

Summary of Consolidated Financial Results

(Japanese Accounting Standards)

for the Six Months Ended September 30, 2021 (Q2 FY 2021)

Company name:	Itoham Yonekyu Holdings Inc.
Stock exchange listing:	Tokyo Stock Exchange
Stock code:	2296
URL:	https://www.itoham-yonekyu-holdings.com/
Representative:	Isao Miyashita, President and Representative Director
Contact:	Kenji Uchiyama, Manager, Investor Relations Section Tel. +81-3-5723-6885
Scheduled date for filing of securities report:	November 12, 2021
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, 2021 (April 1, 2021–September 30, 2021)

(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, 2021	417,762	—	14,480	—	16,540	—	11,810	—
September 30, 2020	414,623	-4.1	12,625	34.7	13,544	31.5	10,946	58.0

(Note) Comprehensive income: Six months ended September 30, 2021 12,271 million Yen (—%)
Six months ended September 30, 2020 10,895 million Yen (92.7%)

	Net income per share	Fully diluted net income
	Yen	Yen
Six months ended		
September 30, 2021	40.33	40.31
September 30, 2020	37.15	37.13

(Note) The Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29), etc. has been applied since the beginning of the six months of the consolidated fiscal year under review. As a result, the accounting treatment of revenue differs from that of the six months of the previous fiscal year. Therefore, Consolidated Financial Results is provided without stating the amount of the year-on-year comparison (%).

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million Yen	Million Yen	%
As of September 30, 2021	405,147	253,682	62.4
As of March 31, 2021	394,086	247,648	62.7

(Reference) Shareholders' equity: As of September 30, 2021 252,990 million Yen
As of March 31, 2020 246,931 million Yen

(Note) The Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29), etc. has been applied since the beginning of the six months of the consolidated fiscal year under review. As a result, the accounting treatment of revenue differs from that of the six months of the previous fiscal year.

2. Dividends

	First	Second	Third	Fiscal	Total
	Yen	Yen	Yen	Yen	Yen
For the fiscal year ended					
March 31, 2021	—	0.00	—	21.00	21.00
March 31, 2022	—	0.00			
For the fiscal year ending					
March 31, 2022 (Forecast)			—	22.00	22.00

(Note) Changes to most recent dividend forecast: None

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2022

(April 1, 2021 to March 31, 2022)

(% 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	—	24,000	—	26,000	—	16,500	—	56.35

(Note) Changes to most recent financial results forecast: None

(Note) The Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29), etc. has been applied since the beginning of the six months of the consolidated fiscal year under review. As a result, the accounting treatment of revenue differs from that of the six months of the previous fiscal year. Therefore, the Forecast of Consolidated Financial Results is provided without stating the amount of the year-on-year comparison (%).

(1) Consolidated Balance Sheets

(Million Yen)

	As of March 31, 2021	As of September 30, 2021
ASSETS		
Current assets		
Cash and deposits	50,952	29,352
Notes and account receivable - trade	86,591	89,506
Merchandise and finished goods	63,313	80,123
Work in process	1,745	1,862
Raw materials and supplies	17,174	24,283
Other	6,617	11,848
Allowance for doubtful accounts	(10)	(10)
Total current assets	226,384	236,967
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	36,433	36,655
Machinery, equipment and vehicles, net	28,919	29,469
Tools, furniture & fixtures, net	1,468	1,492
Land	25,745	25,921
Leased assets, net	2,758	2,610
Others, net	2,269	1,416
Total property, plant and equipment	97,595	97,566
Intangible assets		
Goodwill	19,573	18,868
Other	2,150	3,020
Total intangible assets	21,724	21,888
Investments and other assets		
Investment securities	29,331	29,255
Net defined benefit assets	12,162	12,798
Other	6,993	6,771
Allowance for doubtful receivables	(105)	(100)
Total investments and other assets	48,382	48,724
Total non-current assets	167,702	168,179
Total Assets	394,086	405,147

(Million Yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	56,615	65,581
Electronically recorded obligations	1,660	1,789
Short-term loans payable	25,704	26,688
Current portion of Long-term loans payable	155	152
Income taxes payable	4,149	2,486
Provision for bonuses	6,397	4,171
Provision for directors' bonuses	147	71
Provision for loss on disaster	467	329
Other	27,743	26,258
Total current liabilities	123,041	127,529
Non-current liabilities		
Long-term loans payable	10,717	10,642
Net defined benefit liability	1,725	1,738
Asset retirement obligation	1,475	1,491
Other	9,477	10,063
Total non-current liabilities	23,396	23,935
Total liabilities	146,438	151,464
Net assets		
Shareholder's equity		
Capital stock	30,003	30,003
Capital surplus	96,624	96,615
Retained earnings	116,989	122,496
Treasury shares	(3,624)	(3,500)
Total shareholder's equity	239,992	245,614
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	7,298	6,991
Deferred gains or losses on hedges	(329)	(402)
Foreign currency translation adjustment	(3,073)	(2,035)
Remeasurements of defined benefit plan	3,042	2,823
Total accumulated other comprehensive income	6,939	7,376
Subscription rights to shares	131	118
Non-controlling interests	585	573
Total net assets	247,648	253,682
Total liabilities and net assets	394,086	405,147

(2) Consolidated statements of income and comprehensive income
(Consolidated statements of income)
(April 1, 2021 – September 30, 2021)

Itoham Yonekyu Holdings Inc. (2296)

(Million Yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	414,623	417,762
Cost of goods sold	346,332	350,583
Gross profit	68,290	67,178
Selling, general and administrative expenses	55,664	52,698
Operating income	12,625	14,480
Non-operating income		
Interest income	31	17
Dividend income	137	148
Rent income	209	210
Subsidy income	116	540
Equity in income of affiliates	449	888
Other	373	551
Total non-operating income	1,317	2,357
Non-operating expenses		
Interest expenses	229	168
Rent on real estate	63	63
Other	106	64
Total non-operating expenses	398	296
Ordinary income	13,544	16,540
Extraordinary income		
Gain on sale of non-current assets	12	4
Gain on sale of investment securities	5	55
Insurance income	2,597	134
Gain on donation of non-current assets	-	232
Other	-	24
Total extra-ordinary income	2,615	451
Extraordinary loss		
Loss on retirement of non-current assets	139	91
Others	10	11
Total extra-ordinary expenses	149	103
Net income before taxes	16,010	16,888
Income taxes-current	3,845	3,867
Income taxes-deferred	1,147	1,188
Total income taxes	4,992	5,055
Net income	11,017	11,833
Income attributable to non-controlling interests	70	23
Income attributable to owners of parent	10,946	11,810

(Consolidated statements of comprehensive income)
(April 1,2021 – September 30, 2021)

(Million Yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net income	11,017	11,833
Other comprehensive income		
Valuation difference on available-for- sale securities	865	(314)
Deferred gains or losses on hedges	(283)	(73)
Foreign currency translation adjustment	(613)	1,001
Remeasurements of defined benefit plan	94	(229)
Share of other comprehensive income of entities accounted for using equity method	(185)	55
Total other comprehensive income	(121)	438
Comprehensive income	10,895	12,271
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,840	12,247
Comprehensive income attributable to non-controlling interests	55	24

(April 1,2021 – September 30, 2021)

(Million Yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Income before income taxes	16,010	16,888
Depreciation	5,291	5,428
Increase (decrease) in provision for bonuses	(1,571)	(2,226)
Amortization of goodwill	756	717
Interest and dividend income	(169)	(166)
Interest expenses	229	168
Insurance income	(2,698)	(322)
Subsidy income	(116)	(540)
Gain on donation of non-current assets	-	(232)
Equity in earnings of affiliates	(449)	(888)
Loss (gain) on sale of investment securities	0	(55)
Decrease (increase) in notes and accounts receivable - trade	2,971	(2,393)
Decrease (increase) in inventories	(430)	(23,388)
Increase (decrease) in notes and accounts payable - trade	(3,056)	8,825
Increase (decrease) in notes and accounts payable	(1,111)	(520)
Increase (decrease) in net defined benefit liability	(43)	(13)
Decrease (increase) in net defined benefit asset	(392)	(944)
Other	(725)	(2,518)
Subtotal	14,492	(2,181)
Interest and dividend income received	408	818
Proceeds from insurance income	2,711	265
Proceeds from subsidy income	192	324
Interest expenses paid	(229)	(168)
Payments for loss on disaster	(73)	(60)
Income taxes paid	(3,285)	(8,703)
Net cash provided by (used in) operating activities	14,217	(9,705)
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,742)	(4,530)
Purchase of intangible assets	(542)	(922)
Purchases of Investments in Securities	(32)	(33)
Proceeds from Sale of Investments in Securities	53	65
Payments of loans receivable	(119)	(118)
Proceeds from loans receivable	96	101
Other	(934)	4
Net cash provided by (used in) investing activities	(6,220)	(5,433)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	(4,613)	(77)
Repayment of long-term loans payable	(91)	(78)
Cash dividends paid	(5,005)	(6,140)
Other	(744)	(482)
Net cash provided by (used in) financing activities	(10,454)	(6,778)
Effect of exchange rate change on cash and cash equivalents	(255)	317
Net increase (decrease) in cash and cash equivalents	(2,712)	(21,599)
Cash and cash equivalents at beginning of period	41,771	50,651
Cash and cash equivalents at end of period	39,058	29,051