

Itoham Yonekyu Holdings Inc.

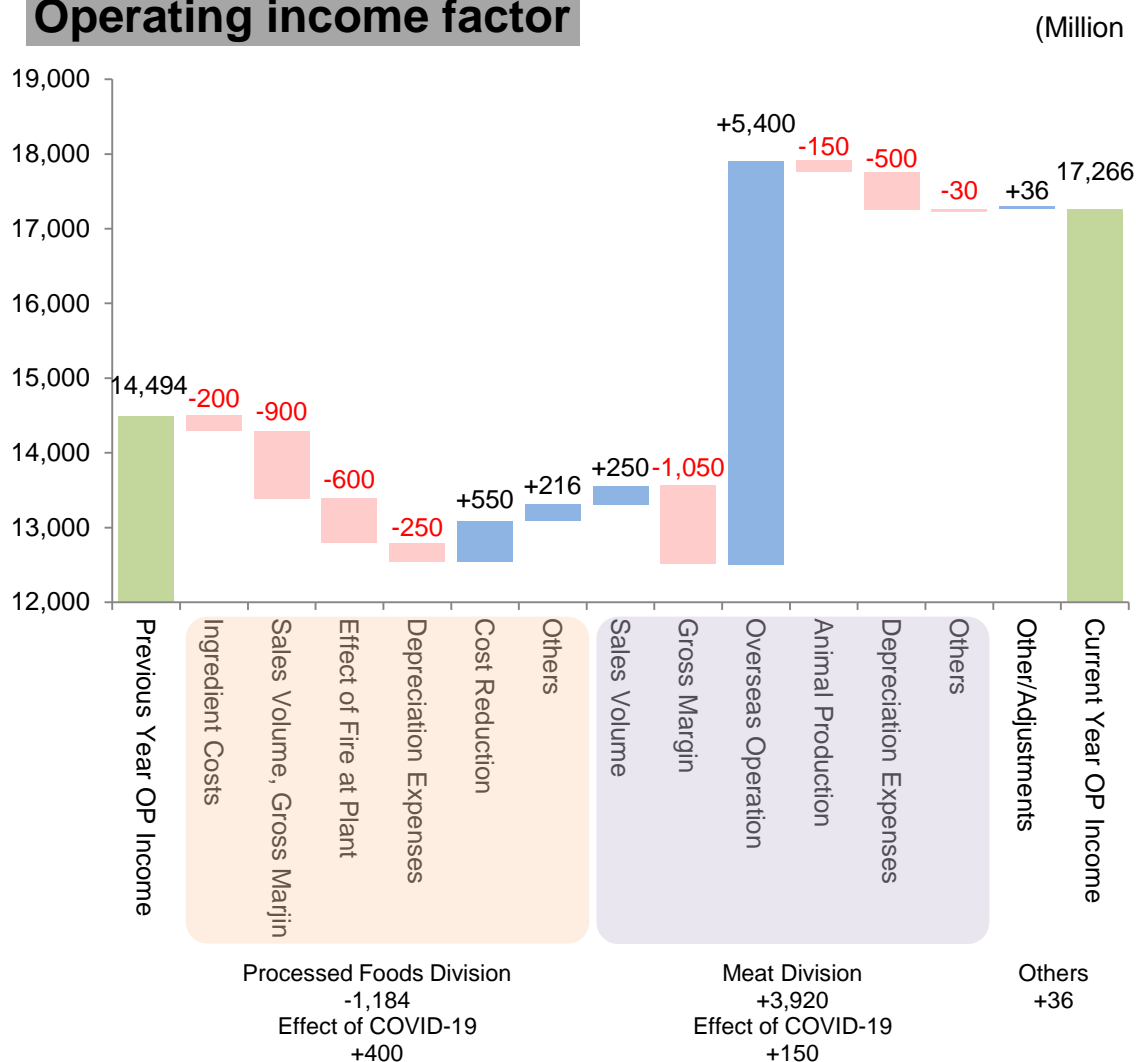
Supplementary Explanation to Financial Results

Fiscal Year Ended March 31, 2020

1) Summary of Financial Results

	(Million Yen, %)					
	Actual 2019	% of Sales	Actual 2018	% of Sales	Change	
Sales	852,450		850,721		1,728	0.2
Gross Profit	133,548	15.7	126,821	14.9	6,726	5.3
S, G & A Expenses	116,281	13.6	112,326	13.2	3,954	3.5
Operating Income	17,266	2.0	14,494	1.7	2,772	19.1
Non-operating Income	2,412		2,530		- 117	- 4.7
Non-operating Expenses	- 1,087		- 1,023		- 63	
Equity Method Gain/Loss	942		- 321		1,264	
Net Non-operating Gain/Loss	2,267		1,184		1,082	91.5
Ordinary Income	19,534	2.3	15,679	1.8	3,855	24.6
Extra-ordinary Gain	483		1,348		- 864	- 64.2
Extra-ordinary Loss	- 2,738		- 723		- 2,014	
Net Extra-ordinary Gain/Loss	- 2,254		624		- 2,879	
Income Before Taxes	17,280		16,304		975	6.0
Net Income	11,439	1.3	10,588	1.2	851	8.0

Operating income factor



2) Segment Information

(1) Operating Segment Information

(Million Yen, %)

		Actual 2019	Actual 2018	Change
Processed Foods Division	Sales	300,209	291,939	8,270
	OP Margin	6,730	7,914	- 1,184
	% of Sales	2.2	2.7	- 0.5
Meat Division	Sales	548,184	554,576	- 6,391
	OP Margin	11,284	7,364	3,920
	% of Sales	2.1	1.3	0.7
Others/Adjustments	Sales	4,055	4,206	- 150
	OP Margin	- 748	- 784	36
Consolidated	Sales	852,450	850,721	1,728
	OP Margin	17,266	14,494	2,772
	% of Sales	2.0	1.7	0.3

Operating Income Factors

Processed Foods Division	(Million Yen)
	Change
Ingredient Costs	- 200
Sales Volume, Gross Margin	- 900
Effect of Fire at Plant	- 600
Depreciation Expenses	- 250
Cost Reduction	550
Others	216
Total	- 1,184

Meat Division	(Million Yen)
	Change
Sales Volume	250
Gross Margin	- 1,050
Overseas Operation	5,400
Animal Production	- 150
Depreciation Expenses	- 500
Others	- 30
Total	3,920

(2) Sales by Market

(Million Yen)

	Actual 2019	Actual 2018	Change
Japan	752,510	743,947	8,563
Asia	40,758	34,510	6,248
North America	20,031	26,568	- 6,536
Oceania	22,930	27,157	- 4,227
Europe	13,572	15,469	- 1,896
Others	2,646	3,069	- 423
Overseas Sales Total	99,939	106,774	▲ 6,834
All Total	852,450	850,721	1,728
Overseas Sales (%)	11.7	12.6	- 0.8

3) Financial Data

Sales						
(Million Yen, %)						
	Actual 2019	Actual 2018	Change		Impact of fluctuations in foreign exchange rates related to ANZCO	
Ham/Sausage	179,308	174,829	4,480	2.6		- 172
Processed Foods	140,265	136,779	3,486	2.5		- 478
Meat	512,814	516,987	- 4,172	- 0.8		- 6,244
Others	20,063	22,127	- 2,065	- 9.3		- 865
Total	852,450	850,721	1,728	0.2		- 7,759

SG & A Expenses				
(Million Yen, %)				
	Actual 2019	Actual 2018	Change	
Labor Expenses	35,498	34,823	675	1.9
Shipping / Handling	37,057	34,393	2,664	7.7
Advertisement	7,968	7,332	636	8.7
Sales Fees	6,121	6,401	- 280	- 4.4
Packing	3,800	3,602	198	5.5
Depreciation	1,840	1,638	202	12.3
Other Expenses	23,994	24,135	- 141	- 0.6
Total	116,281	112,326	3,954	3.5

Non-Operational G/L				
(Million Yen, %)				
	Actual 2019	Actual 2018	Change	
Equity Method	942	- 321	1,264	
Financing	- 266	- 294	28	
Others	1,591	1,801	- 209	- 11.7
Total	2,267	1,184	1,082	91.5

*Major G/L(Equity in earnings of affiliates)

	Actual 2019	Actual 2018	Change
IPC (USA)	913	- 288	1,201
MIY (JPN)	237	- 174	411
ABC (THA)	- 263	- 105	- 158

Extra-ordinary Gain/Loss				
(Million Yen, %)				
	Actual 2019	Actual 2018	Change	
Sales of Securities	83	693	- 610	- 88.0
Loss on Disaster	- 1,493	- 292	- 1,201	
Others	- 844	223	- 1,067	
Total	- 2,254	624	- 2,879	

4) Forecast of Business Results and Dividends

Business Results Forecast

(Million Yen)

	First Half		Second Half		Year	
	2020 F'cast	Change	2020 F'cast	Change	2020 F'cast	Change
Sales	415,000	- 17,400	415,000	- 5,050	830,000	- 22,450
Operating Income	6,300	- 3,071	8,700	805	15,000	- 2,266
Non-operating G/L	500	- 424	500	- 843	1,000	- 1,267
Ordinary Income	6,800	- 3,496	9,200	- 38	16,000	- 3,534
Extra-ordinary G/L	2,000	1,931	- 400	1,923	1,600	3,854
Income Before Taxes	8,800	- 1,565	8,800	1,885	17,600	320
Net Income	6,000	- 927	6,000	1,488	12,000	561

Dividends Forecasts

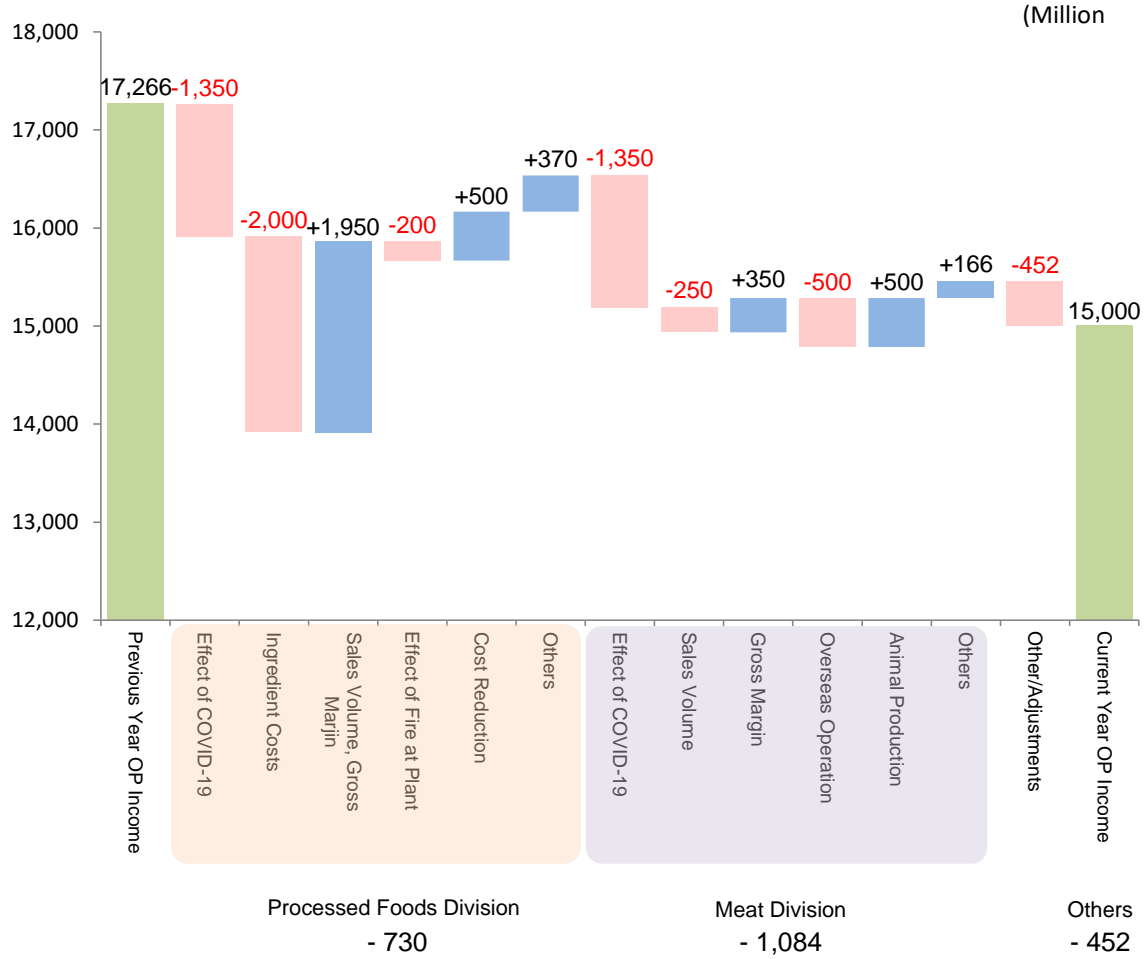
	End of Year Yen	EPS F'cast Yen	Payout Ratio %
2019 Actual	17.00	38.72	43.9
2020 Forecast	17.00	40.74	41.7

Operating Segment Information Forecast

(Million Yen, %)

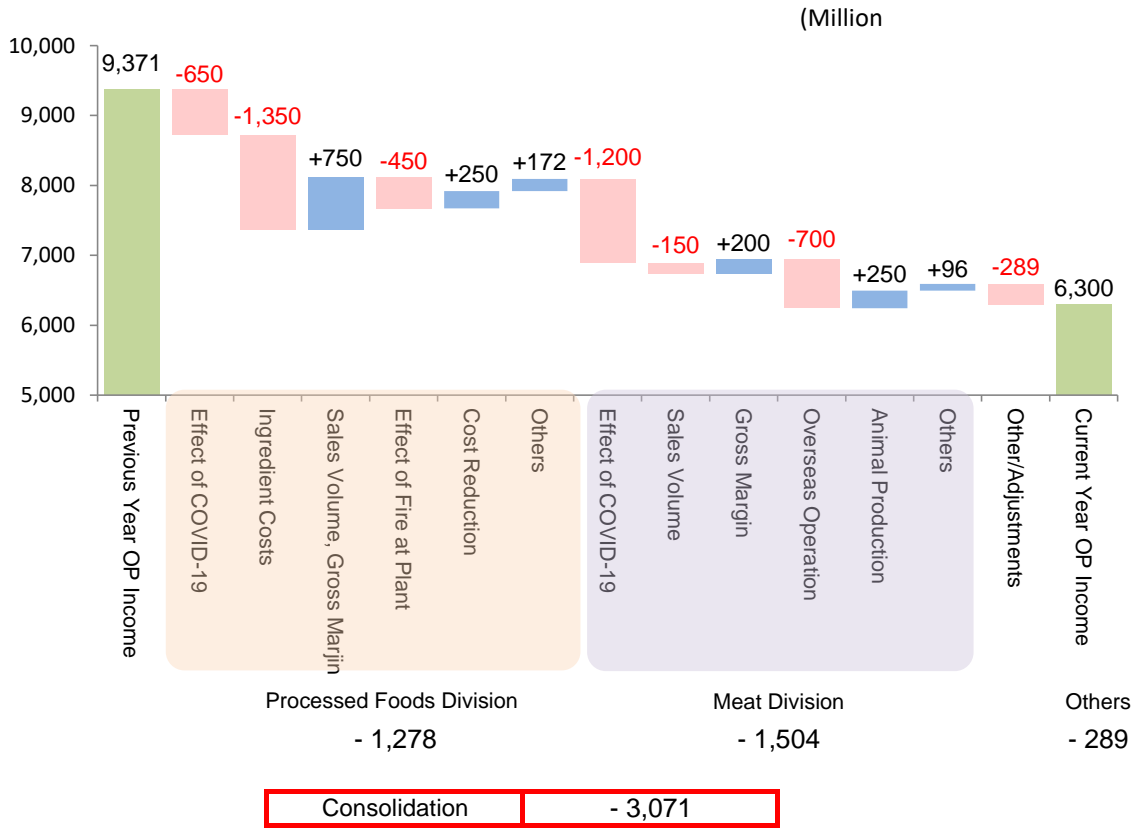
		First Half		Second Half		Year	
		2020 F'cast	Change	2020 F'cast	Change	2020 F'cast	Change
Processed Foods Division	Sales	143,600	- 2,796	149,400	- 4,413	293,000	- 7,209
	OP Margin	2,400	- 1,278	3,600	548	6,000	- 730
	% of Sales	1.7	- 0.8	2.4	0.4	2.0	- 0.2
Meat Division	Sales	269,400	- 14,524	263,600	- 660	533,000	- 15,184
	OP Margin	4,600	- 1,504	5,600	420	10,200	- 1,084
	% of Sales	1.7	- 0.4	2.1	0.2	1.9	- 0.2
Others/Adjustments	Sales	2,000	- 79	2,000	24	4,000	- 55
	OP Margin	- 700	- 289	- 500	- 163	- 1,200	- 452
Consolidated	Sales	415,000	- 17,400	415,000	- 5,050	830,000	- 22,450
	OP Margin	6,300	- 3,071	8,700	805	15,000	- 2,266
	% of Sales	1.5	- 0.7	2.1	0.2	1.8	- 0.2

Operating Income Variance (forecast)



Consolidation	- 2,266
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Operating Income Variance (First Half)



Operating Income Variance (Second Half)

