

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2016 (Based on Japanese GAAP)

August 5, 2016

Company name: KENKO Mayonnaise Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 2915 URL <http://www.kenkomayo.co.jp/en>
 Representative: President Takashi Sumii
 Inquiries: Director and Managing Executive Officer Takashi Murata TEL 03-5318-7530
 Scheduled date to file Quarterly Securities Report: August 8, 2016
 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, 2016 (from April 1, 2016 to June 30, 2016)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2016	17,677	9.9	1,141	38.5	1,163	50.4	789	(9.1)
Three months ended June 30, 2015	16,083	9.1	824	29.8	773	33.5	868	142.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2016	55.56		–	
Three months ended June 30, 2015	61.14		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2016	42,901	19,853	46.3
As of March 31, 2016	42,306	19,311	45.6

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, 2016	–	11.00	–	17.00	28.00
Year ending March 31, 2017	–	–	–	–	–
Year ending March 31, 2017 (Forecast)	–	14.00	–	16.00	30.00

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2016	35,250	6.0	1,820	(0.3)	1,800	0.4	1,150	(24.5)	80.92
Full year	70,000	4.6	3,450	0.4	3,500	2.1	2,130	2.1	149.89

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2016
 (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 June 30, 2016	14,211,000 shares	As of March 31, 2016	14,211,000 shares
---------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of June 30, 2016	209 shares	As of March 31, 2016	209 shares
---------------------	------------	----------------------	------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2016	14,210,791 shares	Three months ended June 30, 2015	14,210,837 shares
----------------------------------	-------------------	----------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Assets		
Current assets		
Cash and deposits	7,412	7,701
Notes and accounts receivable - trade	11,242	11,494
Merchandise and finished goods	1,728	1,712
Work in process	13	14
Raw materials and supplies	860	839
Deferred tax assets	309	242
Other	273	154
Allowance for doubtful accounts	(4)	(4)
Total current assets	21,836	22,155
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,601	5,521
Machinery, equipment and vehicles, net	5,848	5,920
Land	4,697	4,697
Construction in progress	352	665
Other, net	370	379
Total property, plant and equipment	16,870	17,183
Intangible assets		
Total intangible assets	332	318
Investments and other assets		
Deferred tax assets	297	415
Other	3,011	2,869
Allowance for doubtful accounts	(42)	(40)
Total investments and other assets	3,266	3,243
Total non-current assets	20,469	20,746
Total assets	42,306	42,901

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,594	8,774
Current portion of long-term loans payable	1,389	1,394
Income taxes payable	466	363
Other provision	445	308
Other	5,418	5,548
Total current liabilities	16,313	16,390
Non-current liabilities		
Long-term loans payable	2,184	2,115
Net defined benefit liability	486	479
Other provision	908	916
Other	3,101	3,145
Total non-current liabilities	6,680	6,657
Total liabilities	22,994	23,047
Net assets		
Shareholders' equity		
Capital stock	2,180	2,180
Capital surplus	2,448	2,448
Retained earnings	14,161	14,809
Treasury shares	(0)	(0)
Total shareholders' equity	18,790	19,438
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	719	599
Foreign currency translation adjustment	14	6
Remeasurements of defined benefit plans	(212)	(190)
Total accumulated other comprehensive income	520	415
Total net assets	19,311	19,853
Total liabilities and net assets	42,306	42,901

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, 2015	Three months ended June 30, 2016
Net sales	16,083	17,677
Cost of sales	11,875	12,957
Gross profit	4,207	4,720
Selling, general and administrative expenses	3,383	3,578
Operating income	824	1,141
Non-operating income		
Interest income	0	0
Dividend income	15	17
Other	26	36
Total non-operating income	41	54
Non-operating expenses		
Interest expenses	17	15
Share of loss of entities accounted for using equity method	67	11
Other	7	5
Total non-operating expenses	92	32
Ordinary income	773	1,163
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	194	–
Subsidy income	–	16
Other	4	0
Total extraordinary income	198	16
Extraordinary losses		
Loss on retirement of non-current assets	3	1
Total extraordinary losses	3	1
Profit before income taxes	969	1,179
Income taxes - current	58	328
Income taxes - deferred	41	61
Total income taxes	100	390
Profit	868	789
Profit attributable to owners of parent	868	789

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Profit	868	789
Other comprehensive income		
Valuation difference on available-for-sale securities	78	(119)
Remeasurements of defined benefit plans, net of tax	11	22
Share of other comprehensive income of entities accounted for using equity method	(192)	(8)
Total other comprehensive income	(102)	(105)
Comprehensive income	765	684
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	765	684