

Consolidated Financial Results (Japanese Accounting Standards) for the Three Months Ended June 30, 2019 (Q1 FY 2019)

Company name: Itoham Yonekyu Holdings Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Stock code: 2296
 URL: <http://www.itoham-yonekyu-holdings.com>
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 Scheduled date for filing of securities report: August 13, 2019
 Scheduled date of commencement of dividend payment: -
 Supplementary documents for financial results: Yes
 Quarterly results briefing: No

(Amounts of less than one million yen are truncated)

1. Consolidated Financial Results for the Three Months Ended June 30, 2019 (April 1, 2019–June 30, 2019)

(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	%
Three months ended								
June 30, 2019	210,964	1.1	4,772	30.6	5,225	26.7	3,471	9.8
June 30, 2018	208,615	3.3	3,654	-32.3	4,124	-29.3	3,162	-19.7

(Note) Comprehensive income: Three months ended June 30, 2019 2,545 million Yen (-22.6%)
 Three months ended June 30, 2018 3,287 million Yen (54.9%)

	Net income per share		Fully diluted net income	
	Yen	Yen	Yen	Yen
Three months ended				
June 30, 2019	11.75		11.75	
June 30, 2018	10.70		10.69	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Million Yen	Million Yen	Million Yen	Million Yen	%	%
As of June 30, 2019	406,636		221,552		54.2	
As of March 31, 2019	393,392		224,074		56.6	

(Reference) Shareholders' equity: As of June 30, 2019 220,247 million Yen
 As of March 31, 2019 222,765 million Yen

2. Dividends

	First quarter-end	Second quarter-end	Third quarter-end	Fiscal quarter-end	Total
For the fiscal year ended	Yen	Yen	Yen	Yen	Yen
March 31, 2019	—	0.00	—	17.00	17.00
March 31, 2020	—				
For the fiscal year ending					
March 31, 2020		0.00	—	17.00	17.00
(Forecast)					

(Note) Changes to most recent dividend forecast: None

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2020 (April 1, 2019 to March 31, 2020)

(% 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	440,000	3.2	10,000	25.8	11,000	27.8	7,700	27.1	26.07
(Cumulative)									
Full year	880,000	3.4	18,000	24.2	20,000	27.6	14,000	32.2	47.40

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

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million Yen)

	As of March 31, 2019	As of June 30, 2019
ASSETS		
Current assets		
Cash and deposits	34,944	33,145
Notes and account receivable - trade	98,769	101,727
Merchandise and finished goods	67,596	76,165
Work in process	1,740	1,793
Raw materials and supplies	19,571	22,836
Other	6,966	8,874
Allowance for doubtful accounts	(9)	(10)
Total current assets	229,580	244,534
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	36,938	36,784
Machinery, equipment and vehicles, net	31,515	30,920
Tools, furniture & fixtures, net	1,454	1,425
Land	25,323	25,278
Leased assets, net	1,543	2,550
Others, net	1,972	2,211
Total property, plant and equipment	98,747	99,171
Intangible assets		
Goodwill	22,576	22,199
Other	1,623	1,601
Total intangible assets	24,199	23,800
Investments and other assets		
Investment securities	24,912	23,093
Net defined benefit assets	9,162	9,455
Other	6,908	6,697
Allowance for doubtful receivables	(118)	(116)
Total investments and other assets	40,865	39,129
Total non-current assets	163,812	162,102
Total Assets	393,392	406,636

(Million Yen)

	As of March 31, 2019	As of June 30, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	63,161	71,169
Electronically recorded obligations	1,671	1,582
Short-term loans payable	34,164	35,592
Current portion of Long-term loans	5,209	5,199
Income taxes payable	2,131	604
Provision for bonuses	4,724	1,517
Provision for directors' bonuses	96	34
Other	28,297	38,014
Total current liabilities	139,456	153,715
Non-current liabilities		
Long-term loans payable	21,052	21,004
Net defined benefit liability	1,668	1,665
Asset retirement obligation	1,206	1,208
Other	5,933	7,490
Total non-current liabilities	29,861	31,368
Total liabilities	169,317	185,084
Net assets		
Shareholder's equity		
Capital stock	30,003	30,003
Capital surplus	96,301	96,301
Retained earnings	95,374	93,824
Treasury stock	(1,849)	(1,849)
Total shareholder's equity	219,829	218,279
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	5,263	4,099
Deferred gains or losses on hedges	(928)	(917)
Foreign currency translation adjustment	(2,876)	(2,817)
Remeasurements of defined benefit plan	1,475	1,602
Total accumulated other comprehensive income	2,935	1,967
Subscription rights to shares	139	139
Non-controlling interests	1,169	1,164
Total net assets	224,074	221,552
Total liabilities and net assets	393,392	406,636

(2) Consolidated statements of income and comprehensive income

(Consolidated statements of income)

(April 1, 2019 – June 30, 2019)

(Million Yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Net sales	208,615	210,964
Cost of goods sold	178,144	178,826
Gross profit	30,471	32,138
Selling, general and administrative expenses	26,816	27,366
Operating income	3,654	4,772
Non-operating income		
Interest income	23	30
Dividend income	123	127
Rent income	102	108
Equity in income of affiliates	170	142
Other	322	323
Total non-operating income	742	732
Non-operating expenses		
Interest expenses	231	219
Rent on real estate	28	32
Other	13	27
Total non-operating expenses	272	279
Ordinary income	4,124	5,225
Extraordinary income		
Gain on sales of non-current assets	0	38
Gain on sales of investment securities	513	4
Insurance income	210	84
Other	-	13
Total extra-ordinary income	724	140
Extraordinary loss		
Loss on retirement of non-current assets	48	65
Loss on disaster	17	-
Others	0	8
Total extra-ordinary expenses	66	74
Net income before taxes	4,782	5,291
Income taxes-current	283	464
Income taxes-deferred	1,311	1,318
Total income taxes	1,595	1,783
Net income	3,187	3,508
Income (loss) attributable to non-controlling interests	25	36
Income attributable to owners of parent	3,162	3,471

(Consolidated statements of comprehensive income)
(April 1, 2019 – June 30, 2019)

(Million Yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Net income	3,187	3,508
Other comprehensive income		
Valuation difference on available-for-sale securities	526	(1,128)
Deferred gains or losses on hedges	(298)	11
Foreign currency translation adjustment	(256)	250
Remeasurements of defined benefit plan	(11)	144
Share of other comprehensive income of entities accounted for using equity method	140	(241)
Total other comprehensive income	<u>100</u>	<u>(963)</u>
Comprehensive income	<u>3,287</u>	<u>2,545</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,260	2,504
Comprehensive income attributable to non-controlling interests	27	40