

May 09, 2022

Itoham Yonekyu Holdings Inc.

## **Supplementary Explanation to Financial Results**

Year Ended March 31, 2022

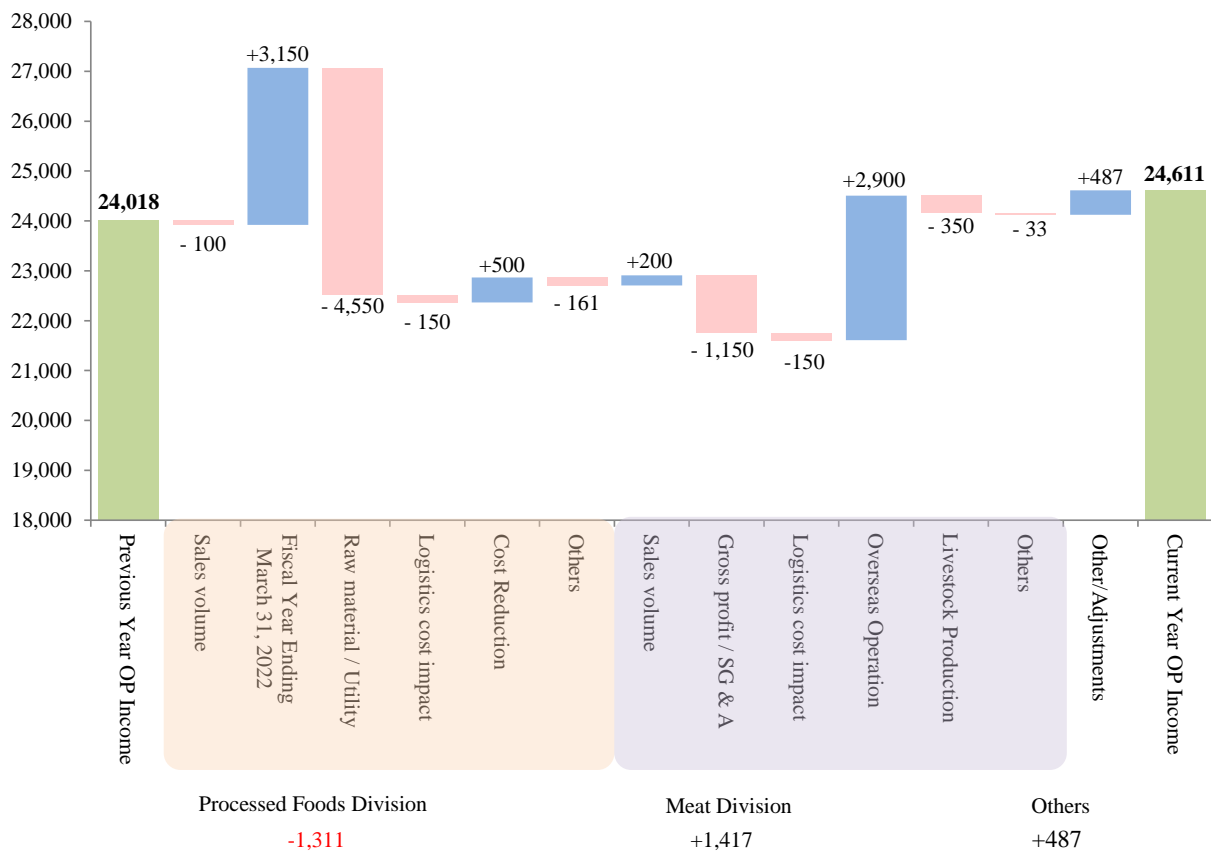
# 1) Summary of Financial Results

(Million Yen, %)

(Million Yen, %)

	Actual 2021		Reference applying revenue recognition (Our estimated value)		Change		*Previous year published figures	
	Actual 2021	% of Sales	Actual 2020	% of Sales			Actual 2021	% of Sales
Sales	854,374		811,540		42,834	5.3	842,675	
Gross Profit	131,904	15.4	130,476	16.1	1,427	1.1	139,979	16.6
S, G & A Expenses	107,292	12.6	106,458	13.1	834	0.8	115,961	13.8
Operating Income	24,611	2.9	24,018	3.0	593	2.5	24,018	2.9
Non-operating Income	4,023		2,841		1,181		2,841	
Non-operating Expenses	-644		-900		255		-900	
Non-controlling Gain/Loss	605		1,040		-434		1,040	
Net Non-operating Gain/Loss	3,984		2,982		1,002		2,982	
Ordinary Income	28,596	3.3	27,000	3.3	1,595	5.9	27,000	3.2
Extra-ordinary Gain	1,128		3,490		-2,361		3,490	
Extra-ordinary Loss	-1,510		-1,377		-133		-1,377	
Net Extra-ordinary Gain/Loss	-382		2,113		-2,495		2,113	
Income Before Taxes	28,213	3.3	29,113	3.6	-899	-3.1	29,113	3.5
Net Income	19,118	2.2	20,204	2.5	-1,085	-5.4	20,204	2.4

(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	302,309	299,364	2,945	1.0	307,041
	OP Margin	11,086	12,397	-1,311	-10.6	12,397
	% of Sales	3.7	4.1	-0.4		4.0
Meat Division	Sales	547,843	508,123	39,719	7.8	531,581
	OP Margin	14,860	13,443	1,417	10.5	13,443
	% of Sales	2.7	2.6	0.1		2.5
Others/Adjustments	Sales	4,221	4,052	169		4,052
	OP Margin	-1,335	-1,822	487		-1,822
Consolidated	Sales	854,374	811,540	42,834	5.3	842,675
	OP Margin	24,611	24,018	593	2.5	24,018
	% of Sales	2.9	3.0	-0.1		2.9

### Operating Income Factors

Processed Foods Division	(Million Yen)
	Change
Sales volume	-100
Fiscal Year Ending March 31, 2022	3,150
Raw material / Utility	-4,550
Logistics cost impact	-150
Cost Reduction	500
Others	-161
Total	-1,311

Meat Division	(Million Yen)
	Change
Sales volume	200
Gross profit / SG & A	-1,150
Logistics cost impact	-150
Overseas Operation	2,900
Livestock Production	-350
Others	-33
Total	1,417

### (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		745,897	725,183	20,714	756,318
Asia		39,282	28,065	11,216	28,065
North America		29,021	22,753	6,268	22,753
Oceania		25,903	22,074	3,829	22,074
Europe		12,025	10,797	1,228	10,797
Others		2,243	2,666	-422	2,666
Overseas Sales Total		108,476	86,356	22,120	86,356
All Total		854,374	811,540	42,834	842,675
Overseas Sales (%)		12.7	10.6	2.1	10.2

(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. 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) (Million Yen, %)				Impact of fluctuations in foreign exchange rates related to ANZCO	*Previous year published figures
	Actual 2021	Actual 2020	Change			Actual 2020
Ham/Sausage	173,877	172,649	1,227	0.7	303	177,618
Processed Foods	149,525	145,298	4,227	2.9	977	148,006
Meat	509,991	477,277	32,713	6.9	10,681	500,735
Others	20,980	16,314	4,666	28.6	1,506	16,314
Total	854,374	811,540	42,834	5.3	13,469	842,675

SG & A Expenses						
	After applying revenue recognition (Our estimated value) (Million Yen, %)				Impact of fluctuations in foreign exchange rates related to ANZCO	*Previous year published figures
	Actual 2021	Actual 2020	Change			Actual 2020
Labor Expenses	35,366	35,839	-473	-1.3		35,839
Logistics Expenses	44,623	43,845	779	1.8		44,436
Advertisement	4,483	4,385	98	2.2		6,891
Packing	3,814	3,834	-19	-0.5		3,834
Depreciation	1,748	1,994	-245	-12.3		1,994
Other Expenses	17,256	16,559	697	4.2		22,965
Total	107,292	106,458	834	0.8		115,961

Fiscal Year Ending March 31, 2022				
	(Million Yen, %)			
	Actual 2021	Actual 2020	Change	
Non-controlling interests	605	1,040	-434	-41.8
Financing	164	24	139	583.3
subsidy	1,880	1,244	635	51.1
Others	1,334	671	662	98.8
Total	3,984	2,982	1,002	33.6

\*Major G/L( Non-controlling interests)

	Actual 2021	Actual 2020	Change
IPC (USA)	1,262	1,101	160
Kyushu Extract(JPN)	-90	8	-99
ABC (THA)	-835	-317	-517

Extra-ordinary Gain/Loss				
	(Million Yen, %)			
	Actual 2021	Actual 2020	Change	
Gain on sales of investment securities	53	-464	518	
Insurance income	134	3,003	-2,869	-95.5
Others	-570	-425	-144	
Total	-382	2,113	-2,495	

(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)

2022/5/9

	First Half		Second Half		Year	
	Fcast 2022	Change	Fcast 2022	Change	Fcast 2022	Change
Sales	422,000	4,237	443,000	6,388	865,000	10,626
Operating Income	11,500	-2,980	9,500	-631	21,000	-3,611
Non-operating G/L	1,500	-560	1,500	-424	3,000	-984
Ordinary Income	13,000	-3,540	11,000	-1,056	24,000	-4,596
Extra-ordinary G/L	-120	-468	-1,380	-650	-1,500	-1,119
Income Before Taxes	12,880	-4,009	9,620	-1,705	22,500	-5,714
Net Income	8,500	-3,311	6,500	-808	15,000	-4,119

##### Dividends Forecasts

	End of Year Yen	EPS Fcast Yen	Payout Ratio %
Actual 2021	23.00	65.34	35.2
Forecast 2022	24.00	51.39	46.7

##### Operating Segment Information Forecast

Fiscal Year Ending March 31, 2023

(Million Yen, %)

		First Half		Second Half		Year	
		Fcast 2022	Change	Fcast 2022	Change	Fcast 2022	Change
Processed Foods Division	Sales	151,000	2,743	160,000	5,948	311,000	8,691
	OP Margin	3,500	-3,010	4,000	-576	7,500	-3,586
	% of Sales	2.3	-2.1	2.5	-0.5	2.4	-1.3
Meat Division	Sales	269,000	1,590	281,000	566	550,000	2,157
	OP Margin	9,000	399	6,000	-259	15,000	140
	% of Sales	3.3	0.1	2.1	-0.1	2.7	0.0
Others/Adjustments	Sales	2,000	-95	2,000	-126	4,000	-221
	OP Margin	-1,000	-369	-500	204	-1,500	-165
Consolidated	Sales	422,000	4,238	443,000	6,388	865,000	10,626
	OP Margin	11,500	-2,980	9,500	-631	21,000	-3,611
	% of Sales	2.7	-0.7	2.1	-0.2	2.4	-0.5

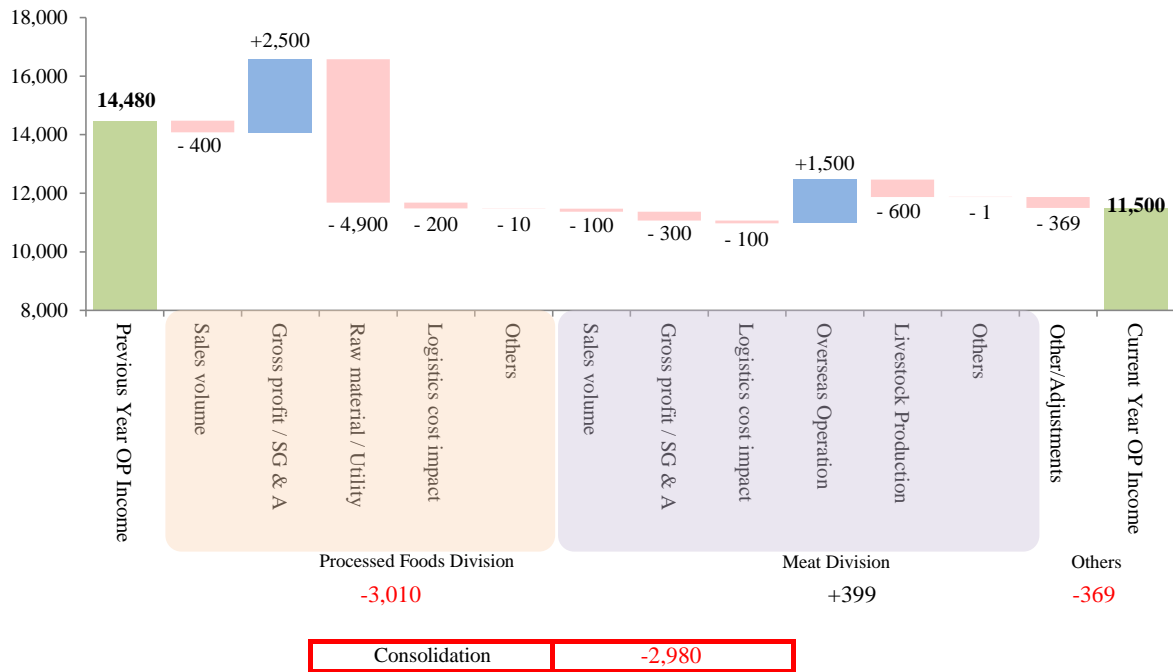
**Operating Income Variance (forecast)**

(Million Yen)



**Operating Income Variance (First Half)**

(Million Yen)



**Operating Income Variance (Second Half)**

(Million Yen)

