

**FY2021 H1
Results Briefing
Fact Data**



House Foods Group Inc.

The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29), etc., effective from beginning of the first quarter of the fiscal year. Results for FY2020 (the fiscal year ended March 31, 2021) based on both the old and the new standards are provided to increase comparability.

1. Consolidated Results

(Old accounting standard)

(New accounting standard)

		(Old accounting standard)				(New accounting standard)			
		FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Full year	FY2020 1H	FY2020 Full year	FY2021 1H	FY2021 Revised Forecast
Net sales	Million yen	291,897	296,695	293,682	283,754	123,685	250,066	124,127	256,000
Cost of sales	Million yen	162,497	165,068	159,910	156,998	75,829	154,114	77,553	—
Selling, general and administrative expenses	Million yen	113,112	114,068	114,767	107,359	37,950	76,539	37,543	—
Operating profit	Million yen	16,288	17,559	19,005	19,397	9,906	19,413	9,032	20,000
EBITDA *1	Million yen	28,978	30,242	32,284	31,059	16,574	31,075	14,256	30,900
Ordinary profit	Million yen	17,207	19,100	20,797	19,820	8,838	19,837	10,336	22,200
Profit attributable to owners of parent	Million yen	9,353	13,767	11,458	8,733	994	8,752	7,211	14,700
Profit per share	Yen	91.02	134.32	113.73	86.68	9.87	86.87	72.00	147.19
ATO (Total Asset Turnover)	Times	0.80	0.79	0.80	0.77	—	0.68	—	—
ROS (Ratio of operating profit to net sales)	%	5.6	5.9	6.5	6.8	8.0	7.8	7.3	7.8
EBITDA margin	%	9.9	10.2	11.0	10.9	13.4	12.4	11.5	12.1
ROA (Ratio of operating profit to total assets)	%	4.4	4.7	5.1	5.3	—	5.3	—	—
ROE (Ratio of profit to equity)	%	3.8	5.5	4.6	3.4	—	3.5	—	5.6
Dividend per share	Yen	38	44	46	46	23	46	23	46
Payout ratio	%	41.7	32.8	40.4	53.1	233.0	53.0	31.9	31.3
Total assets	Million yen	378,864	371,025	367,194	369,150	356,781	369,335	369,697	—
Net assets	Million yen	283,719	279,144	280,930	287,291	277,620	286,883	290,088	—
Shareholders' equity	Million yen	251,814	247,275	248,770	258,145	248,545	257,825	260,804	—
Equity ratio	%	66.5	66.6	67.7	69.9	69.7	69.8	70.5	—
Net assets per share	Yen	2,450.71	2,454.34	2,469.20	2,562.29	2,466.98	2,559.12	2,615.78	—
Cash flows from operating activities	Million yen	23,608	20,913	24,218	23,181	7,721	23,181	5,514	—
Cash flows from investing activities	Million yen	-13,739	-1,008	-6,356	-8,558	-5,617	-8,558	-8,080	—
Cash flows from financing activities	Million yen	-5,317	-17,317	-7,567	-6,172	-2,340	-6,172	-6,751	—

*1 EBITDA = Operating profit (before amortization of goodwill) + Depreciation

(Reference) Net of amortization of goodwill related to restaurant business

		FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Full year	FY2020 1H	FY2020 Full year	FY2021 1H	FY2021 Revised Forecast
Operating profit	Million yen	21,306	22,577	24,023	22,568	12,415	22,585	9,717	21,370
ROS (Ratio of operating profit to net sales)	%	7.3	7.6	8.2	8.0	10.0	9.0	7.8	8.3

(Reference) After deduction of the effects of extraordinary income (loss) arising from business combination and the amortization of goodwill

		FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Full year	FY2020 1H	FY2020 Full year	FY2021 1H	FY2021 Revised Forecast
Profit attributable to owners of parent	Million yen	12,859	17,187	14,680	15,617	7,855	15,637	7,279	14,837
ROE (Ratio of profit to equity)	%	5.3	6.9	5.9	6.2	—	6.2	—	—

(Reference) Payout ratio based on profit distribution policy

Payout ratio *2	%	30.4	26.2	31.6	29.7	29.5	29.6	31.6	31.0
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*2 Profit distribution policy: Dividend payout ratio of at least 30% on a consolidated basis excluding the effects of extraordinary income/losses arising from business combination and the amortization of goodwill.

2. Net Sales and Operating Profit by Business Segment

>> Net sales

		FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Full year	FY2020 1H	FY2020 Full year	FY2021 1H	FY2021 Revised Forecast
Spice / Seasoning / Processed Food Business	Million yen	139,937	141,225	144,996	146,340	59,200	120,380	56,965	119,300
Health Food Business	Million yen	31,599	30,899	27,890	20,105	8,094	15,281	7,039	15,700
International Food Business	Million yen	22,855	26,317	29,734	35,472	18,265	34,056	19,440	39,000
Restaurant Business	Million yen	51,974	52,083	52,498	44,567	21,668	44,698	22,106	45,700
Other Food Related Business	Million yen	61,024	61,882	46,296	45,542	20,762	43,922	22,867	44,600
Adjustment (elimination)	Million yen	-15,492	-15,710	-7,733	-8,271	-4,304	-8,271	-4,290	-8,300

>> Operating profit

		FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Full year	FY2020 1H	FY2020 Full year	FY2021 1H	FY2021 Revised Forecast
Spice / Seasoning / Processed Food Business	Million yen	12,081	12,669	14,111	15,614	7,957	15,614	5,402	13,700
Health Food Business	Million yen	907	1,421	521	-413	-52	-396	-333	100
International Food Business	Million yen	2,847	3,584	4,098	4,584	2,973	4,584	3,227	5,300
Restaurant Business	Million yen	-406	-561	202	-660	-1,443	-660	526	1,400
Other Food Related Business	Million yen	1,865	2,045	1,791	1,770	921	1,770	799	1,600
Adjustment (elimination)	Million yen	-1,008	-1,599	-1,717	-1,498	-450	-1,498	-589	-2,100

(Reference) Net of amortization of goodwill related to restaurant business

Restaurant Business	Million yen	4,612	4,457	5,220	2,512	1,066	2,512	1,211	2,770
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3. Net Sales by Geographical Area

(Old accounting standard)

(New accounting standard)

		(Old accounting standard)				(New accounting standard)		
		FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Full year	FY2020 1H	FY2020 Full year	FY2021 1H
Japan	Million yen	257,218	258,565	252,776	238,817	100,974	206,544	99,594
East Asia	Million yen	14,202	14,841	14,921	15,721	8,049	15,147	8,583
Southeast Asia	Million yen	5,469	7,297	9,387	13,374	6,772	12,538	6,987
United States	Million yen	13,977	14,886	15,246	14,788	7,500	14,788	8,317
Other	Million yen	1,031	1,106	1,353	1,054	390	1,048	646

4. Content of Business Segments (As of September 30, 2021)

Business segments	Group company name
Spice / Seasoning / Processed Food Business	House Foods Corporation GABAN Co., Ltd. GABAN Spice Manufacturing (M) SDN. BHD. Malony Co., Ltd. Sun House Foods Corporation / Sun Supply Corporation House Ai-Factory Corporation Asaoka Spice K.K.
Health Food Business	House Wellness Foods Corporation
International Food Business	House Foods Holding USA, Inc. / House Foods America Corporation / El Burrito Mexican Food Products Corporation House Foods China Inc. / Shanghai House Foods Co., Ltd. / Dalian House Foods Co., Ltd. / Zhejiang House Foods Co., Ltd. House Foods Vietnam Co., Ltd. House Osotspa Foods Co., Ltd. PT House And Vox Indonesia House Foods Taiwan Corporation
Restaurant Business	Ichibanya Co., Ltd. Daikoku Shoji Co., Ltd. Ichibanya USA, Inc. / Ichibanya International USA, Inc. Ichibanya Restaurant Management (China) Co., Ltd. Taiwan Ichibanya Inc. / Curry House Korea Corporation Ichibanya International Hong Kong Limited / Ichibanya Hong Kong Limited Ichibanya UK Limited
Other Food Related Business	Vox Trading Co., Ltd. Tim Food Co., Ltd. / PT. Java Agritech Delica Chef Corporation House Logistics Service Corporation House Food Analytical Laboratory Inc.
Other	House Foods Group Inc. / House Business Partners Corporation

5. Trends in Net Sales by Business Segment

		(Old accounting standard)				(New accounting standard)				
		FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Full year	FY2020 1H	FY2020 Full year	FY2021 1H	FY2021 Revised Forecast	
Spice / Seasoning / Processed Food Business										
House Foods Corporation (consolidated)	※1	Million yen	128,901	129,410	133,630	135,789	54,689	110,247	52,270	109,000
Curry roux	※2	Million yen	37,051	36,363	37,008	37,768	19,863	37,768	18,421	36,100
Stew roux	※2	Million yen	13,105	12,336	12,209	12,824	4,573	12,824	4,441	12,200
Hashed beef sauce roux	※2	Million yen	4,307	4,553	4,763	5,409	2,771	5,409	2,704	5,200
Spice	※2	Million yen	18,656	18,899	19,894	22,691	11,820	22,691	11,183	23,000
Retort pouched curry	※2	Million yen	15,259	15,871	16,796	16,740	8,481	16,740	8,392	17,200
Packaged noodles	※2	Million yen	6,430	6,677	7,076	7,342	3,436	7,342	3,545	7,500
Snack	※2	Million yen	6,782	6,749	7,267	6,822	3,473	6,822	3,199	6,500
Dessert	※2	Million yen	3,265	3,528	3,506	3,581	1,877	3,581	1,944	3,400
Food service products	※2	Million yen	17,373	17,444	17,490	14,883	7,093	14,883	7,430	15,700
GABAN Co., Ltd. (non-consolidated)		Million yen	8,612	8,620	8,639	7,892	3,837	7,892	3,899	8,000
Health Food Business										
Ukon No Chikara	※2	Million yen	10,355	9,178	8,233	4,240	1,876	4,240	1,540	4,600
Mega Shaki	※2	Million yen	2,230	2,024	1,842	1,279	628	1,279	629	1,300
C1000	※2	Million yen	10,209	9,306	7,110	5,143	3,105	5,143	2,297	4,700
Ichinichibun No Vitamin	※2	Million yen	3,725	4,564	4,097	3,945	2,114	3,945	2,261	4,600
International Food Business										
Business in the United States		Million yen	11,315	12,222	13,036	13,471	6,803	13,471	7,402	15,300
Business in China		Million yen	5,035	5,801	6,060	7,428	3,671	6,981	4,289	8,800
Business in ASEAN		Million yen	2,640	4,265	6,617	10,297	5,273	9,496	5,460	10,300
Restaurant Business										
Ichibanya Co., Ltd. (consolidated)		Million yen	49,472	50,215	51,496	44,247	21,512	44,378	21,955	45,400
Other Food Related Business										
House Logistics Service Corporation	※3	Million yen	21,687	19,671	1,025	1,036	519	1,036	518	1,000
Delica Chef Corporation		Million yen	17,035	17,533	18,690	18,028	9,060	18,028	9,661	19,200
Vox Trading Co., Ltd.(consolidated)		Million yen	21,473	23,926	25,904	25,823	10,864	24,204	12,389	23,700

※1: Excludes House Wellness Foods products (Health Food Business) which House Foods Corporation is consigned to sell and exported products (International Food Business).

※2: Results by product are based on shipments and are for reference only.

※3: On April 1, 2019, House Logistics Service Corporation conducted a company split and transferred its logistics business (excluding orders received and yard handling business operations) to F-LINE Corporation.

6. Number of Group Companies

(Old accounting standard)

		FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Full year
Consolidated subsidiaries	Companies	37	36	35	37
Japan	Companies	14	14	14	15
Overseas	Companies	23	22	21	22
Equity-method affiliates	Companies	4	4	5	5
Japan	Companies	2	2	2	2
Overseas	Companies	2	2	3	3

(New accounting standard)

FY2021 1H
37
15
22
5
2
3

7. Change in Number of Consolidated Subsidiaries (FY2020 -> FY2021 H1)

Consolidated subsidiaries	Increase (0 companies)	Increase:
	Decrease (0 companies)	Decrease:
Equity-method affiliates	Increase (0 companies)	Increase:
	Decrease (0 companies)	Decrease:

8. Number of Employees

		FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Full year
Number of employees * Excluding those on leave of absence and part-time workers	People	6,089	6,066	6,122	6,153

FY2021 1H
6,288

9. Capital Investment

		FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Full year
Total	Million yen	10,699	11,864	17,971	11,708
Capital investment	Million yen	10,215	11,320	16,253	11,324
Spice / Seasoning / Processed Food Business	Million yen	3,468	5,583	7,419	7,208
Health Food Business	Million yen	322	573	2,630	347
International Food Business	Million yen	4,472	2,324	4,255	1,217
Restaurant Business	Million yen	1,319	2,025	1,386	1,716
Other Food Related Business	Million yen	294	397	279	421
Adjustment	Million yen	339	418	284	415
Leases	Million yen	484	544	1,719	383

FY2020 1H	FY2020 Full year	FY2021 1H	FY2021 Plan
3,730	11,708	5,701	15,500
3,546	11,324	5,257	15,000
1,861	7,208	3,086	—
174	347	151	—
498	1,217	865	—
718	1,716	634	—
196	421	232	—
99	415	288	—
184	383	444	500

10. Depreciation

		FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Full year
Total	Million yen	9,456	9,661	10,217	10,373
Depreciation	Million yen	9,126	9,262	9,862	10,035
Spice / Seasoning / Processed Food Business	Million yen	3,365	3,544	4,013	3,989
Health Food Business	Million yen	458	471	644	686
International Food Business	Million yen	871	960	1,114	1,428
Restaurant Business	Million yen	2,855	2,779	3,016	2,870
Other Food Related Business	Million yen	962	916	487	475
Adjustment	Million yen	616	593	587	589
Lease payments	Million yen	330	398	355	337

FY2020 1H	FY2020 Full year	FY2021 1H	FY2021 Plan
5,188	10,373	5,384	11,200
5,016	10,035	5,234	10,900
1,932	3,989	2,254	—
342	686	328	—
737	1,428	721	—
1,497	2,870	1,389	—
232	475	237	—
276	589	304	—
172	337	150	300

11. Selling, General and Administrative Expenses

		FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Full year
Selling, general and administrative expenses	Million yen	113,112	114,068	114,767	107,359
Advertising expenses	Million yen	9,879	9,739	9,436	7,837
Transportation and storage costs	Million yen	9,919	10,278	11,635	10,983
Sales commission	Million yen	2,480	1,669	1,691	1,769
Promotion expenses	Million yen	31,234	32,571	32,589	32,061
Personnel expenses	Million yen	29,694	29,614	28,992	28,391
Research and development expenses	Million yen	3,955	4,212	4,465	4,279
Amortization of goodwill	Million yen	3,564	3,420	3,417	1,708
Other	Million yen	22,387	22,564	22,541	20,332

FY2020 1H	FY2020 Full year	FY2021 1H
37,950	76,539	37,543
3,516	7,961	4,134
5,439	10,962	5,302
53	119	58
1,128	2,752	1,474
14,151	28,397	13,878
2,039	4,279	2,134
1,708	1,708	22
9,915	20,362	10,540

12. Non-Operating Income (Expenses)

(Old accounting standard)

(New accounting standard)

		(Old accounting standard)				(New accounting standard)		
		FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Full year	FY2020 1H	FY2020 Full year	FY2021 1H
Non-operating income	Million yen	2,296	2,566	2,918	2,549	1,114	2,549	1,816
Interest income	Million yen	328	329	353	253	106	253	103
Dividend income	Million yen	656	679	658	673	370	673	371
Share of profit of entities accounted	Million yen	99	51	645	—	—	—	—
Foreign exchange gains	Million yen	—	154	—	111	—	111	100
Rental income from buildings	Million yen	762	757	806	804	394	804	425
Other	Million yen	451	597	457	708	244	708	818
Non-operating expenses	Million yen	1,376	1,026	1,127	2,126	2,182	2,126	512
Interest expenses	Million yen	90	80	62	52	27	52	24
Foreign exchange losses	Million yen	380	—	143	—	265	—	—
Rental expenses	Million yen	616	618	671	638	317	638	348
Share of loss of entities accounted	Million yen	—	—	—	1,230	1,421	1,230	27
Other	Million yen	291	327	251	206	152	206	114

13. Extraordinary Income (Losses)

		(Old accounting standard)				(New accounting standard)		
		FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Full year	FY2020 1H	FY2020 Full year	FY2021 1H
Extraordinary income	Million yen	993	4,470	2,359	2,590	83	2,590	2,144
Gain on sales of non-current assets	Million yen	13	6	198	2	0	2	62
Reversal of allowance for doubtful accounts	Million yen	0	6	0	—	—	—	6
Gain on sales of investment securities	Million yen	765	4,284	2,100	2,453	33	2,453	2,031
Gain on bargain purchase	Million yen	57	—	—	—	—	—	—
Compensation income	Million yen	—	37	—	—	—	—	—
Gain on sales of restaurants	Million yen	144	129	61	134	50	134	45
Other	Million yen	13	9	0	0	—	0	—
Extraordinary losses	Million yen	1,186	1,273	2,474	10,361	9,354	10,361	261
Loss on sales of non-current assets	Million yen	19	23	9	11	11	11	0
Loss on retirement of non-current assets	Million yen	222	630	552	224	59	224	110
Loss on sales of investment securities	Million yen	0	—	11	15	13	15	—
Loss on valuation of investment securities	Million yen	5	2	145	3	3	3	14
Impairment loss	Million yen	774	579	387	10,075	9,264	10,075	137
Loss on change in equity	Million yen	—	—	212	—	—	—	—
Loss on sale of businesses	Million yen	—	—	42	—	—	—	—
Provision of allowance for doubtful accounts	Million yen	—	—	1,088	—	—	—	0
Other	Million yen	166	39	28	32	4	32	—

14. Foreign Exchange Rates

		FY2020 1H	FY2020 Full year	FY2021 1H	FY2021 Forecast
United States	USD	108.24	106.43	108.45	108.45
China	CNY	15.32	15.42	16.76	16.76
Taiwan	TWD	3.61	3.62	3.87	3.87
Thailand	THB	3.42	3.40	3.49	3.49

Reference 1: Domestic Market Size (survey by House Foods Corporation)

		2017	2018	2019	2020
Curry roux	Billion yen	47.4	45.0	44.2	43.8
Stew roux	Billion yen	18.1	17.0	16.6	16.7
Hashed beef sauce roux	Billion yen	6.1	6.0	6.2	6.3
Retort pouched curry	Billion yen	55.9	58.1	61.2	63.7
Spice	Billion yen	71.5	73.8	76.2	86.5

Reference 2: Schedule for amortization of goodwill and intangible assets generated at the time of Ichibanya Co., Ltd. subsidiary (December 2015)

	Amortization period	Amortization completed	FY2018 (million yen)	FY2019 (million yen)	FY2020 (million yen)	FY2021 (million yen)
Total amortization of goodwill, etc.	—	—	5,018	5,018	3,172	1,326
Goodwill	5 years	FY2020	3,417	3,417	1,708	—
Trademark right	42 years	FY2057	635	635	580	526
Contract-related	30 years	FY2045	967	967	883	800

* Amortization began in the fourth quarter of FY2015.