.1	2.3	7.5	3.2	10.7
	Distribution system	30.0	31.2	61.2	32.7	93.9	32.9	126.8
	Common business operations	1.3	1.5	2.8	1.3	4.1	1.4	5.5
	Total	131.5	141.5	273.0	139.8	412.8	140.6	553.4
Fiscal Year 2015	Condiments products	36.6	40.6	77.2	41.3	118.5	38.5	157.1
	Egg products	24.6	26.2	50.8	25.9	76.7	28.0	104.8
	Delicatessen products	25.1	27.4	52.5	28.8	81.3	27.8	109.1
	Processed foods	14.1	16.8	30.8	15.8	46.6	15.6	62.3
	Fine chemical products	2.4	3.1	5.5	2.8	8.3	3.0	11.3
	Distribution system	31.2	31.9	63.1	32.7	95.8	32.0	127.7
	Common business operations	1.5	1.4	2.9	1.4	4.3	1.7	5.9
	Total	135.6	147.3	282.9	148.7	431.6	146.6	578.2

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New accounting method	Segment	1st quarter	2nd quarter	2nd quarter (Cumulative)	3rd quarter	3rd quarter (Cumulative)	4th quarter	Year
Fiscal Year 2015 (A) (Adjusted)	Condiments products	33.2	36.8	70.0	37.3	107.3	34.9	142.2
	Egg products	24.6	26.2	50.7	25.9	76.6	28.0	104.6
	Delicatessen products	23.2	25.2	48.4	26.5	74.9	25.6	100.4
	Processed foods	13.1	15.5	28.6	14.5	43.1	14.4	57.5
	Fine chemical products	2.4	3.1	5.5	2.8	8.3	3.0	11.3
	Distribution system	31.2	31.9	63.1	32.7	95.8	32.0	127.7
	Common business operations	1.5	1.4	2.9	1.4	4.3	1.7	5.9
	Total	129.2	140.0	269.2	141.1	410.3	139.5	549.8
Fiscal Year 2016 (B)	Condiments products	34.0	37.8	71.8	37.8	109.6		147.5
	Egg products	25.7	26.1	51.9	24.8	76.7		105.5
	Delicatessen products	26.0	28.1	54.1	28.8	82.9		113.0
	Processed foods	12.0	13.6	25.7	12.5	38.1		52.0
	Fine chemical products	2.7	2.6	5.3	2.8	8.1		11.0
	Distribution system	30.4	31.8	62.3	32.4	94.7		125.5
	Common business operations	1.3	1.2	2.5	1.4	3.8		5.5
	Total	132.1	141.3	273.4	140.5	413.9		560.0
Change (B) - (A)	Condiments products	0.8	1.0	1.8	0.5	2.3		5.3
	Egg products	1.2	(0.0)	1.1	(1.1)	0.1		0.9
	Delicatessen products	2.8	2.9	5.7	2.3	8.0		12.6
	Processed foods	(1.1)	(1.9)	(2.9)	(2.1)	(5.0)		(5.5)
	Fine chemical products	0.3	(0.5)	(0.2)	(0.0)	(0.2)		(0.3)
	Distribution system	(0.8)	(0.1)	(0.8)	(0.2)	(1.1)		(2.2)
	Common business operations	(0.2)	(0.2)	(0.4)	(0.0)	(0.5)		(0.4)
	Total	3.0	1.2	4.2	(0.6)	3.6		10.2

- (Notes) 1. Figures of "2nd quarter" are differences between "2nd quarter (Cumulative)" and "1st quarter."  
 2. Figures of "3rd quarter" are differences between "3rd quarter (Cumulative)" and "2nd quarter (Cumulative)."  
 3. Figures of "4th quarter" are differences between "Year" and "3rd quarter (Cumulative)."

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## <Operating income>

(Billions of yen)

Former accounting method	Segment	1st quarter	2nd quarter	2nd quarter (Cumulative)	3rd quarter	3rd quarter (Cumulative)	4th quarter	Year
Fiscal Year 2014	Condiments products	2.3	3.6	5.9	3.3	9.1	2.4	11.5
	Egg products	(0.1)	1.1	1.0	1.5	2.5	1.3	3.8
	Delicatessen products	0.4	1.1	1.5	1.1	2.6	0.7	3.3
	Processed foods	(0.1)	0.2	0.2	0.1	0.3	(0.1)	0.2
	Fine chemical products	0.2	0.3	0.5	0.1	0.6	0.4	1.0
	Distribution system	0.6	0.9	1.5	1.0	2.5	1.1	3.6
	Common business operations	0.3	0.3	0.5	0.3	0.8	0.2	1.0
	Total	3.6	7.5	11.1	7.3	18.4	5.9	24.3
Fiscal Year 2015	Condiments products	2.6	3.9	6.5	3.8	10.3	2.2	12.5
	Egg products	1.5	1.3	2.7	1.3	4.0	1.4	5.4
	Delicatessen products	0.3	0.8	1.1	1.0	2.0	0.7	2.7
	Processed foods	(0.2)	0.4	0.2	(0.0)	0.2	(0.4)	(0.3)
	Fine chemical products	0.0	0.1	0.1	0.1	0.2	0.2	0.4
	Distribution system	1.0	1.2	2.2	1.4	3.6	1.1	4.8
	Common business operations	0.3	0.3	0.6	0.2	0.9	0.0	0.9
	Total	5.5	7.9	13.4	7.8	21.2	5.2	26.4

New accounting method	Segment	1st quarter	2nd quarter	2nd quarter (Cumulative)	3rd quarter	3rd quarter (Cumulative)	4th quarter	Year
Fiscal Year 2015 (A) (Adjusted)	Condiments products	2.5	3.8	6.3	3.8	10.1	2.4	12.5
	Egg products	1.5	1.3	2.7	1.3	4.0	1.4	5.4
	Delicatessen products	0.3	0.8	1.1	1.0	2.0	0.7	2.8
	Processed foods	(0.2)	0.3	0.1	0.0	0.1	(0.4)	(0.3)
	Fine chemical products	0.0	0.1	0.1	0.1	0.2	0.2	0.4
	Distribution system	1.0	1.2	2.2	1.4	3.6	1.1	4.8
	Common business operations	0.3	0.3	0.6	0.2	0.9	0.0	0.9
	Total	5.4	7.8	13.1	7.8	20.9	5.4	26.4
Fiscal Year 2016 (B)	Condiments products	1.6	4.6	6.2	4.7	10.9		12.9
	Egg products	1.5	1.7	3.2	1.4	4.6		5.5
	Delicatessen products	0.3	1.1	1.5	1.1	2.6		3.9
	Processed foods	(0.2)	0.5	0.3	0.3	0.6		0.4
	Fine chemical products	0.2	0.4	0.6	0.3	0.9		0.9
	Distribution system	0.9	1.2	2.1	1.4	3.5		5.1
	Common business operations	0.0	0.2	0.3	0.2	0.4		0.3
	Total	4.4	9.8	14.2	9.3	23.4		29.0
Change (B) - (A)	Condiments products	(0.9)	0.8	(0.1)	0.9	0.8		0.4
	Egg products	(0.0)	0.4	0.4	0.1	0.5		0.1
	Delicatessen products	0.0	0.4	0.4	0.2	0.6		1.1
	Processed foods	(0.0)	0.2	0.2	0.2	0.4		0.7
	Fine chemical products	0.2	0.3	0.5	0.2	0.7		0.5
	Distribution system	(0.1)	0.1	(0.0)	(0.1)	(0.1)		0.3
	Common business operations	(0.2)	(0.1)	(0.3)	(0.1)	(0.4)		(0.6)
	Total	(1.0)	2.1	1.0	1.5	2.5		2.6

- (Notes) 1. Figures of "2nd quarter" are differences between "2nd quarter (Cumulative)" and "1st quarter."  
 2. Figures of "3rd quarter" are differences between "3rd quarter (Cumulative)" and "2nd quarter (Cumulative)."  
 3. Figures of "4th quarter" are differences between "Year" and "3rd quarter (Cumulative)."



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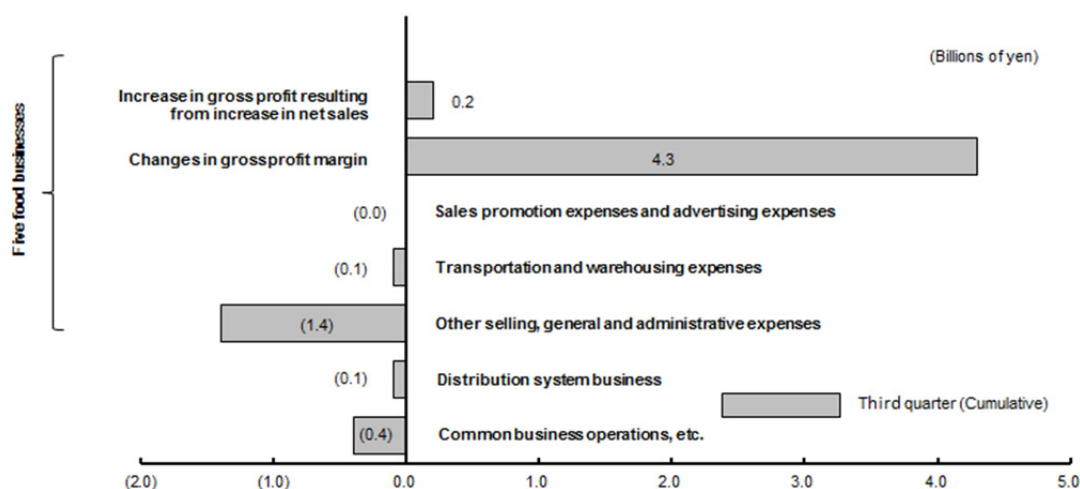
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<Factors behind changes in operating income (comparison with the previous fiscal year)>

(Billions of yen)

	Fiscal year 2015 (A)	Fiscal year 2016 (B)	Change (B) - (A)
3rd quarter (Cumulative)	20.9	23.4	2.5
Year	26.4	29.0	2.6



\*1. The impact on the third quarter (cumulative) from changing the depreciation method is expected to be an increase of ¥0.9 billion, while the impact on the whole year is expected to be an increase of ¥2.2 billion (Including one-time write-off of residual book value amounting to negative ¥2.8 billion that occurred in the first quarter).

\*2. Sales promotion expenses and transportation and warehousing expenses for fiscal year 2015 were adjusted to reflect the amounts deduced from net sales.

## 2. Capital investments and main components of selling, general and administrative expenses

(Billions of yen)

	3rd quarter 2015 (Cumulative) (A)	3rd quarter 2016 (Cumulative) (B)	Change (B) - (A)	Fiscal year 2015	Fiscal year 2016 (Plan)
Capital investments *1	26.5	23.3	(3.2)	32.4	36.8
Depreciation expenses	14.0	14.2	0.2	19.1	18.1
Sales promotion expenses*2	2.6	2.5	(0.1)	3.5	4.1
Advertising expenses	6.5	6.5	0.1	8.7	8.7
Transportation and warehousing expenses*2	18.6	18.8	0.1	25.0	26.2
Payroll expenses	21.4	22.3	0.9	28.7	30.0
Research and development expenses	2.9	2.7	(0.2)	4.2	4.3

\*1 Capital investments for fiscal year 2016 (Plan) have been changed from the figure announced on July 4, 2016.

\*2 Sales promotion expenses and transportation and warehousing expenses for fiscal year 2015 were adjusted to reflect the amounts deduced from net sales.

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### 3. Domestic sales volume and amount of salads condiments by category type (Kewpie Corporation)

		3rd quarter 2015 (Cumulative) (A)	3rd quarter 2016 (Cumulative) (B)	Change (B) - (A)	Fiscal year 2015
For household use	Volume (Thousands of ton)	97	98	1	126
	Amount (Billions of yen)*	49.3	49.6	0.4	63.8
For commercial use	Volume (Thousands of ton)	80	80	1	106
	Amount (Billions of yen)*	31.0	31.0	(0.0)	41.6

\* The sales amounts stated for fiscal year 2015 are adjusted net sales figures, calculated by deducting certain sales promotion expenses and transportation and warehousing expenses from net sales.

### 4. Summary of net sales and operating income in overseas operations

<Net sales>

(Billions of yen)

	3rd quarter 2015 (Cumulative) (A)	3rd quarter 2016 (Cumulative) (B)	Change (B) - (A)	Fiscal year 2015	Fiscal year 2016 (Plan)
Net sales in overseas operations	27.3	28.8	1.5	37.7	38.3
China *1	10.2	11.6	1.4	14.2	15.9
Southeast Asia *1	6.0	5.7	(0.3)	7.9	7.7
North America *1	9.1	9.3	0.2	12.9	11.8
Export from Japan	2.0	2.2	0.2	2.7	2.9

\*1. For overseas subsidiaries, shown as China, Southeast Asia and North America, figures of "3rd quarter" are results from October to June.

\*2. Net sales for fiscal year 2015 were adjusted to reflect the amounts deducted from net sales.

<Operating income>

(Billions of yen)

	3rd quarter 2015 (Cumulative) (A)	3rd quarter 2016 (Cumulative) (B)	Change (B) - (A)	Fiscal year 2015	Fiscal year 2016 (Plan)
Operating income in overseas operations	2.9	2.9	0.0	4.0	3.4
China *	1.3	1.5	0.2	1.7	2.1
Southeast Asia *	0.1	0.2	0.1	0.0	0.2
North America *	1.3	0.8	(0.5)	1.9	0.7
Export from Japan	0.2	0.4	0.2	0.3	0.5

\* For overseas subsidiaries, shown as China, Southeast Asia and North America, figures of "3rd quarter" are results from October to June.

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## 5. Summary of and principal items of changes in non-operating income (expenses) and extraordinary gains (losses)

(Billions of yen)

	3rd quarter 2015 (Cumulative) (A)	3rd quarter 2016 (Cumulative) (B)	Principal items of changes [Comparison between (A) and (B)]	Fiscal year 2015	Fiscal year 2016 (Plan)
Non-operating income (expenses), net	0.7	0.8	Increase in equity in earnings of affiliates 0.2	0.9	1.1
Extraordinary gains (losses), net	1.1	(0.7)	Decrease in extraordinary gains due to Aohata Corporation becoming a consolidated subsidiary (1.9)	1.4	(1.7)

## 6. Summary of and principal items of changes in balance sheets

(Billions of yen)

	Fiscal year 2015 (A)	3rd quarter 2016 (Cumulative) (B)	Change (B) - (A)	Principal items of changes [Comparison between (A) and (B)]
(Assets)				
Current assets	148.5	147.5	(1.0)	Decrease in cash and deposits (5.7) Increase in notes and accounts receivable - trade 1.9 Increase in deferred tax assets 1.7
Fixed assets				
Tangible and intangible fixed assets	172.5	184.0	11.5	Increase resulting from purchases 26.2 Decrease resulting from depreciation (14.2)
Investments and other assets	52.0	51.5	(0.6)	Decrease in investment securities (2.6) Increase in assets for retirement benefits 1.4
(Liabilities)				
	128.3	137.1	8.8	Increase in accrued income taxes 2.8 Increase in reserves 5.2 Decrease in accrued expenses (6.4) Increase in loans payable 3.7
(Net assets)				
	244.7	245.9	1.2	Increase in earned surplus 8.8 Increase in treasury stock (4.7) Decrease in foreign currency translation adjustments (3.1)

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## 7. Summary of and principal items of changes in cash flows

(Billions of yen)

	3rd quarter 2015 (Cumulative) (A)	3rd quarter 2016 (Cumulative) (B)	Principal items of changes [Comparison between (A) and (B)]	Fiscal year 2015
Cash flows from operating activities	13.2	25.3	Increase in notes and accounts receivable - trade (7.1)	28.1
			Decrease in inventories 2.6	
			Increase in notes and accounts payable - trade 10.5	
			Increase in accounts payable - other 4.2	
Cash flows from investing activities	(31.5)	(22.5)	Decrease in purchases of securities 10.0	(31.2)
			Decrease in proceeds from redemption of securities (5.0)	
			Decrease in purchases of tangible fixed assets 2.8	
Cash flows from financing activities	(6.4)	(7.1)	Increase in loans payable 4.2	(7.1)
			Increase in repurchase of shares (4.7)	