

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (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
Representative:	Isao Miyashita, President and Chief Executive Officer
Contact:	Masaru Kato, General Manager, Public & Investor Relations Office Tel. +81-3-5723-6889
Scheduled date for general shareholders' meeting:	June 23, 2023
Scheduled date for filing of securities report:	June 23, 2023
Scheduled date of commencement of dividend payment:	June 05, 2023
Supplementary documents for financial results:	Yes
Quarterly results briefing:	Yes (For institutional investors, analysts)

(Amounts of less than one million yen are truncated)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022–March 31, 2023)

(1) Consolidated Results of Operations (% 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	%
For the fiscal year ended								
March 31, 2023	922,682	8.0	22,994	-6.6	26,044	-8.9	16,975	-11.2
March 31, 2022	854,374	—	24,611	—	28,596	—	19,118	—

(Note) Comprehensive income: The fiscal year ended March 31, 2023 18,262 million Yen (-16.9%)
The fiscal year ended March 31, 2022 21,979 million Yen (—%)

	Profit (loss) per share	Diluted net income per share	Net income to shareholder's equity	Ordinary profit to assets	Operating profit to net sales
	Yen	Yen	%	%	%
For the fiscal year ended					
March 31, 2023	58.81	58.79	6.4	6.1	2.5
March 31, 2022	65.34	65.31	7.5	7.1	2.9

(Reference) Equity in income or losses of affiliates: The Fiscal Year Ended March 31, 2023 439 million Yen
The Fiscal Year Ended March 31, 2022 605 million Yen

(Note) As the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29), etc. has been applied from the beginning 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	Net assets per share
	Million Yen	Million Yen	%	Yen
As of March 31, 2023	436,763	269,261	61.5	943.40
As of March 31, 2022	413,123	262,740	63.4	897.66

(Reference) Shareholders' equity: As of March 31, 2023 268,608 million Yen
As of March 31, 2022 262,023 million Yen

(3) Consolidated cash flows

	From operating activities	From investing activities	From financing activities	Cash and cash equivalents at the end of fiscal year
	Million Yen	Million Yen	Million Yen	Million Yen
For the fiscal year ended				
March 31, 2023	3,947	-22,926	-6,844	22,359
March 31, 2022	18,473	-11,251	-10,653	47,690

2. Dividends

	Dividend per share					Total amount of cash dividends (annual)	Dividend payout ratio (consolidated)	Ratio of total amount of dividends to shareholders' equity (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal quarter-end	Total			
For the fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million Yen	%	%
March 31, 2022	—	0.00	—	23.00	23.00	6,713	35.2	2.6
March 31, 2023	—	0.00	—	24.00	24.00	6,833	40.8	2.6
For the fiscal year ending March 31, 2024 (Forecast)	—	0.00	—	25.00	25.00		47.5	

(Note) Consolidation of shares (combining 5 shares of common stock into 1 share, effective date: October 1, 2023) will be proposed at the Ordinary General Meeting of Shareholders to be held on June 23, 2023. ,

In regard to above dividend per share figure for the fiscal year ending March 31, 2024 (Forecast), it does not consider the consolidation of shares. In case of considering the consolidation of shares, the company plans to issue a year-end dividend of ¥125.00 per share.

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2024
(April 1, 2023 to March 31, 2024)

	Net Sales		Operating profit		Ordinary profit		Profit (loss) attributable to owners		Profit (loss) per share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Second quarter-end (Cumulative)	455,000	1.6	9,200	-39.2	10,000	-38.1	6,500	-40.4	22.83
Full year	930,000	0.8	23,000	0.0	25,000	-4.0	15,000	-11.6	52.68

(Note) Consolidation of shares (combining 5 shares of common stock into 1 share, effective date: October 1, 2023) will be proposed at the Ordinary General Meeting of Shareholders to be held on June 23, 2023.

In regard to above Profit per share figure, it does not consider the consolidation of shares. In case of considering the consolidation of shares, the second quarter-end (Cumulative) profit per share is ¥114.15 per share and full year profit per share is ¥263.41.

* Notes

- (1) Changes in significant subsidiaries during the term (changes in specific subsidiaries accompanied by a change in the scope of consolidation): 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:
- Year ended March 31, 2023: 287,355,059 shares
- Year ended March 31, 2022: 297,355,059 shares
- (ii) Numbers of treasury shares at end of period:
- Year ended March 31, 2023: 2,632,763 shares
- Year ended March 31, 2022: 5,458,762 shares
- (iii) Average number of shares outstanding during period:
- Year ended March 31, 2023: 288,618,824 shares
- Year ended March 31, 2022: 292,581,811 shares

(Reference) Non-Consolidated Financial Results

Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022–March 31, 2023)

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

	Operating revenue		Operating profit		Ordinary profit		net income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
For the fiscal year ended								
March 31, 2023	28,345	33.1	17,383	10.1	17,433	10.0	16,558	15.3
March 31, 2022	21,300	55.0	15,788	56.8	15,854	55.4	14,358	39.6

	Profit (loss) per share	Diluted net income per share
	Yen	Yen
For the fiscal year ended		
March 31, 2023	57.37	57.35
March 31, 2022	49.08	49.05

(2) Individual financial position

(% figures show year-on-year change)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million Yen	Million Yen	%	Yen
As of March 31, 2023	242,708	205,609	84.7	721.87
As of March 31, 2022	230,345	200,684	87.1	687.11

(Reference) Shareholders' equity: As of March 31, 2023 205,531 million Yen
As of March 31, 2022 200,565 million Yen

* 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 “(4) Future outlook” under “1. Overview of Operations etc.” on page “3”.

(Access to Supplementary Explanations)

We plan to hold a briefing for institutional investors and analysts at the same time as the web conference on Wednesday May 10, 2023. Explanatory materials for quarterly financial results will be published on TDnet for viewing in Japan and on our website.

Consolidated Financial Statements and Key Notes

(1) Consolidated balance sheets

(Million Yen)

	As of March 31, 2022	As of March 31, 2023
ASSETS		
Current assets		
Cash and deposits	47,991	22,736
Notes receivable-trade	83	81
Accounts receivable-trade	88,924	95,241
Merchandise and finished goods	74,814	97,801
Work in process	1,713	2,020
Raw materials and supplies	19,037	22,920
Other	10,848	15,681
Allowance for doubtful accounts	(7)	(20)
Total current assets	243,405	256,463
Non-current assets		
Property, plant and equipment		
Buildings and structures	104,678	108,063
Accumulated depreciation	(68,425)	(71,127)
Buildings and structures, net	36,252	36,935
Machinery, equipment and vehicles	129,928	135,652
Accumulated depreciation	(101,653)	(106,560)
Machinery, equipment and vehicles, net	28,274	29,091
Tools, furniture & fixtures	7,264	7,546
Accumulated depreciation	(5,733)	(6,092)
Tools, furniture & fixtures, net	1,530	1,454
Land	26,017	26,368
Leased assets	6,171	6,873
Accumulated depreciation	(3,683)	(4,075)
Leased assets, net	2,487	2,797
Construction in progress	2,244	4,640
Others	238	245
Accumulated depreciation	(44)	(59)
Others, net	193	185
Total property, plant and equipment	97,000	101,472
Intangible assets		
Goodwill	18,158	18,286
Other	3,955	8,555
Total intangible assets	22,114	26,842
Investments and other assets		
Investment securities	29,598	30,302
Long-term loans receivable	1,352	1,202
Deferred tax assets	667	706
Retirement benefit asset	14,722	15,307
Other	4,354	4,552
Allowance for doubtful accounts	(93)	(88)
Investments and other assets	50,602	51,984
Total non-current assets	169,717	180,299
Total Assets	413,123	436,763

(Million Yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	62,351	66,978
Electronically recorded obligations - operating	1,747	1,991
Short-term borrowings	24,407	32,062
Current portion of Long-term borrowings	144	10,126
Lease liabilities	752	871
Accounts payable - other	22,609	23,461
Income taxes payable	2,891	5,024
Accrued consumption taxes	904	1,059
Provision for bonuses	6,617	6,163
Provision for bonuses for directors (and other officers)	151	161
Provision for loss on disaster	329	329
Other	3,627	4,710
Total current liabilities	126,533	152,941
Non-current liabilities		
Long-term borrowings	10,572	446
Lease liabilities	1,975	2,166
Deferred tax liabilities	5,143	5,703
Retirement benefit liability	1,706	1,653
Asset retirement obligations	1,490	1,469
Other	2,961	3,121
Total non-current liabilities	23,849	14,560
Total liabilities	150,383	167,501
Net assets		
Shareholders' equity		
Capital stock	30,003	30,003
Capital surplus	96,615	89,427
Retained earnings	129,805	140,066
Treasury shares	(4,150)	(1,841)
Total shareholder's equity	252,273	257,655
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,727	6,708
Deferred gains or losses on hedges	151	(828)
Foreign currency translation adjustment	(684)	2,237
Remeasurements of defined benefit plans	3,556	2,835
Total accumulated other comprehensive income	9,750	10,952
Share acquisition rights	118	77
Non-controlling interests	598	576
Total net assets	262,740	269,261
Total liabilities and net assets	413,123	436,763

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

(Million Yen)

	The Fiscal Year Ended March 31, 2022 (Apr 1, 2021 - Mar 31, 2022)	The Fiscal Year Ended March 31, 2023 (Apr 1, 2022 - Mar 31, 2023)
Net sales	854,374	922,682
Cost of sales	722,470	792,556
Gross profit	131,904	130,126
Selling, general and administrative expenses	107,292	107,131
Operating profit	24,611	22,994
Non-operating Income		
Interest income	43	102
Dividend income	439	378
Rental income	433	454
Insurance claim income	325	214
Subsidy income	1,880	1,842
Share of profit of entities accounted for using equity method	605	439
Other	900	847
Total non-operating income	4,628	4,279
Non-operating expenses		
Interest expenses	318	799
Rental expenses on real estate	137	138
Other	187	291
Total non-operating expenses	644	1,229
Ordinary profit	28,596	26,044
Extraordinary income		
Gain on sale of non-current assets	5	61
Gain on sale of investment securities	57	35
Insurance claim income	134	-
Gain on donation of non-current assets	906	-
Other	24	-
Total extraordinary income	1,128	97
Extraordinary losses		
Loss on retirement of non-current assets	449	480
Loss on valuation of investment securities	3	3
Impairment loss	115	327
Loss on tax purpose reduction entry of non-current assets	904	-
Temporary expenses of human resource system reforms	-	335
Others	38	30
Total extraordinary losses	1,510	1,177
Profit before income taxes	28,213	24,964
Income taxes-current	8,374	7,640
Income taxes-deferred	672	303
Total income taxes	9,047	7,944
Profit	19,166	17,019
Profit attributable to non-controlling interests	48	44
Profit attributable to owners of parent	19,118	16,975

Consolidated statements of comprehensive income

	(Million Yen)	
	The Fiscal Year Ended March 31, 2022 (Apr 1, 2021 - Mar 31, 2022)	The Fiscal Year Ended March 31, 2023 (Apr 1, 2022 - Mar 31, 2023)
Profit	19,166	17,019
Other comprehensive income		
Valuation difference on available-for- sale securities	(612)	(21)
Deferred gains or losses on hedges	480	(980)
Foreign currency translation adjustment	1,490	2,083
Remeasurements of defined benefit plans	457	(744)
Share of other comprehensive income of entities accounted for using equity method	995	905
Total other comprehensive income	2,812	1,242
Comprehensive income	21,979	18,262
(Breakdown)		
Comprehensive income attributable to owners of parent	21,929	18,177
Comprehensive income attributable to non-controlling interests	49	84

(3) Consolidated statements of cash flows

	(Million Yen)	
	The Fiscal Year Ended March 31, 2022 (Apr 1, 2021 - Mar 31, 2022)	The Fiscal Year Ended March 31, 2023 (Apr 1, 2022 - Mar 31, 2023)
Cash flows from operating activities		
Profit before income taxes	28,213	24,964
Depreciation	11,474	12,187
Impairment losses	115	327
Increase (decrease) in provision for bonuses	219	(453)
Amortization of goodwill	1,428	1,519
Interest and dividend income	(482)	(480)
Interest expenses	318	799
Insurance claim income	(460)	(214)
Subsidy income	(1,880)	(1,842)
Share of loss (profit) of entities accounted for using equity method	(605)	(439)
Loss (gain) on sale of investment securities	(53)	(32)
Decrease (increase) in trade receivables	(1,682)	(5,418)
Decrease (increase) in inventories	(12,345)	(22,163)
Increase (decrease) in trade payables	5,420	4,218
Increase (decrease) in accounts payable - other	469	(515)
Increase (decrease) in retirement benefit liability	(82)	(43)
Decrease (increase) in retirement benefit asset	(1,817)	(1,685)
Other	(1,521)	(354)
Subtotal	26,727	10,372
Interest and dividends received	1,136	1,331
Proceeds from insurance income	464	214
Subsidies received	1,749	1,956
Interest paid	(318)	(799)
Payments associated with disaster loss	(60)	-
Income taxes paid	(11,226)	(9,128)
Net cash provided by (used in) operating activities	18,473	3,947
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,039)	(12,444)
Purchase of intangible assets	(2,189)	(2,775)
Purchase of investment securities	(169)	(64)
Proceeds from sale and redemption of investment securities	106	98
Loan advances	(236)	(233)
Proceeds from collection of loans receivable	419	388
Payments for acquisition of businesses	-	(7,125)
Other	(143)	(770)
Net cash provided by (used in) investing activities	(11,251)	(22,926)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,795)	6,099
Repayments of long-term borrowings	(155)	(144)
Purchase of treasury shares	(649)	(5,000)
Dividends paid	(6,144)	(6,710)
Repayments of lease liabilities	(872)	(981)
Other	(36)	(107)
Net cash provided by (used in) financing activities	(10,653)	(6,844)
Effect of exchange rate change on cash and cash equivalents	471	492
Net increase (decrease) in cash and cash equivalents	(2,961)	(25,330)
Cash and cash equivalents at beginning of period	50,651	47,690
Cash and cash equivalents at end of period	47,690	22,359