

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 13, 2023

Company name: KENKO Mayonnaise Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 2915 URL <https://www.kenkomayo.co.jp>
 Representative: President and Representative Director Kunikazu Shimamoto
 Inquiries: Director and Executive Vice President Yoichi Terajima TEL 03-5941-7682
 Scheduled date to file Quarterly Securities Report: November 14, 2023
 Scheduled date to commence dividend payments: December 13, 2023
 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, 2023 (from April 1, 2023 to September 30, 2023)

(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, 2023	43,763	7.4	782	26.2	847	31.8	542	12.4
Six months ended September 30, 2022	40,750	8.7	620	(11.4)	642	(8.2)	482	5.7

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	33.65		-	
Six months ended September 30, 2022	29.66		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	67,236	37,700	56.1
As of March 31, 2023	62,229	36,794	59.1

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, 2023	-	8.00	-	9.00	17.00
Year ending March 31, 2024	-	10.00	-	-	-
Year ending March 31, 2024 (Forecast)	-	-	-	15.00	25.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	87,400	6.1	1,220	-	1,300	667.8	570	17.4	35.05

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023
(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 September 30, 2023	16,476,000 shares	As of March 31, 2023	16,476,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	350,623 shares	As of March 31, 2023	350,578 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, 2023	16,125,414 shares	Six months ended September 30, 2022	16,275,422 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	12,289	13,820
Notes receivable - trade	65	366
Accounts receivable - trade	13,218	16,459
Merchandise and finished goods	2,514	2,614
Work in process	15	10
Raw materials and supplies	1,092	1,481
Other	456	359
Allowance for doubtful accounts	(0)	(0)
Total current assets	29,651	35,112
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,688	10,344
Machinery, equipment and vehicles, net	7,711	6,821
Land	6,021	6,021
Construction in progress	0	0
Other, net	315	281
Total property, plant and equipment	24,738	23,469
Intangible assets	807	1,045
Investments and other assets		
Investment securities	5,582	6,296
Deferred tax assets	178	100
Other	1,300	1,243
Allowance for doubtful accounts	(30)	(31)
Total investments and other assets	7,031	7,608
Total non-current assets	32,577	32,123
Total assets	62,229	67,236

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	11,479	15,103
Electronically recorded obligations - operating	845	1,286
Current portion of long-term borrowings	1,144	719
Income taxes payable	228	270
Other provisions	456	417
Other	3,931	4,760
Total current liabilities	18,087	22,559
Non-current liabilities		
Long-term borrowings	4,321	4,022
Retirement benefit liability	347	317
Other	2,679	2,636
Total non-current liabilities	7,348	6,976
Total liabilities	25,435	29,535
Net assets		
Shareholders' equity		
Share capital	5,424	5,424
Capital surplus	5,691	5,691
Retained earnings	24,635	25,033
Treasury shares	(530)	(530)
Total shareholders' equity	35,221	35,618
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,573	2,048
Foreign currency translation adjustment	15	50
Remeasurements of defined benefit plans	(15)	(17)
Total accumulated other comprehensive income	1,572	2,081
Total net assets	36,794	37,700
Total liabilities and net assets	62,229	67,236

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, 2022	Six months ended September 30, 2023
Net sales	40,750	43,763
Cost of sales	32,705	35,684
Gross profit	8,045	8,079
Selling, general and administrative expenses	7,425	7,296
Operating profit	620	782
Non-operating income		
Share of profit of entities accounted for using equity method	–	16
Interest and dividend income	23	20
Subsidies for employment adjustment	0	–
Other	46	64
Total non-operating income	69	101
Non-operating expenses		
Interest expenses	31	26
Share of loss of entities accounted for using equity method	5	–
Other	10	10
Total non-operating expenses	47	37
Ordinary profit	642	847
Extraordinary income		
Gain on change in equity	45	–
Gain on sale of investment securities	23	–
Subsidy income	1	1
Total extraordinary income	70	1
Extraordinary losses		
Loss on retirement of non-current assets	0	1
Other	0	–
Total extraordinary losses	0	1
Profit before income taxes	712	847
Income taxes	229	304
Profit	482	542
Profit attributable to owners of parent	482	542

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	482	542
Other comprehensive income		
Valuation difference on available-for-sale securities	(64)	475
Remeasurements of defined benefit plans, net of tax	1	(2)
Share of other comprehensive income of entities accounted for using equity method	401	35
Total other comprehensive income	338	509
Comprehensive income	821	1,051
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	821	1,051

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	712	847
Depreciation	1,387	1,379
Increase (decrease) in provisions	56	(37)
Increase (decrease) in retirement benefit liability	9	(30)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	0	–
Interest and dividend income	(23)	(20)
Interest expenses	31	26
Loss (gain) on sale of investment securities	(23)	–
Subsidies for employment adjustment	(0)	–
Subsidy income	(1)	(1)
Loss (gain) on change in equity	(45)	–
Decrease (increase) in trade receivables	(1,075)	(3,542)
Decrease (increase) in inventories	(446)	(483)
Increase (decrease) in trade payables	1,772	4,065
Increase (decrease) in accounts payable - other	56	573
Other, net	(54)	498
Subtotal	2,356	3,274
Interest and dividends received	23	20
Interest paid	(31)	(26)
subsidies received, etc	2	1
Income taxes refund (paid)	(30)	(112)
Net cash provided by (used in) operating activities	2,319	3,157
Cash flows from investing activities		
Purchase of property, plant and equipment	(65)	(138)
Purchase of intangible assets	(200)	(283)
Purchase of investment securities	(11)	(5)
Proceeds from sale of investment securities	83	–
Other, net	(0)	(0)
Net cash provided by (used in) investing activities	(193)	(427)
Cash flows from financing activities		
Repayments of long-term borrowings	(724)	(723)
Purchase of treasury shares	–	(0)
Dividends paid	(162)	(144)
Repayments of installment payables	(439)	(325)
Other, net	(3)	(3)
Net cash provided by (used in) financing activities	(1,330)	(1,198)
Net increase (decrease) in cash and cash equivalents	796	1,531
Cash and cash equivalents at beginning of period	12,441	12,289
Cash and cash equivalents at end of period	13,238	13,820