

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 Nine Months Ended December 31, 2019 (Based on Japanese GAAP)

February 10, 2020

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
 Inquiries: TEL 03-5318-7530
 Scheduled date to file Quarterly Securities Report: February 12, 2020
 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, 2019 (from April 1, 2019 to December 31, 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	%
Nine months ended December 31, 2019	57,335	0.8	2,389	0.3	2,480	3.3	1,709	19.3
Nine months ended December 31, 2018	56,901	1.8	2,381	(30.1)	2,401	(30.3)	1,433	(40.1)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2019	103.79	–
Nine months ended December 31, 2018	87.01	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2019	68,510	34,118	49.8
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	–	15.00	–	–	–
Year ending March 31, 2020 (Forecast)	–	–	–	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
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 nine months ended December 31, 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 December 31, 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 December 31, 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)

Nine months ended December 31, 2019	16,475,422 shares	Nine months ended December 31, 2018	16,475,507 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	10,927	10,553
Notes and accounts receivable - trade	13,398	14,935
Merchandise and finished goods	1,900	1,771
Work in process	10	10
Raw materials and supplies	1,038	1,134
Other	670	543
Allowance for doubtful accounts	(0)	(0)
Total current assets	27,945	28,948
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,593	13,203
Machinery, equipment and vehicles, net	11,501	13,177
Land	5,900	5,903
Construction in progress	5,921	41
Other, net	590	514
Total property, plant and equipment	35,507	32,839
Intangible assets	201	181
Investments and other assets		
Investment securities	5,041	5,119
Deferred tax assets	287	199
Other	1,153	1,251
Allowance for doubtful accounts	(32)	(28)
Total investments and other assets	6,450	6,540
Total non-current assets	42,159	39,561
Total assets	70,105	68,510

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Liabilities		
Current liabilities		
Accounts payable - trade	9,648	11,028
Electronically recorded obligations - operating	903	1,021
Current portion of long-term borrowings	1,696	1,537
Income taxes payable	604	181
Other provisions	469	392
Electronically recorded obligations - non-operating	921	5
Other	6,080	5,720
Total current liabilities	20,323	19,888
Non-current liabilities		
Long-term borrowings	10,085	8,944
Provision for retirement benefits for directors (and other officers)	468	373
Retirement benefit liability	395	395
Other	5,931	4,790
Total non-current liabilities	16,880	14,503
Total liabilities	37,204	34,391
Net assets		
Shareholders' equity		
Share capital	5,424	5,424
Capital surplus	5,691	5,691
Retained earnings	20,626	21,842
Treasury shares	(1)	(1)
Total shareholders' equity	31,740	32,956
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,227	1,238
Foreign currency translation adjustment	(14)	(36)
Remeasurements of defined benefit plans	(54)	(39)
Total accumulated other comprehensive income	1,159	1,162
Total net assets	32,900	34,118
Total liabilities and net assets	70,105	68,510

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, 2018	Nine months ended December 31, 2019
Net sales	56,901	57,335
Cost of sales	42,966	43,529
Gross profit	13,935	13,805
Selling, general and administrative expenses	11,553	11,416
Operating profit	2,381	2,389
Non-operating income		
Share of profit of entities accounted for using equity method	11	67
Interest and dividend income	32	35
Other	101	72
Total non-operating income	146	175
Non-operating expenses		
Interest expenses	71	78
Other	54	6
Total non-operating expenses	126	84
Ordinary profit	2,401	2,480
Extraordinary income		
Subsidy income	72	29
Other	14	5
Total extraordinary income	87	35
Extraordinary losses		
Impairment loss	23	1
Loss on disaster	15	2
Loss on retirement of non-current assets	17	2
Other	8	3
Total extraordinary losses	65	10
Profit before income taxes	2,423	2,505
Income taxes	990	795
Profit	1,433	1,709
Profit attributable to owners of parent	1,433	1,709

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	1,433	1,709
Other comprehensive income		
Valuation difference on available-for-sale securities	(27)	10
Remeasurements of defined benefit plans, net of tax	24	14
Share of other comprehensive income of entities accounted for using equity method	(38)	(22)
Total other comprehensive income	(42)	2
Comprehensive income	1,391	1,712
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,391	1,712