

Consolidated Financial Results (Japanese Accounting Standards) for the Fiscal Year Ended March 31, 2020

Company name: Itoham Yonekyu Holdings Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Stock code: 2296
 URL: <http://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 general shareholders' meeting: June 23, 2020
 Scheduled date for filing of securities report: June 24, 2020
 Scheduled date of commencement of dividend payment: June 09, 2020
 Supplementary documents for financial results: Yes
 Quarterly results briefing: Yes (For institutional investors, analysts)

(Amounts of less than one million yen are truncated)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (April 1, 2019–March 31, 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	%
For the fiscal year ended								
March 31, 2020	852,450	0.2	17,266	19.1	19,534	24.6	11,439	8.0
March 31, 2019	850,721	2.3	14,494	-32.8	15,679	-35.8	10,588	-32.9

(Note) Comprehensive income: The Fiscal Year Ended March 31, 2020 10,658 million Yen (12.1%)
 The Fiscal Year Ended March 31, 2019 9,506 million Yen (-34.1%)

	Net income per share	Fully diluted net income	Net income to shareholders' equity	Ordinary Income to assets	Operating income to net sales
	Yen	Yen	%	%	%
For the fiscal year ended					
March 31, 2020	38.72	38.70	5.1	5.0	2.0
March 31, 2019	35.82	35.80	4.8	4.1	1.7

(Reference) Equity in income or losses of affiliates: The Fiscal Year Ended March 31, 2020 942 million Yen
 The Fiscal Year Ended March 31, 2019 -321 million Yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million Yen	Million Yen	%	Yen
As of March 31, 2020	389,426	229,178	58.5	773.26
As of March 31, 2019	393,392	224,074	56.6	754.14

(Reference) Shareholders' equity: As of March 31, 2020 227,772 million Yen
 As of March 31, 2019 222,765 million Yen

(3) Consolidated cash flows

	From operating activities	From investing activities	From financing activities	Cash and cash equivalents at the end of fiscal year
	Million Yen	Million Yen	Million Yen	Million Yen
For the fiscal year ended				
March 31, 2020	31,847	-7,855	-16,390	41,771
March 31, 2019	15,114	-19,879	10,084	34,643

2. Dividends

	First quarter-end	Second quarter-end	Third quarter-end	Fiscal quarter-end	Total	Total amount of cash dividends (annual)	Dividend payout ratio (consolidated)	Ratio of total amount of dividends to shareholders' equity
	Yen	Yen	Yen	Yen	Yen	Million Yen	%	%
For the fiscal year ended								
March 31, 2019	—	0.00	—	17.00	17.00	5,021	47.5	2.3
March 31, 2020	—	0.00	—	17.00	17.00	5,007	43.9	2.2
For the fiscal year ending								
March 31, 2021 (Forecast)	—	0.00	—	17.00	17.00		41.7	

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
Second quarter-end (Cumulative)	415,000	-4.0	6,300	-32.8	6,800	-34.0	6,000	-13.4	20.37
Full year	830,000	-2.6	15,000	-13.1	16,000	-18.1	12,000	4.9	40.74

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million Yen)

	As of March 31, 2019	As of March 31, 2020
ASSETS		
Current assets		
Cash and deposits	34,944	42,072
Notes and account receivable - trade	98,769	87,902
Merchandise and finished goods	67,596	70,648
Work in process	1,740	1,757
Raw materials and supplies	19,571	17,837
Other	6,966	6,293
Allowance for doubtful accounts	(9)	(14)
Total current assets	229,580	226,498
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	36,938	37,175
Machinery, equipment and vehicles, net	31,515	30,305
Tools, furniture & fixtures, net	1,454	1,508
Land	25,323	25,830
Leased assets, net	1,543	2,799
Construction in progress	1,858	1,017
Others, net	113	124
Total property, plant and equipment	98,747	98,760
Intangible assets		
Goodwill	22,576	21,057
Other	1,623	1,626
Total intangible assets	24,199	22,684
Investments and other assets		
Investment securities	24,912	25,822
Long-term loans receivable	2,180	1,518
Deferred tax assets	879	1,067
Net defined benefit assets	9,162	9,378
Other	3,847	3,822
Allowance for doubtful receivables	(118)	(126)
Total investments and other assets	40,865	41,482
Total non-current assets	163,812	162,927
Total Assets	393,392	389,426

(Million Yen)

As of March 31, 2019

As of March 31, 2020

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	63,161	61,574
Electronically recorded obligations	1,671	1,748
Short-term loans payable	34,164	28,880
Current portion of Long-term loans	5,209	10,179
Lease obligations	532	794
Accounts payable-other	21,636	21,111
Income taxes payable	2,131	1,707
Accrued consumption taxes	953	1,418
Provision for bonuses	4,724	5,280
Provision for directors' bonuses	96	120
Provision for loss on disaster	-	544
Other	5,174	4,745
Total current liabilities	139,456	138,106
Non-current liabilities		
Long-term loans payable	21,052	10,872
Lease obligations	1,186	2,228
Deferred tax liabilities	2,270	2,179
Net defined benefit liability	1,668	2,208
Asset retirement obligation	1,206	1,461
Other	2,476	3,190
Total non-current liabilities	29,861	22,140
Total liabilities	169,317	160,247
Net assets		
Shareholder's equity		
Capital stock	30,003	30,003
Capital surplus	96,301	96,267
Retained earnings	95,374	101,792
Treasury stock	(1,849)	(2,293)
Total shareholder's equity	219,829	225,770
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	5,263	4,823
Deferred gains or losses on hedges	(928)	(355)
Foreign currency translation adjustment	(2,876)	(3,767)
Remeasurements of defined benefit plan	1,475	1,301
Total accumulated other comprehensive income	2,935	2,002
Subscription rights to shares	139	131
Non-controlling interests	1,169	1,275
Total net assets	224,074	229,178
Total liabilities and net assets	393,392	389,426

(2) Consolidated statements of income and comprehensive income
(Consolidated statements of income)
(April 1, 2019 – March 31, 2020)

(Million Yen)

	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2020
Net sales	850,721	852,450
Cost of goods sold	723,900	718,902
Gross profit	126,821	133,548
Selling, general and administrative expenses	112,326	116,281
Operating income	14,494	17,266
Non-operating income		
Interest income	103	118
Dividend income	390	342
Rent income	430	425
Insurance income	476	428
Equity in income of affiliates	-	942
Other	1,127	1,097
Total non-operating income	2,530	3,355
Non-operating expenses		
Interest expenses	787	711
Rent on real estate	147	139
Equity in losses of affiliates	321	-
Commission fee	60	16
Other	27	219
Total non-operating expenses	1,345	1,087
Ordinary income	15,679	19,534
Extraordinary income		
Gain on sales of non-current assets	13	54
Gain on sales of investment securities	693	83
Insurance income	342	331
Gain on step acquisitions	288	-
Other	9	13
Total extra-ordinary income	1,348	483
Extraordinary loss		
Loss on retirement of non-current assets	345	469
Impairment loss	32	17
Loss on disaster	292	1,493
Loss on liquidation of business	-	719
Others	53	37
Total extra-ordinary expenses	723	2,738
Net income before taxes	16,304	17,280
Income taxes-current	6,000	5,491
Income taxes-deferred	(375)	213
Total income taxes	5,625	5,704
Net income	10,678	11,575
Income (loss) attributable to non-controlling interests	90	135
Income attributable to owners of parent	10,588	11,439

(Consolidated statements of comprehensive income)
(April 1, 2019 – March 31, 2020)

(Million Yen)

	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2020
Net income	10,678	11,575
Other comprehensive income		
Valuation difference on available-for-sale securities	(608)	(324)
Deferred gains or losses on hedges	(138)	573
Foreign currency translation adjustment	(1,004)	(694)
Remeasurements of defined benefit plan	247	(70)
Share of other comprehensive income of entities accounted for using equity method	332	(401)
Total other comprehensive income	(1,172)	(916)
Comprehensive income	9,506	10,658
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,410	10,506
Comprehensive income attributable to non-controlling interests	95	151

(3) Consolidated statements of Cash Flows

(April 1, 2019 – March 31, 2020)

(Million Yen)

	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2020
Cash flows from operating activities		
Income before income taxes	16,304	17,280
Depreciation	9,856	10,933
Impairment loss	32	17
Increase (decrease) in provision for bonuses	(1,260)	525
Amortization of goodwill	1,809	1,591
Interest and dividend income	(494)	(460)
Interest expenses	787	711
Insurance income	(819)	(760)
Loss on disaster	292	1,493
Loss on liquidation of business	-	719
Equity in earnings of affiliates	321	(942)
Loss (gain) on step acquisitions	(288)	-
Loss (gain) on sales of investment securities	(691)	(76)
Decrease (increase) in notes and accounts receivable - trade	(6,474)	12,216
Decrease (increase) in inventories	(2,955)	(548)
Increase (decrease) in notes and accounts payable - trade	(366)	(2,995)
Increase (decrease) in notes and accounts payable	786	(336)
Increase (decrease) in net defined benefit liability	(36)	(43)
Decrease (increase) in net defined benefit asset	(447)	(207)
Other	2,440	(178)
Subtotal	18,795	38,936
Interest and dividend income received	2,736	561
Proceeds from insurance income	797	747
Interest expenses paid	(789)	(712)
Payments for loss on disaster	(35)	(355)
Income taxes paid	(6,389)	(7,330)
Net cash provided by (used in) operating activities	15,114	31,847
Cash flows from investing activities		
Purchase of property, plant and equipment	(20,588)	(8,995)
Purchase of intangible assets	(474)	(571)
Purchases of Investments in Securities	(118)	(1,109)
Proceeds from Sales of Investments in Securities	961	233
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(71)	(1,271)
Proceeds from capital reduction with compensation	-	2,969
Payments of loans receivable	(233)	(265)
Proceeds from loans receivable	345	1,012
Other	299	143
Net cash provided by (used in) investing activities	(19,879)	(7,855)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	14,609	(4,740)
Proceeds from long-term loans payable	11,050	-
Repayment of long-term loans payable	(9,382)	(5,209)
Purchase of Treasury Stock	(296)	(606)
Cash dividends paid	(5,022)	(5,018)
Purchase of investments in subsidiaries resulting in no change in scope of consolidation	(230)	-
Repayments of lease obligations	(539)	(770)
Other	(103)	(45)
Net cash provided by (used in) financing activities	10,084	(16,390)
Effect of exchange rate change on cash and cash equivalents	39	(472)
Net increase (decrease) in cash and cash equivalents	5,358	7,128
Cash and cash equivalents at beginning of period	29,284	34,643
Cash and cash equivalents at end of period	34,643	41,771