

# Consolidated Financial Results (Japanese Accounting Standards) for the Fiscal Year Ended March 31, 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 general shareholders' meeting: June 25, 2019  
 Scheduled date for filing of securities report: June 26, 2019  
 Scheduled date of commencement of dividend payment: June 05, 2019  
 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, 2019 (April 1, 2018–March 31, 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	%
For the fiscal year ended								
March 31, 2019	850,721	2.3	14,494	-32.8	15,679	-35.8	10,588	-32.9
March 31, 2018	831,865	5.0	21,562	0.5	24,423	-1.9	15,784	-12.5

(Note) Comprehensive income: The Fiscal Year Ended March 31, 2019 9,506 million Yen (-34.1%)  
 The Fiscal Year Ended March 31, 2018 14,432 million Yen (-27.2%)

	Net income per share		Fully diluted net income		Net income to shareholders' equity		Ordinary Income to assets		Operating income to net sales	
	Yen	%	Yen	%	Yen	%	Yen	%	Yen	%
For the fiscal year ended										
March 31, 2019	35.82		35.80		4.8		4.1		1.7	
March 31, 2018	53.22		53.17		7.3		6.5		2.6	

(Reference) Equity in income or losses of affiliates: The Fiscal Year Ended March 31, 2019 -321 million Yen  
 The Fiscal Year Ended March 31, 2018 2,455 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, 2019	393,392		224,074		56.6	754.14		
As of March 31, 2018	376,204		219,861		58.1	739.77		

(Reference) Shareholders' equity: As of March 31, 2019 222,765 million Yen  
 As of March 31, 2018 218,612 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, 2019	15,114		-19,879		10,084		34,643	
March 31, 2018	5,521		-8,183		-20,004		29,284	

## 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, 2018	—	0.00	—	17.00	17.00	5,023	31.9	2.3
March 31, 2019	—	0.00	—	17.00	17.00	5,021	47.5	2.3
For the fiscal year ending								
March 31, 2020 (Forecast)	—	0.00	—	17.00	17.00		35.9	

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

# Consolidated Financial Statements

## (1) Consolidated Balance Sheets

(Million Yen)

	As of March 31, 2018	As of March 31, 2019
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and deposits	29,585	34,944
Notes and account receivable - trade	94,056	98,769
Merchandise and finished goods	66,042	67,596
Work in process	1,739	1,740
Raw materials and supplies	18,491	19,571
Other	3,557	6,966
Allowance for doubtful accounts	(8)	(9)
<b>Total current assets</b>	<b>213,465</b>	<b>229,580</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	94,487	100,316
Accumulated depreciation	(61,433)	(63,378)
Buildings and structures, net	33,053	36,938
Machinery, equipment and vehicles	113,461	122,022
Accumulated depreciation	(88,419)	(90,506)
Machinery, equipment and vehicles, net	25,041	31,515
Tools, furniture & fixtures	6,140	6,289
Accumulated depreciation	(4,811)	(4,835)
Tools, furniture & fixtures, net	1,328	1,454
Land	25,901	25,323
Leased assets	4,171	4,350
Accumulated depreciation	(2,631)	(2,807)
Leased assets, net	1,539	1,543
Construction in progress	2,769	1,858
Others	140	155
Accumulated depreciation	(39)	(42)
Others, net	101	113
<b>Total property, plant and equipment</b>	<b>89,735</b>	<b>98,747</b>
<b>Intangible assets</b>		
Goodwill	24,109	22,576
Other	1,706	1,623
<b>Total intangible assets</b>	<b>25,816</b>	<b>24,199</b>
<b>Investments and other assets</b>		
Investment securities	31,618	24,912
Long-term loans receivable	2,329	2,180
Deferred tax assets	979	879
Net defined benefit assets	8,231	9,162
Other	4,149	3,847
Allowance for doubtful receivables	(122)	(118)
<b>Total investments and other assets</b>	<b>47,186</b>	<b>40,865</b>
<b>Total non-current assets</b>	<b>162,738</b>	<b>163,812</b>
<b>Total Assets</b>	<b>376,204</b>	<b>393,392</b>

(Million Yen)

	As of March 31, 2018	As of March 31, 2019
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	63,944	63,161
Electronically recorded obligations	1,637	1,671
Short-term loans payable	21,395	34,164
Current portion of Long-term loans	4,964	5,209
Lease obligations	505	532
Accounts payable-other	21,617	21,636
Income taxes payable	2,502	2,131
Accrued consumption taxes	1,575	953
Provision for bonuses	5,985	4,724
Provision for directors' bonuses	187	96
Other	3,448	5,174
<b>Total current liabilities</b>	<b>127,765</b>	<b>139,456</b>
<b>Non-current liabilities</b>		
Long-term loans payable	20,071	21,052
Lease obligations	1,214	1,186
Deferred tax liabilities	3,229	2,270
Net defined benefit liability	1,581	1,668
Asset retirement obligation	1,207	1,206
Other	1,272	2,476
<b>Total non-current liabilities</b>	<b>28,577</b>	<b>29,861</b>
<b>Total liabilities</b>	<b>156,343</b>	<b>169,317</b>
<b>Net assets</b>		
<b>Shareholder's equity</b>		
Capital stock	30,003	30,003
Capital surplus	96,289	96,301
Retained earnings	90,031	95,374
Treasury stock	(1,824)	(1,849)
<b>Total shareholder's equity</b>	<b>214,499</b>	<b>219,829</b>
<b>Other accumulated comprehensive income</b>		
Valuation difference on available-for-sale securities	6,013	5,263
Deferred gains or losses on hedges	(789)	(928)
Foreign currency translation adjustment	(2,387)	(2,876)
Remeasurements of defined benefit plan	1,277	1,475
<b>Total accumulated other comprehensive income</b>	<b>4,113</b>	<b>2,935</b>
<b>Subscription rights to shares</b>	<b>257</b>	<b>139</b>
<b>Non-controlling interests</b>	<b>990</b>	<b>1,169</b>
<b>Total net assets</b>	<b>219,861</b>	<b>224,074</b>
<b>Total liabilities and net assets</b>	<b>376,204</b>	<b>393,392</b>

(2) Consolidated statements of income and comprehensive income  
(Consolidated statements of income)  
(April 1, 2018 – March 31, 2019)

(Million Yen)

	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2019
<b>Net sales</b>	831,865	850,721
<b>Cost of goods sold</b>	701,215	723,900
<b>Gross profit</b>	130,649	126,821
<b>Selling, general and administrative expenses</b>	109,087	112,326
<b>Operating income</b>	21,562	14,494
<b>Non-operating income</b>		
Interest income	100	103
Dividend income	332	390
Rent income	394	430
Equity in income of affiliates	2,455	-
Other	938	1,604
<b>Total non-operating income</b>	4,220	2,530
<b>Non-operating expenses</b>		
Interest expenses	868	787
Rent on real estate	137	147
Equity in losses of affiliates	-	321
Commission fee	300	60
Other	52	27
<b>Total non-operating expenses</b>	1,359	1,345
<b>Ordinary income</b>	24,423	15,679
<b>Extraordinary income</b>		
Gain on sales of investment securities	746	693
Gain on step acquisitions	-	288
Insurance income	-	342
Subsidy income	119	-
Other	219	23
<b>Total extra-ordinary income</b>	1,084	1,348
<b>Extraordinary loss</b>		
Loss on retirement of non-current assets	283	345
Impairment loss	94	32
Loss on disaster	172	292
Others	89	53
<b>Total extra-ordinary expenses</b>	640	723
<b>Net income before taxes</b>	24,867	16,304
Income taxes-current	7,085	6,000
Income taxes-deferred	2,110	(375)
<b>Total income taxes</b>	9,195	5,625
<b>Net income</b>	15,672	10,678
<b>Income (loss) attributable to non-controlling interests</b>	(112)	90
<b>Income attributable to owners of parent</b>	15,784	10,588

(Consolidated statements of comprehensive income)  
(April 1, 2018 – March 31, 2019)

(Million Yen)

	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2019
<b>Net income</b>	15,672	10,678
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	633	(608)
Deferred gains or losses on hedges	(338)	(138)
Foreign currency translation adjustment	(1,158)	(1,004)
Remeasurements of defined benefit plan	1,713	247
Share of other comprehensive income of entities accounted for using equity method	(2,089)	332
<b>Total other comprehensive income</b>	(1,239)	(1,172)
<b>Comprehensive income</b>	14,432	9,506
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,679	9,410
Comprehensive income attributable to non-controlling interests	(246)	95

## (3) Consolidated statements of Cash Flows

(Million Yen)

	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2019
<b>Cash flows from operating activities</b>		
Income before income taxes	24,867	16,304
Depreciation	8,786	9,856
Impairment loss	94	32
Increase (decrease) in provision for bonuses	130	(1,260)
Amortization of goodwill	1,518	1,809
Interest and dividend income	(432)	(494)
Interest expenses	868	787
Insurance income	(218)	(523)
Loss on disaster	-	292
Equity in earnings of affiliates	(2,455)	321
Loss (gain) on step acquisitions	-	(288)
Loss (gain) on sales of investment securities	(745)	(691)
Decrease (increase) in notes and accounts receivable - trade	(15,589)	(6,474)
Decrease (increase) in inventories	(10,506)	(2,955)
Increase (decrease) in notes and accounts payable - trade	4,112	(366)
Increase (decrease) in notes and accounts payable	3,647	786
Increase (decrease) in net defined benefit liability	(2)	(36)
Decrease (increase) in net defined benefit asset	(1,302)	(447)
Other	1,175	2,440
<b>Subtotal</b>	<b>13,949</b>	<b>19,091</b>
Interest and dividend income received	1,090	2,736
Proceeds from insurance income	236	501
Interest expenses paid	(888)	(789)
Payments for loss on disaster	-	(35)
Income taxes paid	(8,866)	(6,389)
<b>Net cash provided by (used in) operating activities</b>	<b>5,521</b>	<b>15,114</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(10,905)	(20,588)
Purchase of intangible assets	(357)	(474)
Purchases of Investments in Securities	(1,964)	(118)
Proceeds from Sales of Investments in Securities	2,076	961
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	(71)
Proceeds from capital reduction with compensation	2,767	-
Payments of loans receivable	(234)	(233)
Proceeds from loans receivable	338	345
Other	95	299
<b>Net cash provided by (used in) investing activities</b>	<b>(8,183)</b>	<b>(19,879)</b>
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term loans payable	8,541	14,609
Proceeds from long-term loans payable	912	11,050
Repayment of long-term loans payable	(3,889)	(9,382)
Payments for Redemption of Corporate Bonds	(10,000)	-
Purchase of Treasury Stock	(1,995)	(296)
Cash dividends paid	(5,051)	(5,022)
Purchase of investments in subsidiaries resulting in no change in scope of consolidation	(7,668)	(230)
Repayments of lease obligations	(540)	(539)
Other	(312)	(103)
<b>Net cash provided by (used in) financing activities</b>	<b>(20,004)</b>	<b>10,084</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>(835)</b>	<b>39</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(23,501)</b>	<b>5,358</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>52,785</b>	<b>29,284</b>
<b>Cash and cash equivalents at end of period</b>	<b>29,284</b>	<b>34,643</b>