

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

February 8, 2019

Company name: KENKO Mayonnaise Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 2915 URL <https://www.kenkomayo.co.jp>
 Representative: President and Representative Director Takashi Sumii
 Managing Executive Officer and General Atsushi Kyogoku
 Inquiries: Manager Corporate Planning Office TEL 03-5318-7530
 Scheduled date to file Quarterly Securities Report: February 13, 2019
 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 nine months ended December 31, 2018 (from April 1, 2018 to December 31, 2018)

(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	%
Nine months ended December 31, 2018	56,901	1.8	2,381	(30.1)	2,401	(30.3)	1,433	(40.1)
Nine months ended December 31, 2017	55,885	2.8	3,405	(3.5)	3,444	(3.2)	2,393	(5.1)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2018	87.01	–
Nine months ended December 31, 2017	145.24	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2018	72,114	31,815	44.1
As of March 31, 2018	64,837	30,984	47.8

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, 2018	–	18.00	–	19.00	37.00
Year ending March 31, 2019	–	15.00	–		
Year ending March 31, 2019 (Forecast)				15.00	30.00

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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
Full year	74,500	2.4	2,920	(30.0)	3,000	(27.7)	2,270	(21.1)	137.78

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2018
(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 December 31, 2018	16,476,000 shares	As of March 31, 2018	16,476,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2018	546 shares	As of March 31, 2018	441 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2018	16,475,507 shares	Nine months ended December 31, 2017	16,475,706 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	13,072	11,287
Notes and accounts receivable - trade	13,566	15,205
Merchandise and finished goods	1,866	1,686
Work in process	10	10
Raw materials and supplies	1,100	1,280
Other	504	784
Allowance for doubtful accounts	(0)	(0)
Total current assets	30,121	30,255
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,676	9,631
Machinery, equipment and vehicles, net	5,904	7,977
Land	5,978	5,900
Construction in progress	8,543	11,163
Other, net	363	504
Total property, plant and equipment	30,466	35,179
Intangible assets	219	232
Investments and other assets		
Investment securities	2,370	4,752
Deferred tax assets	611	594
Other	1,084	1,136
Allowance for doubtful accounts	(36)	(36)
Total investments and other assets	4,030	6,447
Total non-current assets	34,716	41,859
Total assets	64,837	72,114

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Liabilities		
Current liabilities		
Accounts payable - trade	9,940	11,042
Electronically recorded obligations - operating	825	1,051
Current portion of long-term loans payable	1,165	1,755
Income taxes payable	866	297
Other provision	475	404
Other	8,034	9,057
Total current liabilities	21,307	23,609
Non-current liabilities		
Long-term loans payable	7,131	10,520
Net defined benefit liability	365	396
Other provision	989	1,004
Other	4,059	4,769
Total non-current liabilities	12,546	16,690
Total liabilities	33,853	40,299
Net assets		
Shareholders' equity		
Capital stock	5,424	5,424
Capital surplus	5,691	5,691
Retained earnings	18,890	19,763
Treasury shares	(1)	(1)
Total shareholders' equity	30,004	30,877
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,064	1,036
Foreign currency translation adjustment	2	(36)
Remeasurements of defined benefit plans	(87)	(62)
Total accumulated other comprehensive income	979	937
Total net assets	30,984	31,815
Total liabilities and net assets	64,837	72,114

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Net sales	55,885	56,901
Cost of sales	41,309	42,966
Gross profit	14,576	13,935
Selling, general and administrative expenses	11,171	11,553
Operating profit	3,405	2,381
Non-operating income		
Interest income	0	0
Dividend income	31	32
Share of profit of entities accounted for using equity method	–	11
Other	76	101
Total non-operating income	107	146
Non-operating expenses		
Interest expenses	50	71
Share of loss of entities accounted for using equity method	12	–
Other	7	54
Total non-operating expenses	69	126
Ordinary profit	3,444	2,401
Extraordinary income		
Subsidy income	61	72
Other	0	14
Total extraordinary income	61	87
Extraordinary losses		
Impairment loss	1	23
Loss on disaster	–	15
Loss on retirement of non-current assets	5	17
Other	–	8
Total extraordinary losses	7	65
Profit before income taxes	3,498	2,423
Income taxes	1,105	990
Profit	2,393	1,433
Profit attributable to owners of parent	2,393	1,433

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	2,393	1,433
Other comprehensive income		
Valuation difference on available-for-sale securities	354	(27)
Remeasurements of defined benefit plans, net of tax	43	24
Share of other comprehensive income of entities accounted for using equity method	(7)	(38)
Total other comprehensive income	389	(42)
Comprehensive income	2,782	1,391
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,782	1,391