

Itoham Yonekyu Holdings Inc.

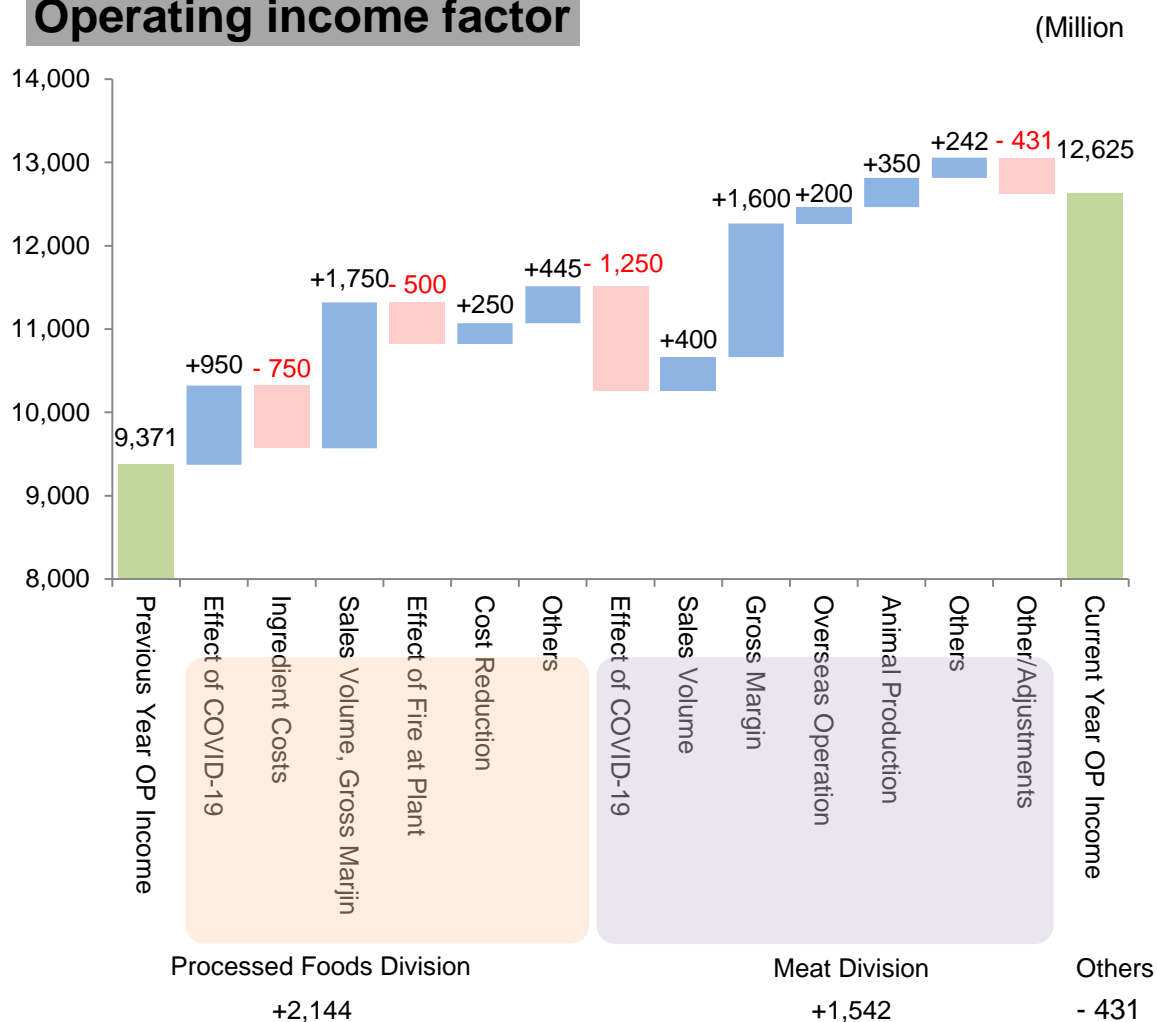
Supplementary Explanation to Financial Results

Second Quarter Year Ending March 2021

1) Summary of Financial Results

	Actual 2020		Actual 2019		Change	
	Amount	% of Sales	Amount	% of Sales	Amount	%
Sales	414,623		432,400		- 17,777	- 4.1
Gross Profit	68,290	16.5	65,886	15.2	2,403	3.6
S, G & A Expenses	55,664	13.4	56,515	13.1	- 850	- 1.5
Operating Income	12,625	3.0	9,371	2.2	3,254	34.7
Non-operating Income	868		1,073		- 205	
Non-operating Expenses	- 398		- 558		159	
Equity Method Gain/Loss	449		409		39	
Net Non-operating Gain/Loss	918		924		- 6	
Ordinary Income	13,544	3.3	10,296	2.4	3,248	31.5
Extra-ordinary Gain	2,615		307		2,308	
Extra-ordinary Loss	- 149		- 237		88	
Net Extra-ordinary Gain/Loss	2,466		69		2,396	
Income Before Taxes	16,010	3.9	10,365	2.4	5,644	54.5
Net Income	10,946	2.6	6,927	1.6	4,019	58.0

Operating income factor



2) Segment Information

(1) Operating Segment Information

(Million Yen, %)

		Actual 2020	Actual 2019	Change	
Processed Foods Division	Sales	150,631	146,396	4,235	289.3%
	OP Margin	5,823	3,678	2,144	5832.0%
	% of Sales	3.9	2.5	1.4	
Meat Division	Sales	261,998	283,924	- 21,925	-772.2%
	OP Margin	7,646	6,104	1,542	2526.2%
	% of Sales	2.9	2.1	0.8	
Others/Adjustments	Sales	1,992	2,079	- 87	
	OP Margin	- 843	- 411	- 431	
Consolidated	Sales	414,623	432,400	- 17,777	-411.1%
	OP Margin	12,625	9,371	3,254	3472.4%
	% of Sales	3.0	2.2	0.9	

Operating Income Factors

Processed Foods Division	(Million Yen)
	Change
Effect of COVID-19	950
Ingredient Costs	- 750
Sales Volume, Gross Margin	1,750
Effect of Fire at Plant	- 500
Cost Reduction	250
Others	445
Total	2,144

Meat Division	(Million Yen)
	Change
Effect of COVID-19	- 1,250
Sales Volume	400
Gross Margin	1,600
Overseas Operation	200
Animal Production	350
Others	242
Total	1,542

(2) Sales by Market

(Million Yen)

	Actual 2020	Actual 2019	Change
Japan	369,260	373,524	- 4,264
Asia	15,805	23,347	- 7,541
North America	12,238	13,314	- 1,075
Oceania	9,619	12,353	- 2,734
Europe	6,124	8,930	- 2,806
Others	1,575	930	645
Overseas Sales Total	45,362	58,876	- 13,513
All Total	414,623	432,400	- 17,777
Overseas Sales (%)	10.9	13.6	- 2.7

3) Financial Data

Sales

(Million Yen, %)						
	Actual 2020	Actual 2019	Change		Impact of fluctuations in foreign exchange rates related to ANZCO	
Ham/Sausage	87,980	88,235	- 254	- 0.3		- 51
Processed Foods	71,083	67,857	3,225	4.8		- 300
Meat	247,972	267,928	- 19,955	- 7.4		- 4,198
Others	7,588	8,381	- 793	- 9.5		- 395
Total	414,623	432,400	- 17,777	- 4.1		- 4,943

SG & A Expenses

(Million Yen, %)				
	Actual 2020	Actual 2019	Change	
Labor Expenses	17,533	17,639	- 106	- 0.6
Shipping / Handling	18,847	17,976	871	4.8
Advertisement	3,087	3,873	- 786	- 20.3
Sales Fees	2,276	2,590	- 314	- 12.1
Packing	1,759	1,718	41	2.4
Depreciation	905	889	16	1.8
Other Expenses	11,254	11,828	- 574	- 4.9
Total	55,664	56,515	- 850	- 1.5

Non-Operational G/L

(Million Yen)			
	Actual 2020	Actual 2019	Change
Equity Method	449	409	39
Financing	- 59	- 234	175
Others	528	749	- 221
Total	918	924	- 6

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

	Actual 2020	Actual 2019	Change
IPC (USA)	477	186	291
MIY (JPN)	- 1	243	- 244
ABC (THA)	- 132	- 112	- 20

Extra-ordinary Gain/Loss

(Million Yen, %)			
	Actual 2020	Actual 2019	Change
Sales of Securities	0	77	- 77
Loss on Disaster	2,597	171	2,426
Others	- 132	- 179	47
Total	2,466	69	2,396

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	414,623	- 17,777	405,377	- 14,673	820,000	- 32,450
Operating Income	12,625	3,254	7,375	- 520	20,000	2,734
Non-operating G/L	918	- 6	82	- 1,261	1,000	- 1,267
Ordinary Income	13,544	3,248	7,456	- 1,782	21,000	1,466
Extra-ordinary G/L	2,466	2,396	34	2,357	2,500	4,754
Income Before Taxes	16,010	5,644	7,490	575	23,500	6,220
Net Income	10,946	4,019	5,054	542	16,000	4,561

Dividends Forecasts

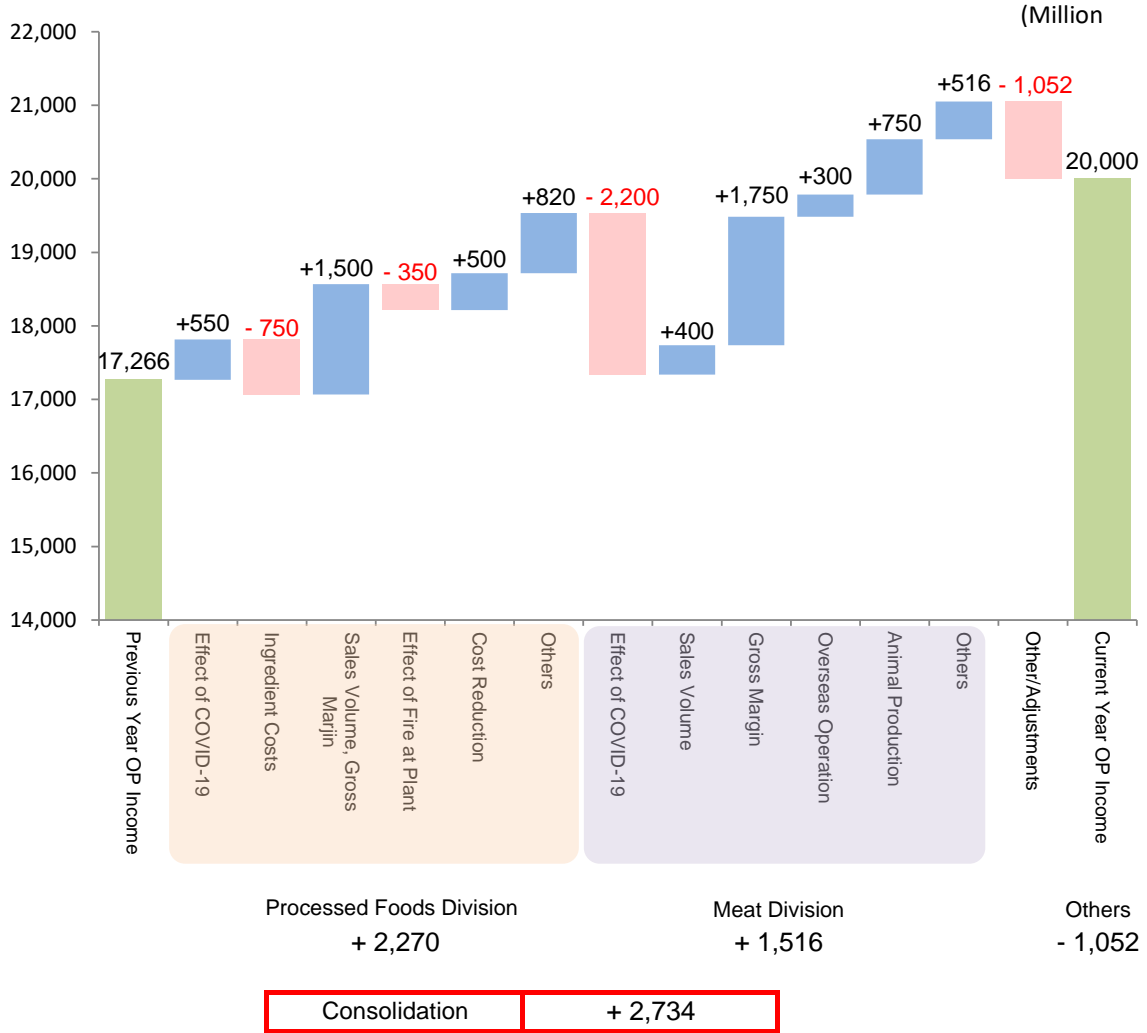
	End of Year Yen	EPS F'cast Yen	Payout Ratio %
2019 Actual	17.00	38.72	43.9
2020 Forecast	17.00	54.29	31.3

Operating Segment Information Forecast

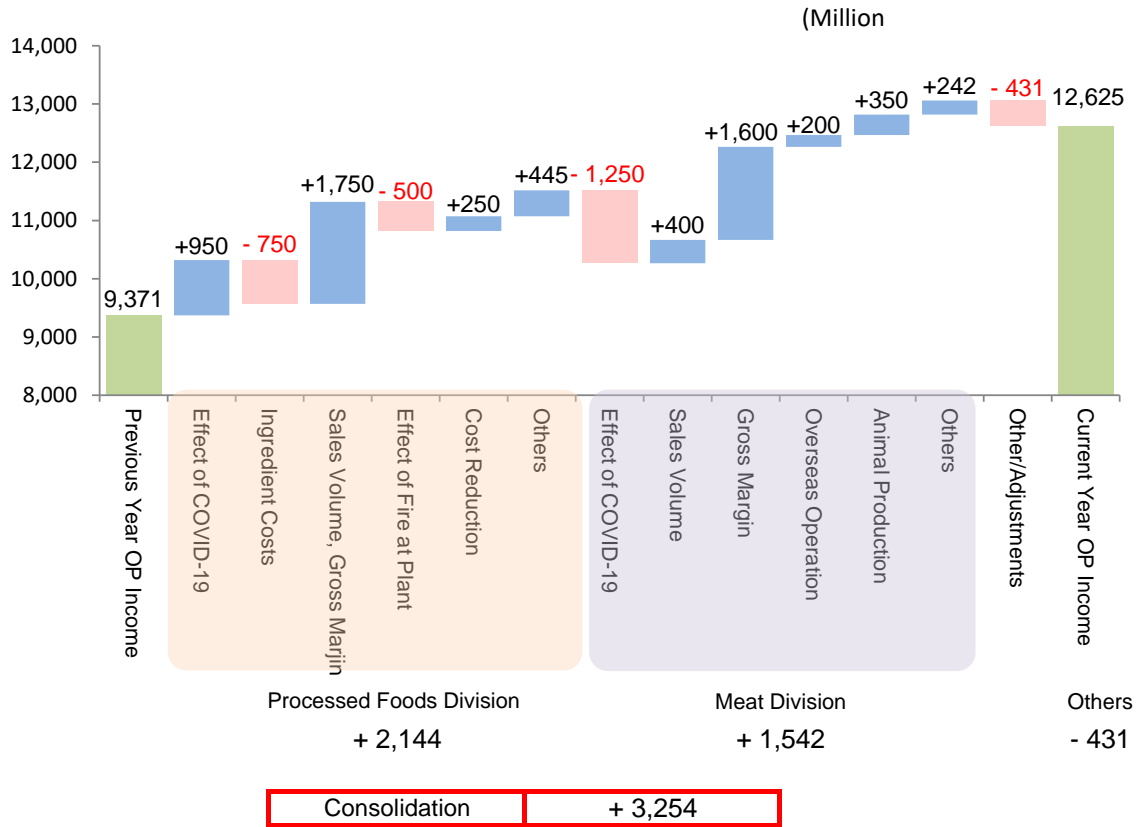
(Million Yen, %)

		First Half		Second Half		Year	
		2020 F'cast	Change	2020 F'cast	Change	2020 F'cast	Change
Processed Foods Division	Sales	150,631	4,235	151,369	- 2,444	302,000	1,791
	OP Margin	5,823	2,144	3,177	125	9,000	2,270
	% of Sales	3.9	1.4	2.1	0.1	3.0	0.7
Meat Division	Sales	261,998	- 21,925	252,002	- 12,258	514,000	- 34,184
	OP Margin	7,646	1,542	5,154	- 26	12,800	1,516
	% of Sales	2.9	0.8	2.0	0.1	2.5	0.4
Others/Adjustments	Sales	1,992	- 87	2,008	32	4,000	- 55
	OP Margin	- 843	- 431	- 957	- 620	- 1,800	- 1,052
Consolidated	Sales	414,623	- 17,777	405,377	- 14,673	820,000	- 32,450
	OP Margin	12,625	3,254	7,375	- 520	20,000	2,734
	% of Sales	3.0	0.9	1.8	- 0.1	2.4	0.4

Operating Income Variance (forecast)



Operating Income Variance (First Half)



Operating Income Variance (Second Half)

