

**FY2022
Results Briefing
Fact Data**



House Foods Group Inc.

FY2022 Results Briefing Fact Data

The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29), etc., effective from beginning 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)			
		FY2018 Full year	FY2019 Full year	FY2020 Full year	FY2020 Full year	FY2021 Full year	FY2022 Full year	FY2023 Forecast
Net sales	Million yen	296,695	293,682	283,754	250,066	253,386	275,060	304,800
Cost of sales	Million yen	165,068	159,910	156,998	154,114	158,383	177,130	—
Selling, general and administrative expenses	Million yen	114,068	114,767	107,359	76,539	75,776	81,300	—
Operating profit	Million yen	17,559	19,005	19,397	19,413	19,227	16,631	20,000
EBITDA *1	Million yen	30,242	32,284	31,059	31,075	30,112	28,504	33,600
Ordinary profit	Million yen	19,100	20,797	19,820	19,837	21,125	18,253	20,900
Profit attributable to owners of parent	Million yen	13,767	11,458	8,733	8,752	13,956	13,703	17,500
Profit per share	Yen	134.32	113.73	86.68	86.87	139.75	139.95	180.07
ATO (Total Asset Turnover)	Times	0.79	0.80	0.77	0.68	0.67	0.71	0.76
ROS (Ratio of operating profit to net sales)	%	5.9	6.5	6.8	7.8	7.6	6.0	6.6
EBITDA margin	%	10.2	11.0	10.9	12.4	11.9	10.4	11.0
ROA (Ratio of operating profit to total assets)	%	4.7	5.1	5.3	5.3	5.1	4.3	5.0
ROE (Ratio of profit to equity)	%	5.5	4.6	3.4	3.5	5.3	5.1	6.3
Dividend per share	Yen	44	46	46	46	46	46	46
Payout ratio	%	32.8	40.4	53.1	53.0	32.9	32.9	25.5
Total assets	Million yen	371,025	367,194	369,150	369,335	382,021	396,732	405,508
Net assets	Million yen	279,144	280,930	287,291	286,883	298,567	301,343	309,786
Shareholders' equity	Million yen	247,275	248,770	258,145	257,825	268,966	272,293	280,449
Equity ratio	%	66.6	67.7	69.9	69.8	70.4	68.6	69.2
Net assets per share	Yen	2,454.34	2,469.20	2,562.29	2,559.12	2,700.99	2,791.64	2,896.40
Cash flows from operating activities	Million yen	20,913	24,218	23,181	23,181	16,140	19,483	—
Cash flows from investing activities	Million yen	-1,008	-6,356	-8,558	-8,558	-10,398	-21,467	—
Cash flows from financing activities	Million yen	-17,317	-7,567	-6,172	-6,172	-10,068	-12,739	—

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

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

		FY2018 Full year	FY2019 Full year	FY2020 Full year	FY2020 Full year	FY2021 Full year	FY2022 Full year	FY2023 Forecast
Profit attributable to owners of parent	Million yen	17,187	14,680	15,617	15,637	14,439	14,101	18,934
ROE (Ratio of profit to equity)	%	6.9	5.9	6.2	6.2	5.5	5.2	6.8

(Reference) Payout ratio based on profit distribution policy

Payout ratio *2	%	26.2	31.6	29.7	29.6	31.8	31.9	23.6
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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

		FY2018 Full year	FY2019 Full year	FY2020 Full year	FY2020 Full year	FY2021 Full year	FY2022 Full year	FY2023 Forecast
Spice / Seasoning / Processed Food Business	Million yen	141,225	144,996	146,340	120,380	117,422	119,802	130,700
Health Food Business	Million yen	30,899	27,890	20,105	15,281	14,432	16,520	17,700
International Food Business	Million yen	26,317	29,734	35,472	34,056	39,110	48,875	61,400
Restaurant Business	Million yen	52,083	52,498	44,567	44,698	45,422	48,371	53,000
Other Food Related Business	Million yen	61,882	46,296	45,542	43,922	45,571	50,699	52,200
Adjustment (elimination)	Million yen	-15,710	-7,733	-8,271	-8,271	-8,571	-9,206	-10,200

>> Operating profit

		FY2018 Full year	FY2019 Full year	FY2020 Full year	FY2020 Full year	FY2021 Full year	FY2022 Full year	FY2023 Forecast
Spice / Seasoning / Processed Food Business	Million yen	12,669	14,111	15,614	15,614	12,628	7,915	10,700
Health Food Business	Million yen	1,421	521	-413	-396	-138	1,908	2,000
International Food Business	Million yen	3,584	4,098	4,584	4,584	5,250	5,368	5,400
Restaurant Business	Million yen	-561	202	-660	-660	1,502	2,268	3,000
Other Food Related Business	Million yen	2,045	1,791	1,770	1,770	1,480	1,234	1,500
Adjustment (elimination)	Million yen	-1,599	-1,717	-1,498	-1,498	-1,494	-2,062	-2,600

(Reference) Net of amortization of goodwill related to International Food Business and Restaurant Business

		FY2018 Full year	FY2019 Full year	FY2020 Full year	FY2020 Full year	FY2021 Full year	FY2022 Full year	FY2023 Forecast
International Food Business *3	Million yen	3,584	4,098	4,584	4,584	5,250	5,721	6,789
Restaurant Business	Million yen	4,457	5,220	2,512	2,512	2,872	3,638	4,370

*3: Keystone Natural Holdings has joined the House Foods Group on September 30, 2022.

The amortization of goodwill associated with this acquisition started from the 4th quarter of FY2023 (95 million US dollars; to be amortized over a period of 10 years). This is provisional amount as fair price evaluation and examination of PPA is still underway.

3. Net Sales by Geographical Area

		FY2018 Full year	FY2019 Full year	FY2020 Full year	FY2020 Full year	FY2021 Full year	FY2022 Full year
Japan	Million yen	258,565	252,776	238,817	206,544	202,982	213,373
East Asia	Million yen	14,841	14,921	15,721	15,147	17,802	20,380
Southeast Asia	Million yen	7,297	9,387	13,374	12,538	14,119	15,776
United States	Million yen	14,886	15,246	14,788	14,788	16,911	23,806
Other	Million yen	1,106	1,353	1,054	1,048	1,572	1,725

4. Content of Business Segments (As of March 31, 2023)

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 Keystone Natural Holdings, LLC / Nature Soy, LLC / Superior Natural ULC 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 Foods Group Asia Pacific Co.,Ltd. / House Osotspa Foods Co., Ltd. PT House And Vox Indonesia / PT Sasa Housefoods 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. 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 / PatchworkQuilt Inc.

5. Trends in Net Sales by Business Segment

		(Old accounting standard)			(New accounting standard)				
		FY2018 Full year	FY2019 Full year	FY2020 Full year	FY2020 Full year	FY2021 Full year	FY2022 Full year	FY2023 Forecast	
Spice / Seasoning / Processed Food Business									
House Foods Corporation (consolidated)	*4	Million yen	129,410	133,630	135,789	110,247	106,859	110,631	103,800
Curry roux	*5	Million yen	36,363	37,008	37,768	37,768	36,475	35,810	—
Stew roux	*5	Million yen	12,336	12,209	12,824	12,824	12,321	12,298	—
Hashed beef sauce roux	*5	Million yen	4,553	4,763	5,409	5,409	5,145	5,011	—
Spice	*5	Million yen	18,899	19,894	22,691	22,691	21,412	21,365	—
Retort pouched curry	*5	Million yen	15,871	16,796	16,740	16,740	16,496	17,822	—
Packaged noodles	*5	Million yen	6,677	7,076	7,342	7,342	7,672	7,777	—
Snack	*5	Million yen	6,749	7,267	6,822	6,822	6,539	7,183	—
Dessert	*5	Million yen	3,528	3,506	3,581	3,581	3,558	3,282	—
Food service products	*5	Million yen	17,444	17,490	14,883	14,883	15,630	16,926	—
Gaban Co., Ltd. (non-consolidated)	*6	Million yen	8,620	8,639	7,892	7,892	8,212	8,789	26,300
Health Food Business									
Health Food Business (total)		Million yen	30,899	27,890	20,105	15,281	14,432	16,520	17,700
Ukon No Chikara	*5	Million yen	9,178	8,233	4,240	4,240	4,021	5,464	—
Mega Shaki	*5	Million yen	2,024	1,842	1,279	1,279	1,269	1,415	—
C1000	*5	Million yen	9,306	7,110	5,143	5,143	4,245	4,180	—
Ichinichibun No Vitamin	*5	Million yen	4,564	4,097	3,945	3,945	4,297	4,769	—
International Food Business									
Business in the United States		Million yen	12,222	13,036	13,471	13,471	14,793	21,196	32,000
Business in China		Million yen	5,801	6,060	7,428	6,981	8,545	10,660	13,200
Business in ASEAN		Million yen	4,265	6,617	10,297	9,496	10,847	12,087	11,200
Restaurant Business									
Ichibanya Co., Ltd. (consolidated)		Million yen	50,215	51,496	44,247	44,378	45,022	48,287	53,000
Other Food Related Business									
Delica Chef Corporation		Million yen	17,533	18,690	18,028	18,028	19,393	19,281	20,300
Vox Trading Co., Ltd. (consolidated)		Million yen	23,926	25,904	25,823	24,204	24,514	29,649	30,100

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

*5: Results by product are based on shipments and are for reference only.

*6: House Gaban Corporation, the integrated company of the food service business of House Foods Corporation and Gaban Co., Ltd., was launched on April 1, 2023.

6. Foreign Exchange Rates

		FY2018 Full year	FY2019 Full year	FY2020 Full year
United States	USD	110.36	109.24	106.43
China	CNY	16.64	15.82	15.42
Taiwan	TWD	3.66	3.54	3.62
Thailand	THB	3.41	3.53	3.40

	FY2021 Full year	FY2022 Full year	FY2023 Forecast
United States	110.37	132.08	130.00
China	17.12	19.50	19.00
Taiwan	3.95	4.41	4.30
Thailand	3.43	3.74	3.70

7. Number of Group Companies

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

FY2021 Full year	FY2022 Full year
37	42
15	16
22	26
5	5
2	2
3	3

8. Change in Number of Consolidated Subsidiaries (FY2021 -> FY2022)

Consolidated subsidiaries	Increase (6 companies)	Increase: House Foods Group Asia Pacific Co.,Ltd., Keystone Natural Holdings, LLC, Nature Soy, LLC, Superior Natural ULC, PT Sasa Housefoods Indonesia, PatchworkQuilt Inc.
	Decrease (1 company)	Decrease: Curry House Korea Corporation
Equity-method affiliates	Increase (0 companies)	Increase:
	Decrease (0 companies)	Decrease:

9. Number of Employees

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

FY2021 Full year	FY2022 Full year
6,169	6,806

10. Capital Investment

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

FY2021 Full year	FY2022 Full year	FY2023 Forecast
12,976	15,813	29,600
12,425	15,239	29,400
5,647	5,539	—
237	139	—
3,895	6,278	—
1,411	1,355	—
609	473	—
628	1,455	—
551	573	200

11. Depreciation

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

FY2021 Full year	FY2022 Full year	FY2023 Forecast
11,239	11,950	12,600
10,941	11,534	12,200
4,832	5,135	—
668	521	—
1,476	1,878	—
2,844	2,916	—
495	505	—
625	579	—
298	417	400

12. Selling, General and Administrative Expenses

		(Old accounting standard)			(New accounting standard)		
		FY2018 Full year	FY2019 Full year	FY2020 Full year	FY2020 Full year	FY2021 Full year	FY2022 Full year
Selling, general and administrative expenses	Million yen	114,068	114,767	107,359	76,539	75,776	81,300
Advertising expenses	Million yen	9,739	9,436	7,837	7,961	8,122	8,042
Transportation and storage costs	Million yen	10,278	11,635	10,983	10,962	10,992	12,093
Sales commission	Million yen	1,669	1,691	1,769	119	122	115
Promotion expenses	Million yen	32,571	32,589	32,061	2,752	2,968	3,263
Personnel expenses	Million yen	29,614	28,992	28,391	28,397	27,708	28,753
Research and development expenses	Million yen	4,212	4,465	4,279	4,279	4,417	4,434
Amortization of goodwill	Million yen	3,420	3,417	1,708	1,708	45	398
Other	Million yen	22,564	22,541	20,332	20,362	21,404	24,202

13. Non-Operating Income (Expenses)

		FY2018	FY2019	FY2020	FY2021	FY2022
		Full year	Full year	Full year	Full year	Full year
Non-operating income	Million yen	2,566	2,918	2,549	3,719	2,848
Interest income	Million yen	329	353	253	240	315
Dividend income	Million yen	679	658	673	693	759
Share of profit of entities accounted for using equity method	Million yen	51	645	—	—	139
Rental income from buildings	Million yen	757	806	804	854	878
Foreign exchange gains	Million yen	154	—	111	353	110
Subsidy income	Million yen	—	—	120	1,026	247
Other	Million yen	597	457	588	553	399
Non-operating expenses	Million yen	1,026	1,127	2,126	1,821	1,226
Interest expenses	Million yen	80	62	52	61	297
Foreign exchange losses	Million yen	—	143	—	—	—
Rental expenses	Million yen	618	671	638	691	690
Share of loss of entities accounted for using equity method	Million yen	—	—	1,230	322	—
Litigation expenses	Million yen	—	—	—	281	49
Other	Million yen	327	251	206	465	191

14. Extraordinary Income (Losses)

		FY2018	FY2019	FY2020	FY2021	FY2022
		Full year	Full year	Full year	Full year	Full year
Extraordinary income	Million yen	4,470	2,359	2,590	3,375	4,472
Gain on sale of non-current assets	Million yen	6	198	2	194	976
Gain on sale of investment securities	Million yen	4,284	2,100	2,453	3,099	3,345
Compensation income	Million yen	37	—	—	—	—
Gain on sale of restaurants	Million yen	129	61	134	74	143
Other	Million yen	15	0	0	7	8
Extraordinary losses	Million yen	1,273	2,474	10,361	1,130	1,451
Loss on sale of non-current assets	Million yen	23	9	11	6	57
Loss on retirement of non-current assets	Million yen	630	552	224	385	248
Loss on sale of investment securities	Million yen	—	11	15	—	1
Loss on valuation of investment securities	Million yen	2	145	3	99	321
Loss on valuation of membership	Million yen	7	—	—	—	1
Impairment losses	Million yen	579	387	10,075	636	785
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	—	—	—
Other	Million yen	39	28	32	5	39

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

		2018	2019	2020	2021	2022
Curry roux	Billion yen	52.9	51.3	50.5	46.9	47.2
Stew roux	Billion yen	19.6	18.9	18.9	18.0	18.5
Hashed beef sauce roux	Billion yen	7.1	7.1	7.3	6.6	6.4
Retort pouched curry	Billion yen	70.7	75.3	78.9	78.7	81.9
Spice	Billion yen	85.9	88.4	100.6	97.0	93.4

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

	Amortization period	Amortization completed	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
			Full year	Full year	Full year	Full year	Full year	Forecast
Total amortization of goodwill, etc.	—	—	5,018	5,018	3,172	1,326	1,326	1,326
Goodwill	5 years	FY2020	3,417	3,417	1,708	—	—	—
Trademark right	42 years	FY2057	635	635	580	526	526	526
Contract-related	30 years	FY2045	967	967	883	800	800	800

* Amortization began in the fourth quarter of FY2015.