

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Q1 FY 2022) (Japanese Accounting Standards)

Company name: Itoham Yonekyu Holdings Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Stock code: 2296
 URL: <https://www.itoham-yonekyu-holdings.com>
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 Scheduled date for filing of securities report: August 10, 2022
 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, 2022 (April 1, 2022–June 30, 2022)

(1) Consolidated Results of Operations (Accumulated Total) (% figures show year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit (loss) attributable to owners	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Three months ended								
June 30, 2022	212,325	4.8	7,114	-5.8	7,698	-8.6	5,129	-13.2
June 30, 2021	202,607	—	7,554	—	8,425	—	5,908	—

(Note) Comprehensive income: Three months ended June 30, 2023 8,265 million Yen (26.0%)
 Three months ended June 30, 2022 6,560 million Yen (—)

	Profit (loss) per share		Diluted net income per share	
	Yen		Yen	
Three months ended				
June 30, 2022	17.60		17.59	
June 30, 2021	20.18		20.17	

(Note) As the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29), etc. has been applied from the beginning of the first quarter of the fiscal year ending March 31, 2022, therefore the percentage change from the same period of the previous year is not stated.

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Million Yen		Million Yen		%	
As of June 30, 2021	433,421		262,941		60.5	
As of March 31, 2021	413,123		262,740		63.4	

(Reference) Shareholders' equity: As of March 31, 2023 262,300 million Yen
 As of March 31, 2022 262,023 million Yen

2. Dividends

	Dividend per share				
	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, 2022	—	0.00	—	23.00	23.00
March 31, 2023	—	—	—	—	—
For the fiscal year ending					
March 31, 2023 (Forecast)		0.00	—	24.00	24.00

(Note) Changes to most recent dividend forecast: None

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(% figures show year-on-year change)

	Net Sales		Operating profit		Ordinary income		Profit (loss) attributable to owners		Profit (loss) per share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Second quarter-end (Cumulative)	430,000	2.9	13,500	-6.8	15,000	-9.3	10,000	-15.3	34.48
Full year	865,000	1.2	21,000	-14.7	24,000	-16.1	15,000	-21.5	51.72

(Note) Changes to most recent financial results forecast: Yes

* Notes

- (1) Changes in significant subsidiaries during the term (changes in specific subsidiaries accompanied by a change in the scope of consolidation): None
- (2) Application of special accounting treatment in the preparation of the quarterly consolidated financial statements: None
- (2) Changes in accounting policies, changes of accounting estimates and restatement
- | | |
|---|------|
| (i) Changes in accounting policies due to amendments to accounting standards: | None |
| (ii) Other Changes in accounting policies: | None |
| (iii) Changes in accounting estimates: | None |
| (iv) Restatement: | None |
- (3) Numbers of shares outstanding (common stock)
- | | |
|---|--------------------|
| (i) Numbers of issued shares at end of period: | |
| Three Months Ended June 30, 2022: | 292,335,059 shares |
| Year ended March 31, 2022: | 297,335,059 shares |
| (ii) Numbers of treasury shares at end of period: | |
| Three Months Ended June 30, 2022: | 2,315,162 shares |
| Year ended March 31, 2022: | 5,458,762 shares |
| (iii) Average number of shares outstanding during period (quarterly cumulative period): | |
| Three Months Ended June 30, 2022: | 291,513,184 shares |
| Three Months Ended June 30, 2021: | 292,738,808 shares |

* This Summary of Consolidated Financial Results is outside the scope of the external audit.

* Explanation for using the forecasted information and the other special notes

(Notes concerning forward-looking statements, etc.)

This summary financial report contains forward-looking statements and forecasts are made based on information available to the company at the time of preparation and certain assumption deemed to reasonable and actual result may significantly due to various factors.

For assumptions used for earnings forecasts and notes on the use of earnings forecasts, please refer to “(3) Information on the consolidated earnings forecasts and other future forecasts” under “1. Qualitative Information on Financial Results ” on page “3”.

(Access to Supplementary Explanations)

Explanatory materials for quarterly financial results will be published on TDnet for viewing in Japan and on our website.

Information on the consolidated earnings forecasts and other future forecasts

In regard with the accumulated 2nd Quarter forecast, we have revised up our previous financial result announced on May 9th 2022, because over meat business exceeded the previous forecast and kept its position.

Then, we keep the original full year financial forecast, because it would be take uncertain impact of further high raw material cost and utility cost also.

Revisions to the forecast for the six months ending September 30, 2022 (April 1, 2022-September 30, 2022)

	Sales (Million Yen)	Operating Income (Million Yen)	Ordinary Income (Million Yen)	Net Income (Million Yen)	Net Income per Share (Yen)
Previous forecasts (A)	422,000	11,500	13,000	8,500	29.31
Curent forecasts (B)	430,000	13,500	15,000	10,000	34.48
Change (B-A)	8,000	2,000	2,000	1,500	
Change (%)	1.9	17.4	15.4	17.6	
Previous Year (September 30, 2021)	417,762	14,480	16,540	11,810	40.33

Forecast for the year ending March 31, 2023 (April 1, 2022-March 31, 2023)
(No change from figures announced on May 9, 2022)

	Sales (Million Yen)	Operating Income (Million Yen)	Ordinary Income (Million Yen)	Net Income (Million Yen)	Net Income per Share (Yen)
Forecast	865,000	21,000	24,000	15,000	51.72
Previous Year (March 31, 2022)	854,374	24,611	28,596	19,118	65.34

Note : The above forecasts are based on currently available information and certain assumptions judged to be reasonable, and actual performance may differ from forecast figures due to various factors in the future.

(1) Consolidated balance sheets

(Million Yen)

	As of March 31, 2021	As of June 30, 2022
ASSETS		
Current assets		
Cash and deposits	47,991	35,312
Notes and accounts receivable-trade	89,008	90,837
Merchandise and finished goods	74,814	91,217
Work in process	1,713	1,878
Raw materials and supplies	19,037	23,991
Other	10,848	18,264
Allowance for doubtful accounts	(7)	(7)
Total current assets	243,405	261,495
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	36,252	36,882
Machinery, equipment and vehicles, net	28,274	28,119
Tools, furniture & fixtures, net	1,530	1,522
Land	26,017	26,451
Leased assets, net	2,487	2,893
Others, net	2,437	3,534
Total property, plant and equipment	97,000	99,404
Intangible assets		
Goodwill	18,158	17,811
Other	3,955	4,646
Total intangible assets	22,114	22,457
Investments and other assets		
Investment securities	29,598	28,909
Retirement benefit asset	14,722	15,046
Other	6,374	6,201
Allowance for doubtful accounts	(93)	(92)
Investments and other assets	50,602	50,064
Total non-current assets	169,717	171,926
Total Assets	413,123	433,421

(Million Yen)

	As of March 31, 2021	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	62,351	70,615
Electronically recorded obligations - operating	1,747	1,589
Short-term borrowings	24,407	26,960
Current portion of Long-term borrowings	144	138
Income taxes payable	2,891	1,444
Provision for bonuses	6,617	1,835
Provision for bonuses for directors (and other officers)	151	38
Provision for loss on disaster	329	329
Other	27,894	42,086
Total current liabilities	126,533	145,037
Non-current liabilities		
Long-term borrowings	10,572	10,540
Retirement benefit liability	1,706	1,701
Asset retirement obligations	1,490	1,492
Other	10,080	11,708
Total non-current liabilities	23,849	25,442
Total liabilities	150,383	170,480
Net assets		
Shareholders' equity		
Capital stock	30,003	30,003
Capital surplus	96,615	92,933
Retained earnings	129,805	128,221
Treasury shares	(4,150)	(1,705)
Total shareholder's equity	252,273	249,453
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,727	5,973
Deferred gains or losses on hedges	151	709
Foreign currency translation adjustment	(684)	2,689
Remeasurements of defined benefit plans	3,556	3,474
Total accumulated other comprehensive income	9,750	12,846
Share acquisition rights	118	110
Non-controlling interests	598	530
Total net assets	262,740	262,941
Total liabilities and net assets	413,123	433,421

(Million Yen)

	Three Months Ended June 30, 2021 (Apr 1, 2021 - Jun 30, 2021)	Three Months Ended June 30, 2022 (Apr 1, 2022 - Jun 30, 2022)
Net sales	202,607	212,325
Cost of sales	169,114	179,615
Gross profit	33,493	32,710
Selling, general and administrative expenses	25,939	25,596
Operating profit	7,554	7,114
Non-operating Income		
Interest income	9	13
Dividend income	145	132
Rental income	104	116
Share of profit of entities accounted for using equity method	447	—
Subsidy income	197	276
Other	235	293
Total non-operating income	1,140	832
Non-operating expenses		
Interest expenses	78	107
Rental expenses on real estate	30	38
Share of loss in investments accounted for using the equity method	—	54
Other	160	48
Total non-operating expenses	269	248
Ordinary profit	8,425	7,698
Extraordinary income		
Gain on sale of non-current assets	3	3
Gain on sale of investment securities	55	0
Other	24	—
Total extraordinary income	83	3
Extraordinary losses		
Loss on retirement of non-current assets	40	58
Others	0	—
Total extraordinary losses	40	58
Profit before income taxes	8,467	7,643
Income taxes-current	679	1,224
Income taxes-deferred	1,868	1,278
Total income taxes	2,548	2,503
Profit	5,919	5,140
Profit attributable to non-controlling interests	10	11
Profit attributable to owners of parent	5,908	5,129

Consolidated statements of comprehensive income

(Million Yen)

	Three Months Ended June 30, 2021 (Apr 1, 2021 - Jun 30, 2021)	Three Months Ended June 30, 2022 (Apr 1, 2022 - Jun 30, 2022)
Profit	5,919	5,140
Other comprehensive income		
Valuation difference on available-for-sale securities	(197)	(772)
Deferred gains or losses on hedges	(108)	557
Foreign currency translation adjustment	1,092	2,281
Remeasurements of defined benefit plans	(114)	(91)
Share of other comprehensive income of entities accounted for using equity method	(30)	1,149
Total other comprehensive income	641	3,124
Comprehensive income	6,560	8,265
(Breakdown)		
Comprehensive income attributable to owners of parent	6,537	8,226
Comprehensive income attributable to non-controlling interests	23	39