

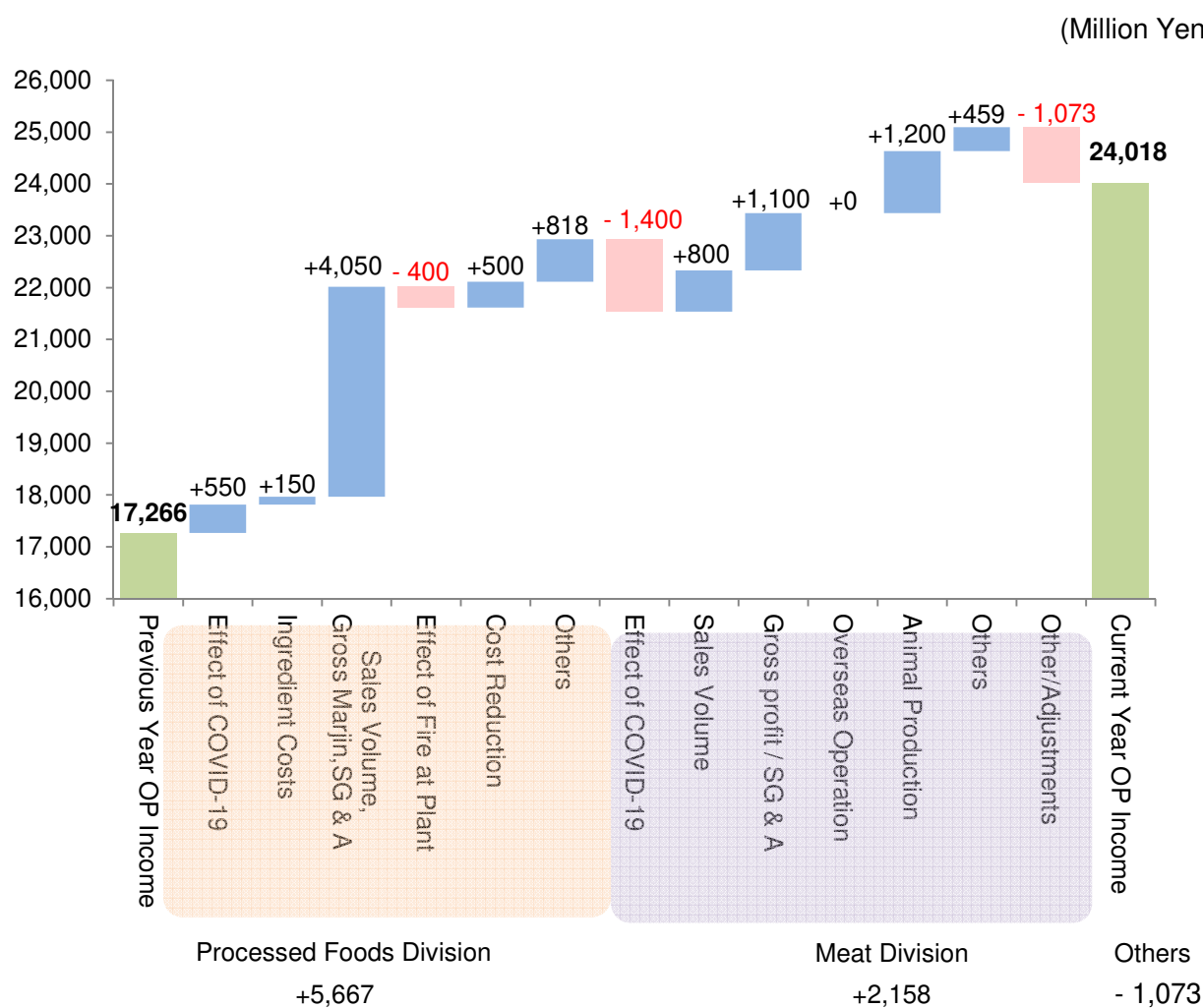
Itoham Yonekyu Holdings Inc.

Supplementary Explanation to Financial Results

Fiscal Year Ended March 31, 2021

1) Summary of Financial Results

	Actual 2020	% of Sales	Actual 2019	% of Sales	Change	
Sales	842,675		852,450		- 9,774	- 1.1
Gross Profit	139,979	16.6	133,548	15.7	6,431	4.8
S, G & A Expenses	115,961	13.8	116,281	13.6	- 319	- 0.3
Operating Income	24,018	2.9	17,266	2.0	6,751	39.1
Non-operating Income	2,841		2,412		429	
Non-operating Expenses	- 900		- 1,087		187	
Equity Method Gain/Loss	1,040		942		97	
Net Non-operating Gain/Loss	2,982		2,267		714	
Ordinary Income	27,000	3.2	19,534	2.3	7,465	38.2
Extra-ordinary Gain	3,490		483		3,007	622.6
Extra-ordinary Loss	- 1,377		- 2,738		1,360	
Net Extra-ordinary Gain/Loss	2,113		- 2,254		4,367	
Income Before Taxes	29,113	3.5	17,280	2.0	11,833	68.5
Net Income	20,204	2.4	11,439	1.3	8,764	76.6



2) Segment Information

(1) Operating Segment Information

(Million Yen, %)

		Actual 2020	Actual 2019	Change	
Processed Foods Division	Sales	307,041	300,209	6,832	2.3
	OP Margin	12,397	6,730	5,667	84.2
	% of Sales	4.0	2.2	1.8	
Meat Division	Sales	531,581	548,184	- 16,603	- 3.0
	OP Margin	13,443	11,284	2,158	19.1
	% of Sales	2.5	2.1	0.5	
Others/Adjustments	Sales	4,052	4,055	- 3	
	OP Margin	- 1,822	- 748	- 1,073	
Consolidated	Sales	842,675	852,450	- 9,774	- 1.1
	OP Margin	24,018	17,266	6,751	39.1
	% of Sales	2.9	2.0	0.8	

Operating Income Factors

Processed Foods Division	(Million Yen)
	Change
Effect of COVID-19	550
Ingredient Costs	150
Sales Volume, Gross Margin, SG & A	4,050
Effect of Fire at Plant	- 400
Cost Reduction	500
Others	818
Total	5,667

Meat Division	(Million Yen)
	Change
Effect of COVID-19	- 1,400
Sales Volume	800
Gross profit / SG & A	1,100
Overseas Operation	0
Animal Production	1,200
Others	459
Total	2,158

(2) Sales by Market

(Million Yen)

	Actual 2020	Actual 2019	Change
Japan	756,318	752,510	3,808
Asia	28,065	40,758	- 12,693
North America	22,753	20,031	2,721
Oceania	22,074	22,930	- 855
Europe	10,797	13,572	- 2,775
Others	2,666	2,646	19
Overseas Sales Total	86,356	99,939	- 13,582
All Total	842,675	852,450	- 9,774
Overseas Sales (%)	10.2	11.7	- 1.5

3) Financial Data

Sales

(Million Yen, %)

	Actual 2020	Actual 2019	Change		Impact of fluctuations in foreign exchange rates related to ANZCO
Ham/Sausage	177,618	179,308	- 1,690	- 0.9	
Processed Foods	148,007	140,265	7,742	5.5	- 292
Meat	500,736	516,471	- 15,735	- 3.0	- 3,102
Others	16,315	16,406	- 92	- 0.6	- 350
Total	842,675	852,450	- 9,774	- 1.1	- 3,799

SG & A Expenses

(Million Yen, %)

	Actual 2020	Actual 2019	Change	
Labor Expenses	35,839	35,498	341	1.0
Shipping / Handling	38,621	37,057	1,564	4.2
Advertisement	6,891	7,968	- 1,077	- 13.5
Sales Fees	5,573	6,121	- 548	- 9.0
Packing	3,834	3,800	34	0.9
Depreciation	1,994	1,840	154	8.4
Other Expenses	23,207	23,994	- 787	- 3.3
Total	115,961	116,281	- 319	- 0.3

Non-Operational G/L

(Million Yen, %)

	Actual 2020	Actual 2019	Change	
Equity Method	1,040	942	97	10.4
Financing	24	- 266	291	
Others	1,916	1,591	325	20.4
Total	2,982	2,267	714	31.5

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

	Actual 2020	Actual 2019	Change
IPC (USA)	1,101	913	188
MIY (JPN)	- 2	237	- 239
ABC (THA)	- 317	- 263	- 54

Extra-ordinary Gain/Loss

(Million Yen, %)

	Actual 2020	Actual 2019	Change	
Sales of Securities	- 464	76	- 540	
Insurance income	3,003	331	2,672	807.3
Loss on Disaster	0	- 1,493	1,493	
Others	- 425	- 1,167	742	
Total	2,113	- 2,254	4,366	

4) Forecast of Business Results and Dividends

Business Results Forecast

(Million Yen)

	First Half		Second Half		Year	
	2021 F'cast	Change	2021 F'cast	Change	2021 F'cast	Change
Sales	410,000	—	410,000	—	820,000	—
Operating Income	12,000	—	11,000	—	23,000	—
Non-operating G/L	500	—	1,500	—	2,000	—
Ordinary Income	12,500	—	12,500	—	25,000	—
Extra-ordinary G/L	- 100	—	- 1,500	—	- 1,600	—
Income Before Taxes	12,400	—	11,000	—	23,400	—
Net Income	8,500	—	7,500	—	16,000	—

Dividends Forecasts

	End of Year Yen	EPS F'cast Yen	Payout Ratio %
2020 Actual	21.00	68.61	30.6
2021 Forecast	22.00	54.66	40.3

Operating Segment Information Forecast

(Million Yen, %)

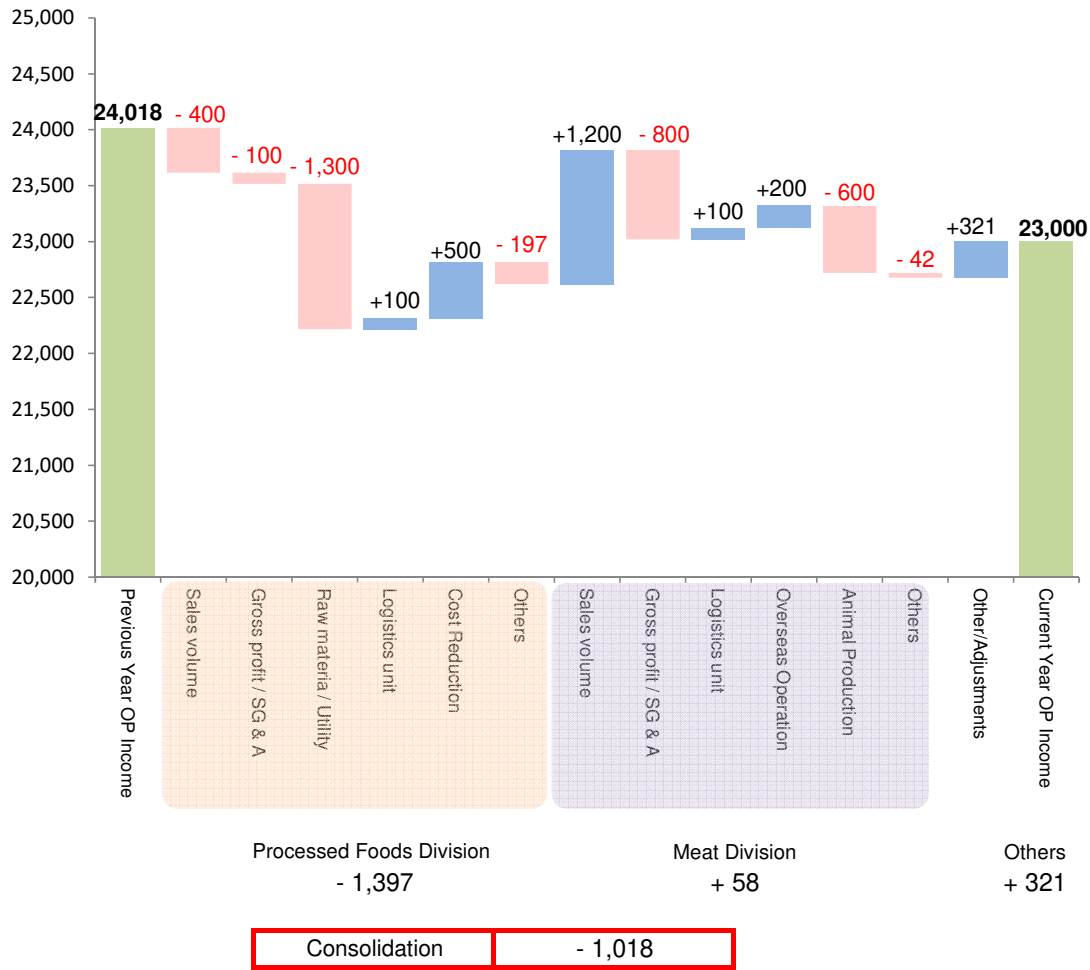
		First Half		Second Half		Year	
		2021 F'cast	Change	2021 F'cast	Change	2021 F'cast	Change
Processed Foods Division	Sales	145,000	—	151,000	—	296,000	—
	OP Margin	5,700	—	5,300	—	11,000	—
	% of Sales	3.9	—	3.5	—	3.7	—
Meat Division	Sales	263,000	—	257,000	—	520,000	—
	OP Margin	7,000	—	6,500	—	13,500	—
	% of Sales	2.7	—	2.5	—	2.6	—
Others/Adjustments	Sales	2,000	—	2,000	—	4,000	—
	OP Margin	- 700	—	- 800	—	- 1,500	—
Consolidated	Sales	410,000	—	410,000	—	820,000	—
	OP Margin	12,000	—	11,000	—	23,000	—
	% of Sales	2.9	—	2.7	—	2.8	—

(Note) The forecast for the next fiscal year is "Accounting Standard for Revenue Recognition" from the beginning of the fiscal year ending March 2022.

(Corporate Accounting Standard No. 29), etc. are applied, so the year-on-year increase / decrease rate and increase / decrease are not stated.

Operating Income Variance (forecast)

(Million Yen)

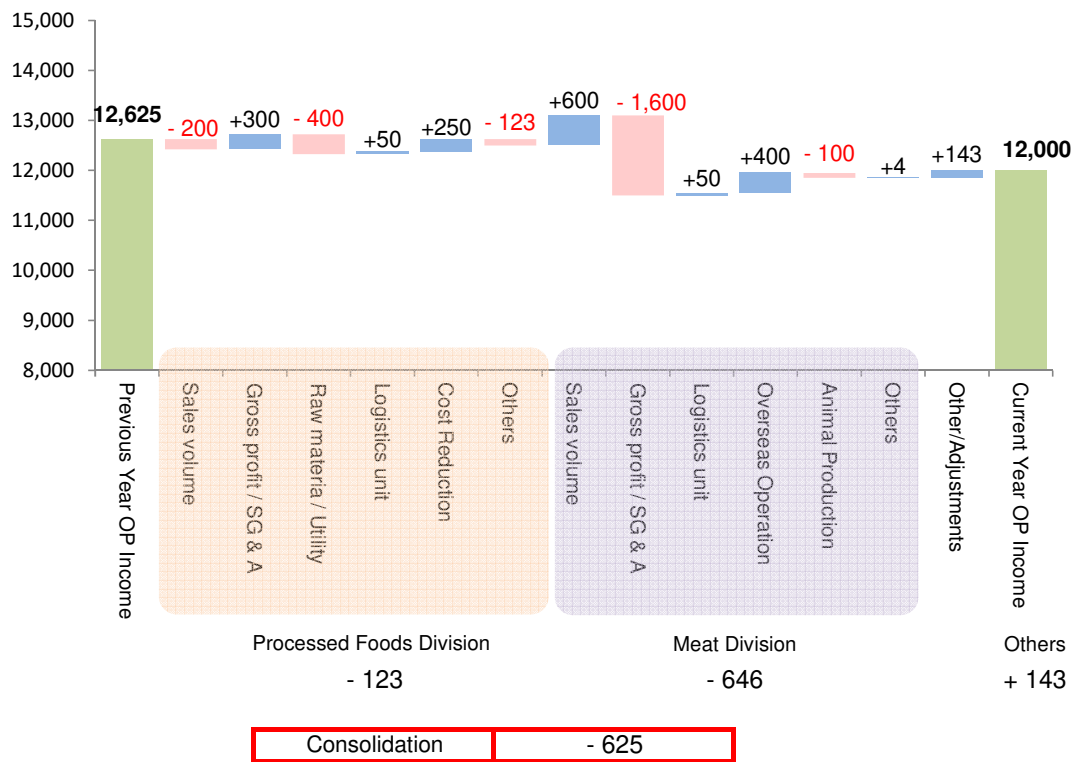


(Note) For the fiscal year ended March 31, 2021 results do not apply "Accounting Standard for Revenue Recognition".

For the fiscal year ending March 31, 2022 forecast applies "Accounting Standard for Revenue Recognition".

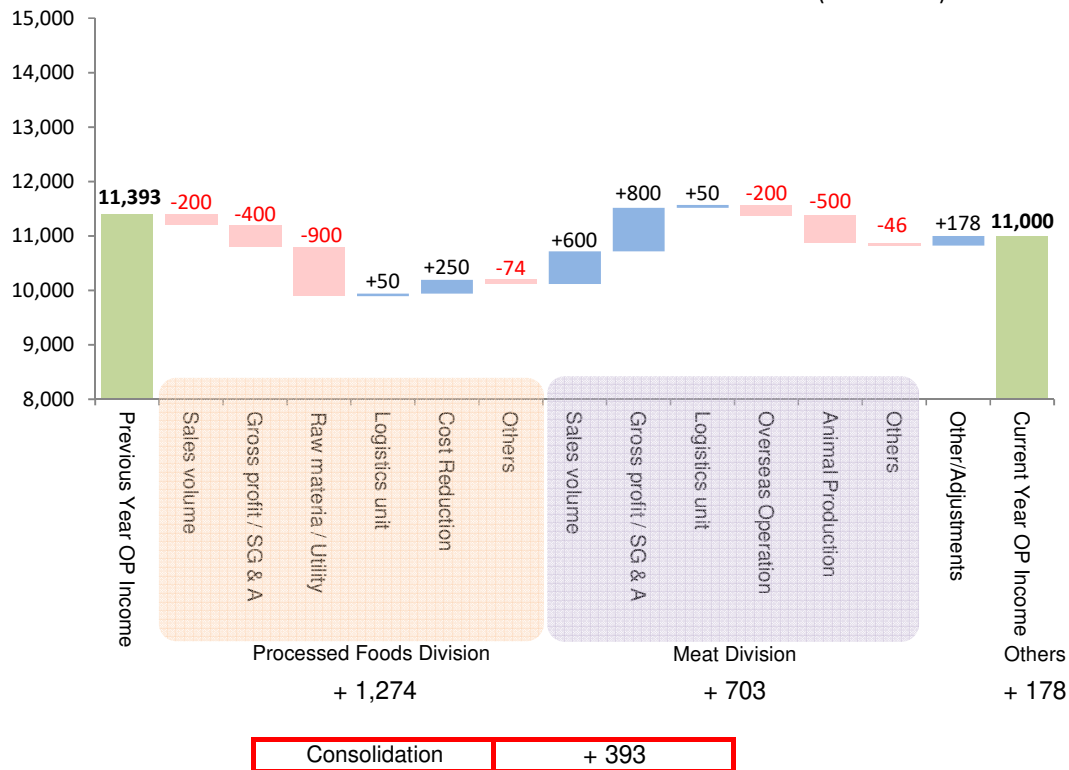
Operating Income Variance (First Half)

(Million Yen)



Operating Income Variance (Second Half)

(Million Yen)



(Note) For the fiscal year ended March 31, 2021 results do not apply "Accounting Standard for Revenue Recognition".

For the fiscal year ending March 31, 2022 forecast applies "Accounting Standard for Revenue Recognition".