

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

November 12, 2021

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
 Inquiries: Director Kenji Tachibana TEL 03-5941-7682
 Scheduled date to file Quarterly Securities Report: November 12, 2021
 Scheduled date to commence dividend payments: December 2, 2021
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

(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	%
Six months ended September 30, 2021	37,487	11.8	700	31.9	699	12.2	456	8.2
Six months ended September 30, 2020	33,533	(11.2)	530	(64.4)	623	(60.8)	422	(61.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	27.97		-	
Six months ended September 30, 2020	25.62		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	62,540	35,836	57.3
As of March 31, 2021	62,320	35,577	57.1

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2021	-	8.00	-	12.00	20.00
Year ending March 31, 2022	-	7.00	-	-	-
Year ending March 31, 2022 (Forecast)	-	-	-	8.00	15.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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	73,200	6.9	1,430	(27.6)	1,500	(26.9)	1,050	(28.0)	63.73

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2021
(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: Yes
- 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 September 30, 2021	16,476,000 shares	As of March 31, 2021	16,476,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	200,578 shares	As of March 31, 2021	578 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2021	16,333,755 shares	Six months ended September 30, 2020	16,475,422 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	12,385	12,583
Notes and accounts receivable - trade	11,004	11,686
Merchandise and finished goods	1,814	1,909
Work in process	8	12
Raw materials and supplies	812	940
Other	292	318
Allowance for doubtful accounts	(2)	(2)
Total current assets	26,317	27,447
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,033	11,684
Machinery, equipment and vehicles, net	10,928	10,046
Land	6,021	6,021
Construction in progress	2	2
Other, net	464	413
Total property, plant and equipment	29,451	28,169
Intangible assets	166	229
Investments and other assets		
Investment securities	5,077	5,444
Deferred tax assets	190	132
Other	1,148	1,148
Allowance for doubtful accounts	(31)	(30)
Total investments and other assets	6,385	6,694
Total non-current assets	36,003	35,093
Total assets	62,320	62,540

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	7,753	9,420
Electronically recorded obligations - operating	673	802
Current portion of long-term borrowings	1,499	1,443
Income taxes payable	305	316
Other provisions	441	512
Other	4,330	3,802
Total current liabilities	15,004	16,297
Non-current liabilities		
Long-term borrowings	7,141	6,190
Provision for retirement benefits for directors (and other officers)	395	5
Retirement benefit liability	398	370
Other	3,802	3,839
Total non-current liabilities	11,738	10,406
Total liabilities	26,742	26,704
Net assets		
Shareholders' equity		
Share capital	5,424	5,424
Capital surplus	5,691	5,691
Retained earnings	23,253	23,512
Treasury shares	(1)	(332)
Total shareholders' equity	34,367	34,295
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,268	1,548
Foreign currency translation adjustment	(22)	7
Remeasurements of defined benefit plans	(35)	(15)
Total accumulated other comprehensive income	1,210	1,540
Total net assets	35,577	35,836
Total liabilities and net assets	62,320	62,540

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	33,533	37,487
Cost of sales	26,064	29,649
Gross profit	7,468	7,838
Selling, general and administrative expenses	6,937	7,138
Operating profit	530	700
Non-operating income		
Share of profit of entities accounted for using equity method	25	–
Interest and dividend income	21	18
Subsidies for employment adjustment	43	1
Other	60	39
Total non-operating income	150	59
Non-operating expenses		
Interest expenses	43	37
Share of loss of entities accounted for using equity method	–	15
Other	13	7
Total non-operating expenses	57	60
Ordinary profit	623	699
Extraordinary income		
Gain on sale of investment securities	7	1
Subsidy income	7	6
Total extraordinary income	15	7
Extraordinary losses		
Loss on retirement of non-current assets	3	0
Loss on sale of investment securities	2	–
Loss on valuation of investment securities	–	4
Other	2	–
Total extraordinary losses	8	5
Profit before income taxes	630	701
Income taxes	208	244
Profit	422	456
Profit attributable to owners of parent	422	456

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	422	456
Other comprehensive income		
Valuation difference on available-for-sale securities	272	279
Remeasurements of defined benefit plans, net of tax	10	19
Share of other comprehensive income of entities accounted for using equity method	(76)	30
Total other comprehensive income	206	330
Comprehensive income	628	786
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	628	786

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	630	701
Depreciation	1,498	1,400
Increase (decrease) in provisions	14	70
Increase (decrease) in retirement benefit liability	16	11
Increase (decrease) in provision for retirement benefits for directors (and other officers)	2	3
Interest and dividend income	(21)	(18)
Interest expenses	43	37
Subsidies for employment adjustment	(43)	(1)
Subsidy income	(7)	(6)
Decrease (increase) in trade receivables	378	(681)
Decrease (increase) in inventories	471	(225)
Increase (decrease) in trade payables	(271)	1,795
Increase (decrease) in accounts payable - other	(359)	38
Other, net	224	(487)
Subtotal	2,576	2,638
Interest and dividends received	99	81
Interest paid	(43)	(37)
subsidies received, etc	50	7
Income taxes paid	(362)	(248)
Net cash provided by (used in) operating activities	2,320	2,441
Cash flows from investing activities		
Purchase of property, plant and equipment	(602)	(149)
Purchase of intangible assets	(11)	(88)
Purchase of investment securities	(12)	(10)
Proceeds from sale of investment securities	12	2
Other, net	22	(0)
Net cash provided by (used in) investing activities	(591)	(247)
Cash flows from financing activities		
Proceeds from long-term borrowings	70	–
Repayments of long-term borrowings	(768)	(1,006)
Purchase of treasury shares	–	(331)
Dividends paid	(262)	(197)
Repayments of installment payables	(684)	(457)
Other, net	(3)	(3)
Net cash provided by (used in) financing activities	(1,649)	(1,996)
Net increase (decrease) in cash and cash equivalents	79	197
Cash and cash equivalents at beginning of period	10,747	12,385
Cash and cash equivalents at end of period	10,827	12,583