

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 13, 2024

Company name: KENKO Mayonnaise Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 2915 URL <https://www.kenkomayo.co.jp>
 Representative: President and Representative Director Kunikazu Shimamoto
 Inquiries: Director and Executive Vice President Yoichi Terajima TEL 03-5941-7682
 Scheduled date of ordinary general meeting of shareholders: June 25, 2024
 Scheduled date to file Securities Report: June 25, 2024
 Scheduled date to commence dividend payments: June 10, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

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	%
Year ended March 31, 2024	88,724	7.7	2,949	–	3,099	–	2,735	463.3
Year ended March 31, 2023	82,363	8.9	105	(93.5)	169	(89.6)	485	(59.9)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	169.90	–	7.2	4.8	3.3
Year ended March 31, 2023	29.86	–	1.3	0.3	0.1

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	67,370	38,978	57.9	2,439.95
As of March 31, 2023	62,229	36,794	59.1	2,281.75

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	5,957	(239)	(2,277)	15,729
Year ended March 31, 2023	3,526	(856)	(2,822)	12,289

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	8.00	–	9.00	17.00	275	56.9	0.8
Year ended March 31, 2024	–	10.00	–	20.00	30.00	480	17.7	1.3
Year ending March 31, 2025 (Forecast)	–	17.00	–	17.00	34.00		24.2	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	90,000	1.4	3,200	8.5	3,300	6.5	2,260	(17.4)	140.37

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	16,476,000 shares	As of March 31, 2023	16,476,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	500,665 shares	As of March 31, 2023	350,578 shares
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Average number of shares during the period

Year ended March 31, 2024	16,100,375 shares	Year ended March 31, 2023	16,262,922 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	12,289	15,729
Notes receivable - trade	65	292
Accounts receivable - trade	13,218	16,202
Merchandise and finished goods	2,514	2,679
Work in process	15	11
Raw materials and supplies	1,092	1,309
Accounts receivable - other	30	71
Income taxes refund receivable	66	–
Other	358	278
Allowance for doubtful accounts	(0)	(0)
Total current assets	29,651	36,575
Non-current assets		
Property, plant and equipment		
Buildings and structures	21,426	21,507
Accumulated depreciation	(10,737)	(11,441)
Buildings and structures, net	10,688	10,066
Machinery, equipment and vehicles	26,891	27,030
Accumulated depreciation	(19,179)	(20,895)
Machinery, equipment and vehicles, net	7,711	6,135
Tools, furniture and fixtures	1,912	1,936
Accumulated depreciation	(1,635)	(1,693)
Tools, furniture and fixtures, net	277	243
Land	6,021	6,021
Leased assets	73	31
Accumulated depreciation	(35)	–
Leased assets, net	38	31
Construction in progress	0	2
Total property, plant and equipment	24,738	22,500
Intangible assets	807	1,308
Investments and other assets		
Investment securities	5,582	5,484
Retirement benefit asset	382	497
Deferred tax assets	178	167
Guarantee deposits	240	235
Insurance funds	576	533
Other	100	97
Allowance for doubtful accounts	(30)	(29)
Total investments and other assets	7,031	6,986
Total non-current assets	32,577	30,795
Total assets	62,229	67,370

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	11,479	13,254
Electronically recorded obligations - operating	845	1,066
Current portion of long-term borrowings	1,144	506
Accounts payable - other	2,824	3,849
Income taxes payable	228	921
Provision for bonuses	428	437
Provision for bonuses for directors (and other officers)	27	38
Electronically recorded obligations - non-operating	0	5
Other	1,107	1,785
Total current liabilities	18,087	21,866
Non-current liabilities		
Long-term borrowings	4,321	3,815
Retirement benefit liability	347	418
Long-term accounts payable - other	2,501	2,070
Asset retirement obligations	119	119
Deferred tax liabilities	–	48
Other	57	50
Total non-current liabilities	7,348	6,524
Total liabilities	25,435	28,391
Net assets		
Shareholders' equity		
Share capital	5,424	5,424
Capital surplus	5,691	5,691
Retained earnings	24,635	27,064
Treasury shares	(530)	(808)
Total shareholders' equity	35,221	37,372
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,573	1,537
Foreign currency translation adjustment	15	42
Remeasurements of defined benefit plans	(15)	26
Total accumulated other comprehensive income	1,572	1,606
Total net assets	36,794	38,978
Total liabilities and net assets	62,229	67,370

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	82,363	88,724
Cost of sales	67,737	70,706
Gross profit	14,625	18,017
Selling, general and administrative expenses	14,520	15,068
Operating profit	105	2,949
Non-operating income		
Share of profit of entities accounted for using equity method	–	40
Rental income	16	15
Interest and dividend income	41	39
Subsidies for employment adjustment	0	–
Other	100	130
Total non-operating income	158	226
Non-operating expenses		
Interest expenses	59	49
Share of loss of entities accounted for using equity method	4	–
Other	30	26
Total non-operating expenses	94	75
Ordinary profit	169	3,099
Extraordinary income		
Gain on change in equity	45	–
Gain on sale of non-current assets	–	0
Gain on sale of investment securities	302	569
Subsidy income	238	103
Other	–	0
Total extraordinary income	585	673
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	102	–
Loss on retirement of non-current assets	3	5
Other	0	–
Total extraordinary losses	106	5
Profit before income taxes	648	3,767
Income taxes - current	334	965
Income taxes - deferred	(171)	66
Total income taxes	163	1,032
Profit	485	2,735
Profit attributable to owners of parent	485	2,735

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	485	2,735
Other comprehensive income		
Valuation difference on available-for-sale securities	183	(35)
Remeasurements of defined benefit plans, net of tax	(7)	42
Share of other comprehensive income of entities accounted for using equity method	(205)	26
Total other comprehensive income	(29)	33
Comprehensive income	455	2,769
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	455	2,769

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,424	5,691	24,153	(332)	34,936
Changes during period					
Dividends of surplus			(292)		(292)
Profit attributable to owners of parent			485		485
Purchase of treasury shares				(197)	(197)
Increase due to decrease in affiliates			289		289
Net changes in items other than shareholders' equity					
Total changes during period	–	–	482	(197)	284
Balance at end of period	5,424	5,691	24,635	(530)	35,221

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	1,389	220	(7)	1,602	36,539
Changes during period					
Dividends of surplus					(292)
Profit attributable to owners of parent					485
Purchase of treasury shares					(197)
Increase due to decrease in affiliates					289
Net changes in items other than shareholders' equity	183	(205)	(7)	(29)	(29)
Total changes during period	183	(205)	(7)	(29)	254
Balance at end of period	1,573	15	(15)	1,572	36,794

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,424	5,691	24,635	(530)	35,221
Changes during period					
Dividends of surplus			(306)		(306)
Profit attributable to owners of parent			2,735		2,735
Purchase of treasury shares				(278)	(278)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	2,429	(278)	2,150
Balance at end of period	5,424	5,691	27,064	(808)	37,372

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	1,573	15	(15)	1,572	36,794
Changes during period					
Dividends of surplus					(306)
Profit attributable to owners of parent					2,735
Purchase of treasury shares					(278)
Net changes in items other than shareholders' equity	(35)	26	42	33	33
Total changes during period	(35)	26	42	33	2,184
Balance at end of period	1,537	42	26	1,606	38,978

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	648	3,767
Depreciation	2,776	2,699
Increase (decrease) in allowance for doubtful accounts	(2)	(0)
Increase (decrease) in provision for bonuses	(8)	8
Increase (decrease) in provision for bonuses for directors (and other officers)	1	11
Increase (decrease) in retirement benefit liability	(20)	7
Increase (decrease) in provision for retirement benefits for directors (and other officers)	0	–
Interest and dividend income	(41)	(39)
Interest expenses	59	49
Loss (gain) on sale of investment securities	(302)	(569)
Loss on retirement of non-current assets	3	5
Loss on tax purpose reduction entry of non-current assets	102	–
Subsidies for employment adjustment	(0)	–
Subsidy income	(238)	(103)
Miscellaneous losses	(5)	–
Loss (gain) on change in equity	(45)	–
Decrease (increase) in trade receivables	(1,327)	(3,210)
Decrease (increase) in inventories	(612)	(378)
Increase (decrease) in trade payables	2,452	1,996
Decrease (increase) in prepaid expenses	(46)	19
Increase (decrease) in accounts payable - other	241	1,084
Increase (decrease) in accrued consumption taxes	(67)	398
Increase (decrease) in accrued expenses	71	191
Decrease (increase) in other assets	(165)	(43)
Increase (decrease) in other liabilities	63	266
Other, net	4	(40)
Subtotal	3,541	6,119
Interest and dividends received	41	39
Interest paid	(59)	(49)
Subsidies received	238	103
Income taxes paid	(380)	(335)
Income taxes refund	144	80
Net cash provided by (used in) operating activities	3,526	5,957
Cash flows from investing activities		
Purchase of property, plant and equipment	(585)	(277)
Purchase of intangible assets	(719)	(636)
Purchase of investment securities	(15)	(12)
Proceeds from sale of investment securities	463	685
Other, net	0	1
Net cash provided by (used in) investing activities	(856)	(239)
Cash flows from financing activities		
Repayments of long-term borrowings	(1,449)	(1,143)
Purchase of treasury shares	(197)	(278)
Dividends paid	(292)	(307)
Repayments of installment payables	(875)	(540)
Other, net	(7)	(7)
Net cash provided by (used in) financing activities	(2,822)	(2,277)
Net increase (decrease) in cash and cash equivalents	(152)	3,440
Cash and cash equivalents at beginning of period	12,441	12,289
Cash and cash equivalents at end of period	12,289	15,729