

# Consolidated Financial Results (Japanese Accounting Standards) for the Six Months Ended September 30, 2020 (Q2 FY 2020)

Company name: Itoham Yonekyu Holdings Inc.  
 Stock exchange listing: Tokyo Stock Exchange  
 Stock code: 2296  
 URL: <https://www.itoham-yonekyu-holdings.com/>  
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 Scheduled date for filing of securities report: November 13, 2020  
 Scheduled date of commencement of dividend payment: -  
 Supplementary documents for financial results: Yes  
 Quarterly results briefing: Yes(for analysts and institutional investors)

(Amounts of less than one million yen are truncated)

## 1. Consolidated Financial Results for the Six Months Ended September 30, 2020 (April 1, 2020–September 30, 2020)

(1) Consolidated Results of Operations (Accumulated Total) (% figures show year-on-year change)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Six months ended								
September 30, 2020	414,623	-4.1	12,625	34.7	13,544	31.5	10,946	58.0
September 30, 2019	432,400	1.4	9,371	17.9	10,296	19.6	6,927	14.3

(Note) Comprehensive income: Six months ended September 30, 2020 10,895 million Yen (92.7%)  
 Six months ended September 30, 2019 5,652 million Yen (-21.2%)

	Net income per share		Fully diluted net income	
	Yen	Yen	Yen	Yen
Six months ended				
September 30, 2020	37.15		37.13	
September 30, 2019	23.45		23.43	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Million Yen	Million Yen	Million Yen	Million Yen	%	%
As of September 30, 2020	383,913		234,812		61.0	
As of March 31, 2020	389,426		229,178		58.5	

(Reference) Shareholders' equity: As of September 30, 2020 234,109 million Yen  
 As of March 31, 2019 227,772 million Yen

## 2. Dividends

	First	Second	Third	Fiscal	Total
	Yen	Yen	Yen	Yen	Yen
For the fiscal year ended					
March 31, 2020	—	0.00	—	17.00	17.00
March 31, 2021	—	0.00			
For the fiscal year ending					
March 31, 2021 (Forecast)			—	17.00	17.00

(Note) Changes to most recent dividend forecast: None

## 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)

(% figures show year-on-year change)

	Net Sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Full year	820,000	-3.8	20,000	15.8	21,000	7.5	16,000	39.9	54.29

(Note) Changes to most recent financial results forecast: No

## (1) Consolidated Balance Sheets

(Million Yen)

	As of March 31, 2020	As of September 30, 2020
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and deposits	42,072	39,360
Notes and account receivable - trade	87,902	84,207
Merchandise and finished goods	70,648	67,092
Work in process	1,757	1,789
Raw materials and supplies	17,837	20,948
Other	6,293	7,822
Allowance for doubtful accounts	(14)	(13)
<b>Total current assets</b>	<b>226,498</b>	<b>221,206</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	37,175	36,293
Machinery, equipment and vehicles, net	30,305	29,652
Tools, furniture & fixtures, net	1,508	1,414
Land	25,830	25,541
Leased assets, net	2,799	2,859
Others, net	1,141	1,009
<b>Total property, plant and equipment</b>	<b>98,760</b>	<b>96,770</b>
<b>Intangible assets</b>		
Goodwill	21,057	20,291
Other	1,626	1,882
<b>Total intangible assets</b>	<b>22,684</b>	<b>22,174</b>
<b>Investments and other assets</b>		
Investment securities	25,822	27,001
Net defined benefit assets	9,378	9,904
Other	6,408	6,978
Allowance for doubtful receivables	(126)	(121)
<b>Total investments and other assets</b>	<b>41,482</b>	<b>43,762</b>
<b>Total non-current assets</b>	<b>162,927</b>	<b>162,707</b>
<b>Total Assets</b>	<b>389,426</b>	<b>383,913</b>

(Million Yen)

	As of March 31, 2020	As of September 30, 2020
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	61,574	57,762
Electronically recorded obligations	1,748	1,798
Short-term loans payable	28,880	22,494
Current portion of Long-term loans	10,179	10,165
Income taxes payable	1,707	2,216
Provision for bonuses	5,280	3,709
Provision for directors' bonuses	120	59
Provision for loss on disaster	544	471
Other	28,069	27,176
<b>Total current liabilities</b>	<b>138,106</b>	<b>125,854</b>
<b>Non-current liabilities</b>		
Long-term loans payable	10,872	10,794
Net defined benefit liability	2,208	2,149
Asset retirement obligation	1,461	1,475
Other	7,598	8,826
<b>Total non-current liabilities</b>	<b>22,140</b>	<b>23,246</b>
<b>Total liabilities</b>	<b>160,247</b>	<b>149,100</b>
<b>Net assets</b>		
<b>Shareholder's equity</b>		
Capital stock	30,003	30,003
Capital surplus	96,267	96,624
Retained earnings	101,792	107,731
Treasury stock	(2,293)	(2,146)
<b>Total shareholder's equity</b>	<b>225,770</b>	<b>232,213</b>
<b>Other accumulated comprehensive income</b>		
Valuation difference on available-for-sale securities	4,823	5,693
Deferred gains or losses on hedges	(355)	(638)
Foreign currency translation adjustment	(3,767)	(4,568)
Remeasurements of defined benefit plan	1,301	1,410
<b>Total accumulated other comprehensive income</b>	<b>2,002</b>	<b>1,896</b>
<b>Subscription rights to shares</b>	<b>131</b>	<b>131</b>
<b>Non-controlling interests</b>	<b>1,275</b>	<b>571</b>
<b>Total net assets</b>	<b>229,178</b>	<b>234,812</b>
<b>Total liabilities and net assets</b>	<b>389,426</b>	<b>383,913</b>

(2) Consolidated statements of income and comprehensive income  
(Consolidated statements of income)  
(April 1, 2020 – September 30, 2020)

Itoham Yonekyu Holdings Inc.

(Million Yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
<b>Net sales</b>	432,400	414,623
<b>Cost of goods sold</b>	366,513	346,332
<b>Gross profit</b>	65,886	68,290
<b>Selling, general and administrative expenses</b>	56,515	55,664
<b>Operating income</b>	9,371	12,625
<b>Non-operating income</b>		
Interest income	62	31
Dividend income	141	137
Rent income	217	209
Equity in income of affiliates	409	449
Other	652	489
<b>Total non-operating income</b>	1,483	1,317
<b>Non-operating expenses</b>		
Interest expenses	435	229
Rent on real estate	75	63
Other	46	106
<b>Total non-operating expenses</b>	558	398
<b>Ordinary income</b>	10,296	13,544
<b>Extraordinary income</b>		
Gain on sales of non-current assets	43	12
Gain on sales of investment securities	78	5
Insurance income	171	2,597
Other	13	-
<b>Total extra-ordinary income</b>	307	2,615
<b>Extraordinary loss</b>		
Loss on retirement of non-current assets	145	139
Loss on disaster	82	-
Others	9	10
<b>Total extra-ordinary expenses</b>	237	149
<b>Net income before taxes</b>	10,365	16,010
Income taxes-current	2,273	3,845
Income taxes-deferred	1,082	1,147
<b>Total income taxes</b>	3,356	4,992
<b>Net income</b>	7,008	11,017
<b>Income attributable to non-controlling interests</b>	81	70
<b>Income attributable to owners of parent</b>	6,927	10,946

(Consolidated statements of comprehensive income)  
 (April 1, 2020 – September 30, 2020)

(Million Yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
<b>Net income</b>	7,008	11,017
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(621)	865
Deferred gains or losses on hedges	111	(283)
Foreign currency translation adjustment	(794)	(613)
Remeasurements of defined benefit plan	289	94
Share of other comprehensive income of entities accounted for using equity method	(341)	(185)
<b>Total other comprehensive income</b>	(1,356)	(121)
<b>Comprehensive income</b>	5,652	10,895
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,562	10,840
Comprehensive income attributable to non-controlling interests	90	55

(April 1, 2020 – September 30, 2020)

(Million Yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
<b>Cash flows from operating activities</b>		
Income before income taxes	10,365	16,010
Depreciation	5,324	5,291
Increase (decrease) in provision for bonuses	(1,045)	(1,571)
Amortization of goodwill	757	756
Interest and dividend income	(203)	(169)
Interest expenses	435	229
Insurance income	(451)	(2,698)
Loss on disaster	82	-
Equity in earnings of affiliates	(409)	(449)
Loss (gain) on sales of investment securities	(77)	0
Decrease (increase) in notes and accounts receivable - trade	10,885	2,971
Decrease (increase) in inventories	(6,876)	(430)
Increase (decrease) in notes and accounts payable - trade	(529)	(3,056)
Increase (decrease) in notes and accounts payable	(1,670)	(1,111)
Increase (decrease) in net defined benefit liability	(8)	(43)
Decrease (increase) in net defined benefit asset	(172)	(392)
Other	97	(649)
<b>Subtotal</b>	<b>16,503</b>	<b>14,685</b>
Interest and dividend income received	299	408
Proceeds from insurance income	363	2,711
Interest expenses paid	(436)	(229)
Payments for loss on disaster	-	(73)
Income taxes paid	(5,759)	(3,285)
<b>Net cash provided by (used in) operating activities</b>	<b>10,970</b>	<b>14,217</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(5,393)	(4,742)
Purchase of intangible assets	(209)	(542)
Purchases of Investments in Securities	(32)	(32)
Proceeds from Sales of Investments in Securities	207	53
Proceeds from capital reduction with compensation	2,969	-
Payments of loans receivable	(151)	(119)
Proceeds from loans receivable	177	96
Other	248	(934)
<b>Net cash provided by (used in) investing activities</b>	<b>(2,185)</b>	<b>(6,220)</b>
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term loans payable	(5,023)	(4,613)
Repayment of long-term loans payable	(111)	(91)
Cash dividends paid	(5,014)	(5,005)
Other	(399)	(744)
<b>Net cash provided by (used in) financing activities</b>	<b>(10,548)</b>	<b>(10,454)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>(350)</b>	<b>(255)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(2,114)</b>	<b>(2,712)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>34,643</b>	<b>41,771</b>
<b>Cash and cash equivalents at end of period</b>	<b>32,528</b>	<b>39,058</b>