

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (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 Representative Director
Contact:	Masaru Kato, General Manager, Public & Investor Relations Office Tel. +81-3-5723-6889
Scheduled date for general shareholders' meeting:	June 24, 2022
Scheduled date for filing of securities report:	June 24, 2022
Scheduled date of commencement of dividend payment:	June 06, 2022
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, 2022 (April 1, 2020–March 31, 2022)

(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, 2022	854,374	—	24,611	—	28,596	—	19,118	—
March 31, 2021	842,675	-1.1	24,018	39.1	27,000	38.2	20,204	76.6

(Note) Comprehensive income: The fiscal year ended March 31, 2022 21,979 million Yen (—%)
The fiscal year ended March 31, 2021 25,209 million Yen (136.5%)

	Profit (loss) per share	Diluted net income per share	Net income to shareholder's equity	Ordinary Income to assets	Operating income to net sales
	Yen	Yen	%	%	%
For the fiscal year ended					
December 31, 2022	65.34	65.31	7.5	7.1	2.9
December 31, 2021	68.61	68.57	8.5	6.9	2.9

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

The Fiscal Year Ended March 31, 2021 1,040 million Yen

(NOTE) AS THE ACCOUNTING STANDARD FOR REVENUE RECOGNITION (ASBJ STATEMENT NO. 29), ETC. HAS BEEN APPLIED FROM THE BEGINNING OF THE FIRST QUARTER OF THE FISCAL YEAR ENDING MARCH 31, 2022, THE FIGURES FOR THE FIRST NINE MONTHS OF THE FISCAL YEAR ENDING MARCH 31, 2022 ARE AFTER THE APPLICATION OF THE SAID ACCOUNTING STANDARD, ETC. and 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, 2022	413,123	262,740	63.4	897.66
As of March 31, 2021	394,086	247,648	62.7	843.52

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

As of March 31, 2021 246,931 million Yen

(Note) The Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29), etc. has been applied since the beginning of the six months of the consolidated fiscal year under review. As a result, the accounting treatment of revenue differs from that of the six months of the previous fiscal year.

(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, 2022	18,473	-11,251	-10,653	47,690
March 31, 2021	40,862	-10,837	-21,097	50,651

2. Dividends

	Dividend per share					Total amount of cash dividends (annual)	Dividend payout ratio (consolidated)	Ratio of total amount of dividends to shareholders' equity
	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, 2021	—	0.00	—	21.00	21.00	6,147	30.6	2.6
March 31, 2022	—	0.00	—	23.00	23.00	6,713	35.2	2.6
For the fiscal year ending March 31, 2023 (Forecast)	—	0.00	—	24.00	24.00		46.7	

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2023
(April 1, 2022 to March 31, 2023)

(% figures show year-on-year change)

	Net Sales		Operating profit		Ordinary income		Profit (loss) attributable to owners		Profit (loss) per share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Second quarter-end (Cumulative)	422,000	1.0	11,500	-20.6	13,000	-21.4	8,500	-28.0	29.12
Full year	865,000	1.2	21,000	-14.7	24,000	-16.1	15,000	-21.5	51.39

(1) Consolidated balance sheets

(Million Yen)

	As of March 31, 2021	As of March 31, 2022
ASSETS		
Current assets		
Cash and deposits	50,952	47,991
Notes and accounts receivable-trade	86,591	-
Notes	-	83
Accounts receivable-trade	-	88,924
Merchandise and finished goods	63,313	74,814
Work in process	1,745	1,713
Raw materials and supplies	17,174	19,037
Other	6,617	10,848
Allowance for doubtful accounts	(10)	(7)
Total current assets	226,384	243,405
Non-current assets		
Property, plant and equipment		
Buildings and structures	102,615	104,678
Accumulated depreciation	(66,181)	(68,425)
Buildings and structures, net	36,433	36,252
Machinery, equipment and vehicles	125,742	129,928
Accumulated depreciation	(96,823)	(101,653)
Machinery, equipment and vehicles, net	28,919	28,274
Tools, furniture & fixtures	6,903	7,264
Accumulated depreciation	(5,435)	(5,733)
Tools, furniture & fixtures, net	1,468	1,530
Land	25,745	26,017
Leased assets	6,214	6,171
Accumulated depreciation	(3,455)	(3,683)
Leased assets, net	2,758	2,487
Construction in progress	2,176	2,244
Others	145	238
Accumulated depreciation	(52)	(44)
Others, net	92	193
Total property, plant and equipment	97,595	97,000
Intangible assets		
Goodwill	19,573	18,158
Other	2,150	3,955
Total intangible assets	21,724	22,114
Investments and other assets		
Investment securities	29,331	29,598
Long-term loans receivable	1,520	1,352
Deferred tax assets	734	667
Retirement benefit asset	12,162	14,722
Other	4,738	4,354
Allowance for doubtful accounts	(105)	(93)
Investments and other assets	48,382	50,602
Total non-current assets	167,702	169,717
Total Assets	394,086	413,123

(Million Yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	56,615	62,351
Electronically recorded obligations - operating	1,660	1,747
Short-term borrowings	25,704	24,407
Current portion of Long-term borrowings	155	144
Lease obligations	813	752
Accounts payable-other	21,768	22,609
Income taxes payable	4,149	2,891
Accrued consumption taxes	508	904
Provision for bonuses	6,397	6,617
Provision for bonuses for directors (and other officers)	147	151
Provision for loss on disaster	467	329
Other	4,653	3,627
Total current liabilities	123,041	126,533
Non-current liabilities		
Long-term borrowings	10,717	10,572
Lease obligations	2,193	1,975
Deferred tax liabilities	4,253	5,143
Retirement benefit liability	1,725	1,706
Asset retirement obligations	1,475	1,490
Other	3,031	2,961
Total non-current liabilities	23,396	23,849
Total liabilities	146,438	150,383
Net assets		
Shareholders' equity		
Capital stock	30,003	30,003
Capital surplus	96,624	96,615
Retained earnings	116,989	129,805
Treasury shares	(3,624)	(4,150)
Total shareholder's equity	239,992	252,273
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,298	6,727
Deferred gains or losses on hedges	(329)	151
Foreign currency translation adjustment	(3,073)	(684)
Remeasurements of defined benefit plans	3,042	3,556
Total accumulated other comprehensive income	6,939	9,750
Share acquisition rights	131	118
Non-controlling interests	585	598
Total net assets	247,648	262,740
Total liabilities and net assets	394,086	413,123

(Million Yen)

	The Fiscal Year Ended March 31, 2021 (Apr 1, 2020 - Mar 31, 2021)	The Fiscal Year Ended March 31, 2022 (Apr 1, 2021 - Mar 31, 2022)
Net sales	842,675	854,374
Cost of sales	702,695	722,470
Gross profit	139,979	131,904
Selling, general and administrative expenses	115,961	107,292
Operating profit	24,018	24,611
Non-operating Income		
Interest income	56	43
Dividend income	328	439
Rental income	423	433
Insurance claim income	214	325
Subsidy income	1,244	1,880
Share of profit of entities accounted for using equity method	1,040	605
Other	573	900
Total non-operating income	3,882	4,628
Non-operating expenses		
Interest expenses	360	318
Rental expenses on real estate	143	137
Other	395	187
Total non-operating expenses	900	644
Ordinary profit	27,000	28,596
Extraordinary income		
Gain on sale of non-current assets	476	5
Gain on sale of investment securities	10	57
Insurance claim income	3,003	134
Gain on donation of non-current assets	-	906
Other	-	24
Total extraordinary income	3,490	1,128
Extraordinary losses		
Loss on retirement of non-current assets	587	449
Loss on sale of investment securities	475	3
Impairment loss	165	115
Loss on tax purpose reduction entry of non-current assets	-	904
Loss on liquidation of subsidiaries	139	-
Others	8	38
Total extraordinary losses	1,377	1,510
Profit before income taxes	29,113	28,213
Income taxes-current	8,367	8,374
Income taxes-deferred	451	672
Total income taxes	8,819	9,047
Profit	20,294	19,166
Profit attributable to non-controlling interests	89	48
Profit attributable to owners of parent	20,204	19,118

Consolidated statements of comprehensive income

(Million Yen)

	The Fiscal Year Ended March 31, 2021 (Apr 1, 2020 - Mar 31, 2021)	The Fiscal Year Ended March 31, 2022 (Apr 1, 2021 - Mar 31, 2022)
Profit	20,294	19,166
Other comprehensive income		
Valuation difference on available-for-sale securities	2,449	(612)
Deferred gains or losses on hedges	26	480
Foreign currency translation adjustment	441	1,490
Remeasurements of defined benefit plans	1,651	457
Share of other comprehensive income of entities accounted for using equity method	346	995
Total other comprehensive income	4,915	2,812
Comprehensive income	25,209	21,979
(Breakdown)		
Comprehensive income attributable to owners of parent	25,141	21,929
Comprehensive income attributable to non-controlling interests	68	49

(Million Yen)

	The Fiscal Year Ended March 31, 2021 (Apr 1, 2020 - Mar 31, 2021)	The Fiscal Year Ended March 31, 2022 (Apr 1, 2021 - Mar 31, 2022)
Cash flows from operating activities		
Profit before income taxes	29,113	28,213
Depreciation	11,519	11,474
Impairment losses	165	115
Increase (decrease) in provision for bonuses	1,116	219
Amortization of goodwill	1,483	1,428
Interest and dividend income	(385)	(482)
Interest expenses	360	318
Insurance claim income	(3,218)	(460)
Loss on liquidation of subsidiaries	139	-
Subsidy income	(1,244)	(1,880)
Share of loss (profit) of entities accounted for using equity meth	(1,040)	(605)
Loss (gain) on sale of investment securities	464	(53)
Decrease (increase) in trade receivables	1,293	(1,682)
Decrease (increase) in inventories	8,043	(12,345)
Increase (decrease) in trade payables	(4,821)	5,420
Increase (decrease) in accounts payable - other	709	469
Increase (decrease) in retirement benefit liability	(132)	(82)
Decrease (increase) in retirement benefit asset	(708)	(1,817)
Other	(1,754)	(1,521)
Subtotal	41,103	26,727
Interest and dividends received	625	1,136
Proceeds from insurance income	3,227	464
Subsidies received	1,033	1,749
Interest paid	(360)	(318)
Payments associated with disaster loss	(77)	(60)
Income taxes paid	(4,688)	(11,226)
Net cash provided by (used in) operating activities	40,862	18,473
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,685)	(9,039)
Purchase of intangible assets	(1,226)	(2,189)
Purchase of investment securities	(73)	(169)
Proceeds from sale and redemption of investment securities	714	106
Loan advances	(237)	(236)
Proceeds from collection of loans receivable	235	419
Other	(564)	(143)
Net cash provided by (used in) investing activities	(10,837)	(11,251)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(3,192)	(2,795)
Repayments of long-term borrowings	(10,179)	(155)
Purchase of treasury shares	(1,478)	(649)
Purchase of treasury shares of subsidiaries	(321)	-
Dividends paid	(5,009)	(6,144)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(6)	-
Repayments of lease liabilities	(866)	(872)
Other	(44)	(36)
Net cash provided by (used in) financing activities	(21,097)	(10,653)
Effect of exchange rate change on cash and cash equivalents	(48)	471
Net increase (decrease) in cash and cash equivalents	8,879	(2,961)
Cash and cash equivalents at beginning of period	41,771	50,651
Cash and cash equivalents at end of period	50,651	47,690