

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2017 (Based on Japanese GAAP)

August 4, 2017

Company name: KENKO Mayonnaise Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 2915 URL <http://www.kenkomayo.co.jp>  
 Representative: President Takashi Sumii  
 Inquiries: Director and Managing Executive Officer Takashi Murata TEL 03-5318-7530  
 Scheduled date to file Quarterly Securities Report: August 10, 2017  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2017	18,163	2.8	966	(15.4)	992	(14.7)	674	(14.6)
Three months ended June 30, 2016	17,677	9.9	1,141	38.5	1,163	50.4	789	(9.1)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2017	40.95	–
Three months ended June 30, 2016	55.56	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2017	50,812	28,913	56.9
As of March 31, 2017	51,442	28,456	55.3

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2017	–	14.00	–	23.00	37.00
Year ending March 31, 2018	–	–	–	–	–
Year ending March 31, 2018 (Forecast)	–	18.00	–	19.00	37.00

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2017	37,880	5.2	2,200	(11.2)	2,210	(11.3)	1,550	(8.3)	94.08
Full year	75,000	5.9	4,080	2.3	4,100	2.1	2,870	0.1	174.20

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2017  
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2017	16,476,000 shares	As of March 31, 2017	16,476,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2017	284 shares	As of March 31, 2017	273 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2017	16,475,719 shares	Three months ended June 30, 2016	14,210,791 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Assets		
Current assets		
Cash and deposits	13,779	13,597
Notes and accounts receivable - trade	11,436	12,027
Merchandise and finished goods	1,881	1,938
Work in process	17	12
Raw materials and supplies	919	871
Deferred tax assets	350	258
Other	813	154
Allowance for doubtful accounts	(2)	(1)
Total current assets	29,196	28,859
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,461	5,354
Machinery, equipment and vehicles, net	6,653	6,369
Land	5,968	5,968
Construction in progress	8	24
Other, net	377	354
Total property, plant and equipment	18,469	18,071
Intangible assets		
Total intangible assets	268	243
Investments and other assets		
Deferred tax assets	398	342
Other	3,148	3,334
Allowance for doubtful accounts	(40)	(40)
Total investments and other assets	3,506	3,637
Total non-current assets	22,245	21,952
Total assets	51,442	50,812

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	8,751	9,236
Current portion of long-term loans payable	920	838
Income taxes payable	909	277
Other provision	460	316
Other	5,445	5,197
Total current liabilities	16,487	15,867
Non-current liabilities		
Long-term loans payable	1,489	1,405
Net defined benefit liability	443	415
Other provision	934	942
Other	3,630	3,268
Total non-current liabilities	6,498	6,031
Total liabilities	22,985	21,898
<b>Net assets</b>		
Shareholders' equity		
Capital stock	5,424	5,424
Capital surplus	5,691	5,691
Retained earnings	16,688	16,983
Treasury shares	(0)	(0)
Total shareholders' equity	27,803	28,099
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	798	953
Foreign currency translation adjustment	9	2
Remeasurements of defined benefit plans	(155)	(141)
Total accumulated other comprehensive income	652	814
Total net assets	28,456	28,913
<b>Total liabilities and net assets</b>	<b>51,442</b>	<b>50,812</b>

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Net sales	17,677	18,163
Cost of sales	12,957	13,486
Gross profit	4,720	4,677
Selling, general and administrative expenses	3,578	3,710
Operating profit	1,141	966
Non-operating income		
Interest income	0	0
Dividend income	17	17
Other	36	30
Total non-operating income	54	47
Non-operating expenses		
Interest expenses	15	14
Share of loss of entities accounted for using equity method	11	3
Other	5	2
Total non-operating expenses	32	20
Ordinary profit	1,163	992
Extraordinary income		
Subsidy income	16	7
Other	0	–
Total extraordinary income	16	7
Extraordinary losses		
Loss on retirement of non-current assets	1	4
Impairment loss	–	1
Total extraordinary losses	1	6
Profit before income taxes	1,179	994
Income taxes - current	328	234
Income taxes - deferred	61	85
Total income taxes	390	319
Profit	789	674
Profit attributable to owners of parent	789	674

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Profit	789	674
Other comprehensive income		
Valuation difference on available-for-sale securities	(119)	154
Remeasurements of defined benefit plans, net of tax	22	14
Share of other comprehensive income of entities accounted for using equity method	(8)	(7)
Total other comprehensive income	(105)	161
Comprehensive income	684	836
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	684	836