

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

February 14, 2022

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: February 14, 2022
 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, 2021 (from April 1, 2021 to December 31, 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	%
Nine months ended December 31, 2021	57,580	10.4	1,339	(13.1)	1,328	(17.9)	887	(21.4)
Nine months ended December 31, 2020	52,155	(9.0)	1,542	(35.4)	1,617	(34.8)	1,129	(34.0)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2021	54.38		–	
Nine months ended December 31, 2020	68.55		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2021	66,301	36,074	54.4
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 nine months ended December 31, 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 December 31, 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 December 31, 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)

Nine months ended December 31, 2021	16,314,311 shares	Nine months ended December 31, 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 December 31, 2021
Assets		
Current assets		
Cash and deposits	12,385	12,949
Notes and accounts receivable - trade	11,004	15,218
Merchandise and finished goods	1,814	1,951
Work in process	8	10
Raw materials and supplies	812	1,182
Income taxes receivable	-	343
Other	292	299
Allowance for doubtful accounts	(2)	(3)
Total current assets	26,317	31,952
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,033	11,516
Machinery, equipment and vehicles, net	10,928	9,606
Land	6,021	6,021
Construction in progress	2	2
Other, net	464	382
Total property, plant and equipment	29,451	27,529
Intangible assets	166	261
Investments and other assets		
Investment securities	5,077	5,284
Deferred tax assets	190	131
Other	1,148	1,172
Allowance for doubtful accounts	(31)	(30)
Total investments and other assets	6,385	6,558
Total non-current assets	36,003	34,349
Total assets	62,320	66,301

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	7,753	12,366
Electronically recorded obligations - operating	673	1,110
Current portion of long-term borrowings	1,499	1,446
Income taxes payable	305	292
Other provisions	441	224
Other	4,330	5,025
Total current liabilities	15,004	20,466
Non-current liabilities		
Long-term borrowings	7,141	5,828
Provision for retirement benefits for directors (and other officers)	395	6
Retirement benefit liability	398	372
Other	3,802	3,553
Total non-current liabilities	11,738	9,760
Total liabilities	26,742	30,226
Net assets		
Shareholders' equity		
Share capital	5,424	5,424
Capital surplus	5,691	5,691
Retained earnings	23,253	23,829
Treasury shares	(1)	(332)
Total shareholders' equity	34,367	34,612
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,268	1,404
Foreign currency translation adjustment	(22)	71
Remeasurements of defined benefit plans	(35)	(13)
Total accumulated other comprehensive income	1,210	1,462
Total net assets	35,577	36,074
Total liabilities and net assets	62,320	66,301

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, 2020	Nine months ended December 31, 2021
Net sales	52,155	57,580
Cost of sales	40,041	45,484
Gross profit	12,113	12,096
Selling, general and administrative expenses	10,570	10,756
Operating profit	1,542	1,339
Non-operating income		
Share of profit of entities accounted for using equity method	7	–
Interest and dividend income	33	32
Subsidies for employment adjustment	43	2
Other	80	56
Total non-operating income	165	92
Non-operating expenses		
Interest expenses	65	55
Share of loss of entities accounted for using equity method	–	41
Other	24	7
Total non-operating expenses	89	104
Ordinary profit	1,617	1,328
Extraordinary income		
Gain on sale of investment securities	7	1
Subsidy income	54	12
Other	–	1
Total extraordinary income	61	15
Extraordinary losses		
Loss on retirement of non-current assets	3	1
Loss on sale of investment securities	2	–
Loss on valuation of investment securities	8	7
Other	2	0
Total extraordinary losses	17	10
Profit before income taxes	1,662	1,332
Income taxes	532	445
Profit	1,129	887
Profit attributable to owners of parent	1,129	887

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	1,129	887
Other comprehensive income		
Valuation difference on available-for-sale securities	258	135
Remeasurements of defined benefit plans, net of tax	15	21
Share of other comprehensive income of entities accounted for using equity method	(131)	94
Total other comprehensive income	143	252
Comprehensive income	1,272	1,139
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,272	1,139