

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2016 (Based on Japanese GAAP)

February 6, 2017

Company name: KENKO Mayonnaise Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 2915 URL <http://www.kenkomayo.co.jp>  
 Representative: President Takashi Sumii  
 Inquiries: Director and Managing Executive Officer Takashi Murata TEL 03-5318-7530  
 Scheduled date to file Quarterly Securities Report: February 7, 2017  
 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, 2016 (from April 1, 2016 to December 31, 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	%
Nine months ended December 31, 2016	54,376	7.7	3,527	24.5	3,559	26.6	2,521	15.2
Nine months ended December 31, 2015	50,503	10.1	2,833	21.9	2,810	31.2	2,188	75.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2016	177.45		–	
Nine months ended December 31, 2015	153.98		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2016	46,934	21,609	46.0
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	–	14.00	–		
Year ending March 31, 2017 (Forecast)				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
Full year	70,800	5.8	4,100	19.3	4,200	22.6	2,680	28.5	188.59

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 2016	14,211,000 shares	As of March 31, 2016	14,211,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2016	273 shares	As of March 31, 2016	209 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, 2016	14,210,769 shares	Nine months ended December 31, 2015	14,210,832 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and deposits	7,412	8,172
Notes and accounts receivable - trade	11,242	14,579
Merchandise and finished goods	1,728	1,589
Work in process	13	16
Raw materials and supplies	860	1,207
Deferred tax assets	309	297
Other	273	138
Allowance for doubtful accounts	(4)	(2)
Total current assets	21,836	25,998
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,601	5,413
Machinery, equipment and vehicles, net	5,848	6,499
Land	4,697	4,705
Construction in progress	352	173
Other, net	370	400
Total property, plant and equipment	16,870	17,192
Intangible assets		
Total intangible assets	332	289
Investments and other assets		
Deferred tax assets	297	368
Other	3,011	3,126
Allowance for doubtful accounts	(42)	(40)
Total investments and other assets	3,266	3,453
Total non-current assets	20,469	20,935
Total assets	42,306	46,934

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	8,594	11,784
Current portion of long-term loans payable	1,389	1,074
Income taxes payable	466	661
Provision for bonuses	417	201
Other provision	27	201
Other	5,418	5,896
<b>Total current liabilities</b>	<b>16,313</b>	<b>19,820</b>
<b>Non-current liabilities</b>		
Long-term loans payable	2,184	1,686
Net defined benefit liability	486	464
Other provision	908	918
Other	3,101	2,435
<b>Total non-current liabilities</b>	<b>6,680</b>	<b>5,505</b>
<b>Total liabilities</b>	<b>22,994</b>	<b>25,325</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	2,180	2,180
Capital surplus	2,448	2,448
Retained earnings	14,161	16,342
Treasury shares	(0)	(0)
<b>Total shareholders' equity</b>	<b>18,790</b>	<b>20,971</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	719	804
Foreign currency translation adjustment	14	(12)
Remeasurements of defined benefit plans	(212)	(154)
<b>Total accumulated other comprehensive income</b>	<b>520</b>	<b>637</b>
<b>Total net assets</b>	<b>19,311</b>	<b>21,609</b>
<b>Total liabilities and net assets</b>	<b>42,306</b>	<b>46,934</b>

**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, 2015	Nine months ended December 31, 2016
Net sales	50,503	54,376
Cost of sales	37,463	40,035
Gross profit	13,040	14,341
Selling, general and administrative expenses	10,207	10,813
Operating income	2,833	3,527
Non-operating income		
Interest income	0	0
Dividend income	27	30
Other	91	79
Total non-operating income	119	110
Non-operating expenses		
Interest expenses	47	41
Share of loss of entities accounted for using equity method	75	21
Other	17	16
Total non-operating expenses	141	78
Ordinary income	2,810	3,559
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	205	–
Subsidy income	–	21
Gain on donation of non-current assets	–	7
Reversal of provision on retirement of non-current assets	–	30
Other	4	0
Total extraordinary income	210	59
Extraordinary losses		
Loss on retirement of non-current assets	11	13
Impairment loss	4	7
Other	1	5
Total extraordinary losses	17	26
Profit before income taxes	3,004	3,592
Income taxes - current	794	1,066
Income taxes - deferred	21	3
Total income taxes	816	1,070
Profit	2,188	2,521
Profit attributable to owners of parent	2,188	2,521

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Profit	2,188	2,521
Other comprehensive income		
Valuation difference on available-for-sale securities	74	85
Remeasurements of defined benefit plans, net of tax	20	58
Share of other comprehensive income of entities accounted for using equity method	(221)	(27)
Total other comprehensive income	(125)	116
Comprehensive income	2,062	2,638
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,062	2,638