

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2019 (Based on Japanese GAAP)

August 7, 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 Director and Chief Executive Officer Kazuhiro Ito TEL 03-5318-7530
 Scheduled date to file Quarterly Securities Report: August 8, 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 three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)

(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, 2019	18,510	0.8	670	(10.4)	745	(2.7)	525	(0.1)
Three months ended June 30, 2018	18,366	1.1	748	(22.5)	765	(22.9)	526	(22.0)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2019	31.89	–
Three months ended June 30, 2018	31.93	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2019	68,284	32,966	48.3
As of March 31, 2019	70,105	32,900	46.9

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, 2019	–	15.00	–	15.00	30.00
Year ending March 31, 2020	–	–	–	–	–
Year ending March 31, 2020 (Forecast)	–	15.00	–	16.00	31.00

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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, 2019	38,400	2.6	1,540	5.8	1,580	4.5	1,080	19.5	65.55
Full year	76,000	2.7	3,300	5.9	3,300	4.9	2,350	2.3	142.64

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2019
(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, 2019	16,476,000 shares	As of March 31, 2019	16,476,000 shares
---------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of June 30, 2019	578 shares	As of March 31, 2019	578 shares
---------------------	------------	----------------------	------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2019	16,475,422 shares	Three months ended June 30, 2018	16,475,520 shares
----------------------------------	-------------------	----------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	10,927	9,876
Notes and accounts receivable - trade	13,398	14,138
Merchandise and finished goods	1,900	2,062
Work in process	10	13
Raw materials and supplies	1,038	1,048
Other	670	479
Allowance for doubtful accounts	(0)	(0)
Total current assets	27,945	27,617
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,593	13,622
Machinery, equipment and vehicles, net	11,501	14,140
Land	5,900	5,904
Construction in progress	5,921	34
Other, net	590	578
Total property, plant and equipment	35,507	34,280
Intangible assets	201	191
Investments and other assets		
Investment securities	5,041	4,834
Deferred tax assets	287	222
Other	1,153	1,167
Allowance for doubtful accounts	(32)	(31)
Total investments and other assets	6,450	6,194
Total non-current assets	42,159	40,666
Total assets	70,105	68,284

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Liabilities		
Current liabilities		
Accounts payable - trade	9,648	9,978
Electronically recorded obligations - operating	903	1,115
Current portion of long-term borrowings	1,696	1,631
Income taxes payable	604	156
Other provisions	469	314
Electronically recorded obligations - non-operating	921	379
Other	6,080	5,920
Total current liabilities	20,323	19,497
Non-current liabilities		
Long-term borrowings	10,085	9,709
Provision for retirement benefits for directors (and other officers)	468	355
Retirement benefit liability	395	378
Other	5,931	5,376
Total non-current liabilities	16,880	15,820
Total liabilities	37,204	35,317
Net assets		
Shareholders' equity		
Share capital	5,424	5,424
Capital surplus	5,691	5,691
Retained earnings	20,626	20,904
Treasury shares	(1)	(1)
Total shareholders' equity	31,740	32,019
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,227	1,073
Foreign currency translation adjustment	(14)	(76)
Remeasurements of defined benefit plans	(54)	(49)
Total accumulated other comprehensive income	1,159	947
Total net assets	32,900	32,966
Total liabilities and net assets	70,105	68,284

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, 2018	Three months ended June 30, 2019
Net sales	18,366	18,510
Cost of sales	13,704	14,070
Gross profit	4,662	4,440
Selling, general and administrative expenses	3,913	3,769
Operating profit	748	670
Non-operating income		
Share of profit of entities accounted for using equity method	1	57
Interest and dividend income	17	18
Other	25	32
Total non-operating income	44	108
Non-operating expenses		
Interest expenses	25	27
Other	2	5
Total non-operating expenses	27	33
Ordinary profit	765	745
Extraordinary income		
Subsidy income	62	16
Other	13	–
Total extraordinary income	76	16
Extraordinary losses		
Impairment loss	19	–
Loss on disaster	–	0
Loss on retirement of non-current assets	0	0
Total extraordinary losses	19	0
Profit before income taxes	822	760
Income taxes	296	235
Profit	526	525
Profit attributable to owners of parent	526	525

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	526	525
Other comprehensive income		
Valuation difference on available-for-sale securities	77	(154)
Remeasurements of defined benefit plans, net of tax	16	4
Share of other comprehensive income of entities accounted for using equity method	(8)	(62)
Total other comprehensive income	85	(211)
Comprehensive income	611	313
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	611	313