

**FY2023 1H
Results Briefing
Fact Data**



House Foods Group Inc.

(1) The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29), etc., effective from beginning of FY2021. Results for FY2020 (the fiscal year ended March 31, 2021) based on both the old and the new standards are provided to increase comparability.

(2) Regarding the business combination with U.S.-based Keystone Natural Holdings, LLC on September 30, 2022, the price purchase allocation (PPA) was completed in the first quarter of the fiscal year ending March 31, 2024. Accordingly, figures for the previous fiscal year reflect the completion of the PPA.

1. Consolidated Results

		(Old accounting standard)		(New accounting standard)					
		FY2019 Full year	FY2020 Full year	FY2020 Full year	FY2021 Full year	FY2022 1H	FY2022 Full year	FY2023 1H	FY2023 Revised Forecast
Net sales	Million yen	293,682	283,754	250,066	253,386	133,831	275,060	142,824	302,800
Cost of sales	Million yen	159,910	156,998	154,114	158,383	87,008	177,157	90,859	—
Selling, general and administrative expenses	Million yen	114,767	107,359	76,539	75,776	39,191	81,218	43,898	—
Operating profit	Million yen	19,005	19,397	19,413	19,227	7,632	16,686	8,067	20,000
EBITDA *1	Million yen	32,284	31,059	31,075	30,112	13,143	28,493	14,498	33,500
Ordinary profit	Million yen	20,797	19,820	19,837	21,125	8,964	18,300	8,770	21,200
Profit attributable to owners of parent	Million yen	11,458	8,733	8,752	13,956	5,493	13,672	10,825	18,000
Profit per share	Yen	113.73	86.68	86.87	139.75	55.88	139.63	110.98	185.04
ATO (Total Asset Turnover)	Times	0.80	0.77	0.68	0.67	—	0.71	—	0.76
ROS (Return on sales)	%	6.5	6.8	7.8	7.6	5.7	6.1	5.6	6.6
EBITDA margin	%	11.0	10.9	12.4	11.9	9.8	10.4	10.2	11.1
ROA (Return on assets)	%	5.1	5.3	5.3	5.1	—	4.3	—	5.0
ROE (Return on equity)	%	4.6	3.4	3.5	5.3	—	5.1	—	6.5
Dividend per share	Yen	46	46	46	46	23	46	23	46
Payout ratio	%	40.4	53.1	53.0	32.9	41.2	32.9	20.7	24.9
Total assets	Million yen	367,194	369,150	369,335	382,021	387,072	396,910	415,544	405,120
Net assets	Million yen	280,930	287,291	286,883	298,567	299,922	301,335	315,390	310,020
Shareholders' equity	Million yen	248,770	258,145	257,825	268,966	269,522	272,285	286,371	280,990
Equity ratio	%	67.7	69.9	69.8	70.4	69.6	68.6	68.9	69.4
Net assets per share	Yen	2,469.20	2,562.29	2,559.12	2,700.99	2,763.23	2,791.56	2,935.73	2,899.62
Cash flows from operating activities	Million yen	24,218	23,181	23,181	16,140	8,419	19,483	9,108	—
Cash flows from investing activities	Million yen	-6,356	-8,558	-8,558	-10,398	-5,816	-21,467	-4,303	—
Cash flows from financing activities	Million yen	-7,567	-6,172	-6,172	-10,068	-8,533	-12,739	-4,544	—

*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

		FY2019 Full year	FY2020 Full year	FY2020 Full year	FY2021 Full year	FY2022 1H	FY2022 Full year	FY2023 1H	FY2023 Revised Forecast
Profit attributable to owners of parent	Million yen	14,680	15,617	15,637	14,439	5,515	13,909	11,266	18,901
ROE (Return on equity)	%	5.9	6.2	6.2	5.5	—	5.1	—	6.8

(Reference) Payout ratio based on profit distribution policy

Payout ratio *2	%	31.6	29.7	29.6	31.8	41.0	32.4	19.9	23.7
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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

		FY2019 Full year	FY2020 Full year	FY2020 Full year	FY2021 Full year	FY2022 1H	FY2022 Full year	FY2023 1H	FY2023 Revised Forecast
Spice / Seasoning / Processed Food Business	Million yen	144,996	146,340	120,380	117,422	58,013	119,802	60,424	128,000
Health Food Business	Million yen	27,890	20,105	15,281	14,432	8,521	16,520	8,604	17,200
International Food Business	Million yen	29,734	35,472	34,056	39,110	22,620	48,875	26,457	57,300
Restaurant Business	Million yen	52,498	44,567	44,698	45,422	22,947	48,371	26,813	55,100
Other Food Related Business	Million yen	46,296	45,542	43,922	45,571	26,387	50,699	25,749	55,600
Adjustment (elimination)	Million yen	-7,733	-8,271	-8,271	-8,571	-4,658	-9,206	-5,221	-10,400

>> Operating profit

		FY2019 Full year	FY2020 Full year	FY2020 Full year	FY2021 Full year	FY2022 1H	FY2022 Full year	FY2023 1H	FY2023 Revised Forecast
Spice / Seasoning / Processed Food Business	Million yen	14,111	15,614	15,614	12,628	3,205	7,915	3,666	10,700
Health Food Business	Million yen	521	-413	-396	-138	1,076	1,908	1,230	2,100
International Food Business	Million yen	4,098	4,584	4,584	5,250	3,106	5,424	1,096	4,000
Restaurant Business	Million yen	202	-660	-660	1,502	647	2,268	1,806	3,600
Other Food Related Business	Million yen	1,791	1,770	1,770	1,480	521	1,234	1,087	1,900
Adjustment (elimination)	Million yen	-1,717	-1,498	-1,498	-1,494	-923	-2,062	-818	-2,300

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

		FY2019 Full year	FY2020 Full year	FY2020 Full year	FY2021 Full year	FY2022 1H	FY2022 Full year	FY2023 1H	FY2023 Revised Forecast
International Food Business	Million yen	4,098	4,584	4,584	5,250	3,106	5,693	1,657	5,117
Restaurant Business	Million yen	5,220	2,512	2,512	2,872	1,332	3,638	2,517	5,048

3. Net Sales by Geographical Area

		FY2019 Full year	FY2020 Full year	FY2020 Full year	FY2021 Full year	FY2022 1H	FY2022 Full year	FY2023 1H
Japan	Million yen	252,776	238,817	206,544	202,982	105,109	213,373	109,619
East Asia	Million yen	14,921	15,721	15,147	17,802	9,278	20,380	10,555
Southeast Asia	Million yen	9,387	13,374	12,538	14,119	8,416	15,776	5,097
North America	Million yen	15,246	14,788	14,788	16,911	10,190	23,806	16,879
Other	Million yen	1,353	1,054	1,048	1,572	839	1,725	674

4. Content of Business Segments (As of September 30, 2023)

Business segments	Group company name
Spice / Seasoning / Processed Food Business	House Foods Corporation House Gaban Corporation 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. / Takei 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)					
		FY2019 Full year	FY2020 Full year	FY2020 Full year	FY2021 Full year	FY2022 1H	FY2022 Full year	FY2023 1H	
Spice / Seasoning / Processed Food Business									
House Foods Corporation (consolidated)	*3	Million yen	133,630	135,789	110,247	106,859	53,452	110,631	47,331
Curry roux	*4	Million yen	37,008	37,768	37,768	36,475	18,403	35,810	19,136
Stew roux	*4	Million yen	12,209	12,824	12,824	12,321	4,303	12,298	4,232
Hashed beef sauce roux	*4	Million yen	4,763	5,409	5,409	5,145	2,444	5,011	2,778
Spice	*4	Million yen	19,894	22,691	22,691	21,412	10,791	21,365	11,075
Retort pouched curry	*4	Million yen	16,796	16,740	16,740	16,496	9,160	17,822	9,037
Packaged noodles	*4	Million yen	7,076	7,342	7,342	7,672	3,457	7,777	3,857
Snack	*4	Million yen	7,267	6,822	6,822	6,539	3,608	7,183	4,031
Dessert	*4	Million yen	3,506	3,581	3,581	3,558	1,798	3,282	1,833
Food service products	*4	Million yen	17,490	14,883	14,883	15,630	8,150	16,926	—
House Gaban Corporation	*5	Million yen	8,639	7,892	7,892	8,212	4,337	8,789	12,813
Health Food Business									
Health Food Business (total)		Million yen	27,890	20,105	15,281	14,432	8,521	16,520	8,604
Ukon No Chikara	*4	Million yen	8,233	4,240	4,240	4,021	2,494	5,464	2,953
C1000	*4	Million yen	7,110	5,143	5,143	4,245	2,318	4,180	2,348
Ichinichibun No Vitamin	*4	Million yen	4,097	3,945	3,945	4,297	2,647	4,769	2,603
International Food Business									
Business in the United States		Million yen	13,036	13,471	13,471	14,793	8,950	21,196	15,258
Business in China		Million yen	6,060	7,428	6,981	8,545	4,910	10,660	5,580
Business in Southeast Asia		Million yen	6,617	10,297	9,496	10,847	6,468	12,087	3,455
Restaurant Business									
Ichibanya Co., Ltd. (consolidated)		Million yen	51,496	44,247	44,378	45,022	22,875	48,287	26,822
Other Food Related Business									
Delica Chef Corporation		Million yen	18,690	18,028	18,028	19,393	9,749	19,281	9,720
Vox Trading Co., Ltd. (consolidated)		Million yen	25,904	25,823	24,204	24,514	15,775	29,649	15,117

*3 Excludes product lines sold on consignment from House Wellness Foods Corporation, export sales, and product lines produced on consignment from House Gaban Corporation (from FY2023 onward). Includes the partial business transfer of Malony Co., Ltd (from FY2022 onward).

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

*5 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

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

FY2021 Full year	FY2022 1H	FY2022 Full year	FY2023 1H	FY2023 Plan
110.37	124.52	132.08	136.54	136.54
17.12	19.13	19.50	19.55	19.55
3.95	4.32	4.41	4.46	4.46
3.43	3.67	3.74	3.97	3.97

7. Number of Group Companies

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

FY2021 Full year	FY2022 1H	FY2022 Full year	FY2023 1H
37	38	42	43
15	15	16	17
22	23	26	26
5	5	5	5
2	2	2	2
3	3	3	3

8. Change in Number of Consolidated Subsidiaries (FY2023 1H vs FY2022)

Consolidated subsidiaries	Increase (1 company)	Increase: Takei Co., Ltd.
	Decrease (0 companies)	Decrease:
Equity-method affiliates	Increase (0 companies)	Increase:
	Decrease (0 companies)	Decrease:

9. Number of Employees

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

FY2021 Full year	FY2022 1H	FY2022 Full year	FY2023 1H
6,169	6,251	6,502	6,679

10. Capital Investment

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

FY2021 Full year	FY2022 1H	FY2022 Full year	FY2023 1H	FY2023 Plan
12,976	6,162	15,813	7,361	19,600
12,425	5,858	15,239	7,170	19,200
5,647	2,217	5,539	2,790	—
237	42	139	44	—
3,895	2,600	6,278	2,715	—
1,411	589	1,355	1,237	—
609	262	473	137	—
628	147	1,455	248	—
551	304	573	191	400

11. Depreciation

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

FY2021 Full year	FY2022 1H	FY2022 Full year	FY2023 1H	FY2023 Plan
11,239	5,683	12,045	6,314	13,400
10,941	5,533	11,628	6,033	12,900
4,832	2,472	5,135	2,459	—
668	257	521	197	—
1,476	844	1,973	1,321	—
2,844	1,430	2,916	1,491	—
495	248	505	247	—
625	283	579	318	—
298	150	417	281	500

12. Selling, General and Administrative Expenses

		(Old accounting standard)		(New accounting standard)				
		FY2019 Full year	FY2020 Full year	FY2020 Full year	FY2021 Full year	FY2022 1H	FY2022 Full year	FY2023 1H
Selling, general and administrative expenses	Million yen	114,767	107,359	76,539	75,776	39,191	81,218	43,898
Advertising expenses	Million yen	9,436	7,837	7,961	8,122	3,971	8,042	3,996
Transportation and storage costs	Million yen	11,635	10,983	10,962	10,992	5,914	12,093	6,404
Sales commission	Million yen	1,691	1,769	119	122	76	115	70
Promotion expenses	Million yen	32,589	32,061	2,752	2,968	1,454	3,263	1,818
Personnel expenses	Million yen	28,992	28,391	28,397	27,708	14,091	28,753	15,837
Research and development expenses	Million yen	4,465	4,279	4,279	4,417	2,153	4,434	2,258
Amortization of goodwill	Million yen	3,417	1,708	1,708	45	22	237	441
Other	Million yen	22,541	20,332	20,362	21,404	11,508	24,281	13,074

13. Non-Operating Income (Expenses)

		FY2019	FY2020	FY2021	FY2022	FY2022	FY2023
		Full year	Full year	Full year	1H	Full year	1H
Non-operating income	Million yen	2,918	2,549	3,719	1,918	2,846	1,445
Interest income	Million yen	353	253	240	121	315	141
Dividend income	Million yen	658	673	693	404	759	427
Share of profit of entities accounted for using equity method	Million yen	645	—	—	15	139	—
Rental income from buildings	Million yen	806	804	854	435	878	443
Foreign exchange gains	Million yen	—	111	353	519	110	45
Subsidy income	Million yen	—	120	1,026	219	247	—
Other	Million yen	457	588	553	205	397	389
Non-operating expenses	Million yen	1,127	2,126	1,821	586	1,232	742
Interest expenses	Million yen	62	52	61	111	297	191
Foreign exchange losses	Million yen	143	—	—	—	—	—
Rental expenses	Million yen	671	638	691	347	690	367
Share of loss of entities accounted for using equity method	Million yen	—	1,230	322	—	—	72
Litigation expenses	Million yen	—	—	281	—	49	—
Other	Million yen	251	206	465	128	197	112

14. Extraordinary Income (Losses)

		FY2019	FY2020	FY2021	FY2022	FY2022	FY2023
		Full year	Full year	Full year	1H	Full year	1H
Extraordinary income	Million yen	2,359	2,590	3,375	788	4,466	8,980
Gain on sale of non-current assets	Million yen	198	2	194	1	971	1
Gain on sale of investment securities	Million yen	2,100	2,453	3,099	747	3,345	1,967
Gain on sale of restaurants	Million yen	61	134	74	37	143	20
Gain on revision of retirement benefit plan	Million yen	—	—	—	—	—	6,988
Other	Million yen	0	0	7	3	8	4
Extraordinary losses	Million yen	2,474	10,361	1,130	311	1,451	684
Loss on sale of non-current assets	Million yen	9	11	6	50	57	0
Loss on retirement of non-current assets	Million yen	552	224	385	70	248	117
Loss on sale of investment securities	Million yen	11	15	—	1	1	—
Loss on valuation of investment securities	Million yen	145	3	99	122	321	254
Loss on valuation of membership	Million yen	—	—	—	1	1	—
Impairment losses	Million yen	387	10,075	636	67	785	312
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	28	32	5	0	39	—

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

		2019	2020	2021	2022
Curry roux	Billion yen	51.3	50.5	46.9	47.2
Stew roux	Billion yen	18.9	18.9	18.0	18.5
Hashed beef sauce roux	Billion yen	7.1	7.3	6.6	6.4
Retort pouched curry	Billion yen	75.3	78.9	78.7	81.9
Spice	Billion yen	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	FY2019 (million yen)	FY2020 (million yen)	FY2021 (million yen)	FY2022 (million yen)	FY2023 (million yen)
Total amortization of goodwill, etc.	—	—	5,018	3,172	1,326	1,326	1,326
Goodwill	5 years	FY2020	3,417	1,708	—	—	—
Trademark right	42 years	FY2057	635	580	526	526	526
Contract-related intangible assets	30 years	FY2045	967	883	800	800	800

* Amortization began in the fourth quarter of FY2015.

Reference 3: Schedule for amortization of goodwill and intangible assets generated at the time of Keystone Natural Holdings became a subsidiary (September 2022)

	Amortization period	Amortization completed	FY2022 (million USD)	FY2023 (million USD)
Total amortization of goodwill, etc.	—	—	2	8
Goodwill	10 years	FY2032	1	6
Customer-related intangible assets	15 years	FY2037	1	2