

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

February 10, 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
 Senior Managing Director and Chief
 Inquiries: Executive Officer Yoichi Terajima TEL 03-5941-7682
 Scheduled date to file Quarterly Securities Report: February 12, 2021
 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, 2020 (from April 1, 2020 to December 31, 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	%
Nine months ended December 31, 2020	52,155	(9.0)	1,542	(35.4)	1,617	(34.8)	1,129	(34.0)
Nine months ended December 31, 2019	57,335	0.8	2,389	0.3	2,480	3.3	1,709	19.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2020	68.55		–	
Nine months ended December 31, 2019	103.79		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2020	65,418	34,980	53.5
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				
Year ended March 31, 2020	–	15.00	–	16.00	31.00
Year ending March 31, 2021	–	8.00	–	–	–
Year ending March 31, 2021 (Forecast)	–	–	–	12.00	20.00

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 nine months ended December 31, 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 December 31, 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 December 31, 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)

Nine months ended December 31, 2020	16,475,422 shares	Nine months ended December 31, 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 December 31, 2020
Assets		
Current assets		
Cash and deposits	10,747	12,110
Notes and accounts receivable - trade	11,399	13,892
Merchandise and finished goods	2,060	1,532
Work in process	9	10
Raw materials and supplies	958	1,124
Other	445	379
Allowance for doubtful accounts	(2)	(2)
Total current assets	25,617	29,046
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,601	12,145
Machinery, equipment and vehicles, net	12,716	11,327
Land	5,903	6,019
Construction in progress	126	7
Other, net	478	502
Total property, plant and equipment	31,826	30,002
Intangible assets	169	156
Investments and other assets		
Investment securities	4,666	4,827
Deferred tax assets	308	199
Other	1,205	1,217
Allowance for doubtful accounts	(26)	(31)
Total investments and other assets	6,153	6,212
Total non-current assets	38,149	36,371
Total assets	63,767	65,418

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	7,938	10,042
Electronically recorded obligations - operating	715	1,038
Current portion of long-term borrowings	1,513	1,496
Income taxes payable	439	97
Other provisions	470	322
Other	4,679	5,193
Total current liabilities	15,757	18,191
Non-current liabilities		
Long-term borrowings	8,571	7,517
Provision for retirement benefits for directors (and other officers)	382	389
Retirement benefit liability	394	415
Other	4,558	3,923
Total non-current liabilities	13,907	12,247
Total liabilities	29,664	30,438
Net assets		
Shareholders' equity		
Share capital	5,424	5,424
Capital surplus	5,691	5,691
Retained earnings	22,190	22,924
Treasury shares	(1)	(1)
Total shareholders' equity	33,305	34,038
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	899	1,158
Foreign currency translation adjustment	(44)	(176)
Remeasurements of defined benefit plans	(56)	(41)
Total accumulated other comprehensive income	797	941
Total net assets	34,103	34,980
Total liabilities and net assets	63,767	65,418

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, 2019	Nine months ended December 31, 2020
Net sales	57,335	52,155
Cost of sales	43,529	40,041
Gross profit	13,805	12,113
Selling, general and administrative expenses	11,416	10,570
Operating profit	2,389	1,542
Non-operating income		
Share of profit of entities accounted for using equity method	67	7
Interest and dividend income	35	33
Subsidies for employment adjustment	–	43
Other	72	80
Total non-operating income	175	165
Non-operating expenses		
Interest expenses	78	65
Other	6	24
Total non-operating expenses	84	89
Ordinary profit	2,480	1,617
Extraordinary income		
Gain on sales of investment securities	–	7
Subsidy income	29	54
Other	5	–
Total extraordinary income	35	61
Extraordinary losses		
Impairment loss	1	–
Loss on disaster	2	–
Loss on retirement of non-current assets	2	3
Loss on sales of investment securities	–	2
Loss on valuation of investment securities	–	8
Other	3	2
Total extraordinary losses	10	17
Profit before income taxes	2,505	1,662
Income taxes	795	532
Profit	1,709	1,129
Profit attributable to owners of parent	1,709	1,129

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	1,709	1,129
Other comprehensive income		
Valuation difference on available-for-sale securities	10	258
Remeasurements of defined benefit plans, net of tax	14	15
Share of other comprehensive income of entities accounted for using equity method	(22)	(131)
Total other comprehensive income	2	143
Comprehensive income	1,712	1,272
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,712	1,272