

Itoham Yonekyu Holdings Inc.

## **Supplementary Explanation to Financial Results**

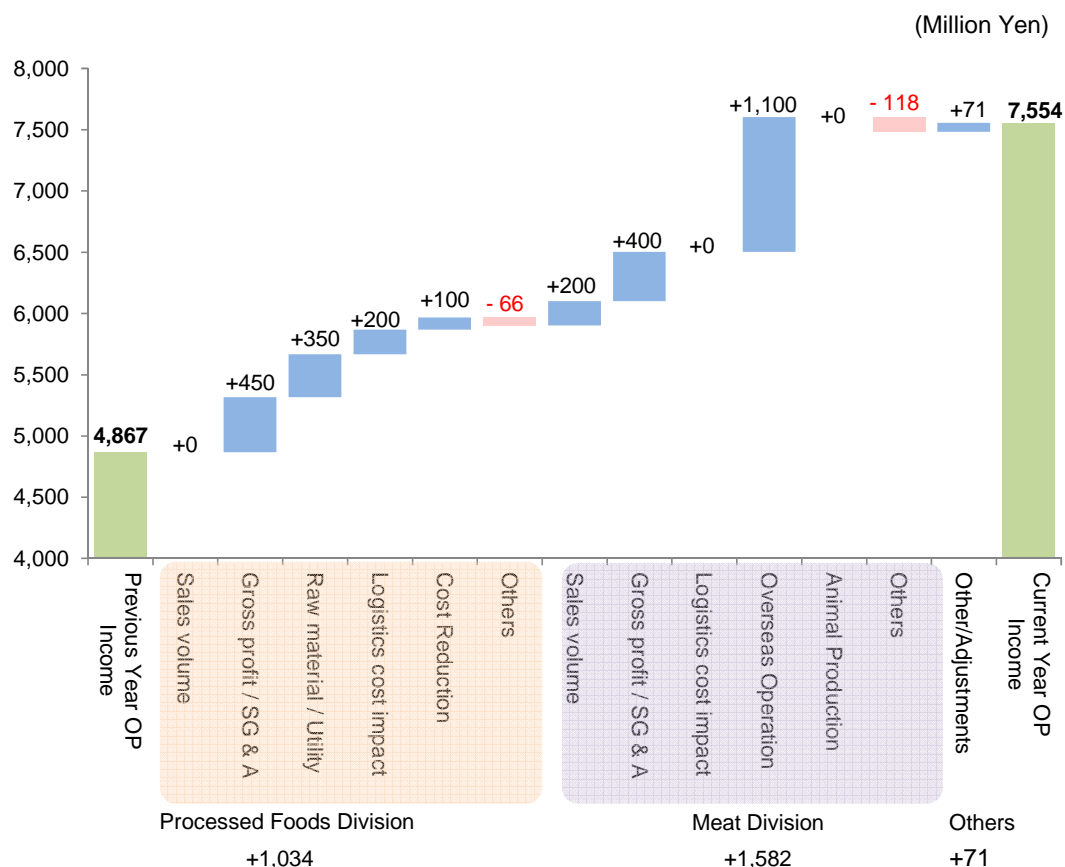
First Quarter Year Ended March 31, 2022

# 1) Summary of Financial Results

(Million Yen, %)

(Million Yen, %)

	Actual 2021		After applying revenue recognition (Our estimated value) Actual 2020		Change		*Previous year published figures	
	Actual 2021	% of Sales	Actual 2020	% of Sales			Actual 2020	% of Sales
Sales	202,607		198,998		3,609	1.8	204,992	
Gross Profit	33,493	16.5	30,376	15.3	3,117	10.3	32,166	15.7
S, G & A Expenses	25,939	12.8	25,509	12.8	430	1.7	27,137	13.2
Operating Income	7,554	3.7	4,867	2.4	2,687	55.2	5,028	2.5
Non-operating Income	692		505		187		505	
Non-operating Expenses	- 269		- 260		- 9		- 260	
Equity Method Gain/Loss	447		242		205		242	
Net Non-operating Gain/Loss	870		487		383		487	
Ordinary Income	8,425	4.2	5,354	2.7	3,071	57.3	5,516	2.7
Extra-ordinary Gain	83		11		72		11	
Extra-ordinary Loss	- 40		- 58		18		- 58	
Net Extra-ordinary Gain/Loss	42		- 47		89		- 47	
Income Before Taxes	8,467	4.2	5,307	2.7	3,160	59.5	5,468	2.7
Net Income	5,908	2.9	3,496	1.8	2,412	69.0	3,657	1.8



(Note) From the beginning of the fiscal year, the "Accounting Standard for Revenue Recognition" (Corporate Accounting Standard No. 29) has been applied to the business forecast for the current fiscal year. In the fiscal year ending March 2021, the Company's estimated values after the application of the relevant accounting standards are used for comparison with the current fiscal year.

## 2) Segment Information

### (1) Operating Segment Information

(Million Yen, %)

		After applying revenue recognition (Our estimated value)			*Previous year published figures	
		Actual 2021	Actual 2020	Change	Actual 2020	
Processed Foods Division	Sales	72,525	72,080	445	73,488	
	OP Margin	3,614	2,580	1,034	2,737	
	% of Sales	5.0	3.6	1.4	3.7	
Meat Division	Sales	129,016	125,922	3,094	130,508	
	OP Margin	4,384	2,802	1,582	2,806	
	% of Sales	3.4	2.2	1.2	2.2	
Others/Adjustments	Sales	1,066	995	71	995	
	OP Margin	- 444	- 515	71	- 515	
Consolidated	Sales	202,607	198,998	3,609	204,992	
	OP Margin	7,554	4,867	2,687	5,028	
	% of Sales	3.7	2.4	1.3	2.5	

### Operating Income Factors

Processed Foods Division	(Million Yen)
	Change
Sales volume	0
Gross profit / SG & A	450
Raw material / Utility	350
Logistics cost impact	200
Cost Reduction	100
Others	- 66
Total	1,034

Meat Division	(Million Yen)
	Change
Sales volume	200
Gross profit / SG & A	400
Logistics cost impact	0
Overseas Operation	1,100
Animal Production	0
Others	- 118
Total	1,582

### (2) Sales by Market

(Million Yen)

(Million Yen)

		After applying revenue recognition (Our estimated value)			*Previous year published figures	
		Actual 2021	Actual 2020	Change	Actual 2020	
Japan		176,620	176,189	431	182,183	
Asia		9,826	7,104	2,722	7,104	
North America		6,503	6,018	485	6,018	
Oceania		6,294	5,157	1,137	5,157	
Europe		2,939	3,504	- 565	3,504	
Others		423	1,022	- 599	1,022	
Overseas Sales Total		25,987	22,808	3,179	22,808	
All Total		202,607	198,998	3,609	204,992	
Overseas Sales (%)		12.8	11.5	1.4	11.1	

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### 3) Financial Data

#### Sales

		(Million Yen, %)					(Million Yen)
		After applying revenue recognition (Our estimated value)					*Previous year published figures
	Actual 2021	Actual 2020	Change		Impact of fluctuations in foreign exchange rates related to ANZCO	Actual 2020	
Ham/Sausage	41,783	42,069	- 286	- 0.7	53	42,827	
Processed Foods	35,377	34,631	746	2.2	195	35,281	
Meat	121,012	118,613	2,399	2.0	2,271	123,198	
Others	4,436	3,685	751	20.4	249	3,685	
Total	202,607	198,998	3,609	1.8	2,770	204,992	

#### SG & A Expenses

		(Million Yen, %)					(Million Yen)
		After applying revenue recognition (Our estimated value)					*Previous year published figures
	Actual 2021	Actual 2020	Change			Actual 2020	
Labor Expenses	8,753	8,779	- 26	- 0.3		8,779	
Shipping / Handling	9,274	9,111	163	1.8		9,251	
Advertisement	1,051	1,002	49	4.9		1,495	
Sales Fees	14	18	- 4	- 22.2		790	
Packing	768	750	18	2.4		750	
Depreciation	447	464	- 17	- 3.7		464	
Other Expenses	5,629	5,382	247	4.6		5,604	
Total	25,939	25,510	429	1.7		27,137	

#### Non-Operational G/L

		(Million Yen, %)			
	Actual 2021	Actual 2020	Change		
Equity Method	447	242	204	84.7	
Financing	77	10	66	670.0	
Others	345	234	111	47.4	
Total	870	487	382	78.6	

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

	Actual 2021	Actual 2020	Change
IPC (USA)	462	228	234
MIY (JPN)	- 1	- 1	- 0
ABC (THA)	- 91	- 42	- 49

#### Extra-ordinary Gain/Loss

		(Million Yen, %)		
	Actual 2021	Actual 2020	Change	
Sales of Investment Securities	55	- 2	57	
Others	- 12	- 46	34	
Total	42	- 47	89	

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#### 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	9,588	410,000	- 1,126	820,000	8,462
Operating Income	12,000	- 241	11,000	- 777	23,000	- 1,018
Non-operating G/L	500	- 418	1,500	- 564	2,000	- 982
Ordinary Income	12,500	- 1,044	12,500	- 956	25,000	- 2,000
Extra-ordinary G/L	- 100	- 2,566	- 1,500	- 1,147	- 1,600	- 3,713
Income Before Taxes	12,400	- 3,610	11,000	- 2,103	23,400	- 5,713
Net Income	8,500	- 2,446	7,500	- 1,758	16,000	- 4,204

##### 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, %)

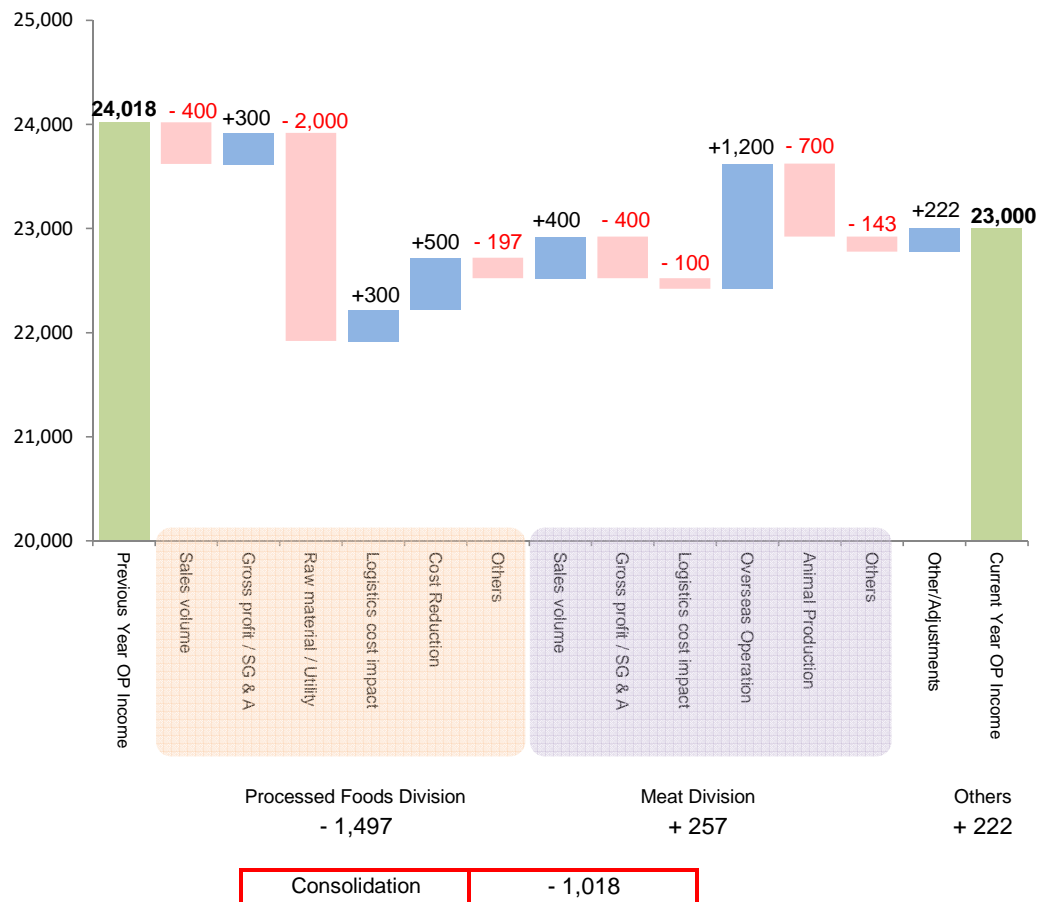
		First Half		Second Half		Year	
		2020 F'cast	Change	2020 F'cast	Change	2020 F'cast	Change
Processed Foods Division	Sales	148,000	1,071	148,000	- 4,435	296,000	- 3,364
	OP Margin	5,800	353	5,100	- 1,850	10,900	- 1,497
	% of Sales	3.9	0.2	3.4	- 1.1	3.7	- 0.5
Meat Division	Sales	260,000	8,510	260,000	3,368	520,000	11,878
	OP Margin	7,000	- 637	6,700	894	13,700	257
	% of Sales	2.7	- 0.3	2.6	0.3	2.6	- 0.0
Others/Adjustments	Sales	2,000	8	2,000	- 60	4,000	- 52
	OP Margin	- 800	43	- 800	179	- 1,600	222
Consolidated	Sales	410,000	9,588	410,000	- 1,126	820,000	8,462
	OP Margin	12,000	- 241	11,000	- 777	23,000	- 1,018
	% of Sales	2.9	- 0.1	2.7	- 0.2	2.8	- 0.2

(Note) From the beginning of the fiscal year, the "Accounting Standard for Revenue Recognition" (Corporate Accounting Standard No. 29) has been applied to the business forecast for the current fiscal year.

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**Operating Income Variance (forecast)**

(Million Yen)

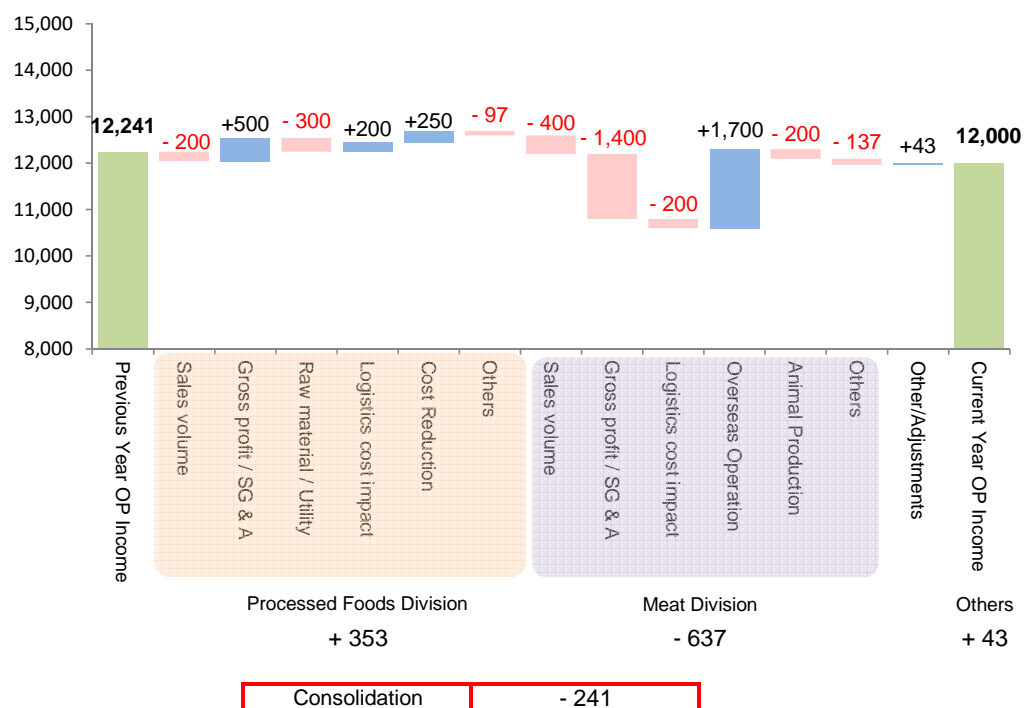


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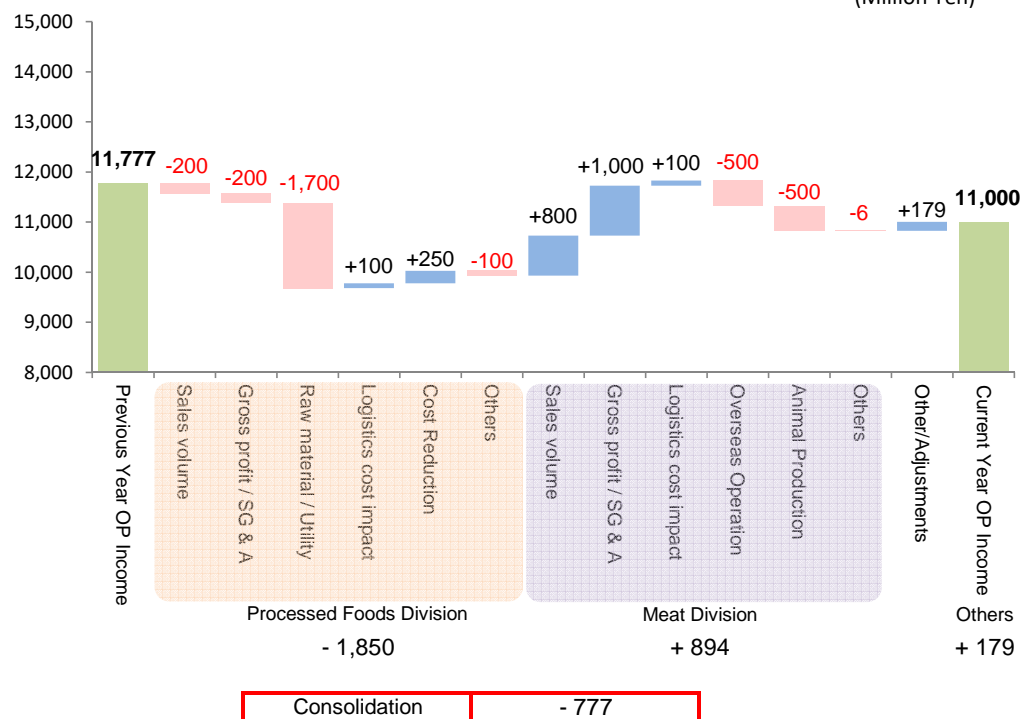
### Operating Income Variance (First Half)

(Million Yen)



### Operating Income Variance (Second Half)

(Million Yen)



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