

# **Itoham Yonekyu Holdings Inc. Financial Results for Q1 of FY2022 (Ending March 31, 2023)**

## **2. Business description**

**August 03, 2022**

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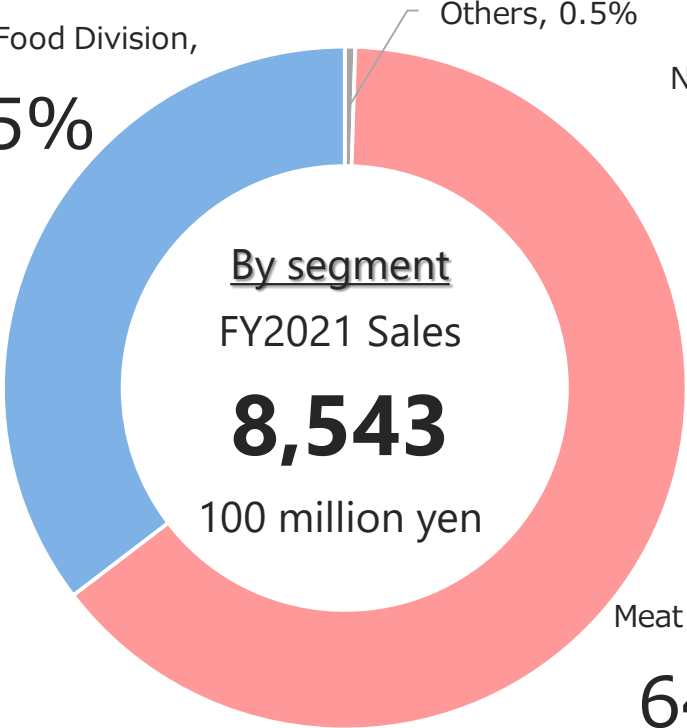
# 2-01 Business Summary : Portfolio

- ✓ The Processed Food Division accounts for 35% of sales, and the Meat Division accounts for 64%.
- ✓ The Overseas ratio accounts for 12.7%, and is led by ANZCO Foods.



Processed Food Division,

35%



# 2-01 Business Summary : Processed Foods Business

- ✓ We have developed the some of new products as never before in the world.
- ✓ We have focused on new business like as non-meat, it based on the product development capabilities from both entities.

## ITOHAM FOODS INC.

1928 Denzo Ito founded Ito Shokuhin Kakougyou in Osaka.

1934 **First in the industry!**

Launched "Cellophane Wiener"  
(Current "Paul Wiener")



1983 **First in the industry!**

Chilled pizza "Fresh Pizza" new release.



1988 **The first in the world!**

Baby size wiener, "Pork Bits"



2020 **Non-meat** new release.

The 2021 sales 50% up year-on-year.

## Yonekyu Corp.

1965 Kiyokazu Shoji founded Yonekyu Shokuhin in Numazu.

1977 **Industry pioneer!**

Started production of roast beef manufactured  
by vacuum cooking



1981 **First in the industry!**

Built up "The Gotemba Factory"(currently Fujiyama  
Factory), it was special factory for prociutto



1995 **Unique product!**

Launched "Bandit spare ribs" (Spare ribs with bone)



2016 Established Itoham Yonekyu Holdings Inc.

2020



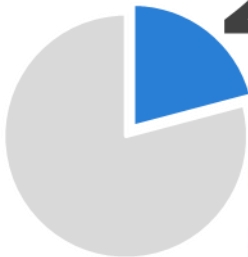
# 2-01 Business Summary : Processed Foods Business

✓ It has various categories such as Ham/Sausage( share 21%), Cooked Foods (16%), and Pizza/Snacks (32%).

## Ham/Sausage

April 1,2021-March 31,2022  
Ham/sausage  
market share

21%

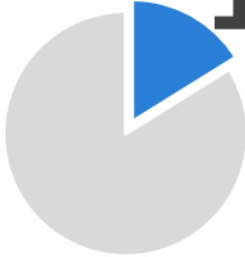


Date : QPR™

## Cooked Foods

April 1,2021-March 31,2022  
Processed Foods  
market share

16%



Date : QPR™

## Pizza/Snacks

April 1,2021-March 31,2022  
Pizza/Snacks  
market share

32%



Date : QPR™

## Noodles



## Cheese

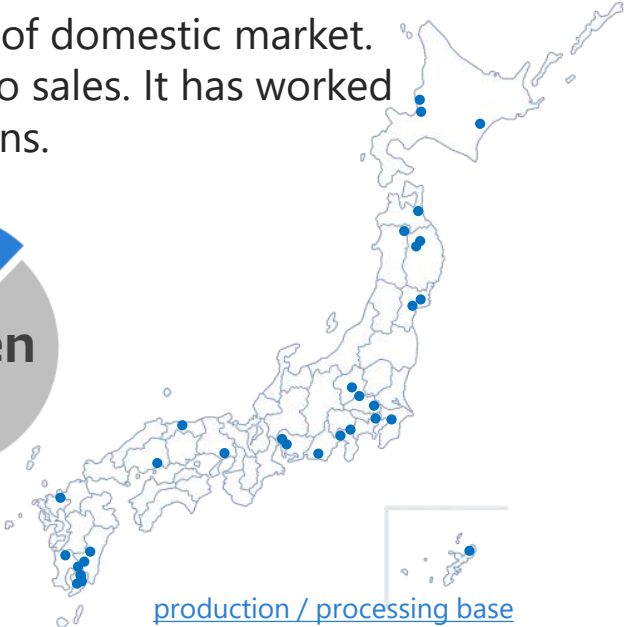
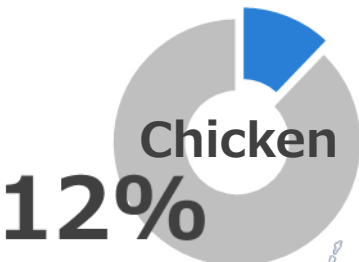
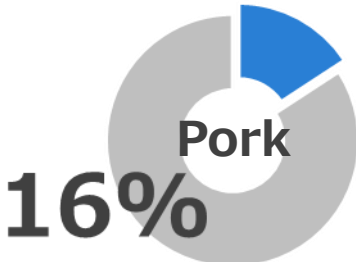
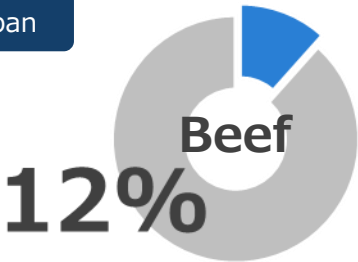


# 2-01 Business Summary : Domestic Meat Business

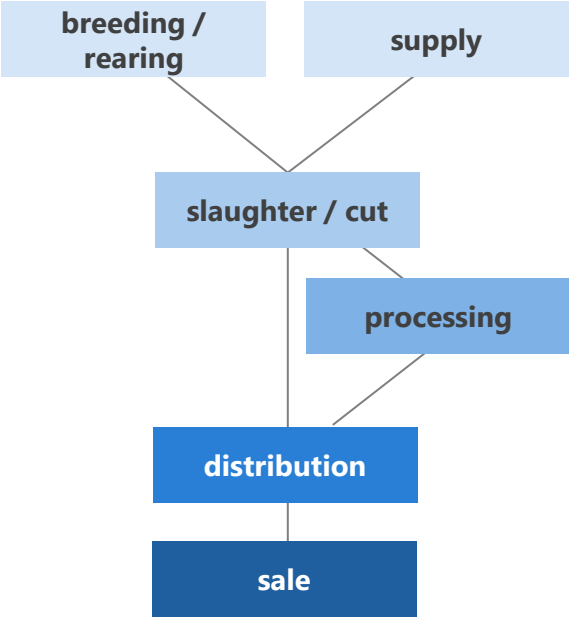
- ✓ It has full meat categories which account for over 10 % share of domestic market.
- ✓ We have created the strong supply chains from productions to sales. It has worked to stabilize the business and make the value added productions.

Share in Japan

※our research



Production flow



Export of Wagyu

Brand meat

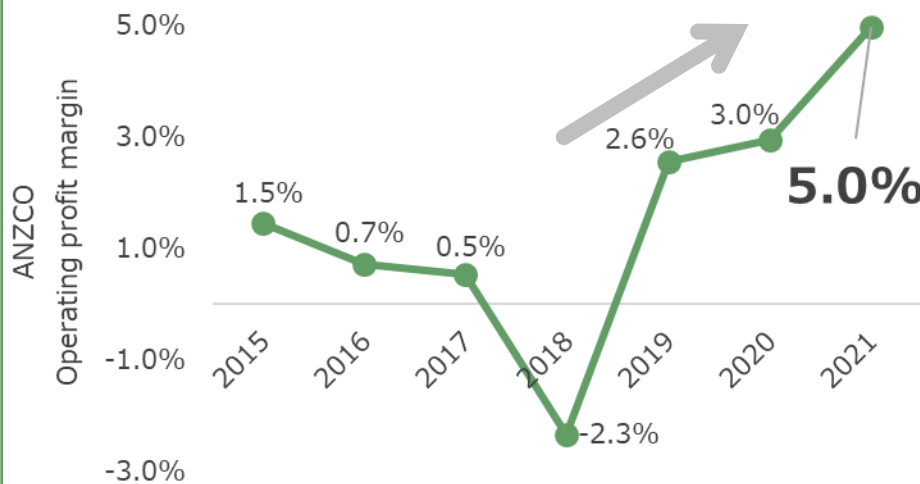
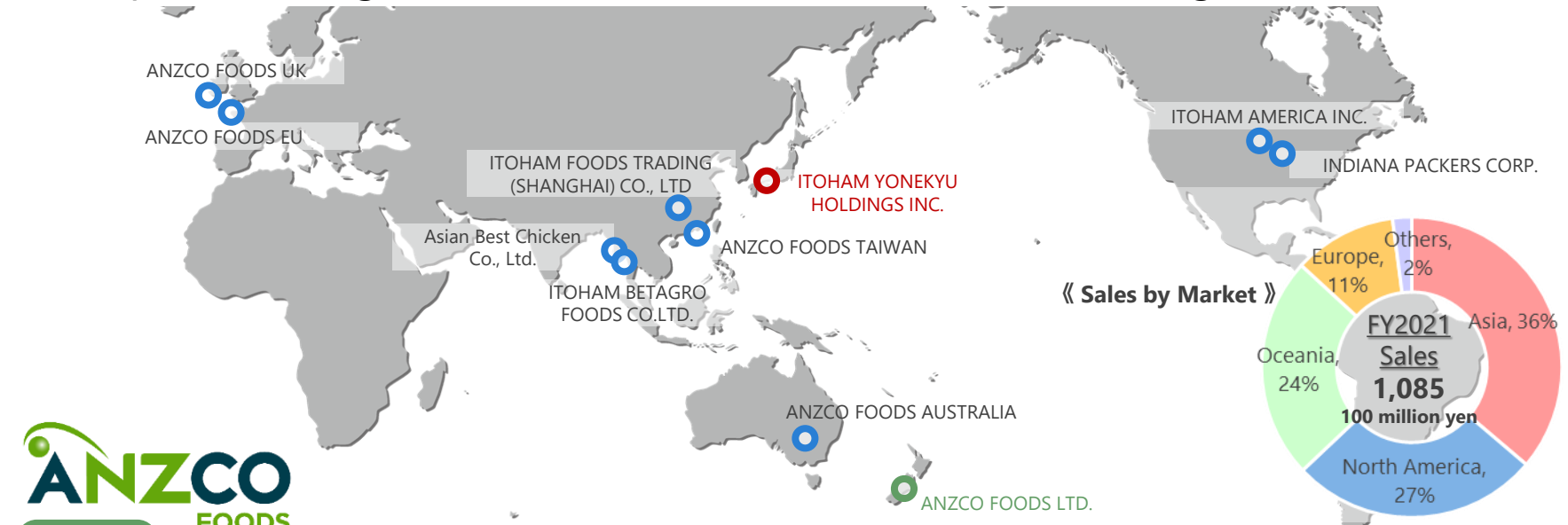
Various products

By-product

九州エクス

# 2-01 Business Summary : Overseas Business

✓ Operate on a global scale at 11 bases in 9 countries and regions.



Anzco Foods supplies products to more than **80** countries and territories.



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# 2-02 Business Strategy



- ✓ We focus on the strengthen core business and allocate the management resources to meat related area where expected the growable business at the same time. It will work to raise our growth potential.

action

Processed Foods Business	<u>Improved profitability and capturing a growth markets</u> <ul style="list-style-type: none"><li>◆ Strengthening the core brand</li><li>◆ Strengthening cooked foods<ul style="list-style-type: none"><li>→ Expansion of normal temperature and frozen foods</li></ul></li></ul>
Meat Business	<u>Strengthen business based on investment in upstream supply chain</u> <ul style="list-style-type: none"><li>◆ Strengthening Wagyu export business</li><li>◆ Strengthening brand meat sales</li><li>◆ Entering into the meat extract business</li></ul>
Healthcare Field	<u>Healthcare business in areas with high affinity</u> <ul style="list-style-type: none"><li>◆ Acquisition of Moregate Biotech, animal-derived blood products business</li><li>◆ Strengthening non-meat business</li><li>◆ Promotion of protein intake</li></ul>

# 2-02 Business Strategy : Processed Foods Business


- ✓ We will focus on strengthen the core brand and it works to achieve the stable profit in a strict environment.
- ✓ In terms of the cooked foods, we will strengthen the normal temperature products and frozen products as well as chilled products.

current status		future action	
◆ Strengthening the core brand			
• The GRAND Alt Bayern	FY2022 1Q YoY ▲ 3.0%	Strengthening <b>pillow products</b> Promotion targeting to <b>30-40s</b>	
• Asano Fresh Series	+ 7.9%	Launch <b>health appeal items</b> and promotion	
• Pork Bits / Cheese In	+10.0%	Promotions such as campaigns <b>“Supporting parent and child time happily”</b>	
• La Pizza / Pizza Garden	▲ 8.3%	<b>Improved profitability</b> by product revisions and renewals	
• Osama no Roast Beef	+44.0%	Strengthen sales for <b>side dish menu and bowl menu</b>	

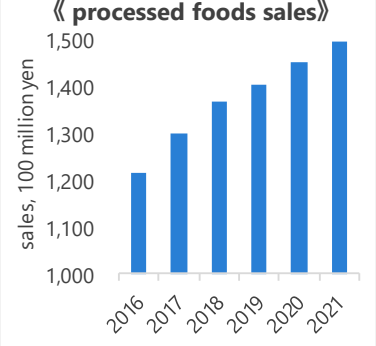
## ◆ Strengthening cooked foods → Expansion of normal temperature and frozen products

FY2021 processed foods  
FY2016 comparison

**+19%**




《 processed foods sales》



Year	Sales
2016	1,220
2017	1,300
2018	1,380
2019	1,420
2020	1,480
2021	1,500

Make it more **delicious**  
Expansion of **normal temperature and frozen products**



# 2-02 Business Strategy : Meat Business

- ✓ It will be strengthened the growable business of Wagyu exportation, original brand meat sales and meat-bone extraction which were based on the investment to upstream supply chain.



## ◆Strengthening Wagyu export business

### 《 Recent capital investment 》

- 2017 "Yoneku oishii tori" production farm established
- 2019 "Sankyo Meat" established a new beef cutting plant and built pig production system.
- 2022 "Towada Meat Plant" new cattle processing plant



## Strengthening brand meat sales

Leading to improved gross profit.



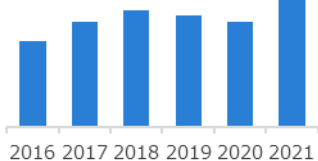
## ◆Strengthening brand meat sales

FY2021 Wagyu export  
FY2016 comparison



+77%

### 《 Wagyu export 》 ※Sales



By increasing the number of facilities authorized for export,

## Promote Wagyu exports

- Sankyo Meat is the largest export processing facility in the country and has export approvals to **48 countries and regions.**



## ◆Entering the meat extract business

Started new business area initiatives

## the meat extract business

- Scheduled to start operation in 2022



Meeting **growing demand for extract seasonings** used in the ready-to-eat and restaurant markets.



# 2-02 Business Strategy : Healthcare Field

✓ We will focus on growth the Health care category to use by-product effectively and applying the exist technology, so will allocate the management resources to that area as having a high affinity.



## ◆Acquisition of Moregate Biotech, animal-derived blood products business

Global share of bovine blood products

**2nd**

➤ Animal-derived blood products are expected to grow for vaccines, regenerative medicine, and clinical diagnosis.



Strengthen ANZCO's base earning power through initiatives in the healthcare field



## ◆Strengthening non-meat business

FY2021 YoY

**+50%**

➤ Has been activity collaborating with other companies.



Expansion of product category

Active collaboration with other companies

Development of products closer to meat



## ◆Promotion of protein intake

"TANPACT series" FY2021 YoY

**+30%**

➤ Agree with 「Collaboration between companies by brand」 promoted by Meiji Co., Ltd., development and sales of "TANPACT series"



With Meiji Co., Ltd. , Maruha Nichiro Corporation

『Go for 80g per day! Protein Enlightenment Project.』

Established a protein consortium

《 Participating companies 》  
Meiji Co., Ltd. / Maruha Nichiro Corporation / ITOHAM YONEKYU HOLDINGS INC.

➤ We carry out the enlightenment activities for protein value.

めざせ1日80g!

**たんぱく**

摂ろう会

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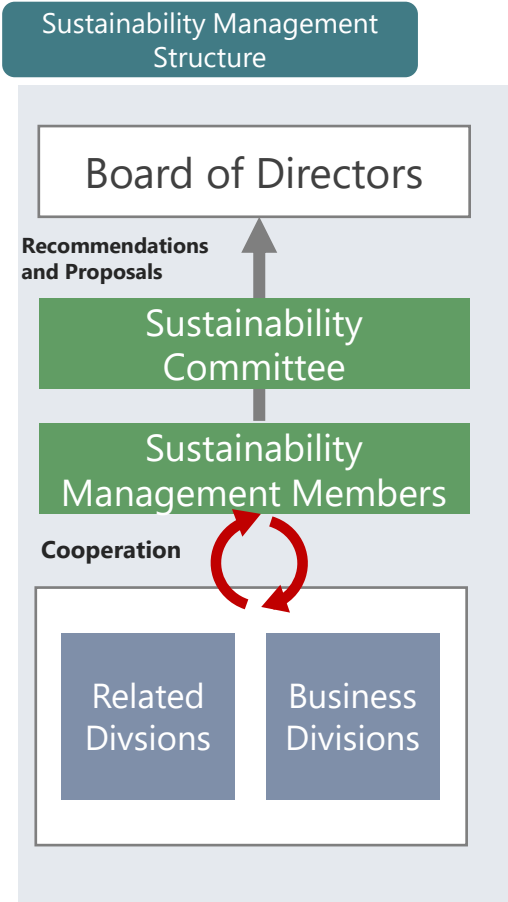
2-01 Business Summary

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# 2-03 Sustainability

- ✓ Established a Sustainability Committee chaired by the executive officer in charge as an advisory body to the Board of directors.
- ✓ In April 2022, established the Sustainability Management Office who lead to perform the specific initiatives for materiality.



Materiality	
The seven materiality identified important social issues from the viewpoint of priority for stakeholders and ItohamYonekyu Group.	
<b>Realizing healthy affluent eating habits</b>	<ul style="list-style-type: none"> <li>Supply of safe and reliable foods</li> <li>Supply of high quality protein</li> <li>Product development and supply of health value in response to diverse lifestyles</li> <li>Product expansion leading to reduction in food loss</li> </ul>
<b>Considering the environment</b>	<ul style="list-style-type: none"> <li>Reducing greenhouse gas emissions</li> <li>Reducing of the consumption of energy and water</li> <li>Reducing waste emissions</li> <li>Preserving biodiversity</li> <li>Reducing the amount of plastic usage</li> </ul>
<b>Creating a workplace where each employee can be active</b>	<ul style="list-style-type: none"> <li>Personnel development and training</li> <li>Respecting diversity</li> <li>Promoting a healthy work-life balance</li> <li>Occupational health and safety, health management, and the respect of human rights</li> </ul>
<b>Promoting sustainable procurement and stable supply</b>	<ul style="list-style-type: none"> <li>Contributing towards a sustainable livestock industry</li> <li>Promoting procurement that respects human rights</li> <li>Animal welfare considerations</li> </ul>
<b>Contributing to local communities</b>	
<b>Strengthening corporate governance</b>	<ul style="list-style-type: none"> <li>Observing and promoting compliance</li> <li>Risk management</li> </ul>
<b>Preference for uncompromising good taste and high quality</b>	

# 2-03 Sustainability : Action example

✓ Materiality 【Considering the environment】 We have worked on as following,

◆Cooperation with project for construction greenhouse gas reduction visualization system in beef cattle production

## For a sustainable Wagyu production business



Verification of feed effect of cashew nut shell liquid feed (Rumeup® \*) derived from natural materials that it works to suppress methane in cow burp.



“Rumeup® ”  
\*Rumeup® is a registered trademark of SDS Biotech K.K.



Cooperating farm "Mirai Farm"

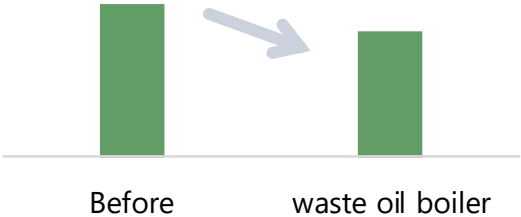
◆Upgrade to energy efficient equipment

## Introduced waste oil boilers

Heavy oil usage **20% reduction**

We will continue to introduce energy-efficient equipment.

《 Heavy oil reduction effect》



waste oil boiler



◆Switch to eco-friendly packaging from drawstring bag

the amount of plastic usage in the entire product

**30% reduce**

Delivery loading efficiency

**1.2 times**

※expected value

Example : The GRAND Alt Bayern





# 2-03 Sustainability : Action example

✓ Materiality 【Promoting sustainable procurement and stable supply】 We have worked on as following,

◆Joint venture 「Kyusyu Extract, Inc. 」 was established by Itoham Foods,Inc. and Mitsubishi Corporation Life Sciences Limited.

**Effective use of by-products** such as **bones**  
produced in the process of meat processing  
Started working on meat extract seasoning as a new business area

By using fresh raw materials, we can manufacture high-quality, "safe and secure" products.



◆Acquisition Moregate biotech animal-derived blood products business.

**Effective use of by-products** such as **blood and pericardium**  
produced in the process of meat processing  
**ANZCO's healthcare business**



Manufactures and supplies products used in the fields of **pharmaceuticals, diagnostics, veterinary medicine, vaccines, biotechnology, research, etc. all over the world.**



Based in New Zealand, an environmentally advanced country, Anzucos is actively committed to climate change and sustainability.



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