

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2020 (Based on Japanese GAAP)

August 11, 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
 Senior Managing Director and Chief
 Inquiries: Executive Officer Yoichi Terajima TEL 03-5318-7530
 Scheduled date to file Quarterly Securities Report: August 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 three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)

(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, 2020	15,719	(15.1)	(55)	–	(36)	–	(53)	–
Three months ended June 30, 2019	18,510	0.8	670	(10.4)	745	(2.7)	525	(0.1)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2020	(3.24)		–	
Three months ended June 30, 2019	31.89		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2020	61,146	33,982	55.6
As of March 31, 2020	63,767	34,103	53.5

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, 2020	–	15.00	–	16.00	31.00
Year ending March 31, 2021	–	–	–	–	–
Year ending March 31, 2021 (Forecast)	–	–	–	–	–

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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	68,000	(8.7)	2,100	(27.6)	2,040	(32.1)	1,320	(35.9)	80.12

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2020
(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, 2020	16,476,000 shares	As of March 31, 2020	16,476,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2020	578 shares	As of March 31, 2020	578 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2020	16,475,422 shares	Three months ended June 30, 2019	16,475,422 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	10,747	10,072
Notes and accounts receivable - trade	11,399	9,959
Merchandise and finished goods	2,060	1,961
Work in process	9	13
Raw materials and supplies	958	886
Other	445	443
Allowance for doubtful accounts	(2)	(2)
Total current assets	25,617	23,334
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,601	12,505
Machinery, equipment and vehicles, net	12,716	12,253
Land	5,903	6,017
Construction in progress	126	126
Other, net	478	443
Total property, plant and equipment	31,826	31,346
Intangible assets	169	161
Investments and other assets		
Investment securities	4,666	4,876
Deferred tax assets	308	262
Other	1,205	1,196
Allowance for doubtful accounts	(26)	(32)
Total investments and other assets	6,153	6,303
Total non-current assets	38,149	37,812
Total assets	63,767	61,146

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	7,938	7,219
Electronically recorded obligations - operating	715	654
Current portion of long-term borrowings	1,513	1,510
Income taxes payable	439	74
Other provisions	470	273
Electronically recorded obligations - non-operating	1	–
Other	4,677	4,117
Total current liabilities	15,757	13,849
Non-current liabilities		
Long-term borrowings	8,571	8,198
Provision for retirement benefits for directors (and other officers)	382	382
Retirement benefit liability	394	368
Other	4,558	4,364
Total non-current liabilities	13,907	13,314
Total liabilities	29,664	27,164
Net assets		
Shareholders' equity		
Share capital	5,424	5,424
Capital surplus	5,691	5,691
Retained earnings	22,190	21,873
Treasury shares	(1)	(1)
Total shareholders' equity	33,305	32,988
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	899	1,096
Foreign currency translation adjustment	(44)	(50)
Remeasurements of defined benefit plans	(56)	(51)
Total accumulated other comprehensive income	797	994
Total net assets	34,103	33,982
Total liabilities and net assets	63,767	61,146

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, 2019	Three months ended June 30, 2020
Net sales	18,510	15,719
Cost of sales	14,070	12,424
Gross profit	4,440	3,294
Selling, general and administrative expenses	3,769	3,349
Operating profit (loss)	670	(55)
Non-operating income		
Share of profit of entities accounted for using equity method	57	8
Interest and dividend income	18	18
Other	32	30
Total non-operating income	108	57
Non-operating expenses		
Interest expenses	27	23
Other	5	15
Total non-operating expenses	33	39
Ordinary profit (loss)	745	(36)
Extraordinary income		
Subsidy income	16	5
Total extraordinary income	16	5
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Other	0	1
Total extraordinary losses	0	1
Profit (loss) before income taxes	760	(33)
Income taxes	235	19
Profit (loss)	525	(53)
Profit (loss) attributable to owners of parent	525	(53)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit (loss)	525	(53)
Other comprehensive income		
Valuation difference on available-for-sale securities	(154)	196
Remeasurements of defined benefit plans, net of tax	4	5
Share of other comprehensive income of entities accounted for using equity method	(62)	(5)
Total other comprehensive income	(211)	196
Comprehensive income	313	143
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	313	143