

February 08, 2022

Itoham Yonekyu Holdings Inc.

## **Supplementary Explanation to Financial Results**

Third Quarter Year Ending March 31, 2022

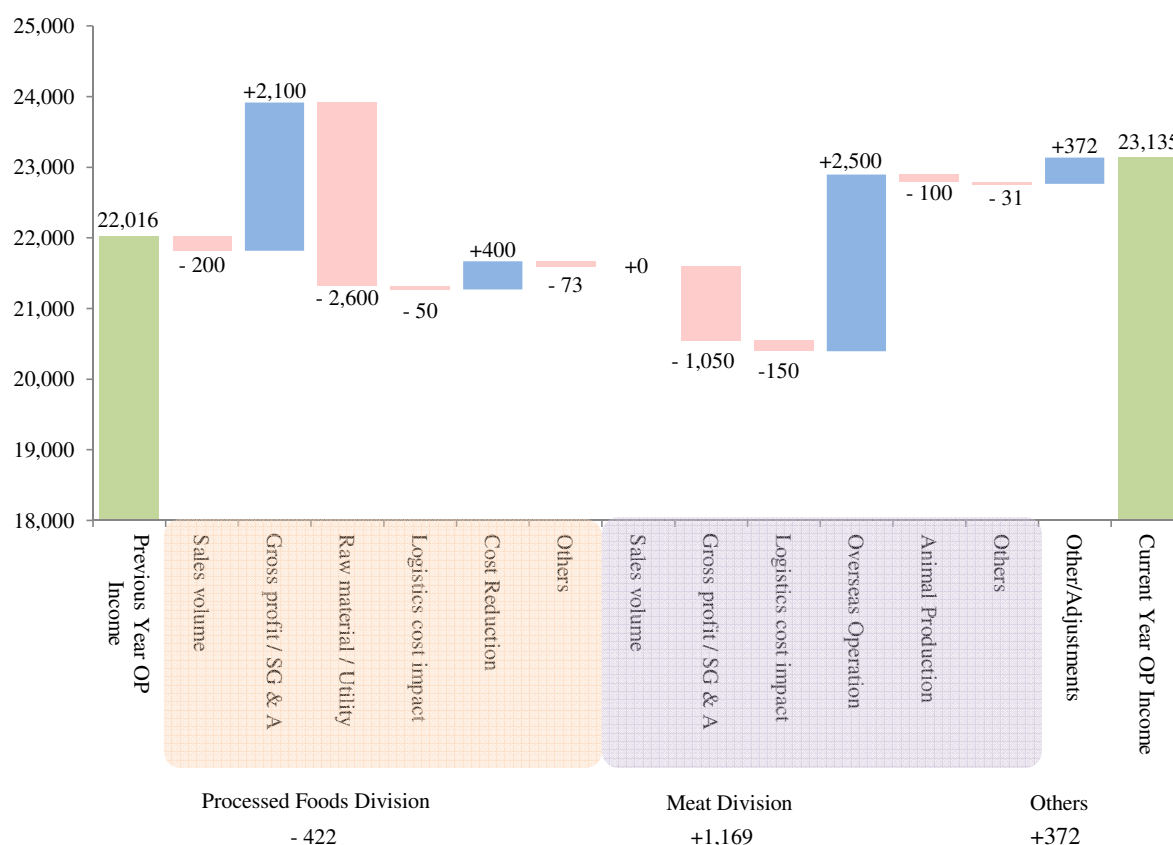
## 1) Summary of Financial Results

(Million Yen, %)

(Million Yen, %)

	After applying revenue recognition (Our estimated value)				Change		*Previous year published figures	
	Actual 2021	% of Sales	Actual 2020	% of Sales			Actual 2021	% of Sales
Sales	655,708		623,176		32,531	5.2	646,827	
Gross Profit	104,795	16.0	102,508	16.4	2,287	2.2	110,431	17.1
S, G & A Expenses	81,660	12.5	80,492	12.9	1,167	1.5	88,259	13.6
Operating Income	23,135	3.5	22,016	3.5	1,119	5.1	22,172	3.4
Non-operating Income	2,991		1,909		1,081		1,909	
Non-operating Expenses	- 432		- 633		201		- 633	
Equity Method Gain/Loss	1,101		712		388		712	
Net Non-operating Gain/Loss	3,660		1,989		1,671		1,989	
Ordinary Income	26,796	4.1	24,005	3.9	2,790	11.6	24,161	3.7
Extra-ordinary Gain	1,126		3,065		- 1,938		3,065	
Extra-ordinary Loss	- 1,095		- 731		- 363		- 731	
Net Extra-ordinary Gain/Loss	31		2,333		- 2,302		2,333	
Income Before Taxes	26,827	4.1	26,338	4.2	488	1.9	26,495	4.1
Net Income	18,582	2.8	18,147	2.9	434	2.4	18,304	2.8

(Million Yen)



(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	234,787	232,879	1,908	0.8	239,361
	OP Margin	10,890	11,313	- 422	- 3.7	11,463
	% of Sales	4.6	4.9	- 0.3		4.8
Meat Division	Sales	417,705	387,222	30,482	7.9	404,391
	OP Margin	13,022	11,852	1,169	9.9	11,858
	% of Sales	3.1	3.1	0.0		2.9
Others/Adjustments	Sales	3,215	3,075	140		3,075
	OP Margin	- 777	- 1,149	372		- 1,149
Consolidated	Sales	655,708	623,176	32,531	5.2	646,827
	OP Margin	23,135	22,016	1,119	5.1	22,172
	% of Sales	3.5	3.5	0.0		3.4

### Operating Income Factors

Processed Foods Division	(Million Yen)
	Change
Sales volume	- 200
Gross profit / SG & A	2,100
Raw material / Utility	- 2,600
Logistics cost impact	- 50
Cost Reduction	400
Others	- 73
Total	- 422

Meat Division	(Million Yen)
	Change
Sales volume	0
Gross profit / SG & A	- 1,050
Logistics cost impact	- 150
Overseas Operation	2,500
Animal Production	- 100
Others	- 31
Total	1,169

### (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		574,265	559,341	14,923	582,992
Asia		29,713	21,003	8,709	21,003
North America		22,507	17,337	5,170	17,337
Oceania		18,649	15,190	3,458	15,190
Europe		9,116	8,305	810	8,305
Others		1,455	1,996	- 541	1,996
Overseas Sales Total		81,443	63,835	17,608	63,835
All Total		655,708	623,176	32,531	646,827
Overseas Sales (%)		12.4	10.2	2.2	9.9

(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.

### 3) Financial Data

#### Sales

	After applying revenue recognition (Our estimated value)				Impact of fluctuations in foreign exchange rates related to ANZCO
	(Million Yen, %)				
	Actual 2021	Actual 2020	Change		
Ham/Sausage	136,024	135,679	344	0.3	219
Processed Foods	114,129	110,798	3,331	3.0	729
Meat	390,095	365,270	24,825	6.8	8,437
Others	15,458	11,428	4,029	35.3	1,139
Total	655,708	623,176	32,531	5.2	10,526

#### SG & A Expenses

	After applying revenue recognition (Our estimated value)			
	(Million Yen, %)			
	Actual 2021	Actual 2020	Change	
Labor Expenses	26,504	26,743	- 239	- 0.9
Logistics Expenses	34,309	33,687	622	1.8
Advertisement	3,615	3,396	219	6.4
Packing	3,229	3,255	- 26	- 0.8
Depreciation	1,313	1,367	- 54	- 4.0
Other Expenses	12,687	12,041	646	5.4
Total	81,660	80,492	1,167	1.5

#### Non-Operational G/L

	(Million Yen, %)			
	Actual 2021	Actual 2020	Change	
Equity Method	1,101	712	388	54.6
Financing	227	71	155	219.7
subsidy	1,335	606	729	120.3
Others	997	599	397	66.4
Total	3,660	1,989	1,671	84.0

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

	Actual 2021	Actual 2020	Change
IPC (USA)	1,284	798	485
Kyushu Extract(JPN)	- 75	- 9	- 66
ABC (THA)	- 298	- 209	- 89

#### Extra-ordinary Gain/Loss

	(Million Yen, %)			
	Actual 2021	Actual 2020	Change	
Insurance income	134	3,003	- 2,869	- 95.5
Others	- 103	- 671	566	
Total	31	2,333	- 2,302	- 98.7

(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.

#### 4) Forecast of Business Results and Dividends

##### Business Results Forecast

(Million Yen)

	1-3Q		4Q		Year	
	Actual 2021	Change	Fcast 2021	Change	Fcast 2021	Change
Sales	655,708	32,531	164,292	- 24,072	820,000	8,460
Operating Income	23,135	1,119	865	- 1,137	24,000	- 18
Non-operating G/L	3,660	1,671	- 1,660	- 2,653	2,000	- 981
Ordinary Income	26,796	2,790	- 796	- 3,791	26,000	- 1,000
Extra-ordinary G/L	31	- 2,302	- 1,031	- 812	- 1,000	- 3,115
Income Before Taxes	26,827	488	- 1,827	- 4,603	25,000	- 4,115
Net Income	18,582	434	- 2,082	- 4,138	16,500	- 3,704

##### Dividends Forecasts

	End of Year Yen	EPS Fcast Yen	Payout Ratio %
Actual 2020	21.00	68.61	30.6
Forecast 2021	22.00	56.35	39.0

##### Operating Segment Information Forecast

(Million Yen, %)

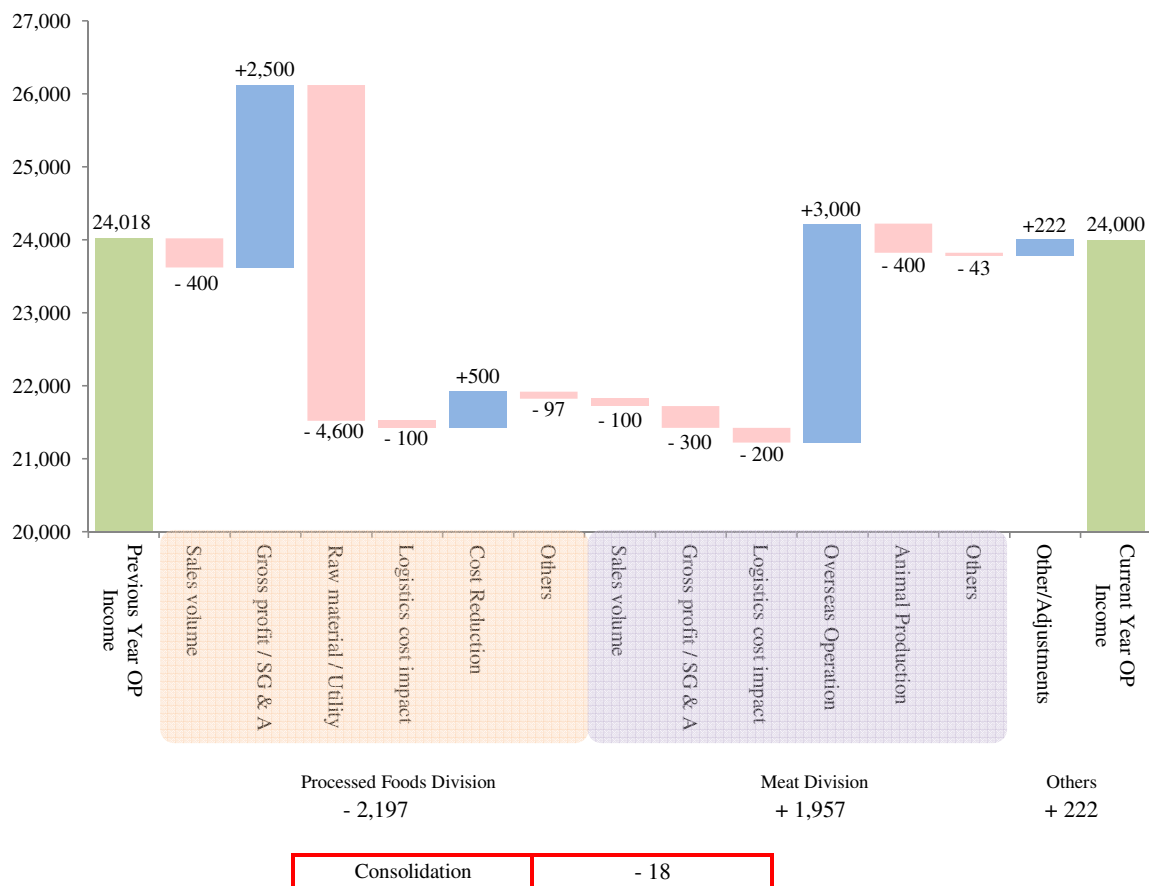
		First Half		Second Half		Year	
		Actual 2021	Change	Fcast 2021	Change	Fcast 2021	Change
Processed Foods Division	Sales	234,787	1,908	60,213	- 6,272	295,000	- 4,364
	OP Margin	10,890	- 422	- 690	- 1,774	10,200	- 2,197
	% of Sales	4.6	- 0.2	—		3.5	- 0.7
Meat Division	Sales	417,705	30,482	103,295	- 17,606	521,000	12,877
	OP Margin	13,022	1,169	2,378	788	15,400	1,957
	% of Sales	3.1	0.1	2.3	1.0	3.0	0.3
Others/Adjustments	Sales	3,215	140	785	- 192	4,000	- 52
	OP Margin	- 777	372	- 823	- 150	- 1,600	222
Consolidated	Sales	655,708	32,532	164,292	- 24,072	820,000	8,460
	OP Margin	23,135	1,119	865	- 1,137	24,000	- 18
	% of Sales	3.5	- 0.0	0.5	- 0.5	2.9	- 0.0

(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.

**Operating Income Variance (forecast)**

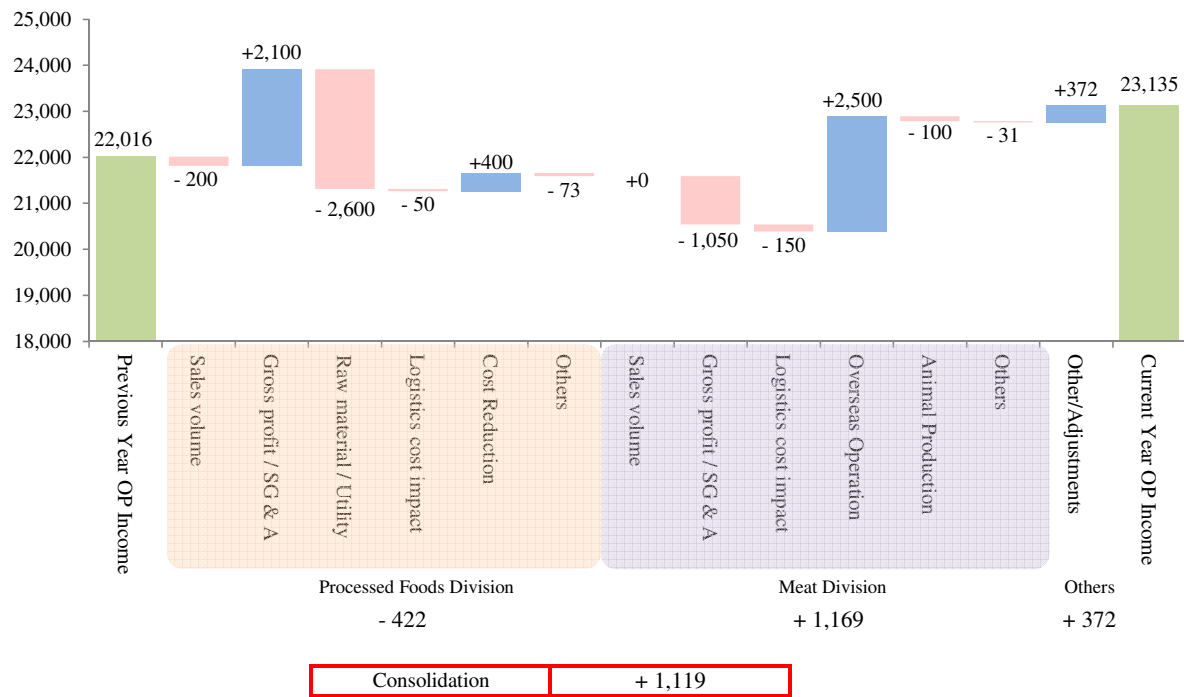
(Million Yen)



(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.

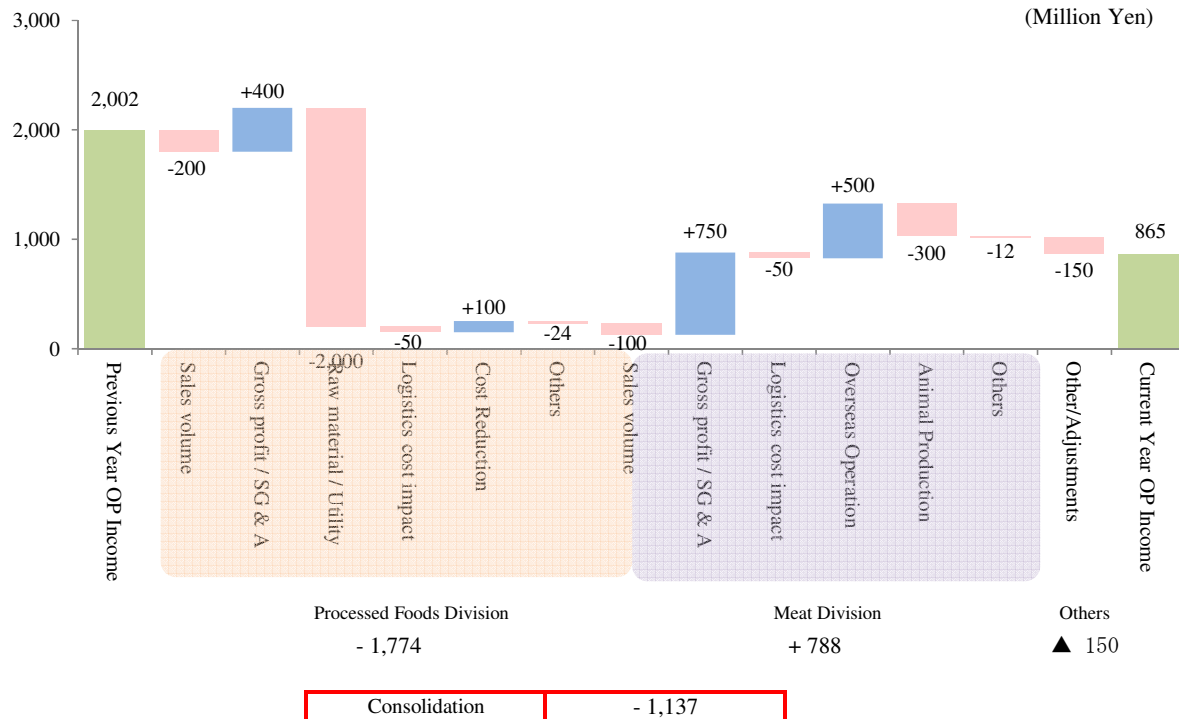
### Operating Income Variance (1-3Q)

(Million Yen)



### Operating Income Variance (4Q)

(Million Yen)



(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.