

November 05, 2021

Itoham Yonekyu Holdings Inc.

Supplementary Explanation to Financial Results

Second Quarter Year Ending March 31, 2022

1) Summary of Financial Results

(Million Yen, %)

(Million Yen, %)

	After applying revenue recognition (Our estimated value)				Change		*Previous year published figures	
	Actual 2021	% of Sales	Actual 2020	% of Sales			Actual 2021	% of Sales
Sales	417,762		400,413		17,348	4.3	414,623	
Gross Profit	67,178	16.1	63,770	15.9	3,407	5.3	68,290	16.5
S, G & A Expenses	52,698	12.6	51,530	12.9	1,167	2.3	55,664	13.4
Operating Income	14,480	3.5	12,240	3.1	2,239	18.3	12,625	3.0
Non-operating Income	1,468		868		600		868	
Non-operating Expenses	- 296		- 398		102		- 398	
Equity Method Gain/Loss	888		449		439		449	
Net Non-operating Gain/Loss	2,060		919		1,141		918	
Ordinary Income	16,540	4.0	13,158	3.3	3,381	25.7	13,544	3.3
Extra-ordinary Gain	451		2,615		- 2,163		2,615	
Extra-ordinary Loss	- 103		- 149		45		- 149	
Net Extra-ordinary Gain/Loss	348		2,466		- 2,118		2,466	
Income Before Taxes	16,888	4.0	15,624	3.9	1,263	8.1	16,010	3.9
Net Income	11,810	2.8	10,560	2.6	1,249	11.8	10,946	2.6

(Million Yen)



(Note) From the beginning of the fiscal year, the "Accounting Standard for Revenue Recognition" (Corporate Accounting Standard No. 29)

has been applied to the business forecast for the current fiscal year.

In the fiscal year ending March 2021, the Company's estimated values after the application of the relevant accounting standards are used for comparison with the current fiscal year.

2) Segment Information

(1) Operating Segment Information

(Million Yen, %)

		After applying revenue recognition (Our estimated value)				*Previous year published figures
		Actual 2021	Actual 2020	Change		
Processed Foods Division	Sales	148,257	146,930	1,327	0.9	150,631
	OP Margin	6,510	5,446	1,063	19.5	5,823
	% of Sales	4.4	3.7	0.7		3.9
Meat Division	Sales	267,409	251,490	15,918	6.3	261,998
	OP Margin	8,601	7,637	964	12.6	7,646
	% of Sales	3.2	3.0	0.2		2.9
Others/Adjustments	Sales	2,095	1,992	103		1,992
	OP Margin	- 631	- 843	212		- 843
Consolidated	Sales	417,762	400,413	17,348	4.3	414,623
	OP Margin	14,480	12,240	2,239	18.3	12,625
	% of Sales	3.5	3.1	0.4		3.0

Operating Income Factors

Processed Foods Division	(Million Yen)	Meat Division	(Million Yen)
	Change		Change
Sales volume	- 200	Sales volume	200
Gross profit / SG & A	1,350	Gross profit / SG & A	- 700
Raw material / Utility	- 250	Logistics cost impact	0
Logistics cost impact	50	Overseas Operation	1,550
Cost Reduction	250	Animal Production	- 50
Others	- 136	Others	- 36
Total	1,063	Total	964

(2) Sales by Market

(Million Yen)

(Million Yen)

		After applying revenue recognition (Our estimated value)			*Previous year published figures
		Actual 2021	Actual 2020	Change	
Japan		361,272	355,050	6,221	369,260
Asia		21,223	15,805	5,417	15,805
North America		15,292	12,238	3,053	12,238
Oceania		12,810	9,619	3,191	9,619
Europe		6,135	6,124	11	6,124
Others		1,028	1,575	- 546	1,575
Overseas Sales Total		56,490	45,362	11,127	45,362
All Total		417,762	400,413	17,348	414,623
Overseas Sales (%)		13.5	11.3	2.2	10.9

(Note) From the beginning of the fiscal year, the "Accounting Standard for Revenue Recognition" (Corporate Accounting Standard No. 29) has been applied to the business forecast for the current fiscal year. In the fiscal year ending March 2021, the Company's estimated values after the application of the relevant accounting standards are used for comparison with the current fiscal year.

3) Financial Data

Sales					
	After applying revenue recognition (Our estimated value)			(Million Yen, %)	Impact of fluctuations in foreign exchange rates related to ANZCO
	Actual 2021	Actual 2020	Change		
Ham/Sausage	85,633	85,735	- 102	- 0.1	136
Processed Foods	72,585	69,627	2,958	4.2	564
Meat	249,707	237,466	12,241	5.2	6,461
Others	9,836	7,588	2,248	29.6	788
Total	417,762	400,413	17,348	4.3	7,951

SG & A Expenses				
	After applying revenue recognition (Our estimated value)			(Million Yen, %)
	Actual 2021	Actual 2020	Change	
Labor Expenses	17,522	17,533	- 11	- 0.1
Shipping / Handling	18,905	18,552	353	1.9
Advertisement	2,121	1,930	190	9.9
Sales Fees	10	37	- 27	- 73.0
Packing	1,759	1,759	0	0.0
Depreciation	876	905	- 28	- 3.2
Other Expenses	11,502	10,811	691	6.4
Total	52,698	51,530	1,167	2.3

Non-Operational G/L				
				(Million Yen, %)
	Actual 2021	Actual 2020	Change	
Equity Method	888	449	439	97.8
Financing	- 2	- 59	56	
Others	1,174	528	645	122.3
Total	2,060	918	1,141	124.4

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

	Actual 2021	Actual 2020	Change
IPC (USA)	976	477	498
MIY (JPN)	- 1	- 1	0
ABC (THA)	- 202	- 131	- 70

Extra-ordinary Gain/Loss				
				(Million Yen, %)
	Actual 2021	Actual 2020	Change	
Sales of Investment Securities	55	0	54	
Insurance income	134	2,597	- 2,463	- 94.8
Others	158	- 132	290	
Total	348	2,466	- 2,118	- 85.9

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4) Forecast of Business Results and Dividends

Business Results Forecast

(Million Yen)

	First Half		Second Half		Year	
	Actual 2021	Change	Fcast 2021	Change	Fcast 2021	Change
Sales	417,762	17,350	402,238	- 8,888	820,000	8,462
Operating Income	14,480	2,239	9,520	- 2,257	24,000	- 18
Non-operating G/L	2,060	1,143	- 60	- 2,125	2,000	- 982
Ordinary Income	16,540	2,996	9,460	- 3,996	26,000	- 1,000
Extra-ordinary G/L	348	- 2,118	- 1,348	- 995	- 1,000	- 3,113
Income Before Taxes	16,888	878	8,112	- 4,991	25,000	- 4,113
Net Income	11,810	864	4,690	- 4,568	16,500	- 3,704

Dividends Forecasts

	End of Year Yen	EPS Fcast Yen	Payout Ratio %
Actual 2020	21.00	68.61	30.6
Forecast 2021	22.00	56.35	39.0

Operating Segment Information Forecast

(Million Yen, %)

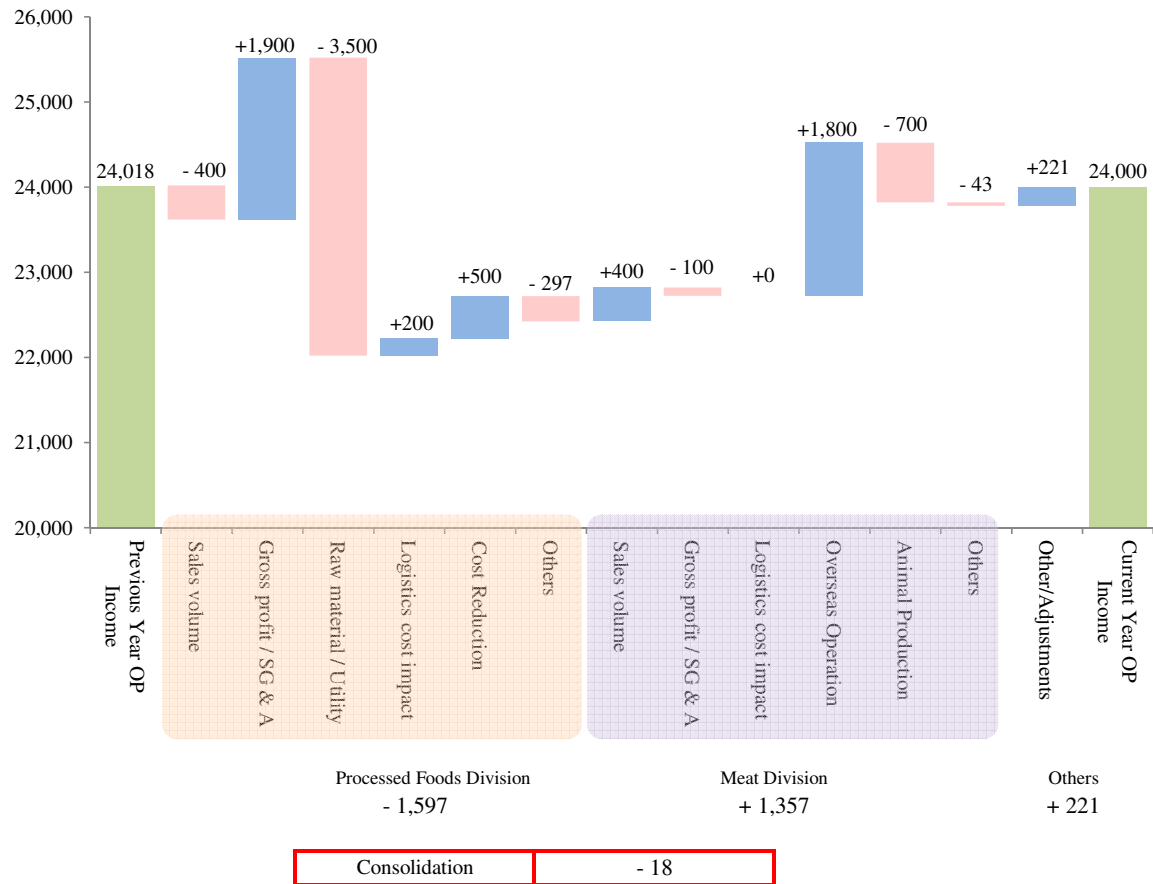
		First Half		Second Half		Year	
		Actual 2021	Change	Fcast 2021	Change	Fcast 2021	Change
Processed Foods Division	Sales	148,257	1,327	146,743	- 5,691	295,000	- 4,364
	OP Margin	6,510	1,063	4,290	- 2,661	10,800	- 1,597
	% of Sales	4.4	0.7	2.9	- 1.6	3.7	- 0.5
Meat Division	Sales	267,409	15,919	253,591	- 3,041	521,000	12,878
	OP Margin	8,601	964	6,199	393	14,800	1,357
	% of Sales	3.2	0.2	2.4	0.2	2.8	0.2
Others/Adjustments	Sales	2,095	103	1,905	- 155	4,000	- 52
	OP Margin	- 631	212	- 969	10	- 1,600	221
Consolidated	Sales	417,762	17,350	402,238	- 8,888	820,000	8,462
	OP Margin	14,480	2,239	9,520	- 2,257	24,000	- 18
	% of Sales	3.5	0.4	2.4	- 0.5	2.9	- 0.0

(Note) From the beginning of the fiscal year, the "Accounting Standard for Revenue Recognition" (Corporate Accounting Standard No. 29) has been applied to the business forecast for the current fiscal year.

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Operating Income Variance (forecast)

(Million Yen)



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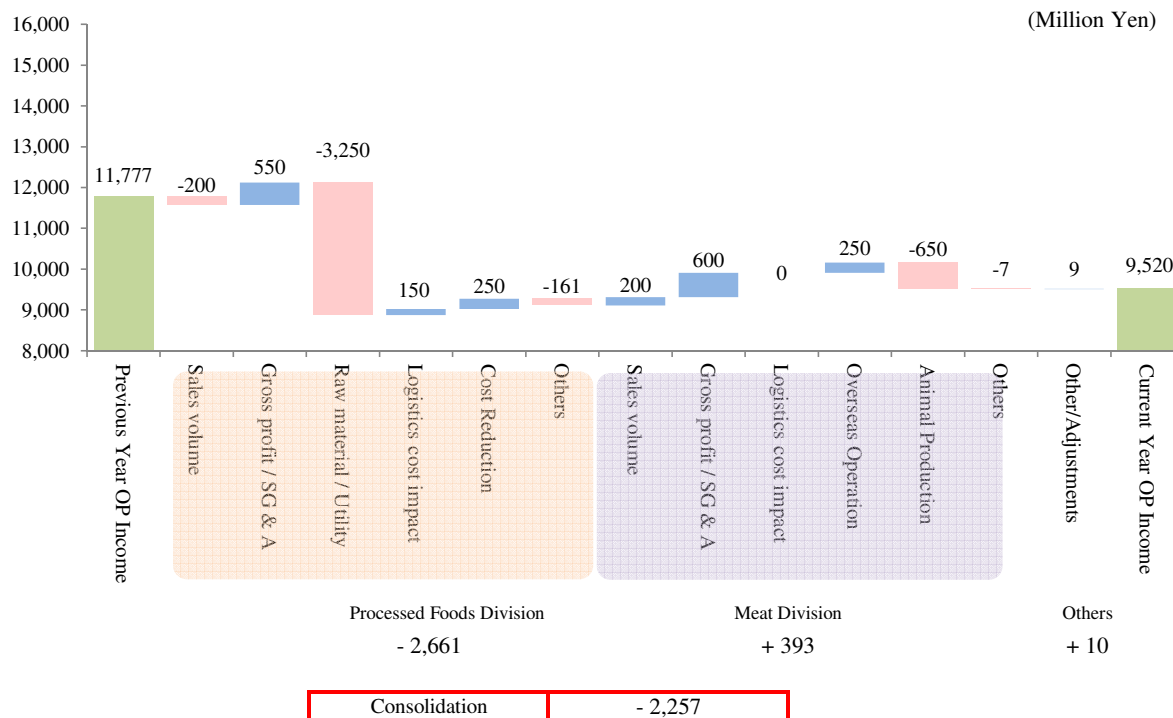
Operating Income Variance (First Half)

(Million Yen)



Operating Income Variance (Second Half)

(Million Yen)



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