

Itoham Yonekyu Holdings Inc.

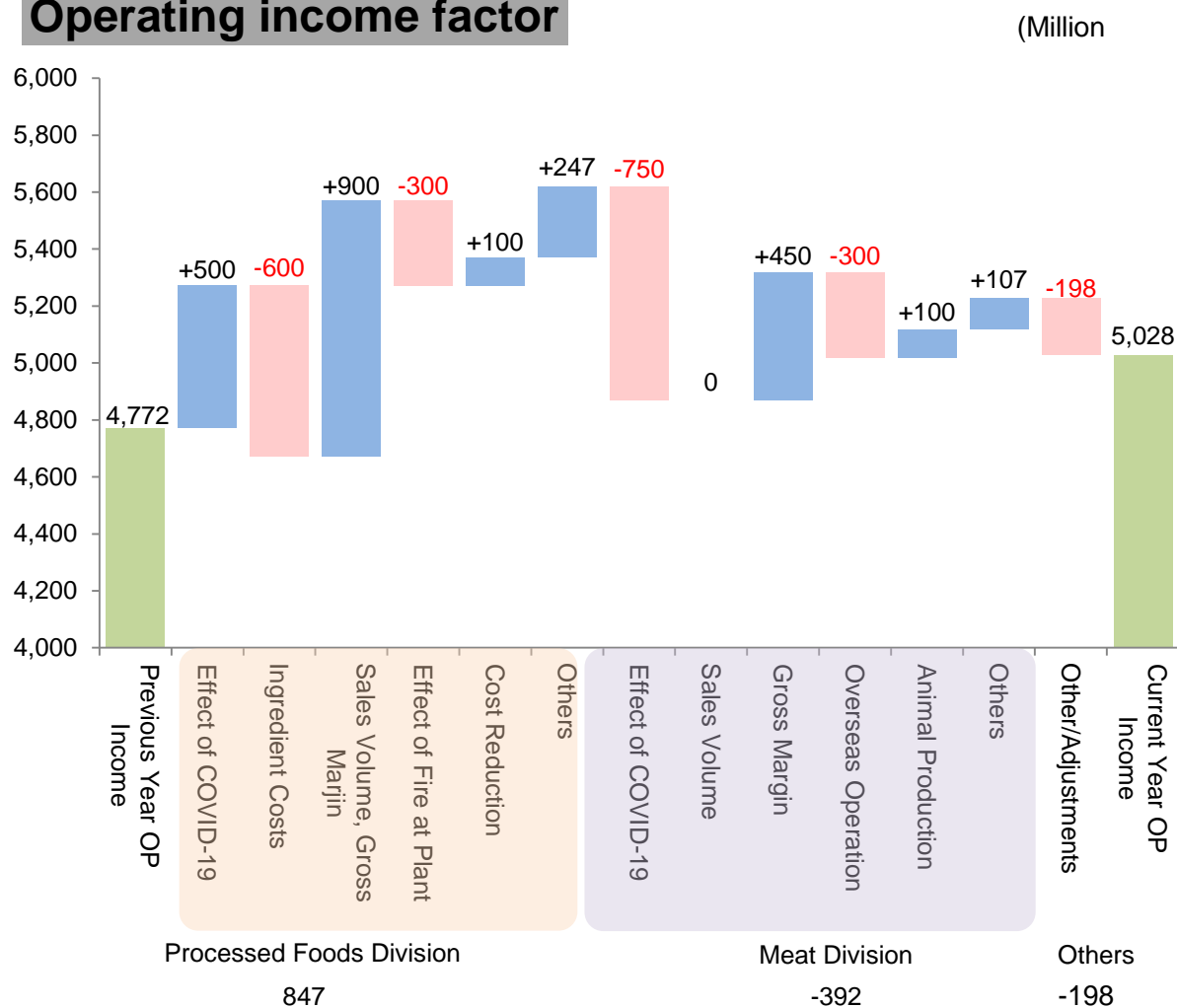
Supplementary Explanation to Financial Results

First Quarter Year Ending March 2021

1) Summary of Financial Results

	(Million Yen, %)					
	Actual 2020	% of Sales	Actual 2019	% of Sales	Change	
Sales	204,992		210,964		- 5,972	- 2.8
Gross Profit	32,166	15.7	32,138	15.2	27	0.1
S, G & A Expenses	27,137	13.2	27,366	13.0	- 228	- 0.8
Operating Income	5,028	2.5	4,772	2.3	256	5.4
Non-operating Income	505		590		- 84	- 14.4
Non-operating Expenses	- 260		- 279		18	
Equity Method Gain/Loss	242		142		100	70.4
Net Non-operating Gain/Loss	487		453		34	7.5
Ordinary Income	5,516	2.7	5,225	2.5	290	5.6
Extra-ordinary Gain	11		140		- 129	- 92.1
Extra-ordinary Loss	- 58		- 74		15	
Net Extra-ordinary Gain/Loss	- 47		66		- 113	
Income Before Taxes	5,468		5,291		177	3.3
Net Income	3,657	1.8	3,471	1.6	186	5.4

Operating income factor



2) Segment Information

(1) Operating Segment Information

(Million Yen, %)

		Actual 2020	Actual 2019	Change
Processed Foods Division	Sales	73,488	70,663	2,825
	OP Margin	2,737	1,889	847
	% of Sales	3.7	2.7	1.1
Meat Division	Sales	130,508	139,250	- 8,742
	OP Margin	2,806	3,199	- 392
	% of Sales	2.2	2.3	- 0.1
Others/Adjustments	Sales	995	1,050	- 55
	OP Margin	- 515	- 317	- 198
Consolidated	Sales	204,992	210,964	- 5,972
	OP Margin	5,028	4,772	256
	% of Sales	2.5	2.3	0.2

Operating Income Factors

Processed Foods Division (Million Yen)	Change	Meat Division (Million Yen)	Change
Effect of COVID-19	500	Effect of COVID-19	- 750
Ingredient Costs	- 600	Sales Volume	0
Sales Volume, Gross Margin	900	Gross Margin	450
Effect of Fire at Plant	- 300	Overseas Operation	- 300
Cost Reduction	100	Animal Production	100
Others	247	Others	107
Total	847	Total	- 392

(2) Sales by Market

(Million Yen)

	Actual 2020	Actual 2019	Change
Japan	182,183	182,893	- 710
Asia	7,104	10,468	- 3,363
North America	6,018	7,070	- 1,051
Oceania	5,157	6,080	- 922
Europe	3,504	3,871	- 367
Others	1,022	579	443
Overseas Sales Total	22,808	28,070	- 5,262
All Total	204,992	210,964	- 5,972
Overseas Sales (%)	11.1	13.3	- 2.2

3) Financial Data

Sales				
(Million Yen, %)				
	Actual 2020	Actual 2019	Change	
Ham/Sausage	42,827	42,400	427	1.0
Processed Foods	35,282	33,062	2,220	6.7
Meat	122,454	130,272	- 7,818	- 6.0
Others	4,429	5,230	- 801	- 15.3
Total	204,992	210,964	- 5,972	- 2.8

Impact of fluctuations in foreign exchange rates related to ANZCO	
	- 38
	- 175
	- 1,933
	- 241
	- 2,386

SG & A Expenses				
(Million Yen, %)				
	Actual 2020	Actual 2019	Change	
Labor Expenses	8,779	8,773	6	0.1
Shipping / Handling	9,251	8,742	509	5.8
Advertisement	1,495	1,768	- 273	- 15.4
Sales Fees	790	986	- 196	- 19.9
Packing	750	723	27	3.7
Depreciation	464	428	36	8.4
Other Expenses	5,604	5,943	- 339	- 5.7
Total	27,137	27,366	- 228	- 0.8

Non-Operational G/L				
(Million Yen, %)				
	Actual 2020	Actual 2019	Change	
Equity Method	242	142	100	70.4
Financing	10	- 61	72	
Others	234	372	- 137	- 37.1
Total	487	453	34	7.5

*Major G/L(Equity in earnings of affiliates)

	Actual 2019	Actual 2018	Change
IPC (USA)	228	170	58
MIY (JPN)	- 1	- 1	0
ABC (THA)	- 42	- 58	16

Extra-ordinary Gain/Loss				
(Million Yen, %)				
	Actual 2020	Actual 2019	Change	
Sales of Securities	2	4	- 2	- 50.0
Others	- 49	62	- 111	
Total	- 47	66	- 113	

4) Forecast of Business Results and Dividends

Business Results Forecast

(Million Yen)

	First Half		Second Half		Year	
	2020 F'cast	Change	2020 F'cast	Change	2020 F'cast	Change
Sales	420,000	- 12,400	410,000	- 10,050	830,000	- 22,450
Operating Income	8,500	- 871	6,500	- 1,395	15,000	- 2,266
Non-operating G/L	200	- 724	800	- 543	1,000	- 1,267
Ordinary Income	8,700	- 1,596	7,300	- 1,938	16,000	- 3,534
Extra-ordinary G/L	1,600	1,531	0	2,323	1,600	3,854
Income Before Taxes	10,300	- 65	7,300	385	17,600	320
Net Income	7,000	73	5,000	488	12,000	561

Dividends Forecasts

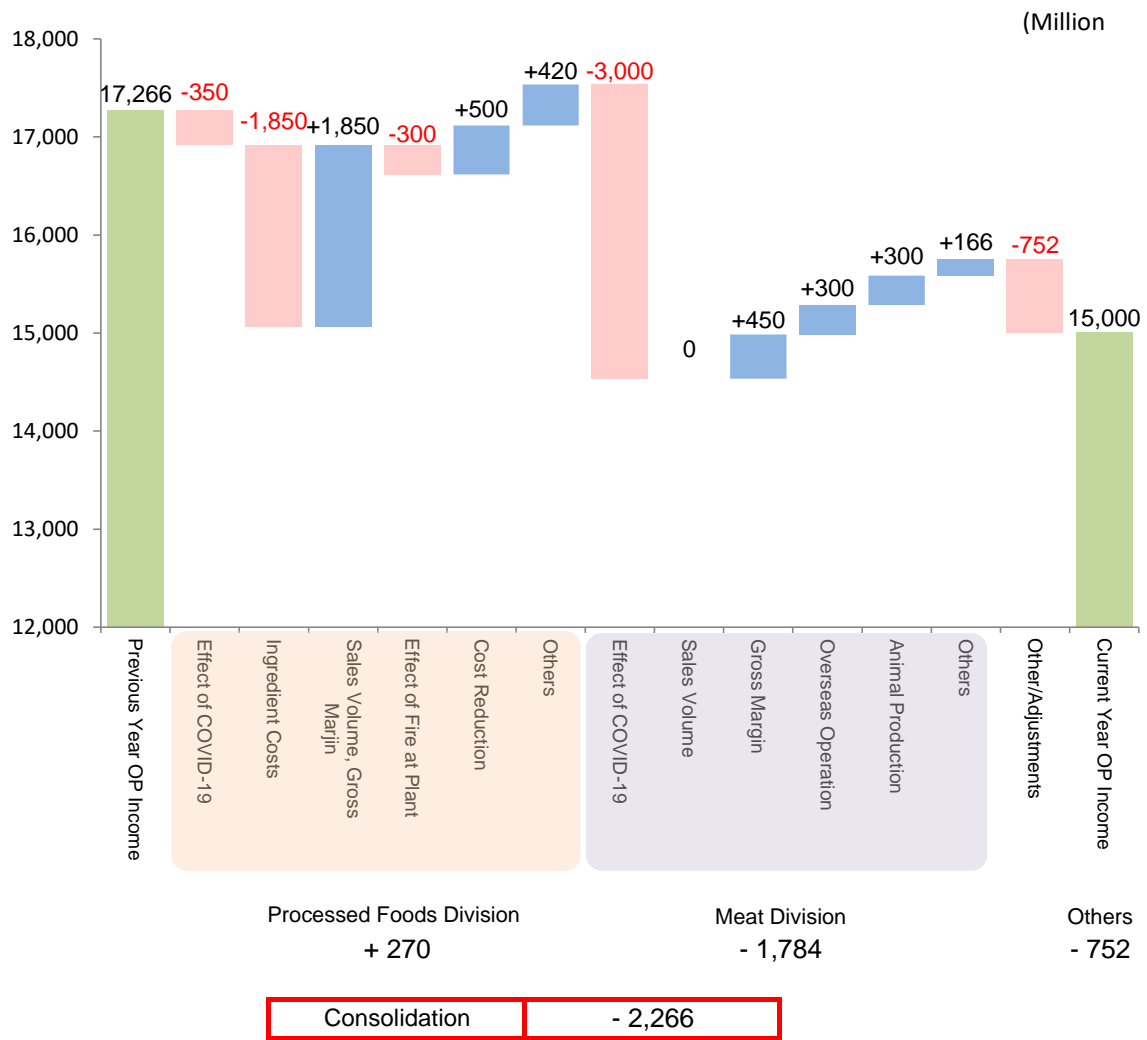
	End of Year Yen	EPS F'cast Yen	Payout Ratio %
2019 Actual	17.00	38.72	43.9
2020 Forecast	17.00	40.74	41.7

Operating Segment Information Forecast

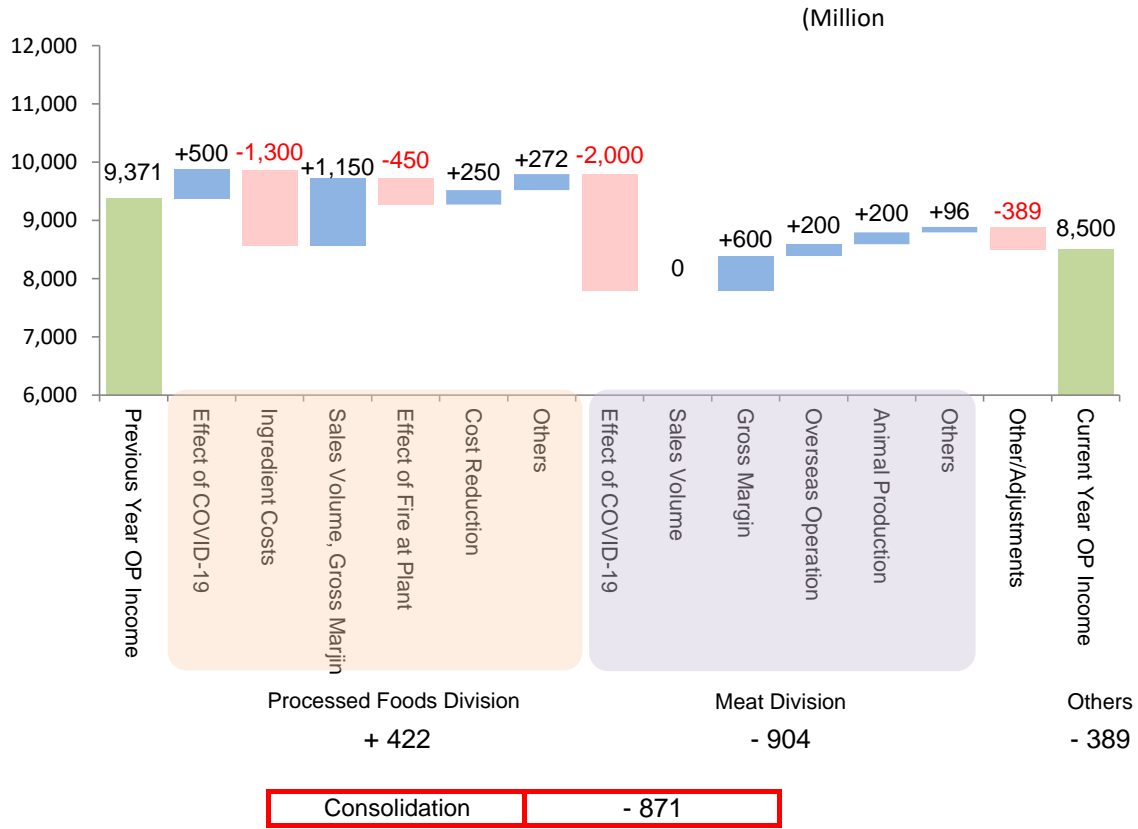
(Million Yen, %)

		First Half		Second Half		Year	
		2020 F'cast	Change	2020 F'cast	Change	2020 F'cast	Change
Processed Foods Division	Sales	151,500	5,104	159,500	5,687	311,000	10,791
	OP Margin	4,100	422	2,900	- 152	7,000	270
	% of Sales	2.7	0.2	1.8	- 0.2	2.3	- 0.0
Meat Division	Sales	266,500	- 17,424	248,500	- 15,760	515,000	- 33,184
	OP Margin	5,200	- 904	4,300	- 880	9,500	- 1,784
	% of Sales	2.0	- 0.1	1.7	- 0.2	1.8	- 0.3
Others/Adjustments	Sales	2,000	- 79	2,000	24	4,000	- 55
	OP Margin	- 800	- 389	- 700	- 363	- 1,500	- 752
Consolidated	Sales	420,000	- 12,400	410,000	- 10,050	830,000	- 22,450
	OP Margin	8,500	- 871	6,500	- 1,395	15,000	- 2,266
	% of Sales	2.0	- 0.2	1.6	- 0.3	1.8	- 0.2

Operating Income Variance (forecast)



Operating Income Variance (First Half)



Operating Income Variance (Second Half)

