

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2018 (Based on Japanese GAAP)

August 6, 2018

Company name: KENKO Mayonnaise Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 2915 URL <http://www.kenkomayo.co.jp>
 Representative: President and Representative Director Takashi Sumii
 Managing Executive Officer and General Atsushi Kyogoku
 Inquiries: Manager Corporate Planning Office TEL 03-5318-7530
 Scheduled date to file Quarterly Securities Report: August 7, 2018
 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, 2018 (from April 1, 2018 to June 30, 2018)

(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, 2018	18,366	1.1	748	(22.5)	765	(22.9)	526	(22.0)
Three months ended June 30, 2017	18,163	2.8	966	(15.4)	992	(14.7)	674	(14.6)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2018	31.93	–
Three months ended June 30, 2017	40.95	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2018	65,557	31,282	47.7
As of March 31, 2018	64,837	30,984	47.8

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, 2018	–	18.00	–	19.00	37.00
Year ending March 31, 2019	–	–	–	–	–
Year ending March 31, 2019 (Forecast)	–	18.00	–	19.00	37.00

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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
Six months ending September 30, 2018	38,600	4.3	2,080	(3.4)	2,100	(3.9)	1,400	(6.0)	84.97
Full year	77,000	5.8	4,100	(1.8)	4,150	0.0	2,880	0.1	174.80

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2018
 (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, 2018	16,476,000 shares	As of March 31, 2018	16,476,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2018	493 shares	As of March 31, 2018	441 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, 2018	16,475,520 shares	Three months ended June 30, 2017	16,475,719 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	13,072	10,615
Notes and accounts receivable - trade	13,566	14,238
Merchandise and finished goods	1,866	1,892
Work in process	10	12
Raw materials and supplies	1,100	994
Other	504	839
Allowance for doubtful accounts	(0)	(0)
Total current assets	30,121	28,591
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,676	9,915
Machinery, equipment and vehicles, net	5,904	8,497
Land	5,978	5,900
Construction in progress	8,543	7,822
Other, net	363	495
Total property, plant and equipment	30,466	32,633
Intangible assets	219	229
Investments and other assets		
Deferred tax assets	611	543
Other	3,455	3,596
Allowance for doubtful accounts	(36)	(36)
Total investments and other assets	4,030	4,103
Total non-current assets	34,716	36,965
Total assets	64,837	65,557

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Liabilities		
Current liabilities		
Accounts payable - trade	9,940	10,151
Electronically recorded obligations - operating	825	1,002
Current portion of long-term loans payable	1,165	1,102
Income taxes payable	866	307
Other provision	475	325
Other	8,034	7,461
Total current liabilities	21,307	20,350
Non-current liabilities		
Long-term loans payable	7,131	7,598
Net defined benefit liability	365	368
Other provision	989	992
Other	4,059	4,964
Total non-current liabilities	12,546	13,924
Total liabilities	33,853	34,275
Net assets		
Shareholders' equity		
Capital stock	5,424	5,424
Capital surplus	5,691	5,691
Retained earnings	18,890	19,103
Treasury shares	(1)	(1)
Total shareholders' equity	30,004	30,217
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,064	1,141
Foreign currency translation adjustment	2	(5)
Remeasurements of defined benefit plans	(87)	(71)
Total accumulated other comprehensive income	979	1,064
Total net assets	30,984	31,282
Total liabilities and net assets	64,837	65,557

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, 2017	Three months ended June 30, 2018
Net sales	18,163	18,366
Cost of sales	13,486	13,704
Gross profit	4,677	4,662
Selling, general and administrative expenses	3,710	3,913
Operating profit	966	748
Non-operating income		
Interest income	0	–
Dividend income	17	17
Share of profit of entities accounted for using equity method	–	1
Other	30	25
Total non-operating income	47	44
Non-operating expenses		
Interest expenses	14	25
Share of loss of entities accounted for using equity method	3	–
Other	2	2
Total non-operating expenses	20	27
Ordinary profit	992	765
Extraordinary income		
Subsidy income	7	62
Other	–	13
Total extraordinary income	7	76
Extraordinary losses		
Loss on retirement of non-current assets	4	0
Impairment loss	1	19
Total extraordinary losses	6	19
Profit before income taxes	994	822
Income taxes	319	296
Profit	674	526
Profit attributable to owners of parent	674	526

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	674	526
Other comprehensive income		
Valuation difference on available-for-sale securities	154	77
Remeasurements of defined benefit plans, net of tax	14	16
Share of other comprehensive income of entities accounted for using equity method	(7)	(8)
Total other comprehensive income	161	85
Comprehensive income	836	611
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	836	611