

# Consolidated Financial Results (Japanese Accounting Standards) for the Nine Months Ended December 31, 2019 (Q3 FY 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 filing of securities report: February 13, 2020  
 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 Nine Months Ended December 31, 2019 (April 1, 2019–December 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	%
Nine months ended								
December 31, 2019	660,901	0.3	16,678	12.9	18,567	17.2	11,586	6.7
December 31, 2018	659,036	2.5	14,773	-21.0	15,845	-22.9	10,860	-24.7

(Note) Comprehensive income: Nine months ended December 31, 2019 10,740 million Yen (3.5%)  
 Nine months ended December 31, 2018 10,374 million Yen (-25.6%)

	Net income per share	Fully diluted net income
	Yen	Yen
Nine months ended		
December 31, 2019	39.21	39.19
December 31, 2018	36.74	36.71

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million Yen	Million Yen	%
As of December 31, 2019	395,657	229,867	57.7
As of March 31, 2019	393,392	224,074	56.6

(Reference) Shareholders' equity: As of December 31, 2019 228,489 million Yen  
 As of March 31, 2019 222,765 million Yen

## 2. Dividends

	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, 2019	—	0.00	—	17.00	17.00
March 31, 2020	—	0.00	—		
For the fiscal year ending				17.00	17.00
March 31, 2020 (Forecast)					

(Note) Changes to most recent dividend forecast: None

## 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
Full year	855,000	0.5	16,000	10.4	18,000	14.8	11,500	8.6	38.92

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

# Consolidated Financial Statements

## (1) Consolidated Balance Sheets

(Million Yen)

	As of March 31, 2019	As of December 31, 2019
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and deposits	34,944	18,176
Notes and account receivable - trade	98,769	124,179
Merchandise and finished goods	67,596	65,473
Work in process	1,740	1,298
Raw materials and supplies	19,571	18,881
Other	6,966	5,852
Allowance for doubtful accounts	(9)	(17)
<b>Total current assets</b>	<b>229,580</b>	<b>233,844</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	36,938	35,969
Machinery, equipment and vehicles, net	31,515	30,280
Tools, furniture & fixtures, net	1,454	1,574
Land	25,323	25,484
Leased assets, net	1,543	2,804
Others, net	1,972	1,265
<b>Total property, plant and equipment</b>	<b>98,747</b>	<b>97,380</b>
<b>Intangible assets</b>		
Goodwill	22,576	21,423
Other	1,623	1,636
<b>Total intangible assets</b>	<b>24,199</b>	<b>23,059</b>
<b>Investments and other assets</b>		
Investment securities	24,912	25,609
Net defined benefit assets	9,162	9,916
Other	6,908	5,983
Allowance for doubtful receivables	(118)	(136)
<b>Total investments and other assets</b>	<b>40,865</b>	<b>41,373</b>
<b>Total non-current assets</b>	<b>163,812</b>	<b>161,813</b>
<b>Total Assets</b>	<b>393,392</b>	<b>395,657</b>

(Million Yen)

As of March 31, 2019      As of December 31, 2019

<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	63,161	69,876
Electronically recorded obligations	1,671	2,154
Short-term loans payable	34,164	22,912
Current portion of Long-term loans	5,209	10,185
Income taxes payable	2,131	1,030
Provision for bonuses	4,724	2,467
Provision for directors' bonuses	96	91
Provision for loss on disaster	-	940
Other	28,297	33,239
<b>Total current liabilities</b>	<b>139,456</b>	<b>142,899</b>
<b>Non-current liabilities</b>		
Long-term loans payable	21,052	10,919
Net defined benefit liability	1,668	2,142
Asset retirement obligation	1,206	1,462
Other	5,933	8,366
<b>Total non-current liabilities</b>	<b>29,861</b>	<b>22,890</b>
<b>Total liabilities</b>	<b>169,317</b>	<b>165,790</b>
<b>Net assets</b>		
<b>Shareholder's equity</b>		
Capital stock	30,003	30,003
Capital surplus	96,301	96,267
Retained earnings	95,374	101,938
Treasury stock	(1,849)	(1,687)
<b>Total shareholder's equity</b>	<b>219,829</b>	<b>226,522</b>
<b>Other accumulated comprehensive income</b>		
Valuation difference on available-for-sale securities	5,263	5,021
Deferred gains or losses on hedges	(928)	(762)
Foreign currency translation adjustment	(2,876)	(4,166)
Remeasurements of defined benefit plan	1,475	1,874
<b>Total accumulated other comprehensive income</b>	<b>2,935</b>	<b>1,967</b>
<b>Subscription rights to shares</b>	<b>139</b>	<b>131</b>
<b>Non-controlling interests</b>	<b>1,169</b>	<b>1,245</b>
<b>Total net assets</b>	<b>224,074</b>	<b>229,867</b>
<b>Total liabilities and net assets</b>	<b>393,392</b>	<b>395,657</b>

## (2) Consolidated statements of income and comprehensive income

(Consolidated statements of income)

(April 1, 2019 – December 31, 2020)

(Million Yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
<b>Net sales</b>	659,036	660,901
<b>Cost of goods sold</b>	557,009	555,178
<b>Gross profit</b>	102,026	105,723
<b>Selling, general and administrative expenses</b>	87,253	89,044
<b>Operating income</b>	14,773	16,678
<b>Non-operating income</b>		
Interest income	94	92
Dividend income	389	339
Rent income	321	322
Insurance income	251	350
Equity in income of affiliates	56	977
Other	796	579
<b>Total non-operating income</b>	1,910	2,662
<b>Non-operating expenses</b>		
Interest expenses	703	580
Rent on real estate	115	109
Other	20	83
<b>Total non-operating expenses</b>	839	773
<b>Ordinary income</b>	15,845	18,567
<b>Extraordinary income</b>		
Gain on sales of non-current assets	4	45
Gain on sales of investment securities	562	81
Insurance income	301	171
Gain on step acquisitions	288	-
Other	-	13
<b>Total extra-ordinary income</b>	1,158	311
<b>Extraordinary loss</b>		
Loss on retirement of non-current assets	230	206
Loss on valuation of investment securities	13	-
Loss on disaster	287	1,361
Others	2	21
<b>Total extra-ordinary expenses</b>	534	1,588
<b>Net income before taxes</b>	16,468	17,290
Income taxes-current	4,475	4,233
Income taxes-deferred	1,057	1,356
<b>Total income taxes</b>	5,532	5,590
<b>Net income</b>	10,936	11,699
<b>Income (loss) attributable to non-controlling interests</b>	75	113
<b>Income attributable to owners of parent</b>	10,860	11,586

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

(Million Yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
<b>Net income</b>	10,936	11,699
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(399)	(128)
Deferred gains or losses on hedges	(291)	166
Foreign currency translation adjustment	(169)	(1,255)
Remeasurements of defined benefit plan	(33)	434
Share of other comprehensive income of entities accounted for using equity method	331	(176)
<b>Total other comprehensive income</b>	(562)	(959)
<b>Comprehensive income</b>	10,374	10,740
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,278	10,618
Comprehensive income attributable to non-controlling interests	95	122