

Kewpie Report 2023

The Kewpie Group Integrated Report 2023

kewpie 
love around the kitchen table



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Editorial Policy

In putting together the Integrated Report 2023, the Kewpie Group hopes to deepen the understanding of all stakeholders, including its shareholders and investors, regarding efforts to create value over the medium to long term. This Integrated Report therefore provides an overview of the Group's business as well as comprehensive strategies and plans aimed at creating corporate value.

The Report also summarizes matters of a material nature that underpin the Group's efforts to create corporate value. All other information, including details of the Group's financial results and position, social and environmental initiatives, products, and businesses can be found on its corporate website.

Period Covered by the Report

The Report covers the 12-month period from December 2021 to November 2022.

Past background information and data as well as recent examples of the Group's activities that fall outside the period covered have also been included when considered appropriate.

Forward-looking Statements

The forecasts and forward-looking statements contained in this Integrated Report 2023 are based on information available as of the date of publication and on certain assumptions deemed rational. These forecasts also include certain probable uncertainties.

Actual performance, etc., could differ greatly from forecasts due to a variety of factors including changes in business conditions.

Note: Throughout this report, fractional amounts less than the indicated unit have been discarded. However, monetary figures in billions of yen, as well as percentages, have been rounded to the nearest fractional unit.

Website The Kewpie Group posts a wide range of information from a variety of perspectives on its website.



IR Information

<https://www.kewpie.com/en/ir/>



Sustainability

<https://www.kewpie.com/en/sustainability/>



Recipes / Products

<https://www.kewpie.com/en/products>

Corporate Philosophy of the Kewpie Group

Corporate Philosophy of the Kewpie Group

Corporate Motto

RAKU-GYOU-KAI-ETSU

Corporate Principles

- Act on Moral Principles
- Strive for Originality and Ingenuity
- Look After Parent's Well Being

Words to remember: "The world is fairer than you imagine"

Toichiro Nakashima (Founder) was deeply impressed by the following words that he encountered in his younger days: "It may seem that the lazy and sly get ahead in the world. However, the world is actually a place where the people who strive in sincerity and earnestness are the winners in the long run." He held the belief that the world is fairer than you imagine. When faced with difficulties, Toichiro would consider what was true and what was right, and always strove for originality and ingenuity. Throughout his life he continued to show gratitude toward all those who helped him. These words inherited from Toichiro were included in the Kewpie Group corporate principles up to 1992.

Our Ideal

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

Mind-set

Complying with group policies, we strive to earn the highest degree of trust from our customers and stakeholders.

Our Corporate Motto and Corporate Principles

Toichiro Nakashima, the founder of the company, expressed his fundamental beliefs with regard to work as follows: I think job motivation comes from enjoying work with people who have the same ambitions and rejoicing together. The key aim must be to act on moral principles. In other words, one should make decisions based not on immediate advantage or disadvantage, but on what is true and right. However, this alone is not enough to achieve goals; originality and ingenuity are also required. The world is fairer than you imagine, so if you feel that it is unfair, try reflecting on your own behavior and asking whether you failed to act on moral principles, or whether you were perhaps lacking in originality and ingenuity. And another thing I ask of you is to observe your filial duty toward your parents; that means feeling grateful to your parents for putting you first, and trying to repay them for their dedication. I believe that people capable of observing filial duty toward their parents are people who can feel gratitude for the goodwill of others and repay that goodwill. These people attract others who interact with goodwill, and the company should progress of its own accord as a result.

Everybody at Kewpie is proud to have inherited Toichiro Nakashima's beliefs with regard to work via our corporate culture.

Philosophy, Vision, and Corporate Message

This overview, which clarifies the positioning of our philosophy, vision, and corporate message, is based on our corporate message of “love around the kitchen table” and speaks to what we really want to achieve through our thoughts and feelings.

The Corporate Philosophy of the Kewpie Group contains the fundamental values and aspirations that all employees should hold the most dear. All activities of the Kewpie Group lead to the sentiment we wish to deliver to customers, “love around the kitchen table,” based on the spiritual pillars established in the Corporate Motto and Corporate Principles.

Centered on efforts to expand across all manner of food-related scenes, our ideal is to contribute to the food culture and health of the world through great taste, empathy, and uniqueness.

2030 VISION

In December 2018, we drew up Kewpie Group 2030 VISION as a long-term vision. It summarizes what we should be, what we hope to realize and what value we are looking to provide to society toward 2030 to achieve “Our Ideal.” We are engaging activities with a focus on the three world, customer, and society perspectives. The Kewpie Group has

strength and uniqueness, and deeply engages in various scenes of “eating,” such as home-cooked meals, ready-made foods and restaurants, throughout the lifetime of people from infants to the elders. By considering closely the diverse and everyone’s lifestyles, we will be striving for people to make feel connected to each other, and

to support healthy eating habits. Furthermore, we will support the mental and physical health of the children who are creating future, and will execute various sustainability activities inside and outside the company, to enable us to sustain and leave a better global environment and society in the future.



Message from the President

Creating the future as a united group, we are committed to achieving our 2030 VISION.



Mitsuru Takamiya

Representative Director
President and Chief Executive Corporate Officer
Kewpie Corporation

Our Mission

In 2018, we drew up Kewpie Group 2030 VISION as a roadmap for what we should be, what we hope to achieve, and what value we are looking to provide to society in 2030.

Our founder, Toichiro Nakashima, launched the egg yolk-based Kewpie Mayonnaise in an effort to promote its delicious and nutritious appeal while improving the physiques of Japanese people. Carrying forward the aspirations of our founder, our ideal is to contribute to the food culture and health of the world through great taste, empathy, and uniqueness.

In light of the VUCA era, we will accelerate efforts to create the future as a united group to become a “leading company for salads and eggs, a food partner for every person, and a supporter for bringing smiles to children,” the core elements of our 2030 VISION.

In this integrated report, we provide details of our efforts to achieve sustainable growth through various measures, including the optimal application of management resources and steps taken to address the challenge of new business areas and the difficult operating environment.

Taking Up the Challenge of an Unprecedented Conditions as an Opportunity to Change

The Kewpie Group continues to confront an increasingly harsh operating environment. In addition to the surge in vegetable oil and other raw material prices as well as the upswing in energy costs, this is mainly due to the highly pathogenic avian influenza that has significantly impacted the supply of eggs. While we are cognizant of the anxiety this has triggered among stakeholders, current conditions have allowed us to clearly identify our strengths and weaknesses.

The Kewpie Group has progressively revised many of its product prices while working to reduce costs since July 2021. Over and above this price revision, sales trends indicate that Kewpie Mayonnaise remains popular among customers. We believe that this reflects the position this flagship product maintains as a basic condiment in each household and that the Kewpie brand is favored by customers. We will continue to improve our products and brand to ensure our ongoing popularity and acceptance.

In contrast, current circumstances have shown that our business is largely domestic in nature and our operations are especially susceptible to trends in specific raw materials.

Recognizing the harsh business environment and current unprecedented conditions as an opportunity to change, we will engage in three medium- to long-term initiatives. In specific terms, we will enhance our ability to generate profits overseas as well as domestic revenue efficiency and undertake a variety of new measures.

Doubling Our Ability to Generate Profit Overseas

While trends in overseas costs are also harsh, mirroring conditions in Japan, the Kewpie Group's Overseas Business is expanding steadily on the back of sales growth. Led by the food service market recovery in Southeast Asia and robust trends in Kewpie brand condiments in North America, net sales on a yen basis climbed 24%, to ¥66.3 billion in FY2022. On the earnings front, operating income came in at ¥8.5 billion.

While the Kewpie Group enjoys substantial support in Japan, the global market remains a source of enormous potential. Recognized for their value in countries around the world, Kewpie Mayonnaise and Deep-roasted Sesame Dressing, both developed in Japan, are exhibiting steady growth. We will target a twofold jump in operating income, to ¥20 billion by FY2030 by rolling out a series of products, focusing mainly on Kewpie Mayonnaise and Deep-roasted Sesame Dressing, that are suited to the food culture of each country.

We have placed considerable emphasis on expanding sales of the Kewpie mayonnaise and dressing brands in North America, the largest market for salad condiments. In recent years, the taste and quality of our product brands have gained increasing favor among restaurant chefs and the general public, who continue to seek new value. Scheduled to commence operations in May 2025, the Company decided to establish a new plant in Tennessee, as its second U.S. production base, with an eye on an increase in demand and growth potential going forward. Drawing on a dual-production base structure that includes our existing

California plant, we will meet the growing needs of customers by expanding our area of supply.

Meanwhile, we will also accelerate the Group's expansion in Southeast Asia. In addition to growth in Thailand, Malaysia, Vietnam, and Indonesia, where we maintain an existing production presence, we will expand exports to surrounding areas, including the Philippines and Singapore, where we have sales operations. Moreover, we will bolster sales of Kewpie products in Europe by leveraging our production base in Poland to make further inroads into the EU region through our sales subsidiary in the Netherlands.

Exports from other countries will become increasingly important as we consider new areas for expansion. We will promote overseas expansion by increasing the capacity of existing production lines, and put in place a platform for growth while exploring the market potential of new areas.

Over and above a product lineup that is distinguished in Japan by its delicious taste and quality, we believe the Group's acceptance overseas is grounded in Kewpie's ability to put forward a wide range of menus while catering to all manner of dining scenes. Although we remain a company that is largely based in Japan, our goal is to evolve into a global Kewpie Group with an eye fixed firmly on future growth.



Increasing the Efficiency of Domestic Revenue by 1.5 Times

With the market for existing businesses expected to shrink as Japan's population continues to decline and age, the Kewpie Group will work to improve profitability. We will reform the productivity of our supply chain by concentrating management resources on products with recognized added value. While efforts to restructure production are proceeding as planned, we will now shift to creating value throughout the supply chain. To achieve this, we will utilize digital technologies and work to control assets while promoting higher efficiency and labor-saving. After completing the installation of a new backbone system in 2023, we will secure results by promoting a variety of Group-wide initiatives. This includes reviewing business processes, optimizing the number of

items, building a sustainable logistics model, and advancing a smart factory concept.

For example, in a delicatessen food plant, while the pre-processing and processing operations are increasingly mechanized, the serving process still requires a lot of manpower. The one-size-fits-all approach toward portioning is problematic in the case of various and diverse containers. However, elaborate and substantial equipment is necessary when considering mechanization. To resolve this issue, we are collaborating with external partners to develop technologies that address the expected labor shortage in delicatessen food plants going forward.

We will utilize the man-hours and production space created through these efforts to take on the challenges of growth areas, and will accelerate our overseas expansion by leveraging our creative efforts in Japan.

dietary lifestyles that are conducive to good health. Kewpie holds extensive research data largely covering vegetables and eggs, which are base ingredients of people's daily diet. Leveraging this strength, we will focus mainly on nutrition, which with exercise and social participation form the three pillars of frailty prevention, to propose effective, delicious, and exciting dietary lifestyles that help alleviate frailty.

Next, we also have a long history of research on vinegar and eggs, key elements when making mayonnaise, and have discovered a variety of active ingredients. Two promising ingredients of particular note are the "*Gluconacetobacter Hansenii* GK-1" and "Egg yolk choline." The *Gluconacetobacter Hansenii* GK-1 has already been found to boost the immune system and is being marketed as a food with functional claims that alleviates the discomfort of hay fever. In addition, it has been shown to balance the immune system and decrease symptoms associated with the common cold. Egg yolk choline is expected to help maintain cognitive abilities. Issues associated with aging are becoming increasingly significant all over the world. As a group that aims to address global-scale food and health issues, we will upgrade and expand our products and services in the health field and accelerate efforts to contribute to society while maintaining profitability. We are convinced that these ingredients will prove useful in the future. Moving forward, we will invest management resources with an eye toward securing significant additional advances with the big picture very much in mind.

Now, I would like to introduce to you two new challenges that we have endeavored to address in

New Business Expansion and Challenges

The Kewpie Group has identified "Metabolic syndrome," "Frailty*," "Dementia," and "Immunity" as health issues that need to be addressed. We are engaging in research to develop new opportunities in each area. I am pleased to report on some of these efforts.

First, regarding frailty, we have joined with the Institute of Gerontology, The University of Tokyo and are collaborating with like-minded retail and manufacturing companies to promote palatable

* Frailty: A condition in which physical and mental vitality (muscle strength, cognitive ability, social connections) declines with age.



FY2022.

The first is Fukaya Terrace Vegetable Friends' Farm, a product of the Company's internal Start Up Program. Opened in May 2022, this is a farm-based complex that showcases the appeal of vegetable through a hands-on farm experience, *marché* store, and restaurant, based on the concept of a farm where people are inspired by and grow to love vegetables with a smile on their faces. In the future, we will expand it as a base to strengthen the Group's salad and nutrition education initiatives.

The second is Qummy®, launched in September 2022, a mail-order service that delivers products directly to customers in the Kanto metropolitan area. Qummy® serves two broad purposes: to better understand the values and dietary lifestyles of each individual customer through direct communication and mutual understanding, and utilizing this knowledge to develop new products and services; and to deliver the Group's products directly to customers as purchases using mail-order services have become part of everyday life.

These challenges were realized by co-creating with like-minded local governments and companies on themes for which we had no experience or expertise. In this regard, we have fostered a culture of taking on new challenges while recruiting mid-career employees with skills and experience and utilizing diversity.

We also launched the new brand GREEN KEWPIE in March 2023. This new brand embodies the desire to offer a variety of food choices to meet the growing health- and environment-conscious needs of customers. As a first step, we released two plant-based dressings



have been launched for the Japanese market. We will introduce a plant-based tartar sauce and HOBOTAMA, an egg substitute food, under the same brand. In the future, we will expand the GREEN KEWPIE brand overseas and engage in global-scale marketing. Leveraging the Group's strengths, we will promote food sustainability beginning with plant-based foods and contribute to a healthy and earth-friendly diet.

As a Leading Company for Salads and Eggs

The strength of the Group lies in its products, brands, and broad involvement in the food industry, which we will keep improving. In addition to such products as mayonnaise, dressings, and eggs, our mission is to drive the future of people involved with salads and eggs. Regarding salads, with the catchphrase SALAD FIRST, our goal is to cement our position as a group that thinks about and cares for salads more than anyone else. We hope that through the salads that we provide, we will help realize colorful kitchen tables, improved customer health, and dietary lifestyles rich in vegetables. We will continue to contribute to food and health on a global scale by firmly promoting the value of salads.

In terms of eggs, as a company that accounts for about 10% of the market in Japan, we focus on activities that help increase the value of eggs. This includes providing correct information on egg nutrition

and cholesterol and creating new trends. Since October 2022, a highly pathogenic strain of avian influenza has continued to spread at an unprecedented pace, resulting in a significant decrease in supply. To address this, we have been working with business partners to balance supply and demand. We will exchange opinions with producers and the government to appropriately deal with this issue.



Sustainability Initiatives

Based on the Kewpie Group Basic Policy on Sustainability, we have drawn on the United Nations Sustainable Development Goals (SDGs) as a reference to identify material issues, set indexed sustainability targets to be achieved by 2030, and are working to achieve even higher targets while conducting periodic reviews. In FY2022, we added "Conservation of biodiversity" to the Kewpie Group Basic Policy on Sustainability and targets. This led to the formulation of the new Kewpie Group Biodiversity Policy.

The business operations of our Group are closely tied to an abundant natural environment. Upholding the spirit of good products begins with good ingredients, and we are thankful for nature's

blessings. With this in mind, we are endeavoring to preserve an abundant natural environment that is bountiful and biologically diverse. We promise to leave this natural environment to future generations.

We are also working diligently to extend the shelf life of products while maintaining a delicious taste. We have many products with short expiration dates, including delicatessen foods and packaged salads. We believe that extending these dates will solve a number of problems.

Extending the shelf life of products can help generate three key benefits.

The first encompasses thoughtfulness toward the environment. By extending the shelf life of products, we can reduce food loss generated by customers, business partners, and the Company. The second is empathy toward all those with whom we are involved. By extending the shelf life of products, we are better placed to assist in the planning of production. This makes it easier for farmers, distributors, manufacturers, and employees engaged in sales to carry out their assigned duties. Extending the shelf life of products also facilitates the storage and stock build-up of products in the event of natural disasters, which have become increasingly frequent in recent years. The third and final benefit covered here entails expansion of our overseas operations. Making the most of our production bases, we intend to deliver the Group's products to people all over the world.

Achieving Sustainable Growth by Empowering a Diverse Range of Talent

We place diversity and inclusion as the foundation of our growth strategy. Based on the understanding that all employees have diverse identities and values, we aim to create value and contribute to the growth of the entire Group and society by making the most of both the varied attributes of employees and their different professional experiences and skills. To create an environment in which diverse human resources are allowed to excel, we are working to increase mobility while putting in place a system that enables employees to utilize their skills beyond the confines of the Company. In addition to these endeavors, we are also promoting initiatives to support employees' efforts to acquire new skills through training programs.

To further position diversity as an integral part of the Group's management, we are working to ensure that at least 20% of the participants in Management Committee and other important meetings are women and mid-career employees. I believe that the participation of members with various identities stimulates discussion and incorporates diverse perspectives.

Moreover, we are working to increase the ratio of career recruitment. By combining the skills and experience of mid-career hires with the inherent strengths of the Group, our goal is to generate new innovation. When launching the previously mentioned Qummy® mail-order service, we established a project team that consisted of professional personnel from each department and mid-career hires. By combining their skills and



experience, we were able to launch this initiative at an unprecedented speed.

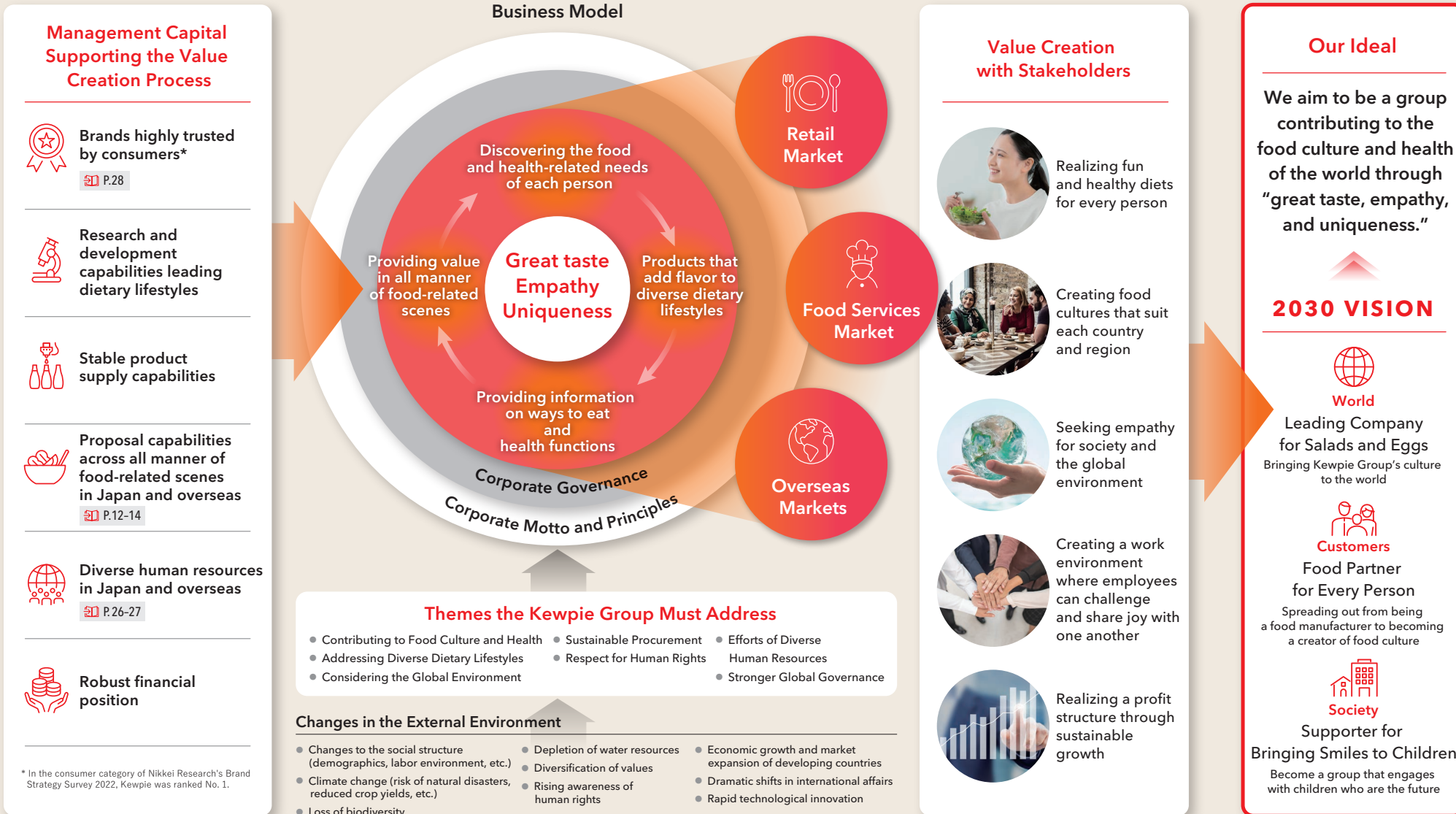
From now on, we will continue to promote diversity and inclusion to achieve sustainable growth.

In Conclusion

During my first year in office, I have increased my contact with the Group's employees. I have held talks with approximately 2,000 employees at about 140 business sites about our mission for the future and themes to be addressed. Based on these discussions, I am confident in the strength of Group employees. In today's environment where the future is difficult to predict, we will work with our colleagues to envision a robust future and come together as a unified group to accelerate efforts aimed at realizing our 2030 VISION.

The Value Creation Process The process of delivering the aspiration for "love around the kitchen table".

Under our philosophy, the Kewpie Group has built a value chain by putting forward product proposals and providing information that is finely attuned to various food-related scenes in Japan and overseas. In response to changes in the external environment, we are refining our business model as we clarify the themes that we must address. At the same time, we aim to contribute to the food culture and health of the world through "great taste, empathy, and uniqueness."



Value Creation Story ①

Overseas Expansion

Jun Higurashi

Corporate Officer in charge of Overseas Business in general Kewpie Corporation



The Kewpie Group aims to contribute to the food culture and health of the world through business activities at each of its overseas locations and exports to neighboring areas. In an effort to expand markets for mayonnaise and salad dressings, we currently operate 14 sites in 10 countries, through which we deliver KEWPIE brand products to customers in 62 countries and regions. Moreover, we will continue to actively develop business in new areas. In order to establish ESG management, we will invest resources in promoting sustainability and strengthening governance going forward, and will enhance the brand value of KEWPIE and 丘比*. Likewise, we will expand Kewpie's profile as a Japanese brand to one that is recognized throughout the world in order to drive the global expansion of the Kewpie Group.

* 丘比 is how Kewpie is rendered in Chinese.

Overseas Sites and World Strategic Products

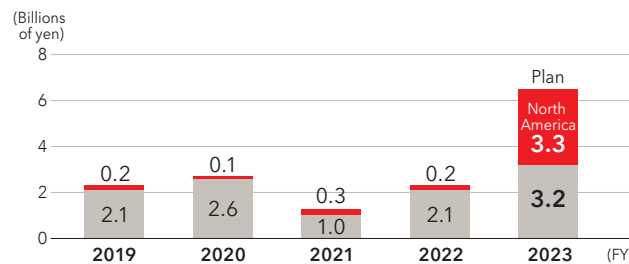
With the aim of transforming KEWPIE and 丘比 Mayonnaise and Deep-roasted Sesame Dressing into global products, the Group will make proposals tailored to the ingredients and food cultures of each country, and work to further penetrate the market.



Accelerating Growth through the Allocation of Resources

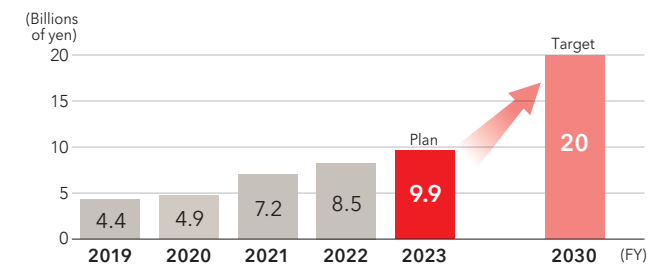
The Group will accelerate growth by more aggressively investing resources overseas than ever before. In addition to investments intended to expand production facilities, we will invest in order to expand the brand and strengthen governance. Along with achieving annual net sales growth exceeding 10%, these efforts aim to double our current operating income to ¥20 billion by FY2030.

Overseas Capital Investment



* Calculated after excluding the results of the North American egg products business, which underwent a share transfer in July 2020.

Overseas Operating income History and Outlook



Value Creation Story 1

Overseas Expansion

New U.S. Plant in Tennessee



Image of the completed plant

Following our initial foray into North America in 1982, the Kewpie Group began focusing on expanding sales of KEWPIE brand mayonnaise and salad dressings around 2014. More recently, however, Kewpie product flavor and quality have attracted increasing support among restaurant chefs and consumers seeking new value. With our sites on escalating demand and growth potential, we will build a new plant in Tennessee as our second production site in the US. Along with our existing plant in California, this effort will establish a two-site structure that will allow us to increase production capacity and accelerate business expansion in North America, the world's largest salad condiments market.

The new plant aims to double productivity while halving our environmental impact to practice production that considers sustainability. We have also introduced the concept of Three Es* to realize manufacturing that balances sustainability and cost.

* The concept of "Three Es" is comprised of:

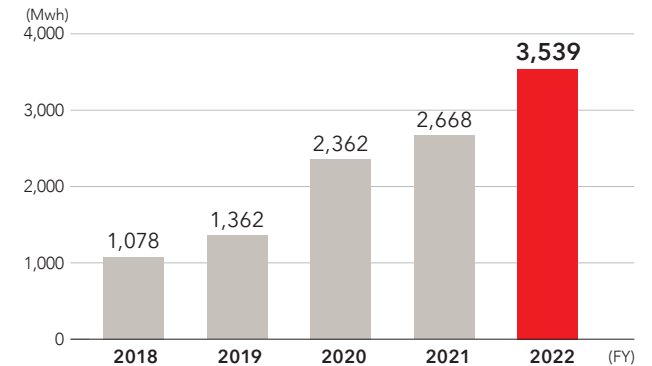
- (1) Employee-friendly: To make the work environment comfortable for employees;
- (2) Environmentally Friendly: To achieve further recycling and CO₂ emission reductions, etc.; and
- (3) Economically Friendly: To enhance efficiency through in-house production of food containers, etc.

Overseas Sustainability Initiatives

With a global perspective, the Kewpie Group is advancing efforts to conserve energy along with a transition to renewable energy use as a means of reducing CO₂ emissions, a cause of climate change.

Our efforts to install solar panels overseas began with KEWPIE THAILAND in 2018, since which time we have expanded this initiative to KEWPIE VIETNAM, BEIJING KEWPIE, and KEWPIE MALAYSIA. These four business locations are expected to reduce CO₂ emissions by a total of approximately 2,800 tons annually.

Renewable Energy Output at Kewpie Group Sites Overseas



Sustainability Project

A Unique Overseas Initiative

KEWPIE THAILAND uses palm shells, a form of biomass fuel*¹, to feed its boilers. Originally discarded as waste, the ash produced during the palm shell combustion process is now hardened and formed into blocks that are reused to repair the plant. Along with achieving up-cycling*², this effort also helps to reduce waste and CO₂ emissions. In cooperation with local governments, KEWPIE THAILAND also uses these blocks as building materials for houses in the surrounding area.

*1 Biomass fuel: Fuel made from renewable organic resources derived from plants and animals.

*2 Up-cycling: An approach to recovering resources and waste, which are then reconverted into resources or reused by applying creative value or ideas in a way that produces new, more valuable products.



KEWPIE (THAILAND) CO., LTD.
Environmental Section:
Cake (left), Earn (right)
CSR Section: Noon (center)



Kewpie Group Official Blog (In Japanese only)
<https://www.kewpie.com/blog/2022/12/2811/>

Value Creation Story ②

 **Leading Company for Salads and Eggs**

SALAD FIRST

Enrich your mind, body, and food lifestyle with the value of salads



Responding to changing times, social trends, and dietary lifestyles, the Kewpie Group has proposed ways to eat salads in various food-related scenes in Japan and overseas through mayonnaise and dressings.

Salads are frequently provided as vegetable menu items during meals*1. In Japan, however, more than 70% of people in every generation feel that they do not eat enough vegetables on a daily basis (Kewpie research). In fact, approximately 70 grams of vegetables (equivalent to one serving of salad) per day is inadequate*2.

We aim to encourage people to eat more salads and contribute to abundant diets that are healthy for both mind and body by deriving value from these food items. We will work together with producers, governments, and various companies and organizations to create the value and attractiveness of salads and solve social issues.

The catchphrase SALAD FIRST expresses our desire to enrich people's minds, bodies, and eating habits. Using this catchphrase, we will convey the value and appeal of salad.

*1: Kewpie output from 食MAP®

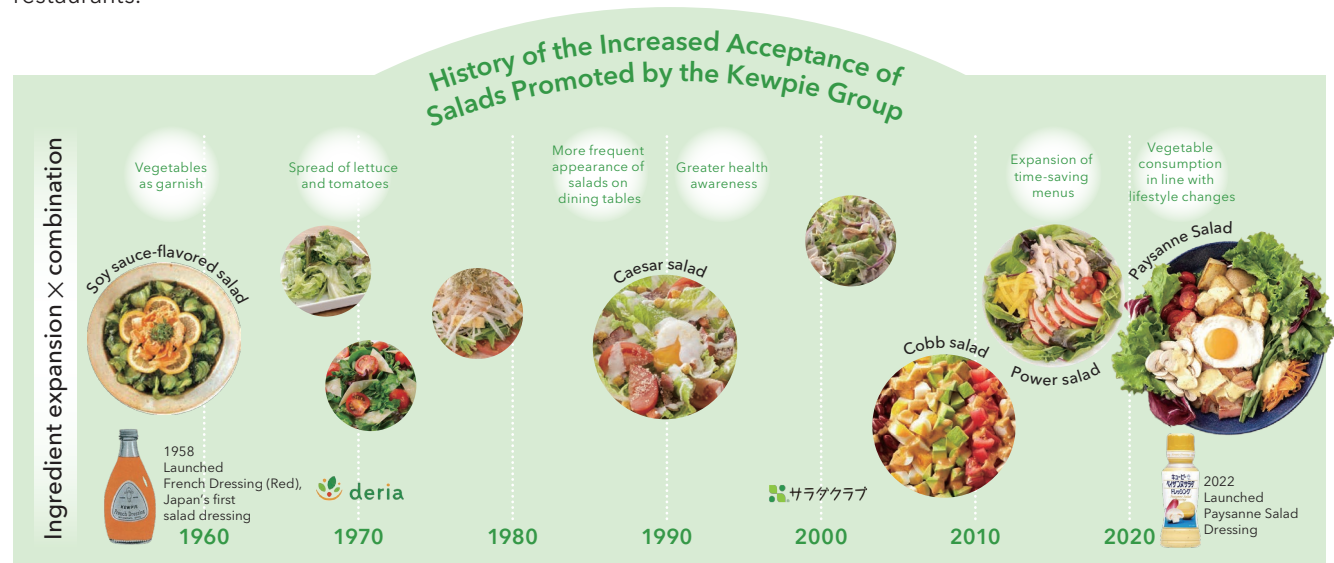
*2: From the 2018 National Health and Nutrition Survey Report issued by Japan's Ministry of Health, Labour and Welfare.

Kewpie was the first company in Japan to produce and sell mayonnaise and dressings to its many customers. There was a desire to contribute to improving Japanese people's physiques through nutritious mayonnaise made with egg yolks and to encourage healthy diets by getting people to eat more vegetables. With this in mind, we will contribute to the food culture and health of the world through product development and procurement that addresses the issue of food sustainability.

Food Culture Creation: History of Salad

To date, we have fostered a salad culture by proposing new menu items and creating new trends in order to expand the food culture of eating vegetables through salad. For our part, we have introduced such American menu options as Caesar and cobb salads to Japan.

Since 2020, we have been promoting Paysanne Salad menu items that in combination with eggs contribute to better health and nutritional balance at various food-related scenes, including at home-cooked meals, ready-made foods, and restaurants.



Paysanne Salad proposed by the Kewpie Group

Paysanne Salad is widely popular as a country-style salad in France, a country of great agriculture and gastronomy. This style of salad is appealing because it lets one enjoy local ingredients in a casual manner suited to one's own tastes.

Tips for making Paysanne Salad

- Point 01** Use vegetables and eggs 
- Point 02** Cut ingredients except leafy greens into larger pieces 
- Point 03** Arrange each ingredient individually 

Value Creation Story ②

Leading Company for Salads and Eggs

Initiatives in Local Governments and Communities

The Kewpie Group is working with local governments to utilize the characteristics of Paysanne Salad to help solve local health issues and contribute to local production for local consumption. Together with like-minded local governments, our employees are developing recipes for local Paysanne Salads using local ingredients.

We also work with the prefectural headquarters of Zen-Noh* in each region to propose local ingredients for use in Paysanne Salads and conduct PR activities, collaborating with regional mass retailers and local governments.

In addition, we are promoting vegetable consumption from various angles, such as proposing menus and ingredients to retailers and restaurants, as well as having them publicize them as local menu items mainly on official local government social networking sites.

* National Federation of Agricultural Cooperative Associations



Promoting Paysanne Salads Nationwide



Tokushima Prefecture

Local salads that incorporate several delicious specialties
Tokutoku Salad: Awa-style Paysanne Salad

Lotus root, carrots, shiitake mushrooms, lettuce, cucumber, broccoli, naruto kintoki, citrus sudachi, Awa odori chicken, eggs



Hokkaido

Potato, scallop, asparagus Paysanne Salad



Yuji Suzuki (left)
Isaki Kasahara (right)
Sapporo Branch
Kewpie Corporation



Fukushima Prefecture

Paysanne Salad with locally raised chicken



Megumi Asaka (left)
Koriyama Sales Office
Sora Ichikawa (right)
Tohoku Branch
Kewpie Corporation



Saitama Prefecture

Saitama Prefecture Kobaton Healthy Menu Paysanne Salad



Yuka Kourousu (left)
Haruko Kusakai (center)
Mariko Nishina (right)
Kanto Branch
Kewpie Corporation

Kewpie employees nationwide are creating Paysanne Salads unique to each prefecture using local ingredients. (In Japanese only)

https://www.kewpie.co.jp/dressing/paysanne_salad/localrecipe/

Ryota Kasono

Shikoku Sales Office
Kewpie Corporation



VOICE

Tokushima Prefecture has wonderful scenery and traditional performing arts, and it is also famous for a wealth of food products that spring from its abundant natural surroundings. Over 10 types of vegetables grown in Tokushima are among the top five for shipment volume nationwide. We began working with the prefectural government with the aim of enriching the lives of all Tokushima residents for many years to come. We will continue to work with Tokushima residents with the idea that our best efforts will lead to the consumption of local vegetables and the well-being for everyone involved, extending our activities widely to retailers, company cafeterias, hotels, and restaurants.

Value Creation Story ②

Leading Company for Salads and Eggs

Taking on the Challenge of Sustainable Plant-based Food

We believe it is very important to achieve food-related sustainability for the earth and people. To this end, we launched the new plant-based* food-centered brand GREEN KEWPIE coming from the field in March 2023. For people around the world who are thinking about the environment and health now and in the future, we will take on the challenge of proposing new food products that adapt to the diversity of values and changes in the social environment.

As the first round of products, we launched two dressings made from vegetable ingredients. Plant-based egg substitute food HOBOTAMA was released earlier and will be sold under the GREEN KEWPIE brand from summer 2023 onward.

Going forward, we will also market GREEN KEWPIE brand products overseas to contribute to a healthy and eco-friendly dietary lifestyle.

* Food that is similar to meat and seafood items using plant-based ingredients (Source: Consumer Affairs Agency website)

GREEN KEWPIE coming from field



Left: Plant based Sesame Dressing
Right: Plant based Caesar Salad Dressing

Left: HOBOTAMA Scrambled Egg Style
Right: HOBOTAMA Liquid Egg Style for cooking with heat

* HOBOTAMA design changes to be phased in

Origin of Brand Name

GREEN: Based on the concept of taking on the challenge of sustainable future-oriented food as well as a keen interest in the plant-based lifestyles of our diverse customers.
coming from field: This phrase expresses our desire to use the bounty of nature and open up the future where “field” means both the land for growing crops and an area of activity.

Policy and Activities for Procurement of Chicken Eggs

The Kewpie Group recognizes that the animal welfare of laying hens is one of the most important issues for the sustainable production and procurement of chicken eggs.

We confirm that shell eggs procured and used in the Kewpie Group in Japan comply with “the animal welfare guidelines for laying hens” that the Japanese Ministry of Agriculture, Forestry and Fisheries has published and is attempting to standardize. Shell eggs procured by the Kewpie Group overseas comply with the standards and legislation of each country and region or after taking into consideration the social environment in each country and region.

In addition, we have developed and sold products which contain eggs derived from cage-free farms*, and have kept working on them while carefully watching customers’ demand.

* Breeding style of cage-free farms. In the “Guidelines for the breeding management of hens that correspond to the concept of animal welfare,” namely the following welfare of animals,” the most important thing when addressing the animal welfare issue is not the structure of the facility or the situation of the equipment, but daily observation and recording of livestock, careful handling of livestock, and proper feeding management such as quality feed and water. And it is necessary for the parties concerned to fully recognize this and promote it”.

To Improve Animal Welfare

A special committee has been established to study the sustainability of livestock production such as egg-laying hens, with the aim of improving animal welfare in the Kewpie Group. We will work with government agencies and various relevant parties in the supply chain to create an approach to animal welfare for egg-laying hens that is appropriate for Japan.

<https://www.kewpie.com/en/sustainability/procurement/promotion/>

VOICE



Chika Watanuki

R&D Division
Kewpie Corporation

We believe that our ability to launch brands and products by staying abreast of global trends amid heightened social interest can be attributed to the Kewpie Group’s technological and proposal capabilities cultivated to date, a corporate culture that recognizes and cooperates with diversity, and the cooperation of everyone involved in our supply chain.

We will carefully develop GREEN KEWPIE, which was created with much encouragement, together with our customers around the world.

Value Creation Story ③

 **Food Culture and Health**

The three aspects of nutrition, physical activity, and social participation are important for ensuring lifelong physical and mental health in an era of 100-year lifespans. In particular, the Kewpie Group intends to contribute to nutrition. Leveraging the products and menu proposal capabilities we have accumulated over the years, we will contribute to food culture and health in an ongoing manner as has been the aspiration of the Group since our founding.

Four Values Provided to Solve Health Issues

Salads

Eggs

Chewing

Appropriate salt intake

The Kewpie Group communicates the importance of eating. In addition to salads and eggs, we promote chewing and appropriate salt intake* during meals in support of lifelong health.

* Tasty meals through the appropriate intake of salt on an individual basis.

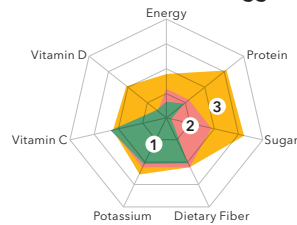
Salads

Eggs

Vegetables contain potassium, dietary fiber, and vitamin C. Meanwhile, eggs are a good source of protein and contain almost all of the nutrients required by humans. Moreover, mayonnaise and dressings add fat and energy when applied as condiments. Eating vegetables, eggs, and dressings combined as salads therefore allows consumers to approach an ideal nutritional balance.

With a focus on salads and eggs, we will propose diets that help maintain health in a tasty, easily available manner.

Nutritional Chart for Vegetable Salads, Condiments, and Eggs



- ① Salads
- ② Salads + Condiments
- ③ Salads + Condiments + One Egg

References
 · Standard Tables of Food Composition in Japan - 2015- (Seventh Revised Edition)
 · Dietary Reference Intakes for Japanese 2020 (women aged 50-64, Physical Activity Level II)
 · Portion of daily recommended allowance from one meal (calculated as 1/3 of a day) (%)

Chewing

Chewing is an important element of meals. Chewing vitalizes brain activity and stimulates the satiety center, thereby helping to prevent overeating. It also improves motor functions and physiological functioning, and is known to be involved in preventing metabolic syndrome, dementia, and other diseases.

Moreover, according to our joint research with Waseda University, chewing vegetables has been shown to potentially facilitate sugar metabolism after eating.

Salads often contain crispy fresh vegetables, making them a menu option that readily encourages chewing. We will therefore communicate the importance of chewing as a new value offered by salads.

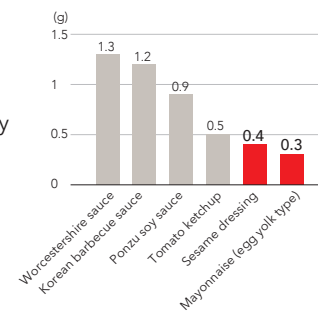
<https://www.kewpie.com/education/information/kamukoto/> (In Japanese only)

Appropriate salt intake

The average amount of salt consumed by Japanese people exceeds the reference value. And excessive salt intake leads to high blood pressure, a risk factor for myocardial infarction and stroke. Mayonnaise and dressings are condiments with relatively low amounts of salt. Meanwhile, the potassium contained in vegetables functions to facilitate the discharge of sodium. For this reason, Kewpie participates in the Strategic Initiative to Realize Healthy, Sustainable Dietary Environments, an industry, government, and academia cooperative project administered by the Ministry of Health, Labour and Welfare. As part of this effort, the Group is working toward appropriate salt intake by suggesting recipes for vegetable consumption and by using mayonnaise and dressings.

<https://www.kewpie.com/education/information/tekien/> (In Japanese only)

Equivalent Salt Quantity per 15 g (approx. one tablespoon)



Source: Ministry of Education, Culture, Sports, Science and Technology, Standard Tables of Food Composition in Japan - 2015- (Seventh Revised Edition)

A half more serving of salad,
An egg a day.

A Plan for Living Healthy



About the Catchphrase

A Plan for Living Healthy

Regardless of age, it's important to enjoy a well-balanced diet each and every day. Doing so helps insure a lifetime of physical and mental health. At Kewpie, we have expressed this message as our *Plan for Living Healthy*.

A half more serving of salad,

Eating vegetables is vital to a well-balanced diet. Most people would benefit from eating just a bit more, about a half serving of salad, every day.

An egg a day.

For a healthy diet, we want people to "eat eggs, a good source of protein, easily every day."

<https://www.kewpie.co.jp/foodandhealth/> (In Japanese only)

In order to encourage the casual consumption of salads and eggs, the Kewpie Group supports healthy diets for everyone under the catchphrase of a "A half more saving of salad, An egg a day."

Value Creation Story ③

Food Culture and Health

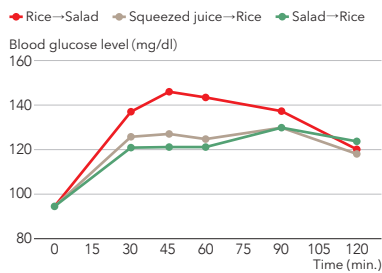
Health Value of Meals Starting with Vegetable Salads

The Kewpie Group announced our test results showing that consuming vegetable salads before carbohydrates suppresses sudden increases in blood glucose levels. This research hinted that the factors behind this may lie in the dietary fiber contained in vegetable salads, as well as in the difference between chewing and not chewing.

Moreover, because some dressings used for salads contain sugars, we investigated these factors based on consumption of dressings alone, and confirmed that vegetable salads suppress increases in blood glucose levels after eating. Along with these test results, we will communicate the value of salads, specifically that eating salads first is better for the body, and the various effects of eating, such as chewing-based metabolism and appropriate salt intake. Similarly, we will make proposals for and promote efforts related to the habit of eating salads.

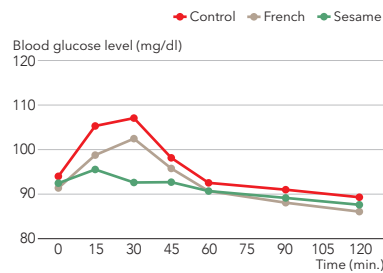


Comparative Verification of Blood Glucose Levels Depending on Eating Order



Blood glucose levels 30, 45, 60, 90, and 120 minutes after consumption (Note the significant difference for Rice→Salad)
Squeezed juice: Juice from vegetable salad after removing solids
Source: The Japanese Society for Food Science and Technology 69th Annual Meeting

Comparative Verification of Blood Glucose Levels for Dressings and a Control



Blood glucose levels 15, 30, 45, 60, 90, and 120 minutes after consumption
Control: Glucose
French: Separated liquid French dressing
Sesame: Emulsified liquid sesame dressing
Source: The Japanese Society for Food Science and Technology, 2023 Kanto Branch Meeting



Supervised by

Kazunori Utsunomiya

NOMURA HOSPITAL, Full-time Advisor,
The Jikei University School of Medicine,
Professor Emeritus

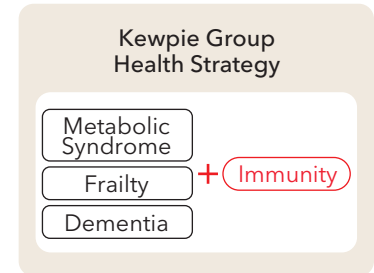
Vegetables are rich in vitamins, minerals, and dietary fiber, and have been shown to present various benefits in terms of preventing lifestyle-related diseases. Moreover, fresh vegetables are an important source of potassium, the consumption of which is encouraged to prevent high blood pressure.

Fresh vegetables in salads are tasty and allow consumers to enjoy the natural flavors of the ingredients themselves, thus helping consumers to take greater advantage of these benefits.

Priority Health Issues

The Kewpie Group has defined the health issues that we must prioritize. These include four specific areas, namely, metabolic syndrome as a related issue for lifestyle diseases in adulthood, frailty and dementia as issues for old age, and immunity involved in everyday life across all generations. Considering these health issues is critical, and the Group feels our strengths will be helpful in doing so.

We will engage with these issues by suggesting menu options and cooking methods for salads and eggs, and through the functionality of the ingredients we have acquired thus far.

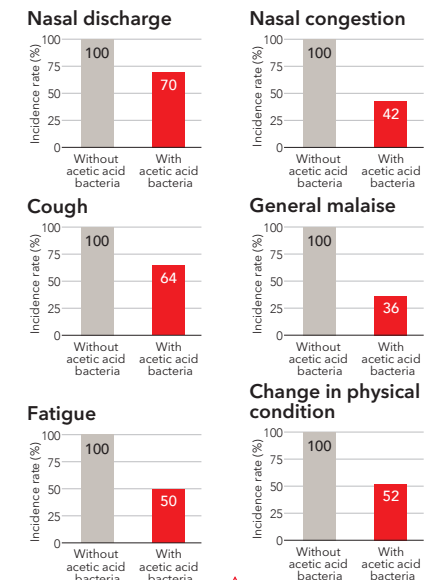


New Value Creation through Unique Ingredients

For more than 50 years, the Kewpie Group has engaged in continuous research into acetic acid bacteria, which produce the vinegar used as an ingredient in mayonnaise. Acetic acid bacteria are effective in returning the body to a healthy condition when hay fever occurs and after alcohol consumption, and have more recently been reported by human clinical trials to bring immunity into balance and mitigate various symptoms experienced during colds.

Moreover, the choline contained in eggs is anticipated to help maintain cognitive functioning. Along with advancing these research and development efforts, we aim to expand our products and services for addressing health issues.

Comparative Record of Changes in Symptoms and Physical Condition after Consuming Foods That Contain or Lack Acetic Acid Bacteria



Right figure source: The Japanese Society for Food Science and Technology, 2021 Chubu Branch Meeting, Conference Presentation

Confirmed a decrease in various symptoms experienced during colds

Value Creation Story ④



Creating New Points of Contact Catered to Customers

The Kewpie Group values opportunities for direct engagement with customers through Open Kitchen (factory tour) and communications fielded by the Customer Service Office. More recently, we have also been leveraging social media tools. Similarly, we have launched new initiatives including efforts to create locations to directly receive feedback and requests, as well as to delve deeper into customers' needs by leveraging digital tools. We will establish new points of contact with our customers and connect these to future value creation.

Fukaya Terrace Vegetable Friends' Farm Opened in May 2022

This facility embodies the message of "A farm where people are inspired by and grow to love vegetables with a smile on their faces," which was conceived of based on a new business proposal selected from the Kewpie Start Up Program. This facility directly communicates the appeal of vegetables through a restaurant where customers can enjoy dishes made of local ingredients, a hands-on farm where visitors can pick seasonal vegetables, a vegetable classroom where attendees can see and touch vegetables, and learn about them using their five senses, and a *marché* flush with hints for fully enjoying dining tables at home through the wonder of and approaches to using vegetables. Leveraging these direct points of contact with customers, we will deepen our understanding of our customers and connect this knowledge to product development and proposal activities.



Hands-on farm allows visitors to pick seasonal vegetables

<https://www.kewpie.co.jp/farm/> (In Japanese only)

New Qummy® D2C* Service Launched in the Kanto Region (the Kanto metropolitan area and six prefectures) in September 2022

In the Kewpie Group 2030 VISION, we have set forth the goal of becoming a Food Partner for Every Person. At the same time, the Group launched a service to contribute to the improvement of customers' happiness at the dining table by deepening customer understanding while utilizing digital technologies, delivering products and information developed to meet customer issues and needs, and addressing the concerns of customers who want to include more vegetables in their daily meals and like vegetables but are too busy to cook. Specifically, this service Qummy® will help put forward products and information that realize vegetable-covered dining tables in a way that does not require much extra effort.

* D2C (Direct to Consumer sales site)



Examples of Qummy® products (New Spring 2023 products)

<https://qummy.kewpie.co.jp/> (In Japanese only)



Kaori Fujiwara

Senior Corporate Officer
Kewpie Corporation

VOICE

In the Customer Success Division, which is in charge of Qummy®, discussions are held between career hires with diverse experience and experienced personnel who are well versed in the strengths of our group.. Leveraging the feedback received from our customers, we are currently constructing a system to develop products and services with even greater added value. Although we still hold many dreams that we have yet to realize, we will work to ensure the system's evolution into a platform that drives innovation for the future.



Yuji Nakazato

Customer Success Division
Kewpie Corporation

VOICE

Upon launching Qummy®, we faced the challenge of creating a distribution scheme that differed from our conventional approach. In specific terms, to address the need to deliver products directly to our customers, all while pursuing uncompromising product quality and freshness. By combining our own management resources with the location, transportation, and delivery network, settlement services, and call center functions of Yamato Transport Co., Ltd., as our partner, we put in place the ideal distribution scheme in a short period of time to solve this challenge. As a result, we have delivered unprecedented value by enabling the distribution of products that were conventionally considered difficult to handle because of their short expiration dates.

Dialogue

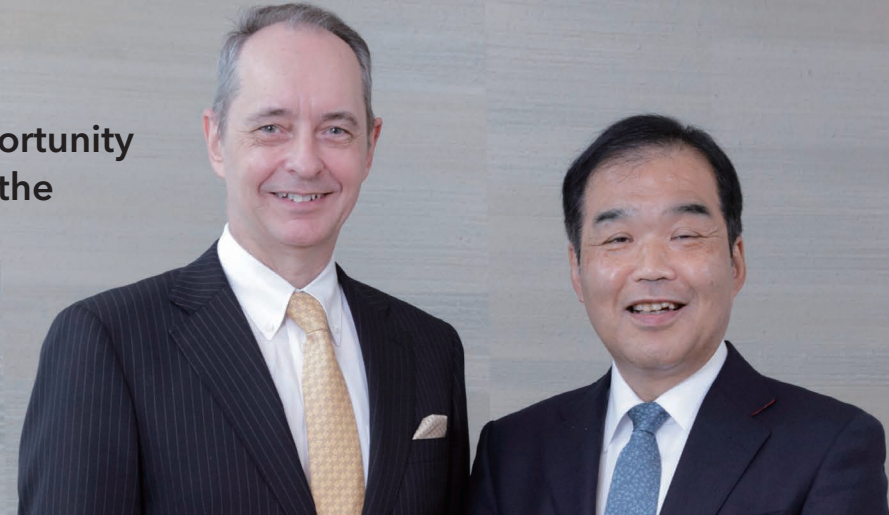
Taking changes in our operating environment as an opportunity to become a health-conscious company that transcends the boundaries of food through self-transformation.

Harold George Meij

Management Advisory Board
Outside Board Member

Mitsuru Takamiya

Representative Director
President and Chief Executive Corporate Officer
Kewpie Corporation



Corporate culture imbued with our philosophy

Meij The business fields Kewpie operates in are essential to the preservation of life. I have been hoping to contribute to society through my work. I am therefore very proud and have a strong sense of mission about being involved in the management of Kewpie as an outside member of the Management Advisory Board.

Takamiya The advice received from you is very promising from a perspective that goes beyond values specific to Japan. I am always very encouraged by your clear and positive suggestions and comments.

Meij Since I assumed the role as an outside member of Kewpie's Management Advisory Board in January 2021, I always have the impression that Kewpie's corporate philosophy RAKU-GYOU-KAI-ETSU is well-entrenched throughout the company. I have seen time and time again how our talented employees cooperate with each other.

Takamiya Thank you very much. Since I have assumed the role as president, my visits to business facilities in various regions have demonstrated that our colleagues are working together with a strong sense of cooperation. So naturally, the most important thing is to promote management that imbues all employees with a sense of RAKU-GYOU-KAI-ETSU. At the same time, I must show and share with employees the overarching path to the ultimate goals beyond our immediate tasks. Thus, I would like to discuss in a future-oriented manner Kewpie's corporate philosophy RAKU-GYOU-KAI-ETSU, which has been passed down from generation to generation.

Facing social issues through food culture and health of the world

Takamiya Investors often ask me about management issues such as the recent sharp rise in raw material prices. Yet, I have consistently assured individuals inside and outside the company that their concerns are unwarranted.

We instead view difficult operating conditions as an opportunity because it is only through facing difficulties that we receive a clearer picture of the company's strengths and weaknesses, as well as what must be done to overcome these challenges. One of our growth strategies is to contribute to the food culture and health of the world. Based on this, we will go beyond the boundaries of food and enter the broader health field.

Meij I also see room for growth through the Group's vision to contribute to the food culture and health of the world. The company can achieve further business growth by contributing to mental wellbeing through fine chemical products and health through science in such products as pharmaceuticals, while maintaining as its first business pillar existing businesses that promote physical health through eating. With the advent of an era of 100-year lifespans, the quality of health will also be important going forward.

Takamiya Regarding the quality of health, we are developing products related to pre-symptomatic

Dialogue

diseases and immunity enhancement. We have already launched foods with functional claims effective in dealing with conditions such as hay fever. In addition, preventing dementia has become a global issue as the population ages in Japan and worldwide. We are developing ways to help solve this by using the power of eggs.

Shifting to global markets, where great business opportunities look promising

Meij Another growth strategy is the shift from Japan to global markets. Here, Kewpie targets doubling the current level of overseas profits to ¥20 billion. The Ministry of Internal Affairs and Communications estimates that Japan's population will decline 60-70% from the current level over the next 100 years. This is said to be an extremely rapid decline, unparalleled even over a 1,000-years. Against this backdrop, we recognize the critical need to develop business pillars that differ from previous ones and/or expand into new markets, especially overseas. Kewpie is planning to pursue both.

Japan's GDP (approximately ¥550 trillion) is the world's third largest, but is only 6% of the global total. I agree with and see promise in Kewpie's direction to seek growth from the remaining 94%.

Takamiya Despite its 100-year-old history, Kewpie was a newcomer in the seasonings field compared to soy sauce and miso makers. Kewpie has expanded by popularizing mayonnaise and salad dressings in Japan, where such items did not previously exist. However, I think we have been lacking in how it engages with large overseas markets in response to external changes such as the decline in population. In the current severe business environment, we need to transform our operations. I want to take a fresh look at the attractive overseas markets, rather than dividing it into domestic and overseas operations.

Meij Indeed, there are few companies worldwide with histories over 100 years like Kewpie. In other words, Kewpie's overarching direction expressed in the company motto and philosophy pursued to date are correct. This is a massive advantage that Kewpie has over overseas companies.

Takamiya The population will continue to grow in large markets abroad. As a result, we would like to bring joy to the many peoples of the world through great tasting and healthy items created in Japan.

Meij While food culture differs among countries and regions, the desire for health is universal. Organizationally, however, my experience in working for various global companies has shown me that the more global they get, the smaller the role played by headquarters becomes, for better or worse. Of course,



while the headquarters formulate major strategies for the next 30 years, it is essential to quickly develop operations based on the characteristics of individual markets and consumers by leaving the strategy implementation to each country and region.

Takamiya I completely agree with you. Rather than impose on individual markets the value of the Japanese delicacies we hope to deliver, we are developing marketing approaches to make inroads in each region through communication. For example, Kewpie Mayonnaise and Kewpie Deep-roasted Sesame Dressing are tasted delicious in every country. However, what I find interesting is how the uses of these items vary among regions. Our products are accepted in overseas markets with diverse food cultures and tastes, which is a source of great confidence. We have only been able to deliver products to 62 countries and regions worldwide, including export destinations, so I would like to expand our reach to even more countries and regions and regions.

Meij From another overseas perspective, I think the commitment to safety in supply chains that extends from raw material procurement to manufacturing and logistics is a value unique to Japanese companies and is very



Dialogue

appealing overseas.

Takamiya I guess that what is considered to be ordinary or common in Japan can be very attractive and valuable to the world. We, therefore, intend to reproduce this pursuit of higher quality and desire for craftsmanship in each country in a manner that is not arrogant. During my business trip to the United States last January, I saw for myself well-made products produced with the same values and quality as in Japan. This gave me the sense that we can proudly and safely deliver our products to American consumers. I was also very excited to see KEWPIE brand products on the shelves of local supermarkets and customers actually purchasing them. There have been difficult times in the 40 years since we entered the American market. With human mobility and taste experiences spreading globally, however, awareness of Kewpie products is beginning to grow mainly through social networking sites. Sometimes trends gradually take hold and then suddenly take off, and I got the sense in the United States that our time has arrived.

Meij Kewpie serves as both the brand and company name, and is alphabetic. The mascot that represents Kewpie is also a great marketing tool.

Takamiya We are now at a critical phase for expanding brand awareness.

Business condition changes and reforms needed at Kewpie

Meij One of the challenges I see at Kewpie is that its personnel are too humble. Although Kewpie has many

talented employees, they cannot fully showcase their strengths because they are imbued with Japanese values that view modesty as a virtue. Competing globally means taking on global competitors, so I would like to see more aggressiveness to enhance our competitiveness, a risk-taking spirit, and greater awareness that business success is a race against time.

Takamiya I believe, it is better to stay balanced with a certain degree of humility when business is booming. Now, however, we need to transform the company. We need to realize our strengths and attractiveness, and strike out aggressively without hesitation. In order to pursue transformation, I am personally aware of the importance of deciding to stop doing something, so I call on employees to break free of humility to become positive, energetic, and confident. We must powerfully communicate the direction we are heading in, both internally and externally.

Meij Aggressive investment in public relations could be another option. As the company pivots overseas, human resources will be an even more important asset ever than before. I, therefore, hope that Kewpie's underlying spirit, commitment, confidence, and long-term strategy will resonate with future generations and, in turn, attract talented personnel. Now is the time to question not only business growth, but also the process driving it. Kewpie's stance on environmental friendliness and Diversity, Equity & Inclusion is also clear, and I hope you to promote these more.

What to look forward to from Kewpie

Meij My greatest hope is that Kewpie will become a company that represents not only Japan but also the world. While Kewpie is currently positioned as a food manufacturer, I think it should be aggressive enough to transcend the boundaries of food to become a producer of health items.

Takamiya I feel the same way. Going boldly in a global direction makes work more fun. While it will not be easy, with big dreams, goals, and vision, we will leverage our assets—our friends, brands, products, and technology—to realize this step into a bigger world.





Medium-term Business Plan

Shinichiro Yamamoto

Director
Senior Corporate Officer
in charge of Corporate
Kewpie Corporation



In order to achieve its ideal, the Kewpie Group continues to drive initiatives that focus on the three perspectives set forth in its 2030 VISION. In our Medium-term Business Plan that began in FY2021, we adopted the theme of transition to a structure that realizes sustainable growth, and have pursued our business activities based on three policies, namely strengthening our profit structure and creating new dietary lifestyles, redoubling efforts involving society and the global environment, and creating mechanisms for diverse human resources.

Group Management Policies

Our Ideal 2030 VISION

Theme of the FY2021-FY2024 Medium-term Business Plan

Transition to a structure that realizes sustainable growth

Strengthening our profit structure and creating new dietary lifestyles

The Group will respond to customers' needs with overseas business as a growth driver and by introducing a market-based focus domestically.

Focused Categories

Salads (including condiments) and eggs

Overseas Regions

Strengthen North America while focusing on China and Southeast Asia

Key Indicators

ROE of 8% or more, operating income ratio of 7.5% or more, annual growth rate in overseas net sales of 10% or more

Redoubling efforts involving society and the global environment

Major Initiatives

- Contribution to extending healthy life expectancy and mental and physical health support for children
- Effective use of resources and realization of a circular economy
- Deal with climate change

Developing a framework for empowering a diverse human resources

Major Initiatives

- Promotion of mobilization of the Group's human resources
- Increasing opportunities to take part in initiatives from other departments
- Increasing opportunities to learn

Progress in the Second Year of the FY2021-FY2024 Medium-term Business Plan

As far as efforts to strengthen our profit structure and create new dietary lifestyles are concerned, the Kewpie Group has identified salads (including condiments) and eggs as a priority domain and is working to transform its structure with overseas sales as the growth driver. We have also positioned return on equity (ROE), the operating income ratio, and annual growth rate in overseas net sales as key indicators. In the second year of the Medium-term Business Plan, Kewpie's ROE and operating income ratio were lower than the previous year due to the increase in global grain prices and energy costs. Despite the impact of the COVID-19 pandemic, the annual growth rate in overseas net sales was in line with plans owing to stable sales growth. Looking ahead, we will continue to strengthen our structure in Japan while investing resources overseas.

In redoubling efforts involving society and the global environment, progress was made in realizing a circular economy through the effective use of resources. In specific terms, positive steps were taken to effectively use the unused parts of vegetables and reduce the volume of product waste. → We will promote a variety of initiatives to achieve our FY2030 sustainability targets.

Working to develop a framework for empowering a diverse range of talent, we are investing in human capital with a focus on such initiatives as active dialogue, career support, and the provision of opportunities. Through these means, we are making progress in efforts to create a framework and environment that allows employees to take on challenges. Moving forward, we will continue to further increase our diversity with the aim of becoming a group that is capable of creating unprecedented value.

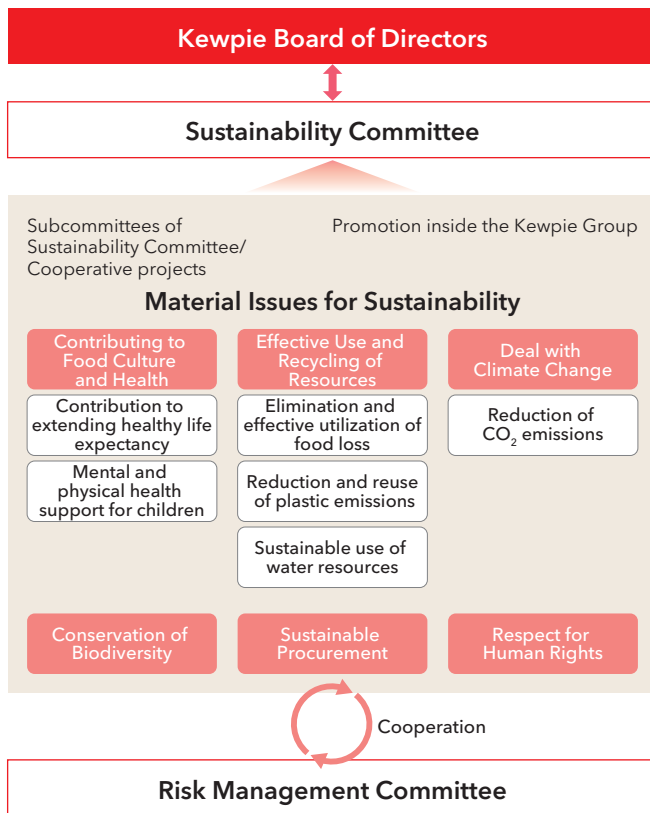
We will rapidly transform ourselves into a structure that can achieve sustainable growth even in a challenging environment where the future is difficult to see, and aim to be a group contributing to the food culture and health of the world.

Medium-term Business Plan



Guided by the overarching theme—transition to a structure that realizes sustainable growth—the FY2021-FY2024 Medium-term Business Plan calls for redoubling efforts involving society and the global environment. Under the Kewpie Group Basic Policy on Sustainability, we have identified material issues with reference to the UN’s SDGs, and are working in unison to promote appropriate measures. In updating the Kewpie Group Basic Policy on Sustainability in FY2022, we have added conservation of biodiversity as a sixth material sustainability issue. We recognize that solving social and environmental issues is a necessary investment for the future, and will pursue initiatives grounded in great taste, empathy, and uniqueness.

Sustainability Promotion System



Basic Policy on Sustainability








With an emphasis on the aspiration for love around the kitchen table, we aim to address and resolve various issues through great taste, empathy, and uniqueness. We will create a future full of smiles by caring for people and the environment throughout the value chain, from product design and raw material procurement, to production, sales, and consumption.

- Contributing to Food Culture and Health**
 - As a leading company for salads and eggs, we contribute to extending the healthy life expectancy of people around the world through the pursuit and global promotion of nutrition and health benefits.
 - Through food, we support the mental and physical health of children who will create the future.
- Effective Use and Recycling of Resources**
 - As the only manufacturer in the world that makes effective use of the entire egg, we will continue to refine our technologies and create value.
 - In proposing ways of eating and utilizing uneaten portions, we aim to become a globally unique vegetable utilization manufacturer.
 - To realize a recycling-oriented society in plastics, we will promote environmentally friendly product design and collaboration with external parties.
 - Recognizing that water is a limited and precious resource, we will use it efficiently and reduce the environmental impact of water intake and discharge.
 - We will develop extensive technologies matching demand information with transportation and delivery data information to eliminate food loss.
- Deal with Climate Change**
 - We aim to reduce CO₂ emissions throughout the value chain, from the procurement of raw materials to product consumption.
- Conservation of Biodiversity**
 - We will strive to minimize negative impacts on biodiversity and restore and regenerate ecosystems.
- Sustainable Procurement**
 - In addition to safety, we will collaborate with business partners to promote stable procurement that takes into consideration environmental impacts and human rights.
- Respect for Human Rights**
 - We promote employee diversity and inclusion, protecting the human rights of everyone involved in our business.

Medium-term Business Plan

Sustainability Targets and Progress

Sustainability Targets and Progress

Material Issues	Initiative Theme	Indicators	FY2022 Results	FY2024 Target	FY2030 Target
Contributing to Food Culture and Health 	Contribution to extending healthy life expectancy	As a food partner for every person: • Contribute to achieving a vegetable intake target of 350 grams per day • Promote a boost in egg consumption in order to contribute to increasing protein intake			
	Mental and physical health support for children	Number of children's smiles via our activities (cumulative since FY2019)	286 thousand children	At least 400 thousand	At least 1 million
Effective Use and Recycling of Resources 	Elimination and effective utilization of food loss	Food waste reduction rate (compared to FY2015)	46.6%	At least 50%	At least 65%
		Effective utilization rate of unused portions of vegetables Main vegetables: Cabbage, etc.	77.5%	At least 70%	At least 90%
		Reduction rate in volume of product waste (compared to FY2015)	74.8%	At least 60%	At least 70%
	Reduction and reuse of plastic emissions	Reduction rate in volume of plastic waste (compared to FY2018)	7.8%	At least 8%	At least 30%
		Sustainable use of water resources	Water usage (basic unit) reduction rate (compared to FY2020)	1.6%	At least 3%
Deal with Climate Change 	Reduction of CO ₂ emissions	Reduction rate in CO ₂ emissions (compared to FY2013)	26.1%	At least 30%	At least 50%
Conservation of Biodiversity 	Conservation of Biodiversity	Promote the Kewpie Group Biodiversity Policy to conserve biodiversity and pass on the bounty of nature to future generations			
Sustainable Procurement 	Promotion of sustainable procurement	Promote the Fundamental Policy for Sustainable Procurement in cooperation with business partners			
Respect for Human Rights 	Respect for Human Rights	Promote the Kewpie Group Human Rights Policy to respect the human rights of all people involved in our business			



Yuki Matsubara
Production Division
Kewpie Corporation

The Kewpie Group is working actively to eliminate food loss at production sites as part of its so-called Mudatori activities (work improvement activities by employees to heighten efficiency and productivity). We took steps to utilize the mayonnaise and other materials discharged from pipes during the cleaning process, when switching mayonnaise production lines to accommodate other products, in the generation of biogas power*.


* The generation of biogas power employs combustible biogas produced through the fermentation of such materials as livestock excrement to generate electricity.

TCFD-related Initiatives



Disclosure Based on the TCFD Framework

Based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) that we expressed support for in October 2021, we initiated steps to conduct scenario analyses while pursuing various initiatives. As far as the principal vegetable oil, egg, and vinegar ingredients used in the preparation of mayonnaise and dressings (especially Deep-roasted Sesame Dressing) are concerned, we took note of the impact that climate change has mainly on grain-based and other agricultural crops in FY2021. Later the next year, we undertook a new analysis of climate change risks and opportunities for eggs in FY2022.

 FY2022 TCFD Report https://www.kewpie.com/en/sustainability/pdf/sustainability_20230110_tcf.pdf

Deal with Climate Change

We consider climate change as a global issue. Therefore, the Kewpie Group is thoroughly devoted to energy savings, energy transition, and other measures to reduce CO₂ emissions, a cause of climate change, at all stages of its business, including procurement, production, distribution, sales, and in offices.

Making Use of Renewable Energy

All of the electricity used at the Group's two Shibuya Office and Sengawa Kewport bases is now derived from renewable energy sources. In addition, the Kewpie Kobe Plant and Kitakami Delica Co., Ltd., commenced operations under an on-site PPA model*¹. Kewpie's Kobe Plant switched entirely to electric power derived from renewable energy sources from December 2022 following the purchase of J-credits*². As such, it became the first net-zero plant in the Kewpie Group.

Moreover, plans are in place to install solar panels at three sites in Japan. Through these and other means, we will continue to actively promote the switch to renewable energy.

*¹ A mechanism through which power purchase agreement (PPA) operators install power generation facilities on the sites of companies or other entities to provide electricity.

*² The J-credit system is a system in which the government certified the amount of greenhouse gas emission reduction and absorption as credits.

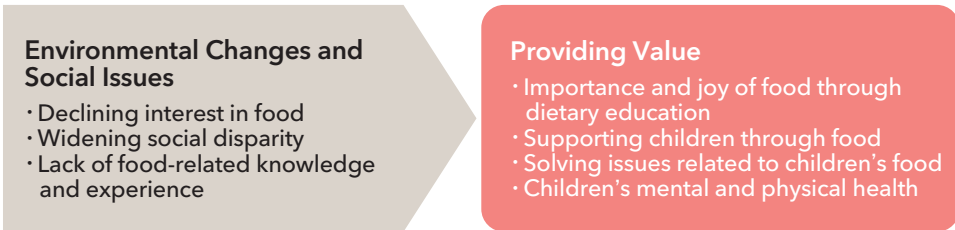


Solar panels installed on the roofs of Kewpie Kobe Plant (left) and Kitakami Delica Co., Ltd. (right).

Medium-term Business Plan  **Creating Value through Sustainability Activities**

Mental and Physical Health Support for Children

As a company in the food industry, an industry that is indispensable to people’s lives, the Kewpie Group contributes to the realization of healthy and affluent lifestyles. At the same time, the Group supports the mental and physical health of children through various food-centered initiatives.



Activities Centered on Dietary Education

The Group’s employees are personally involved in dietary education activities. Together with our employees, we provide people of all ages with information and opportunities to experience the wonders of food while valuing engagement with our customers.

In Japan, we have started a new SDGs Classroom since FY2022, and we are also focusing on locally-rooted dietary educational activities overseas.

Malaysia

Conducted sandwich classes for elementary school students to increase the intake of vegetable

China

Conducted Open Kitchen factory tours at the Group’s three Beijing, Hangzhou, and Guangzhou plants

Vietnam

Conducted nutritional workshops on such topics as vegetables as well as practical classes on the preparation of salads at junior high schools



Children participating in a sandwich class (Malaysia)

Kewpie Mirai Tamago Foundation

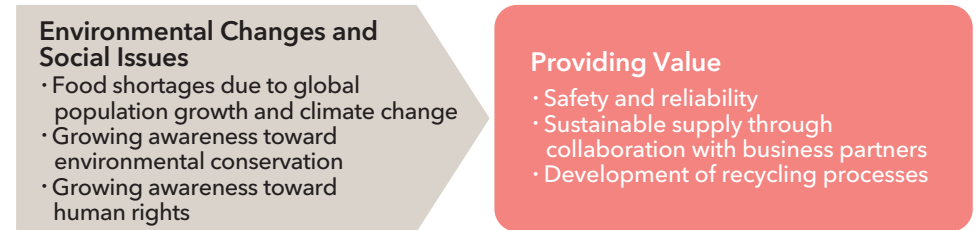
Established in April 2017, the Foundation brings together a wide range of organizations engaged in various activities, including dietary education and initiatives aimed at combating child poverty. The goal of the Foundation is to realize a healthy and sustainable society from a long-term perspective by undertaking support activities centered largely on donations. Steps have also been taken to upgrade and expand support for dietary educational activities that target pre- and postnatal care from FY2022. Since its establishment to FY2022, the Foundation has provided a total of approximately ¥160 million in grants to 480 organizations.



A joint event with supporting organizations

Sustainable Procurement

The importance of raw ingredients must not only be considered from a quality perspective, but also in terms of their impact on the environment and human rights. We extend our social responsibility to include procurement of ingredients beyond our manufacturing and sales processes.



Initiatives to Procure Sustainable Palm Oil

Based on its Fundamental Policy for Sustainable Procurement, the Kewpie Group is promoting a variety of measures as a member of the Roundtable on Sustainable Palm Oil (RSPO). As far as the procurement of palm oil is concerned, we completed the purchase of certification credits under the RSPO’s book-and-claim*¹ system by 2021. Moving forward, we are working toward the procurement of certified oil under the book-and-claim system and the mass balance system*² from 2022.

*1 Book-and-claim system: Certified credits are issued for oil produced by an RSPO-certified manufacturer. By purchasing those certified credits, this system supports producers of certified palm oil.

*2 Mass balance system: A certification model in which certified palm oil is mixed with other non-certified palm oil during the production and distribution process. While it physically contains non-certified oil, the proportion of palm oil sourced from certified plantations is guaranteed.

Initiating the Implementation of Supplier Guidelines

We established and partially implemented the Kewpie Group Supplier Guidelines for our valued suppliers. With these guidelines, we aim to achieve sustainable procurement and shared prosperity with our suppliers by resolving issues in the supply chain based on mutual understanding.

Building a Recycling System for the Unused Parts of Vegetables

Salad Club, Inc. is working to get contracted farmers to utilize unused vegetable leaves, cores, and other unused parts generated at its seven directly managed plants during the production of packaged salads as compost and animal feed. Contract farmers also benefit from the availability of inexpensive domestically produced compost, and the use of organic compost minimizes the environmental impact of their farming activities. By growing vegetables and manufacturing products using compost produced by unused vegetables, we have built a recycling process that does not waste resources and leads to zero vegetable waste.

Medium-term Business Plan



Cash Flow Allocation

Under our FY2021-FY2024 Medium-term Business Plan, we have set the basic policy of maintaining and improving financial health while enhancing our ability to generate cash flow, and are working to bolster our management foundation and enhance corporate value. After maintaining its financial soundness to support sustainable growth, the core element of its financial strategy, the Kewpie Group works to strike an optimal balance between growth investments and return to shareholders. Looking ahead, we will endeavor to secure sustainable growth through the dual business and financial strategies.

Investment Allocation to Growth Fields

Taking into consideration its operating cash flow, the Kewpie Group invests appropriately in priority areas. In FY2021 and FY2022, we undertook capital investments of ¥29.3 billion, mainly in the upgrade of core systems and the reorganization of plants. In FY2023, we plan to invest ¥19.5 billion in facilities and equipment. In addition to ongoing efforts to build an optimal production system and the promotion of IT and digitalization, we will actively pursue overseas investments in a bid to accelerate growth.

The Kewpie Group sets an internal rate of return (IRR) hurdle rate with an eye on the cost of capital when deciding whether or not to undertake a large-scale investment. In addition, we have adopted an internal carbon pricing (ICP) approach, and are undertaking investments and monitoring post-investment trends after conducting studies from an environmental standpoint.

Operating Cash Flow

Cumulative four-year total: **¥140.0 billion (target)**
Cumulative two-year total: **¥65.7 billion**

Capital Investments

Cumulative four-year total:
¥70.0 billion (target)

Cumulative two-year total: **¥29.3 billion**

Primary Components

- Build an optimal production system
- Improve overseas production capacity
- Promote of IT and digitalization
- Invest to adapt to the environment

Return to Shareholders

Purchase of treasury stock
¥10.0 billion invested in FY2021

Dividends
Cumulative two-year total:

¥12.2 billion

Dividend per share

FY2021	FY2022	FY2023
¥47	¥47	¥50

Dividend payout ratio: 40.7%
DOE: 2.5%

(Planned)

New Expansion

Consider investments in new businesses and M&As depending on the project
⇒ No large-scale projects

Internal Reserves

Equity ratio
FY2021: 64.5%
FY2022: 66.4%

Reinforcement of Shareholder Return

Kewpie maintains a basic policy of providing returns to its shareholders with top priority on dividend payments, and provides returns to shareholders based on the policy set forth in each Medium-term Business Plan. The consolidated dividend payout ratio for FY2021 and FY2022 exceeded the target of 35% or more. Combined with the purchase of treasury stock undertaken in FY2021, the cumulative total return ratio for the two fiscal years was 67.8%, exceeding the initial policy target of 50%.

Kewpie plans to pay a dividend of ¥50 per share in FY2023, up ¥3 per share. We will also adopt a flexible approach toward the purchase of treasury stock taking into consideration the demand for funds and trends in share prices. Based on the aforementioned, we will work diligently to reinforce shareholder return and increase capital efficiency.

Robust Financial Base

To uphold sustainable growth, we believe it is necessary to build solid financial foundations that can cope with the challenging business environment.

With an equity ratio of 66.4% in FY2022, Kewpie maintains a high level of financial soundness and has established a financial foundation for future growth.

Bolstering Our Management Foundation

Human Resource Strategy



Developing a Framework for Empowering a Diverse Range of Talent

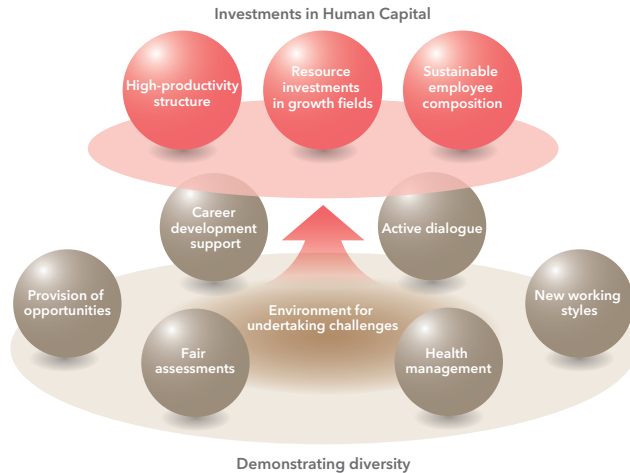
Kaoru Kubo
Senior General Manager
Personnel Affairs Division
Kewpie Corporation



The Kewpie Group deploys services in Japan and abroad across a wide range of areas, including home-cooked meals, ready-made foods, and restaurants. On this basis, the Group requires the participation of a diverse range of talent with a variety of skills and experience. Taking the aforementioned into consideration, we are committed to achieving both sustainable growth as a corporate group and the personal development of each individual. In this instance, personal development entails each individual working with a sense of purpose, taking the initiative to pursue new challenges, and feeling a sense of growth. In realizing RAKU-GYOU-KAI-ETSU, the Company's corporate philosophy, we are working to create an environment that allows employees to undertake challenges on the basis of dialogue and the provision of opportunities.

Critical Human Resource Related Themes

In order to address changes in the market environment and assign human resources to growth areas, especially overseas, we have established critical themes related to human resources. Under these themes, we are investing in human capital while advancing initiatives in a bid to make the most of our diversity, which serves as our management foundation.



While valuing dialogue and understanding between the Company and employees, we strive to create a corporate culture that maximizes the individuality, skills, and willingness to grow of each employee working around the world. To achieve this purpose, we are working on creating opportunities that lead to an understanding of diversity and inclusion, providing opportunities for diverse employees to play an active role in the business, and establishing systems that help employees grow and develop their careers.

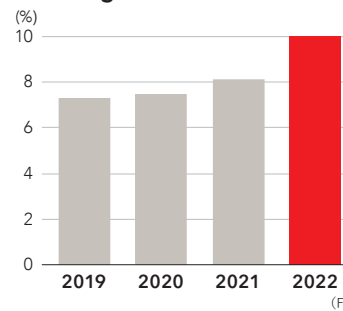
Moreover, in order to engage with employees on their careers and enable them to achieve self-realization through work, we utilize our career self-assessment system, which allows employees to request their desired career path, and help them feel that their work is rewarding and to grow. In an effort to build a foundation for undertaking challenges, we will expand working style options with a view to work-life balance, and engage in health management to promote mental and physical health.

Supporting Self-realization through Work (Career Development Support)

The Kewpie Group is comprised of more than 10,000 employees, who play active roles across a broad range of business fields. For this reason, creating a structure that allows us to engage with each individual on their careers has become a pressing challenge.

In addition to administering career self-assessment and internal recruiting systems, we also help employees achieve self-realization through their work by actively providing the information and coaching they require when considering their own careers.

Career Self-assessment Matching Rate



Online Networking Opportunities

Through online meetings, employees are provided with the opportunity to learn about the roles and activities of other divisions. This initiative allows each employee to rethink his or her own career.

Total of 300 participants over 9 sessions
(April 2022 to April 2023)



Innovation through Active Dialogue and the Provision of Opportunities

The Kewpie Group employs individuals of all ages. As such, we must engage with the value systems of the younger generation that will take responsibility for the future. Under these circumstances, we work diligently to collect feedback from employees and to reflect this feedback in our management. Among a host of endeavors, we conduct Shuffle Meetings. During the meetings conducted to date, management has exchanged opinions with a total of 500 young and mid-career employees. KEEP20, another initiative, ensures that 20% of participants at management and other important meetings are composed of a diverse range of talent. Through these and other initiatives, steps are taken which lead directly to new developments.

Bolstering Our Management Foundation

Human Resource Strategy



Developing a Framework for Empowering a Diverse Range of Talent

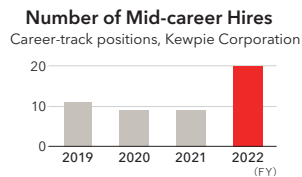
The Kewpie Group employs a diverse range of talent with various experiences and skills. Against the backdrop of a rapidly changing business environment, it is vital that the Group not only protect the business foundations that it has cultivated to date, but also adopt perspectives and ideas that differ from the past. We are therefore working to utilize outside knowledge and technology, and to mobilize the Group's human resources by leveraging their individual strengths.

I use my outside experience and expertise to build systems that empower a diverse range of talent and in a way that improves the value of the Group.



Tetsuko Nishide
Personnel Affairs Division, in charge of Diversity Kewpie Corporation

Our vision for diversity allows all employees, regardless of their different backgrounds, to feel rewarded and to demonstrate their strengths and abilities with vitality. Likewise, this vision connects to greater combined strengths for the Group, and will help us deliver products and services of value to customers and society. Specifically, because I entered the Company mid-career and possessed outside experience and knowledge, I fully recognize that there is room and potential for talent to excel. As the person in charge of Diversity, I create systems and environments that draw out the potential of our employees.



I leverage the experience gained following my secondment to a research organization to create new value for the Group.



Nami Uchiyama
Sales Promotion Department Kewpie Corporation

I was assigned to the Institute of Gerontology, The University of Tokyo over the three-year period from 2019 to 2022. During my time at this organization, I participated in a joint research project on frailty prevention, which is considered a national health issue, in an open environment free from barriers between industry, government, and academia. Aware of the importance of holding discussions and proceeding with work among members from diverse backgrounds while at the Company, this experience has served me well in creating new value for the Group, which requires the involvement of various stakeholders.

External Assignments (examples)

- Administrative bodies
- Research institutes
- Food analysis organizations
- Other food related companies, etc.

I strive to achieve the long-term vision of independence, caring, and social contribution together with all employees.



Maki Yamane
Director Kewpie Ai Co., Ltd.

Kewpie Ai does more than simply encourage the employment of persons with disabilities. Instead, we practice various initiatives from the perspectives of social good and diversity. At elementary schools, for example, we participate in Universal Design Classes in an effort to facilitate an understanding of disabilities. Moreover, we invite business ideas targeting independence from among all employees as part of our internal Start Up Program, and make preparations intended to launch these as businesses. In valuing the aspiration to acknowledge and accept the differences among individuals and empower a diverse range of talent to serve as strengths, I hope to contribute to the Group and society.

Ratio of Employees with Disabilities **3.37%**
(June 2022) Kewpie and Kewpie Ai



Universal Design Class at an elementary school (left) and Ai Challenge Awards for Internal Startups (right)

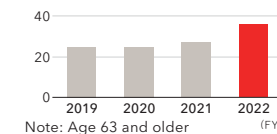
I will pass on the experience, skills, and ideas I have acquired and connect them to the future of the Group.



Masaaki Kunou
R&D Division Kewpie Corporation

As part of the recruitment process for our senior employment system, we support co-creation with external R&D organizations. I applied for this role to further my career. Through co-creation, we can solve increasingly complex R&D issues by connecting with various specialized organizations in industry, government, and academia on a basis of mutual trust. It is a challenging and rewarding task related to the sustainable growth of our company to connect the next generation with ways to utilize external insight.

Number of Reemployed Seniors, Kewpie Corporation



Bolstering Our Management Foundation

Intellectual Property Strategy



Investment in Intellectual Property to Enhance Corporate Value

Yuko Kanou

Corporate Officer
General Manager of Intellectual Property Division
Kewpie Corporation



In order to spread the richness of food cultures centered on salads and eggs, and contribute to the health of every person, the Intellectual Property Division effectively invests in, creates, and leverages intellectual property and intangible assets, while at the same time drawing on this basic policy to increase the Company's corporate value. In particular, we are focused on providing healthy diets, improving nutrition, and developing environmentally friendly technologies, as well as managing intellectual property rights, and enhancing brand value as part of our overseas expansion. Moreover, we are working to improve the Group's creativity in cooperation with related stakeholders. Amid the major changes taking place in the external environment, we will further enhance our ability to respond resiliently by creating and applying intellectual property in a way that ensures we continue to contribute to the food culture and health of the world.

Acquisition Status of Major Trademarks around the World

With the aim of strengthening international competitiveness, ensuring the freedom of business, and protecting and nurturing the brand above all else, we are actively working to acquire major trademarks such as KEWPIE, 丘比, the KEWPIE DOLL mark, and patents around the world.

Regions and Countries of Operations/Registered Trademarks (examples)



Trademark Registration
KEWPIE trademark 92 countries and regions
KEWPIE DOLL mark trademark 91 countries and regions

The KEWPIE DOLL mark trademark is acquired in consideration of the situation in various countries, including Halal certification.

Acquisition Status of Salad- and Egg-related Patents around the World

	Patent Details			Number of patents held (Ratio of applications submitted in FY2022)
	Raw ingredients	Processing	Logistics	
Salad-related	<ul style="list-style-type: none"> Diverse ingredient use Unused part utilization 	<ul style="list-style-type: none"> Nutrition, low-calorie Energy-savings 	<ul style="list-style-type: none"> Vegetable freshness preservation Plastic reduction 	Salad-related patents Number held: 294 (40% of submitted applications)
Egg-related	<ul style="list-style-type: none"> Plant-based Eggshell use 	<ul style="list-style-type: none"> Nutrition, calcium Processing loss reduction 	<ul style="list-style-type: none"> Shelf-life extension Drying, freezing 	Egg-related patents Number held: 111 (20% of submitted applications)

International Competition

Enhance unique strengths to bolster international competitiveness

Purpose Reduce safety- and quality-related risks to enhance brand value
Example Systemic classification of and response to imitations
 Apply systemic classification for a diversifying variety of imitations, prioritize these classifications, and work to rapidly and accurately remove imitations.

	Exact copy	Repackaging	Clever likeness	Likeness	Non-manufactured goods
Example	Imitation 	Genuine product 	Displaying trademarks with the likeness of Kewpie brands 	Placing the KEWPIE DOLL mark on products 	
Characteristics	Products that perfectly imitate items	Small-volume varieties not produced by Kewpie	Items that impersonate Kewpie products	Products in which part of the design is similar	Unauthorized use of the brand
Response level	Respond and eliminate with priority		Predict the degree of impact on the Company based on the extent and scale of rights infringement, determine response priorities		

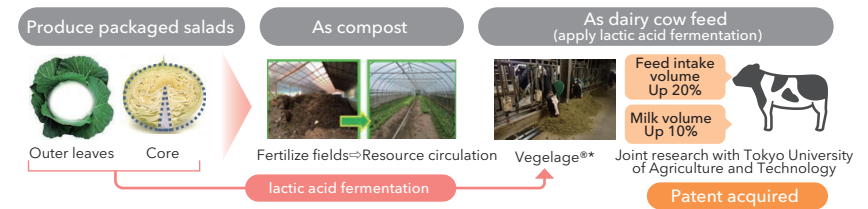
Sustainability and DX

Cooperation with stakeholders

Role of the Intellectual Property Division

Protect unique technologies while contributing to a sustainable supply chain

Example Utilize unused parts of vegetables



Vegelege: Kewpie's registered trademark for products made by processing and converting unused parts of vegetables into fermented feeds that can be stored long term.

Bolstering Our Management Foundation

DX Strategy

Creating Group Synergies through Group-wide DX



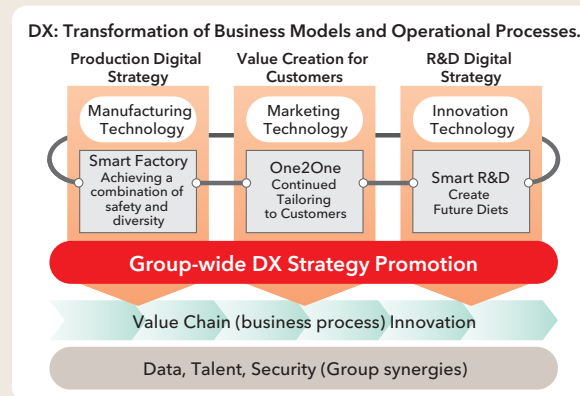
Hiroyuki Shiino

Corporate Officer
General Manager
Digital Transformation Office
Kewpie Corporation



The Kewpie Group's concept of digital transformation (DX) revolves around Transformation of Business Models and Operational Processes, and is positioned as an engine of sustainable growth. Recognizing the dramatically changing social environment as an opportunity, the Group is promoting DX in every field and advancing contributions to society while tailoring its efforts to a diversifying range of customer needs. The key to its DX Strategy lies in maximizing Group synergies through the mutual utilization of DX platforms shared throughout the Group. With data, know-how, and digital talent as our source of co-creation, we are deepening respective digital strategies relating to points of contact with customers, R&D, and production as we work to accelerate DX initiatives on a Group-wide basis.

Kewpie Group DX Structural Diagram



Production

Smart Factories for Maximizing Efficiency

We are promoting initiatives that create smart flows of people, products, information, and work by eliminating unreasonableness, waste, and inconsistency at production sites.

Specifically, we are working to optimize production through simulation technology, achieve consistent quality through predictive maintenance using artificial intelligence (AI), and reducing food loss by applying food safety system data.



Contact Points with Customers

Developing Communications Tools

We developed a new website offering called "my Personalized Dressing Recommendation" which uses artificial intelligence (AI) designed to discover dressings that meet the preferences and moods of our customers.

By locating this system at areas in which shops sell salad dressings, we have also initiated test operations as a support tool during shopping.



my Personalized Dressing Recommendation
<https://www.kewpie.co.jp/dressing/dressingshindan/site/>
(In Japanese only)

Human Resources

Developing Digital Talent

In order to improve literacy regarding and the ability to apply digital tools, we have launched an internal curriculum for training digital talent in accordance with different levels. We aim to train data scientists and data analysts with a high degree of expertise and to assign employees with analysis skills to each division as a means of enhancing competitiveness as a company.

FY2024 Targets
Data Scientists
Data Analysts
Total 1,155



my Dressing AI Model Developers:
Kaito Uchida (left), Nobuaki Namai (center), Shinnosuke Takano (right)

Based on the experience and knowledge acquired from past work and training, we undertook the challenge of designing an AI model from scratch. By further developing the AI model in the future, we will work to ensure the system is capable of making proposals unique to Kewpie targeting a diversifying range of taste preferences and dining styles.

Interview with an Outside Director

Interview with Outside Director Atsuko Fukushima about the potential of the Kewpie Group, its position expected from society, and further possibilities as it strives to improve the effectiveness of its governance system while enhancing its uniqueness and corporate value.

Leveraging diversity within management and strengthening the ability to communicate while supporting the transformation of KEWPIE into a global brand

Please tell us about your impression of the Group and your assessment of its governance.

I became an outside director last year, but my involvement with Kewpie goes back to when I was first appointed as an outside member of the Management Advisory Board seven years ago. Kewpie products were essential items of my kitchen table ever since childhood, and I had the impression that the Company was a leader in the food industry. Upon becoming involved in the Company as an outside director, I discovered the surprising nature of the Group, in a positive sense, that everyone is extremely humble and sincerely listens to feedback from the outside. This impression has not changed at all since I was an Advisory Board member.

The members of the Board of Directors all pose questions and opinions honestly, making for lively discussions. I feel that management has taken a stance that drives them to actively attempt to incorporate the perspectives of outside officers with their diverse range of knowledge and experience. This stance in turn helps create an atmosphere within the Board of Directors that

makes it easy for everyone to communicate. This point is a major feature of Kewpie. If the psychological peace of mind that allows each member to freely express their thoughts and concerns was not guaranteed, then management would not be able to benefit from the Board's diversity in the true meaning of the term, even if the Board were to have a diverse range of members in terms of their appearance. I feel a sense of security because I know everything I express will be fully accepted by management, even if what I have to say is painful for the executive side to hear. I feel that this sense of security is both part of the excellent corporate culture of Kewpie and a major strength from the viewpoint of governance.

Moreover, I believe that information sharing is extremely open with a high level of transparency. Since outside officers also receive minutes of important meetings in which we do not participate, allowing us to understand the background of decision-making and thereby deepen discussions at the Board of Directors. On the other hand, being overly well-versed regarding internal affairs would also present the risk of clouding the objective perspective of outside directors. So, as

one of my own challenges, I am aware of the need to consistently maintain an appropriate sense of distance to avoid this problem.

What are the challenges for the Group to achieve sustained growth?

I feel there are two major challenges for the future growth of Kewpie. The first is building an organization that empowers a diverse range of talent. The Board of Directors has also been holding various discussions to further advance this effort under the awareness that diversity management is still a work-in-progress. Even if we look at the issue of empowering women, the ratio of women in managerial positions is still only 13% despite the many talented, driven women within the organization. Although this is a theme that is difficult to improve overnight, I also see one of my roles as an outside director as establishing spaces where more women can flourish in positions of responsibility. Specifically, because this is a time of dramatic change and future uncertainty where successful past

Atsuko Fukushima

Outside Director
Kewpie Corporation





experiences no longer apply, we face the demand for new ideas and business models. Diversity is not a theme that we should promote for women alone, but rather a company strategy itself, which is essential for achieving sustained corporate growth. Leveraging the diversity that comes with the talent of different genders, generations, and nationalities together with their individually held skills, experiences, and knowledge, as well as enabling all within the organization to demonstrate their potential and flourish with vitality, will help drive innovation. Meanwhile, groups composed of a diverse range of talent also place centrifugal forces on the organization, but it is here where the corporate philosophy serves as a centripetal force for sharing the direction in which the organization should head. This corporate philosophy is firmly entrenched within the Kewpie organization. In other words, the foundation for diversity management is in place. As an essential management strategy for Kewpie's growth, top management must commit to the creation of a dynamic organization that leverages diversity.

In terms of moderating communication, Kewpie has many progressive and wonderful values, both in terms of its products and its sustainability initiatives. I feel

that those within the Group are overly modest about communicating information on this type of value, which is seen by them as ordinary. For example, the aspirations bestowed upon its products, its manufacturing processes, and the future that Kewpie desires to achieve above and beyond the framework of its products, are all things that are difficult for consumers to see. Particularly amid today's severe business environment, conveying these as a story will therefore serve as unique added-value for Kewpie found nowhere else, and will help reinforce brand strength.

Please tell us about your thoughts on the role of outside directors.

I myself have been active in the media industry and have interviewed companies and executives in various industries as a journalist. I have also been involved where management takes place at multiple companies as an outside director and management advisor. By reflecting the knowledge I have acquired through these experiences within management decision-making processes as just one of a variety of perspectives, I hope to contribute to greater corporate value for Kewpie.

In terms of moderating communication, I feel it is my role to help the corporate executives and employees have more confidence in the unique strengths and appeal of Kewpie, and to encourage the Group to actively broadcast these within Japan and to the world. As someone involved in the world of journalism, I have a strong desire to go to the site, see with my own eyes, and listen to stories. Although I have previously had opportunities to exchange information with corporate officers, as well as to visit research and development departments and plants, as COVID-19 begins to wind down, I hope to visit the front lines more often and, based on what I discover there, fully present my

concerns and suggestions during discussions.

Finally, please tell us about your expectations for the Group in the future.

The powerful brand strength established based on the height of its technological capabilities for creating delicious, high-quality products, as well as on the love and trust of countless consumers, are irreplaceable treasures for Kewpie, and the source of its competitiveness. Moreover, because the founder of Kewpie discovered mayonnaise and marmalade in Europe and the US and started the business with the desire to spread these amazing foods to Japan, I believe that the foundation to view the world with a global perspective flows through Kewpie as part of its DNA.

Kewpie is undergoing a major transformation now that it has positioned the overseas market as a driver of growth, and possessing the DNA of a global perspective will be a major advantage in driving this effort forward.

I also intend to contribute to the best of my ability as an outside director so that the Group can leap from Kewpie as a Japanese brand to KEWPIE as an international brand. I therefore hope that all of the Group's stakeholders anticipate much from the future that the high potential possessed by Kewpie stands to pioneer.

Corporate Governance

Basic Concepts of Corporate Governance

The Kewpie Group regards corporate governance as key management infrastructure for achieving sustainable growth of the Group and enhancing corporate value while realizing the Group’s Ideal of “Contributing to the food culture and health of the world.”

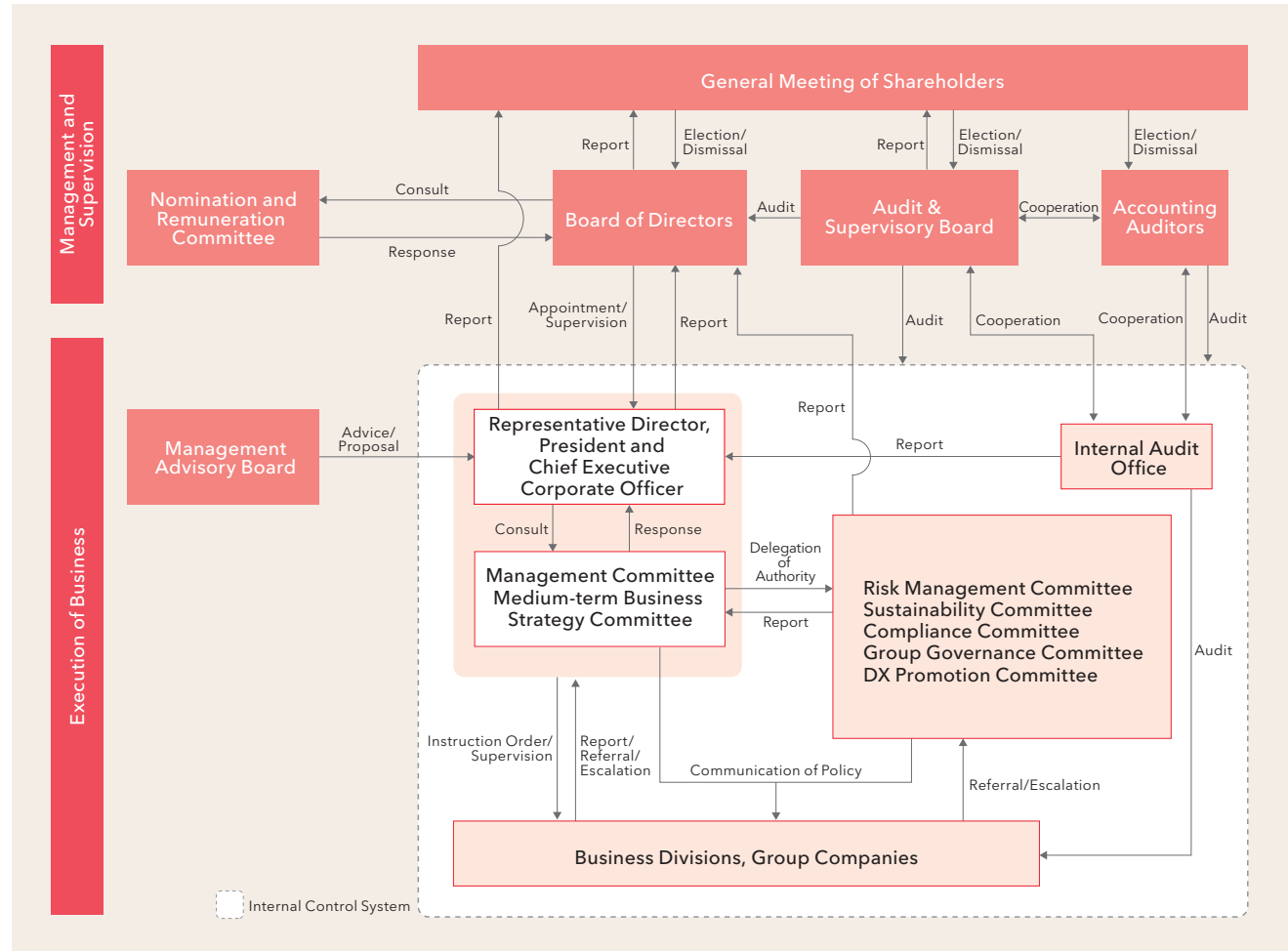
We work continuously to develop and enhance corporate governance system that leverages the unique qualities of the Group while valuing dialogue with various stakeholders.

Note: We define corporate governance as the systems used to secure transparent, fair, swift and resolute decision making to achieve sustainable growth and enhanced corporate value, taking into account the viewpoints of customers, shareholders and other stakeholders.

Corporate Governance Basic Policies

1. The Company shall respect the rights of its shareholders and ensure the equal treatment of shareholders.
2. The Company shall respect the positions and rights of its various stakeholders, including its customers, employees, business partners, shareholders and investors, as well as local communities, and foster appropriate relationships with such parties.
3. The Company shall disclose its corporate information in a proper manner and ensure the transparency of its operations.
4. The Company shall build mechanisms to facilitate the cooperation of all management resources for its corporate governance systems.
5. The Company shall engage in constructive dialogue with shareholders who expect medium- to long-term investment returns.

Corporate Governance System



Basic Stance on the Management Structure

Points 1 through 4 below describe the skills (experience and expertise), diversity and size required for the Board of Directors. To fulfill the responsibilities as an outside officer of the Company, an outside officer may concurrently serve as an officer at other companies, and such concurrent officer positions at listed companies other than the Company shall be limited to three or fewer companies in principle.

1. The Company aims to strike a good balance of experience, expertise, and attributes among its overall officers (directors and corporate auditors). The Company aims to ensure that experience and expertise that are currently in shortage among officers are provided, including those held by non-officers.
2. Inside directors are composed mainly of corporate officers who can take a broad view of the overall Group.
3. The maximum term of service of an outside officer is 10 years in order to maintain their independency; however, the Company does take into consideration an appropriate term of service for outside directors, given the importance of their understanding of the food business and the Company.
4. The number of directors shall be up to 12, and outside directors shall make up one-third or more of the total number of directors.

* Following the 110th Ordinary General Meeting of Shareholders, outside directors now account for less than one-third of the total number of directors. Recognizing that FY2023 is a major period of transition for management reorganization, however, the current composition stands as a temporary measure.

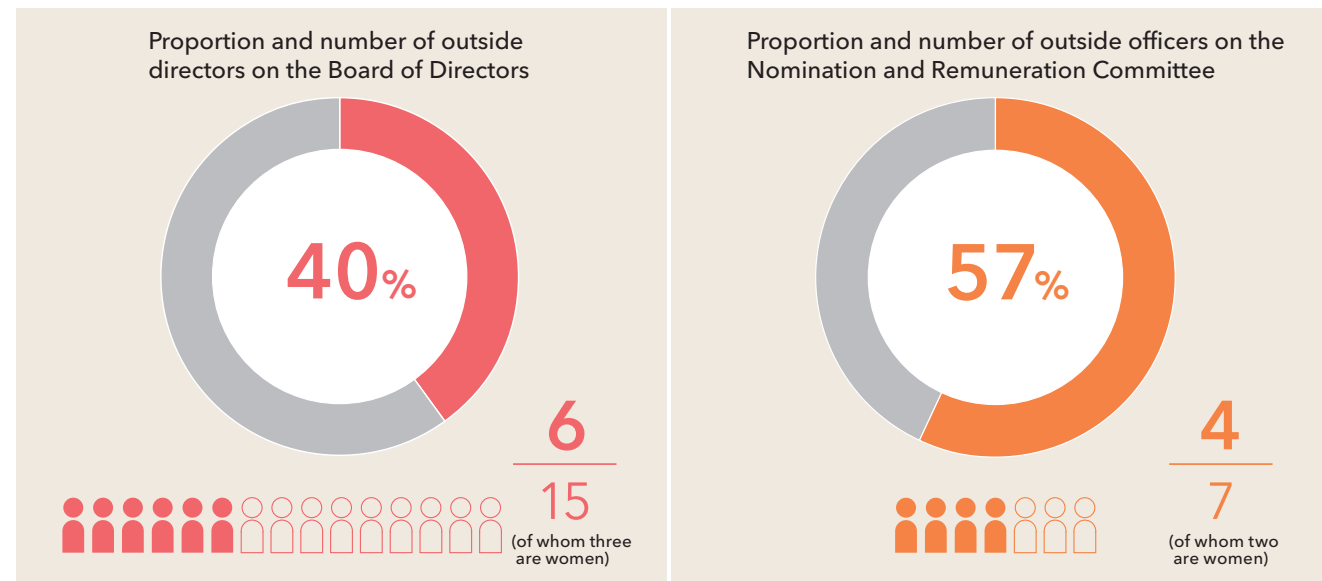
Approach to the Nomination and Remuneration Committee

As an advisory body to the Board of Directors, the Company has established a Nomination and Remuneration Committee chaired by an outside director and comprising a majority of outside officers as its members. The committee deliberates over matters concerning the appointment, dismissal and remuneration of directors, corporate auditors and corporate officers, and passes resolutions as necessary. The aim of the committee is to enhance objectivity, validity and transparency regarding the structure of the Board of Directors as well as the nomination and remuneration of directors and other officers, by extension achieving the medium- to long-term growth of the Group and enhancing its corporate value.

Procedures for Nominating Candidates for Director and Corporate Auditor

The nomination of each candidate for director or corporate auditor is taken up for discussion by the Nomination and Remuneration Committee and then deliberated over and decided on by the Board of Directors. Pursuant to the Companies Act, the Company shall obtain the consent of the Audit & Supervisory Board for the submission of proposals for the appointment of candidates for corporate auditor to the General Meeting of Shareholders.

Structure of the Board of Directors and the Nomination and Remuneration Committee



Skills Matrix of Directors, Corporate Auditors and Corporate Officers Ranked Senior and Above

Key Skills	Reasons for Selection
Corporate Management, Management Strategy	Insight, knowledge, and a track-record gained through experience in business management are recognized as important for formulating and executing medium- and long-term growth strategies.
ESG, Risk Management	Given that ESG management and risk management perspectives are essential for increasing corporate value, experience and insight in these areas are recognized as important.
Finance & Accounting	Knowledge and experience in the finance and accounting fields are recognized as important for formulating financial strategies for increasing corporate value as well as the ability to judge the validity of such.
HR	Given that talent is the greatest management resource for creating added-value and that maximizing human capital guarantees sustained growth, experience, insight, and expertise related to human resource strategies are recognized as important.
IT & Digital	The application of IT technologies is essential for creating new business models and for increasing productivity. As such, experience, insight, and expertise in digital fields are recognized as important.
Overseas Experience	The Group's overseas business is a proven growth driver. As such, experience, insight, and expertise pertaining to regional strategies and geopolitical risks in anticipation of trends are recognized as important.
Sales, Marketing	In addition to proposal-based sales from a customer perspective—a strength of the Group—personalized marketing strategies are required for satisfying diversified customer needs. As such, experience, knowledge, and expertise in these areas are recognized as important.
Production, R&D	Given that safe, secure product manufacturing, overall supply chain efficiency, and technological innovation are essential for sustained growth, experience, insight, and expertise in these areas are recognized as important.

		Attributes			Experience and Expertise							
		Age	Independence	Number of Years in Office	Corporate Management/ Management Strategy	ESG Risk Management	Finance & Accounting	HR	IT/Digital	Overseas Experience	Sales and Marketing	Production R&D
Director	Amane Nakashima	63		26	○	○	○		○	○		
	Mitsuru Takamiya	61		1	○						○	○
	Nobuo Inoue	62		13	○	○	○	○			○	
	Ryota Watanabe	58		2	○							○
	Yoshinori Hamachiyo	62		6								○
	Shinichiro Yamamoto	60		–	○				○		○	
	Shinya Hamasaki	58		–						○	○	
	Shihoko Urushi	61	○	7	○	○		○			○	
	Hitoshi Kashiwaki	65	○	2	○		○	○			○	
Corporate Auditor	Atsuko Fukushima	61	○	1	○	○		○				
	Hidekazu Oda	60		1	○	○					○	
	Kyoichi Nobuto	60		–		○						
	Kazumine Terawaki	68	○	5		○						
Corporate Officer with Special Title	Mika Kumahira	62	○	3	○	○		○		○		
	Akihiro Ito	62	○	–	○	○	○			○		
	Toshimasa Shirai	63		–							○	
Corporate Officer with Special Title	Masami Fujita	64		–				○				○
	Kaori Fujiwara	48		–					○	○		

* The ages of each person are current as of February 22, 2023.

* A circle has been placed for the experience and expertise of each person which is particularly expected by the Company.

Information about Outside Officers

Outside officers are expected to leverage their knowledge and experience and to express their frank opinions from an independent standpoint while paying particular attention to the perspectives, interests, and demands of stakeholders; conflicts of interest between the Company and its corporate officers and major shareholders; and the propriety of internal control systems.



		Main Activities
Outside Director	Shihoko Urushi	Using her extensive insight into human resource development and management, Ms. Urushi serves on the Board of Directors and the Nomination and Remuneration Committee, and actively shares productive opinions and suggestions on general management, including human resource development, sustainability, overseas expansion and marketing.
	Hitoshi Kashiwaki	As an experienced manager of an operating company engaged in human resources, media-related and other businesses, Mr. Kashiwaki utilizes his wealth of experience and high level of insight, including the development of overseas businesses, in his appointments to the Board of Directors and the Nomination and Remuneration Committee. He actively shares productive opinions and suggestions on general management, including business strategy, human resource development, overseas expansion and marketing.
	Atsuko Fukushima	Leveraging her many years of experience as a journalist and abundant knowledge related to corporate management gained through dialogue with top members of many companies, Ms. Fukushima has proactively provided useful opinions and suggestions on overall management, including diversity and sustainability, to the Board of Directors and to the Nomination and Remuneration Committee.
Outside Corporate Auditor	Kazumine Terawaki	Mr. Terawaki ensures the objectivity and neutrality of management oversight functions and provides opinions and suggestions regarding overall management based on his expert knowledge and wide range of insight as a legal professional.
	Mika Kumahira	Ms. Kumahira ensures the objectivity and neutrality of management oversight functions and provides opinions and suggestions regarding overall management based on her wide range of insight of corporate transformation and leadership development.
	Akihiro Ito	With his abundant experience as a corporate auditor of operating companies and knowledge of corporate planning and profit structure reform, mainly regarding accounting and finance, Mr. Ito was welcomed as a new outside corporate auditor in February 2023. Since the Board of Directors meeting held in February 2023, he has provided useful opinions and suggestions on overall management.

Effectiveness of the Board of Directors

Board of Directors Activities in FY2022

Throughout FY2022, the Board of Directors conducted deliberations on almost all key management issues determined at the beginning of the year as scheduled. The major initiative details and opinions raised during deliberations are as follows.

Key Management Issues Deliberated by the Board of Directors in FY2022

- Medium- and long-term Group-wide issues corresponding to changes in the management environment
- Response to soaring raw material prices due to the situation in Ukraine, etc.
- Domestic market strategies
- Enhancing overseas business
- Strategies regarding food culture and health
- Strategies supporting the business strategy
- Deliberation about the propriety of maintaining the Takeover Defense Plan

Main Opinions Expressed Amid Deliberations by the Board of Directors and Evaluation of the Board's Effectiveness

Medium- and Long-term Group-wide Issues

- While policies that target the transition from a management approach that pursues net sales and volume to one that focuses on profitability and gains are appropriate, these policies must be communicated to employees in an easy-to-understand manner.
- Management's awareness of the need for change is understandable. The critical factors, however, are the speed at which change can be achieved. Given the aforementioned, it is important to change the mindset of the middle tier that connects management to the frontline.

Domestic Market Strategies

○ Retail Market

A transition in conventional sales methods; promoting Group

cooperation leveraging the management resources of each Group company; and fast-paced measures that utilize marketing analyses are important.

○ Food Service Market

There is a need to strengthen industry-specific support functions that further drive outcomes from industry-specific strategies, and a need to promote structural reforms in the egg products business.

Enhancing Overseas Business

- In addition to market strategies in each area, the Group as a whole should promote globalization by applying the knowledge gained in each area to sales strategies for the Japanese market, and increasing the diversity of headquarters in Japan through the exchange of talent with overseas offices.
- More investment in human resources and stronger governance initiatives in the overseas business are appropriate.

Abolishing the Takeover Defense Plan

As far as the Defense Plan Against Large Purchase Actions of the Shares of the Company (Takeover Defense Plan), first adopted in February 2008 and revised four times thereafter, is concerned, Board of Directors carefully discussed the Plan over the course of three meetings, during which it took into account the management environment in which the Group operates, the impact that continuing the Takeover Defense Plan will have, and other factors, in FY2022. Ultimately, at its December 2022 meeting, the Board of Directors decided to abolish the Takeover Defense Plan as of the conclusion of the 110th Ordinary General Meeting of Shareholders in February 2023.

Board of Directors' Activity Policy for FY2023

The initiative policies and deliberation agenda for the FY2023 Board of Directors are as follows.

Initiative Policies

- ① Clarify the overall picture for initiatives
- ② Clarify the differences from past initiatives
- ③ Concretely identify individual issues and indicate these in a non-uniform way across the Group
- ④ Hold several deliberations on each theme, request accurate feedback from the executive side, and converge arguments as a Board of Directors

Deliberation Agenda

Themes for Exchanges of Opinions

- ① Efforts to improve domestic earnings
- ② Acceleration of overseas growth
- ③ Strategies for new business development
- ④ Transition to a management style that conveys value
- ⑤ Human resource strategy and human capital investment

Regular Reporting

Regularly report on the status of initiatives for medium- and long-term strategy themes.

Approach to Officer Remuneration and Calculation Methods

Approach to and Procedures Related to the Remuneration of Officers

(Directors, Corporate Auditors, Corporate Officers)

- The remuneration of directors and corporate officers is made up of monthly compensation and bonuses. This system ensures a link with company performance and reflects the responsibilities and accomplishments of each position.
- In terms of the approach (system design) to remuneration, the Nomination and Remuneration Committee engages in deliberations to enhance objectivity, validity and transparency.
- The total amount of bonuses paid to directors and the amount paid to individual directors must be approved by the Board of Directors.
- The remuneration of outside directors and inside and outside corporate auditors are respectively fixed amounts, and no bonuses are paid.

Monthly Compensation Calculation Method

- The monthly compensation for an inside director is a uniform amount. However, directors with representative authority are separately paid additional compensation.
- Monthly compensation for corporate officer is set at an appropriate level based on factors including the Company's management environment and the corporate officer's position (President, Senior Executive Corporate Officer, Executive Corporate Officer, Senior Corporate Officer).

Bonus Calculation Method

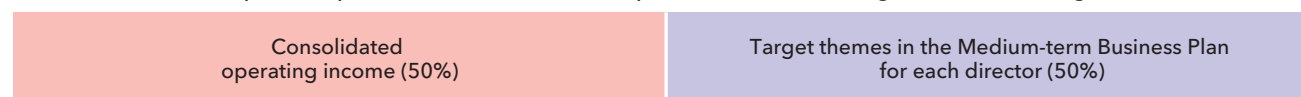
- Bonuses are determined based on the positions of directors and corporate officers, with amounts calculated using indicators including consolidated operating income, profit in the area a director or a corporate officer is responsible for, and the level of achievement of target themes in the Medium-term Business Plan.
- In each corresponding year of the FY2021-FY2024 Medium-term Business Plan, in order to create a structure that will achieve sustainable growth for the Kewpie Group, the weighting of bonuses making up the standard amount of total annual compensation is set at 35% for a director who is President and Chief Executive Corporate Officer, and at 30% for other directors. In addition, evaluation indicator items and their weightings set for each director are determined to reflect the main purpose of the Medium-term Business Plan.

- Bonus amounts in the final year of the Medium-term Business Plan may be increased or decreased by up to 30% to reflect the level of achievement of pre-set evaluation indicators (economics, social qualities, employees) in the final year of the plan for each director.

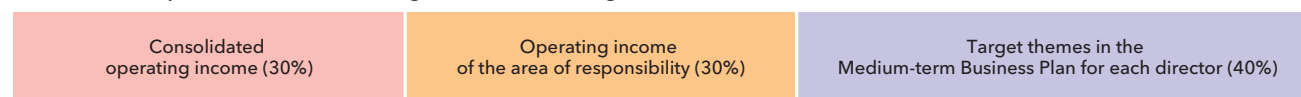
In each corresponding year of the FY2021-FY2024 Medium-term Business Plan, evaluation indicators and their weightings used for calculating bonus payment amounts for inside directors are set as follows in order to align with the management indicators set forth in the Medium-term Business Plan.

Structure of Inside Director Bonuses

Other than the chairperson, president or executive corporate officer in charge of a market segment



Executive corporate officer in charge of a market segment



The bonus payment amount for inside directors is the sum of a base positional bonus amount (a fixed amount) and the amount from multiplying the achievement level for each evaluation indicator by its weighting percentage. Evaluations of the target themes in the Medium-term Business Plan are made across a range from 50% to 150%.

The Board of Directors has determined that the amount of individual bonus payments is in line with the policy for

determining the amounts and calculation methods for officer remuneration, etc., since the Nomination and Remuneration Committee approved the amount after fair and transparent deliberations in light of the calculation criteria.

Amounts of Officer Remuneration in FY2022

Category		Number of Officers Receiving Payments	Monthly Compensation (¥ million)	Bonuses (¥ million)	Total Payment Amount (¥ million)
Directors	Except Outside Director	7	162	73	235
	Outside Directors	4	37	—	37
	Total	11	199	73	273
Audit & Supervisory Board Members	Except Outside Audit & Supervisory Board Member	3	42	—	42
	Outside Audit & Supervisory Board Members	3	30	—	30
	Total	6	73	—	73
Total		17	272	73	346

* For director remuneration, with regard to monthly compensation and bonuses, the total and individual payment amounts for monthly compensation and bonuses respectively are determined by the Board of Directors (with monthly compensation being a fixed amount based on position). At the 108th Ordinary General Meeting of Shareholders held on February 25, 2021, the maximum annual amount of remuneration including bonuses for directors was resolved to be ¥500 million (of which, the maximum annual amount of remuneration for outside directors is ¥80 million). The number of directors at the conclusion of the general meeting of shareholders in question was nine (including three outside directors).

* Regarding the remuneration of corporate auditors, individual monthly compensation amounts are determined through consultation between the corporate auditors. The maximum amount of compensation was resolved to be a monthly amount of ¥8 million at the 81st Ordinary General Meeting of Shareholders held on February 25, 1994. The number of corporate auditors at the conclusion of the general meeting of shareholders in question was four.

* The monthly compensation shown to the left includes payment amounts to two directors and one corporate auditor who stepped down at the time of the 109th Ordinary General Meeting of Shareholders.

* The bonuses shown to the left were determined by the Board of Directors following deliberations by the Nomination and Remuneration Committee in light of factors including financial results in FY2022, and apply to the six directors excluding outside directors as of the end of FY2022. The ratio of total amounts of bonuses paid to directors to the total amount of base bonus amounts for each director (fixed amounts based on position) was 93.9%.

* In addition to the total payment amount shown to the left, the amount equivalent to salary paid to directors serving concurrently as employees (including bonuses) was ¥15 million.

Management Advisory Board

The Management Advisory Board has been established as an advisory body to the Representative Director, President and Chief Executive Corporate Officer. The Board meetings (held twice a year and whenever necessary) are attended by five experts who serve as outside board members, the Company's Representative Director, President and Chief Executive Corporate Officer, and other directors depending on the agenda. The Board's advice and recommendations for maintaining and improving the soundness, fairness and transparency of the Kewpie Group are received and reflected in decision making.

Outside Members of the Management Advisory Board

As of April 2023

Yuri Okina

Chairperson of The Japan Research Institute, Limited
Outside Director of Bridgestone Corporation
Outside Director of Marubeni Corporation

Izumi Kobayashi

Outside Director of ANA HOLDINGS INC.
Outside Director of Mitsui & Co., Ltd.
Outside Director of Mizuho Financial Group, Inc.
Outside Director of OMRON Corporation

Chieko Matsuda

Professor, Graduate School of Management
at Tokyo Metropolitan University
Professor, Faculty of Economics and Business Administration
at Tokyo Metropolitan University
Outside Director of Kirin Holdings Company, Limited
Outside Director of IHI Corporation

Harold George Meij

Outside Director of Earth Corporation
Outside Director of COLOPL, Inc.
Outside Director of Alinamin Pharmaceutical
Co., Ltd.
Outside Director of Panasonic Corporation

Yumiko Kamada

CEO of ONE•GLOCAL Ltd.
Outside Director of TAIYO HOLDINGS CO., LTD.
Outside Director of Business Breakthrough, Inc.

Major Details Discussed in Regular Board Meetings in 2022

April

Main Topics Discussed

- ▶ Future Kewpie Group issues
- ▶ Initiatives centered on Generation Z

October

Main Topics Discussed

- ▶ Sustainability promotion
- ▶ DX strategy

Directors and Audit & Supervisory Board Members

NRC Nomination and Remuneration Committee member

Directors



Amane Nakashima

Chairman and Director **NRC**
Chairman of the Board of Directors in charge of Compliance and Brand



Mitsuru Takamiya

Representative Director **NRC**
President and Chief Executive Corporate Officer



Nobuo Inoue

Director
Executive Corporate Officer in charge of Group Governance and Risk Management



Ryota Watanabe

Director
Executive Corporate Officer in charge of Supply Chain Management



Yoshinori Hamachiyo

Director
Director
Senior Corporate Officer in charge of Innovation



Shinichiro Yamamoto

Director **NRC**
Senior Corporate Officer in charge of Corporate



Shinya Hamasaki

Director
Senior Corporate Officer in charge of Retail Market Business in general



Shihoko Urushi

Outside Director **NRC**



Hitoshi Kashiwaki

Outside Director **NRC (Chairperson)**



Atsuko Fukushima

Outside Director **NRC**

Audit & Supervisory Board Members



Hidekazu Oda

Full-time Audit & Supervisory Board Member



Kyoichi Nobuto

Full-time Audit & Supervisory Board Member



Kazumine Terawaki

Outside Audit & Supervisory Board Member **NRC**



Mika Kumahira

Outside Audit & Supervisory Board Member



Akihiro Ito

Outside Audit & Supervisory Board Member

Decision-Making in Management

In addition to holding monthly Board of Directors meetings constituting the highest management decision-making body, the Kewpie Group established the Management Committee to assist the Board of Directors and the Representative Director, President and Chief Executive Corporate Officer, which deliberates important business matters.

In addition, various important committees commissioned by the Management Committee have been established for each theme and field, to formulate, disseminate, and monitor important policies affecting the entire Group.

The Management Committee and other important meetings committees have the system which enables diverse members to make a decision upon discussions.

Major Meetings and Committees

Meeting	Organizer/Chairperson
Management Committee	Representative Director, President and Chief Executive Corporate Officer
Medium-term Business Strategy Committee	Representative Director, President and Chief Executive Corporate Officer
Risk Management Committee	Director in Charge of Risk Management
Sustainability Committee	Director in Charge of Sustainability
Compliance Committee	Director in Charge of Compliance
Group Governance Committee	Director in Charge of Group Governance
DX Promotion Committee	Corporate Officer in charge of IT and Business Reform Promotion

Basic Way of Thinking for Group Management

Although the Kewpie Group has employed internal decision-making rules for some time, to enhance sustainable growth and corporate value, we also recognize the importance of allowing the companies comprising the Group to demonstrate independence and diverse characteristics while engaging in deeper mutual cooperation based on Group-wide policies.

Accordingly, we formulated the “Fundamental Policy for Group Management” in January 2020, clearly stating the basic philosophy and the roles and responsibilities of each organization within the Group. Further, review of the Group structure starting in 2021 led to partial changes and revisions, resulting in the formulation of the “Basic Way of Thinking for Group Management” in April 2021.

Basic Way of Thinking for Group Management

1. The Kewpie Group Philosophy is the highest ideal shared throughout the entire Group.
2. The “Kewpie Brand” is the symbol of our Group that all of us nurture as a vital and irreplaceable asset.
3. Conduct thorough management in line with Group-wide policies and strategies targeting sustainable growth.
4. The human resource, equipment, capital, technology and information of our group are common Group assets, and we utilize them from the perspective of overall optimization.
5. The Kewpie Corporation shall lead Group management.

Group Governance Initiatives

Initiatives for Vitalizing the Board of Directors of Each Group Company

Founded on the Basic Way of Thinking for Group Management, the Group is engaged in efforts to vitalize the Board of Directors at each company that comprises the Group (Group company).

The Board of Directors at each Group company is composed of that company’s management team and corporate officers dispatched from Kewpie Corporation and other Group companies with deep business ties with the company in question. The Board of each Group company ensures that management is conducted by the company in line with Group-wide policies and strategies.

In addition, with the inclusion of the corporate officer in charge of Group Governance, in April of each year the Group conducts a study meeting on Group governance for each Group company president and the dispatched corporate officers. At this time, members share initiatives and hold discussions on issues. Moreover, the Board of Directors Secretariats of the Group companies hold a joint meeting twice each year (Joint Meeting of the Board of Directors Secretariats) where participants share successful examples from each Group company regarding management of the Board of Directors, share these with other participants, and conduct initiatives designed to help improve the management of the Board of Directors at each Group company.

Risk Management

Risk Assessment

We assess potential risks due to changes in the internal or external management environment along two axes, "degree of impact on management" and "degree of management control," and select the risks to be addressed on that basis. We monitor risks from both internal and external aspects, assess the severity of risks in response to changing conditions in a timely fashion, and strive to face risks in an agile manner.

Main company-wide risks

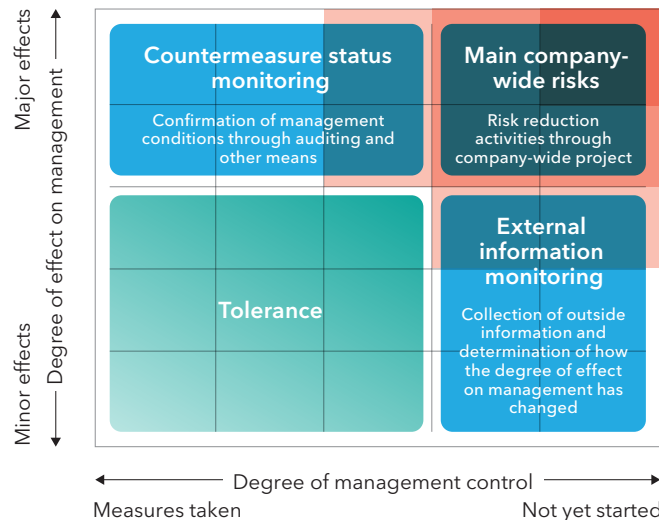
We endeavor to mitigate risks over which management control is insufficient despite having a significant effect on management through companywide projects implemented on a priority basis.

Countermeasure status monitoring

When the impact on management remains high despite countermeasures having an effect and the degree of management control increasing through our activities, we confirm the status of subsequent countermeasures through audits and other means.

External information monitoring

Even for risks that have a small impact on management at the present time and are not considered to be management issues, for risks that are not subject to countermeasures we collect external information with high sensitivity, and endeavor to monitor the situation.



Risk Management System

The Kewpie Group recognizes events with the potential to affect the continued and stable development of management as risks, and strives to enhance internal controls through the practice of risk management. Each department in charge continuously monitors individual risks, while the Risk Management Committee* shares information related to risk factors that affect the Company as a whole to comprehensively manage the evaluation and prioritization of such risks, and formulate countermeasures. Specifically, we have positioned the following nine items as major risks and are working to manage and avoid them.

The Director in charge of risk management regularly reports Company-wide risk assessments and the status of response policies to the Board of Directors.

* The Risk Management Committee comprises a portion of the members of the Kewpie Corporation Management Committee and the representatives of major divisions and subsidiaries. The committee is the Kewpie Group's highest decision-making body related to risk management, and meets three times a year. Matters related to global environmental issues and climate change are handled by the Sustainability Committee.



Major Risks

- ▶ Market trend
- ▶ Product liability
- ▶ System fault
- ▶ Human resources and labor-related
- ▶ Global environmental issues, climate changes
- ▶ Raw materials procurement
- ▶ Natural disasters and other such contingencies
- ▶ COVID-19
- ▶ Overseas expansion

11-Year Financial and Non-financial Summary

Financial Results Information

<https://www.kewpie.com/en/ir/>

ESG Data List

<https://www.kewpie.com/en/sustainability/esg/>

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Financial Information											
Performance (¥ million)											
Net sales	504,997	530,549	553,404	549,774	552,306	561,688	573,525	545,723	531,103	407,039	430,304
Gross profit	125,065	128,266	134,362	117,285	123,457	128,915	133,146	132,981	125,313	124,232	124,189
Operating income	23,368	22,402	24,343	26,354	29,818	31,261	33,067	32,048	28,303	27,972	25,433
Ordinary income	24,467	23,749	25,368	27,224	31,364	32,511	34,349	33,275	28,989	29,698	27,249
Profit attributable to owners of parent	12,291	12,567	13,366	16,973	17,093	18,099	18,320	18,698	11,591	18,014	16,033
Capital investments	20,916	27,122	30,111	32,369	32,968	27,182	32,105	28,569	26,102	12,100	17,227
Depreciation and amortization	14,089	14,572	16,132	19,094	18,254	16,794	18,215	18,649	20,073	15,336	16,062
Research and development expenses	3,421	3,660	3,882	4,201	4,028	4,058	4,142	4,156	3,963	4,033	3,912
Cash flows from operating activities (A)	33,246	27,369	34,392	28,094	45,260	27,234	41,778	43,916	34,955	38,533	27,199
Cash flows from investing activities (B)	△ 24,434	△ 21,897	△ 30,847	△ 31,181	△ 32,046	△ 31,421	△ 20,199	△ 29,720	△ 26,039	△ 20,277	△ 15,947
Cash flows from financing activities	7,022	△ 2,307	△ 3,149	△ 7,101	△ 5,805	4,010	△ 15,293	△ 4,602	5	△ 18,701	△ 16,812
Free cash flow (A + B)	8,811	5,471	3,545	△ 3,086	13,213	△ 4,186	21,579	14,195	8,916	18,255	11,252
Cash and cash equivalents at the end of the fiscal year	40,387	43,963	44,788	34,841	40,790	41,411	47,970	56,777	65,777	66,703	65,335
Financial Condition (¥ million)											
Total assets	306,515	334,655	356,994	373,017	385,914	419,207	419,736	444,309	454,276	381,003	403,384
Interest-bearing debt	23,185	25,882	29,110	30,559	36,066	60,120	61,414	65,962	81,999	42,257	33,042
Total net assets	195,928	210,285	220,397	244,717	245,861	263,432	266,100	276,753	287,356	269,301	294,623
Per share data (¥)											
Earnings per share (EPS)	82.09	83.94	88.69	111.82	113.47	121.05	124.85	130.72	81.04	128.17	115.34
Net assets per share	1,141.68	1,230.32	1,284.36	1,403.05	1,420.63	1,539.94	1,582.27	1,646.73	1,676.05	1,767.14	1,925.54
Annual dividend	20.0	22.0	23.0	29.0	34.5	36.5	38.0	45.0	40.0	47.0	47.0
Management Indicators (%)											
Gross profit margin	24.8	24.2	24.3	21.3	22.4	23.0	23.2	24.4	23.6	30.5	28.9
Operating income ratio	4.6	4.2	4.4	4.8	5.4	5.6	5.8	5.9	5.3	6.9	5.9
Equity ratio	55.8	55.0	54.6	57.1	55.1	54.0	53.9	53.0	52.8	64.5	66.4
Return on equity (ROE)	7.4	7.1	7.0	8.3	8.0	8.2	8.1	8.1	4.9	7.4	6.2
Return on assets (ROA)	8.4	7.4	7.3	7.5	8.3	8.1	8.2	7.7	6.5	7.1	6.9
Dividend payout ratio	24.4	26.2	25.9	25.9	30.4	30.2	30.4	34.4	49.4	36.7	40.7
Dividend on equity ratio	1.8	1.9	1.8	2.2	2.4	2.5	2.4	2.8	2.4	2.7	2.5
Non-financial Information											
Number of employees (consolidated)	12,425	12,598	12,933	13,478	14,095	14,924	14,808	15,452	16,003	10,719	10,696
Proportion of women in management positions (%)* ¹	—	3.2	4.6	6.4	7.0	7.4	8.2	9.2	10.2	10.9	12.5
Proportion of persons with disabilities employed (%)* ²	—	2.1	2.5	2.7	3.0	3.3	3.5	3.6	3.7	3.8	3.7
CO ₂ Emissions (1,000t -CO ₂)* ³	—	213.6	206.2	212.0	208.7	210.5	203.6	174.9	165.8	162.0	157.8

1. Applies to employees of Kewpie Corporation on a non-consolidated basis.

2. Applies to domestic Group companies.

3. Applies to domestic Group plants and offices. Figures have been revised due to K.R.S Corporation being changed to an equity-method affiliate.

4. The dividend per share in FY2019 included a commemorative dividend of ¥5 in honor of the 100th anniversary of Kewpie's founding.

* The Group's accounting policy for sales was revised in FY2016, and a retroactive correction was applied to the values listed for FY2015.

* The "partial revision of 'Accounting Standards for Tax Effect Accounting'" was applied starting in FY2019. Figures for FY2018 have been retroactively adjusted to reflect this application.

* In FY2021, the Company finalized the provisional accounting treatment for business combinations, and the FY2020 figures have been retroactively adjusted to reflect the finalization of the provisional accounting treatment.

Stock Information (As of November 30, 2022)

Share Overview

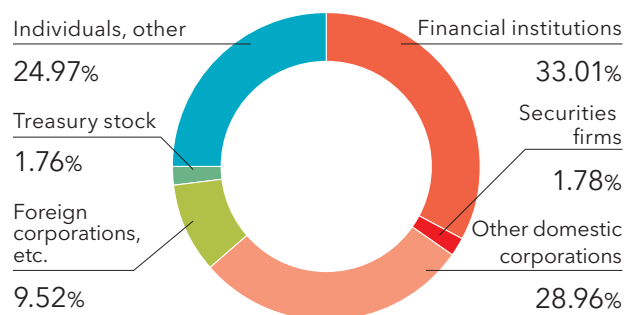
Number of Authorized Shares: 500,000,000 shares

Number of Shares Issued: 141,500,000 shares

Shares per Trading Unit: 100 shares

Number of Shareholders: 131,533

Breakdown of Shareholders



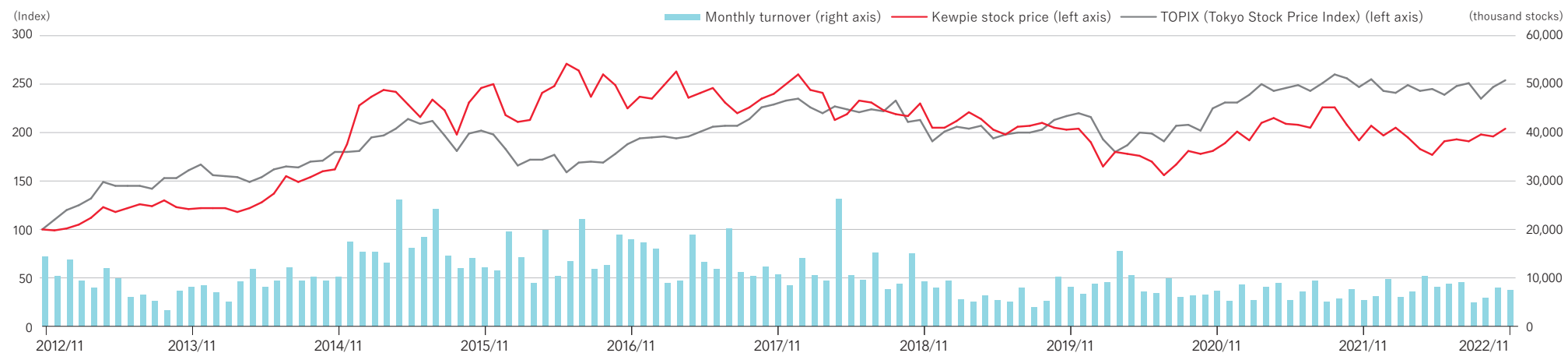
Principal Shareholders

Trade Name	Number of the Company's Shares Held (thousand shares)	Ratio of Number of the Company's Shares Held ² (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	16,398	11.80
NAKASHIMATO CO., LTD.	12,071	8.68
TOHKA CO., LTD.	11,122	8.00
Custody Bank of Japan, Ltd. (Trust account)	6,876	4.95
Kieikai Research Foundation	4,251	3.06
Sumitomo Mitsui Banking Corporation	3,208	2.31
Mizuho Trust & Banking Co., Ltd. - Retirement Benefit Trusts, Mizuho Bank Ltd. Account ¹ , Re-trust Trustee, Custody Bank of Japan, Ltd. (Trust Account)	3,157	2.27
Nippon Life Insurance Company	3,039	2.19
The Dai-ichi Life Insurance Company, Limited	3,012	2.17
Nakato Scholarship Foundation	2,494	1.79

1. The 3,157 thousand shares held by Mizuho Trust & Banking Co., Ltd. - Retirement Benefit Trusts, Mizuho Bank Ltd. Account, Re-Trust Trustee, Custody Bank of Japan, Ltd. (Trust Account), are the trust assets entrusted by Mizuho Bank for its retirement benefit trust.

2. The Company holds 2,495,894 shares of treasury stock. The ratio of number of the Company's shares held is calculated excluding the treasury stock. The number of shares held is rounded down to the nearest indicated unit.

Share Price Movement



* Stock price index of Kewpie and TOPIX (November 30, 2012 = 100)

Corporate Information

Corporate Data (As of November 30, 2022)

Corporate Name: Kewpie Corporation

Founded: November 1919

Paid-in Capital: ¥24,104 million

Number of Employees (consolidated): 10,696
(non-consolidated): 2,408

Location of Head Office: 1-4-13, Shibuya, Shibuya-ku,
Tokyo, Japan

Stock Exchange Listing: Tokyo Stock Exchange Prime Market
(Ticker Code: 2809)

Transfer Agent: Sumitomo Mitsui Trust Bank, Limited

Fiscal year: December 1 to November 30

Ratings

Ratings Agency	Type	Rating	Rating Trend
Rating and Investment Information, Inc. (R&I)	Issuer rating	A+	Stable

ESG External Evaluations

Kewpie Corporation continues to be selected for inclusion in leading ESG indices.

- FTSE Blossom Japan Sector Relative Index
- MSCI Japan ESG Select Leaders Index
- MSCI Japan Empowering Women Index (WIN)
- S&P/JPX Carbon Efficient Index
- SOMPO Sustainability Index

Kewpie Group

■ Retail Market ■ Food Service Market ■ Overseas ■ Fruit Solutions ■ Fine Chemicals ■ Common Business

Deria Foods Co., Ltd.	Sale of salads and delicatessen foods	BEIJING KEWPIE CO., LTD.	Production and sale of condiments
Ishikari Delica Co., Ltd.	Production and sale of delicatessen foods	Hangzhou Kewpie Corporation	Production and sale of condiments
Kitakami Delica Co., Ltd.	Production and sale of delicatessen foods	Nantong Kewpie Corporation	Production and sale of vinegar, processed egg and salads
Shunsai Deli Co., Ltd.	Production and sale of delicatessen foods	Kewpie China Corporation	Financial management and business management of the Company's local subsidiaries in China
Seto Delica Co., Ltd.	Production and sale of delicatessen foods	Guangzhou Kewpie Corporation	Production and sale of condiments
Hanshin Delica Co., Ltd.	Production and sale of delicatessen foods	Q&B FOODS, INC.	Production and sale of condiments
Tosu Delica Co., Ltd.	Production and sale of delicatessen foods	KEWPIE (THAILAND) CO., LTD.	Production and sale of condiments, vinegar, salads, and processed foods
Salad Club, Inc.	Processing and sale of fresh vegetables	KEWPIE MALAYSIA SDN. BHD.	Production and sale of condiments
Soka Delica Co., Ltd.	Production and sale of delicatessen foods	KEWPIE VIETNAM CO., LTD.	Production and sale of condiments
Potato Delica Co., Ltd.	Production of chilled foods	PT KEWPIE INDONESIA	Production and sale of condiments
Green Message Co., Ltd.	Processing and sale of fresh vegetables	Kewpie Philippines, Inc.	Sale of condiments
K.SS Co., Ltd.	Planning, production and services for sales promotion	Mosso Kewpie Poland Sp. z o.o.	Production and sale of condiments
Kpack Co., Ltd.	Production and sale of condiments	KEWPIE SINGAPORE PTE. LTD.	Sale of condiments
Dispen Pak Japan Co., Inc.	Production and sale of foods, subdividing and packing work	Kewpie Trading Europe B.V.	Sale of condiments
Tosu Kewpie Co., Ltd.	Production and processing of foods; outsourced work	Aohata Corporation	Production and sale of jams and fruit processed foods
Kewpie Egg Corporation	Production and sale of liquid, frozen and processed egg	Tou Kewpie Co., Ltd.	Mail-order business
Kewpie-Egg World Trading Co., Ltd.	Sale of egg and processed egg	San-ei Provisions Co., Ltd.	Sale of products for food service use
Zen-noh Kewpie Egg-station Co., Ltd.	Production and sale of dried egg and liquid egg	Shiba Seisakusyo Co., Ltd.	Production of machinery and equipment
Tsukuba Egg Processing Corporation	Production and sale of processed egg	K.System Co., Ltd.	Consigned clerical work
Deft Co., Ltd.	Sale of condiments, frozen and processed foods	Kewpie Ai Co., Ltd.	Consigned clerical work
Kewpie Jyozo Co., Ltd.	Production and sale of vinegar	TO AD KEWPIE CO., LTD.	Agency service for advertising, publicity and exhibitions
Co-op Foods Co., Ltd.	Production and sale of bottled, canned, and retort pouch foods	KIFUKI U.S.A.CO., INC.	Investment in and management of U.S. associates
Co-op Foods Co., Ltd. *	Production and processing of foods; outsourced work		
Hashikami Kewpie Co., Ltd.	Production and processing of foods; outsourced work	K.R.S Corporation	Warehousing and transportation

* There is a company of the same name due to the Kyushu Factory of Co-op Foods Co., Ltd., establishing a joint venture with FOODLIER Co., Ltd.