

**FY2020 H1  
Results Briefing  
Fact Data**



House Foods Group Inc.

## 1. Consolidated Results

		FY2017 Full year	FY2018 Full year	FY2019 1H	FY2019 Full year	FY2020 1H	FY2020 Revised Forecast
Net sales	Million yen	291,897	296,695	144,634	293,682	140,090	285,000
Cost of sales	Million yen	162,497	165,068	79,166	159,910	77,296	—
Selling, general and administrative expenses	Million yen	113,112	114,068	56,355	114,767	52,917	—
Operating profit	Million yen	16,288	17,559	9,113	19,005	9,877	18,500
EBITDA *1	Million yen	28,978	30,242	15,518	32,284	16,602	30,400
Ordinary profit	Million yen	17,207	19,100	9,997	20,797	8,810	18,300
Profit attributable to owners of parent	Million yen	9,353	13,767	5,207	11,458	971	6,300
Profit per share	Yen	91.02	134.32	51.68	113.73	9.63	62.53
ATO (Total Asset Turnover)	Times	0.80	0.79	—	0.80	—	—
ROS (Ratio of operating profit to net sales)	%	5.6	5.9	6.3	6.5	7.1	6.5
ROA (Ratio of operating profit to total assets)	%	4.4	4.7	—	5.1	—	—
ROE (Ratio of profit to equity)	%	3.8	5.5	—	4.6	—	—
Dividend per share	Yen	38	44	23	46	23	46
Payout ratio	%	41.7	32.8	44.5	40.4	238.7	73.6
Total assets	Million yen	378,864	371,025	367,186	367,194	356,592	—
Net assets	Million yen	283,719	279,144	281,754	280,930	278,022	—
Shareholders' equity	Million yen	251,814	247,275	249,647	248,770	248,861	—
Equity ratio	%	66.5	66.6	68.0	67.7	69.8	—
Net assets per share	Yen	2,450.71	2,454.34	2,477.89	2,469.20	2,470.12	—
Cash flows from operating activities	Million yen	23,608	20,913	9,116	24,218	7,721	—
Cash flows from investing activities	Million yen	-13,739	-1,008	-7,057	-6,356	-5,617	—
Cash flows from financing activities	Million yen	-5,317	-17,317	-3,848	-7,567	-2,340	—

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

(Reference) Operating profit before amortization of goodwill, etc. for Ichibanya Co., Ltd.

		FY2017 Full year	FY2018 Full year	FY2019 1H	FY2019 Full year	FY2020 1H	FY2020 Revised Forecast
Operating profit	Million yen	21,306	22,577	11,622	24,023	12,386	21,672
ROS (Ratio of operating profit to net sales)	%	7.3	7.6	8.0	8.2	8.8	7.6

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

		FY2017 Full year	FY2018 Full year	FY2019 1H	FY2019 Full year	FY2020 1H	FY2020 Revised Forecast
Profit attributable to owners of parent	Million yen	12,859	17,187	6,720	14,680	7,832	13,161
ROE (Ratio of profit to equity)	%	5.3	6.9	—	5.9	—	—

(Reference) Payout ratio based on profit distribution policy

		FY2017	FY2018	FY2019	FY2019	FY2020	FY2020
Payout ratio *2	%	30.4	26.2	34.5	31.6	29.6	35.2

\*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

&gt;&gt; Net sales

		FY2017 Full year	FY2018 Full year	FY2019 1H	FY2019 Full year	FY2020 1H	FY2020 Revised Forecast
Spice / Seasoning / Processed Food Business	Million yen	139,937	141,225	69,123	144,996	71,746	145,400
Health Food Business	Million yen	31,599	30,899	14,978	27,890	10,666	21,900
International Food Business	Million yen	22,855	26,317	14,162	29,734	18,796	36,700
Restaurant Business	Million yen	51,974	52,083	26,497	52,498	21,616	45,000
Other Food Related Business	Million yen	61,024	61,882	23,590	46,296	21,569	44,200
Adjustment	Million yen	-15,492	-15,710	-3,717	-7,733	-4,304	-8,200

&gt;&gt; Operating profit

		FY2017 Full year	FY2018 Full year	FY2019 1H	FY2019 Full year	FY2020 1H	FY2020 Revised Forecast
Spice / Seasoning / Processed Food Business	Million yen	12,081	12,669	5,890	14,111	7,942	14,600
Health Food Business	Million yen	907	1,421	495	521	-58	-100
International Food Business	Million yen	2,847	3,584	2,141	4,098	2,973	5,000
Restaurant Business	Million yen	-406	-561	507	202	-1,450	-600
Other Food Related Business	Million yen	1,865	2,045	954	1,791	921	1,700
Adjustment	Million yen	-1,008	-1,599	-872	-1,717	-450	-2,100

(Reference) Operating profit before amortization of goodwill, etc. for Ichibanya Co., Ltd.

		FY2017	FY2018	FY2019	FY2019	FY2020	FY2020
Restaurant Business	Million yen	4,612	4,457	3,016	5,220	1,059	2,572

## 3. Net Sales by Geographical Area

		FY2017 Full year	FY2018 Full year	FY2019 1H	FY2019 Full year	FY2020 1H
Japan	Million yen	257,218	258,565	124,615	252,776	116,847
East Asia	Million yen	14,202	14,841	7,534	14,921	8,287
Southeast Asia	Million yen	5,469	7,297	3,866	9,387	7,062
United States	Million yen	13,977	14,886	7,935	15,246	7,500
Other	Million yen	1,031	1,106	685	1,353	394

4. Content of Business Segments (As of September 30, 2020)

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 / 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 Osotspa Foods Co., Ltd. PT House And Vox Indonesia House Foods Taiwan Corporation
Restaurant Business	Ichibanya Co., Ltd. Ichibanya USA, Inc. Ichibanya Restaurant Management (China) Co., Ltd. Taiwan Ichibanya Inc. / Curry House Korea Corporation Ichibanya International Hong Kong Limited / Ichibanya Hong Kong Limited Ichibanya UK Limited / Ichibanya International USA, Inc.
Other Food Related Business	Vox Trading Co., Ltd. Delica Chef Corporation House Logistics Service Corporation House Food Analytical Laboratory Inc. Tim Food Co., Ltd. / PT. Java Agritech
Other	House Foods Group Inc. / House Business Partners Corporation

5. Trends in Net Sales by Business Segment

		FY2017 Full year	FY2018 Full year	FY2019 1H	FY2019 Full year	FY2020 1H
Spice / Seasoning / Processed Food Business						
House Foods Corporation	Million yen	129,615	130,222	64,284	134,385	67,434
Curry roux	Million yen	37,051	36,363	18,684	37,008	19,863
Stew roux	Million yen	13,105	12,336	4,406	12,209	4,573
Hashed beef sauce roux	Million yen	4,307	4,553	2,346	4,669	2,634
Spice	Million yen	18,656	18,899	9,831	19,894	11,820
Retort pouched curry	Million yen	15,259	15,871	8,111	16,796	8,481
Packaged noodles	Million yen	6,430	6,677	3,064	7,076	3,436
Snack	Million yen	6,782	6,749	3,636	7,267	3,473
Dessert	Million yen	3,265	3,528	1,748	3,506	1,877
Food service products	Million yen	17,373	17,444	8,734	17,490	7,093
Health Food Business						
Ukon No Chikara	Million yen	10,355	9,178	3,948	8,233	1,876
Mega Shaki	Million yen	2,230	2,024	1,029	1,842	628
C1000	Million yen	10,209	9,306	4,435	7,110	3,105
Ichinichibun No Vitamin	Million yen	3,725	4,564	2,123	4,097	2,114
International Food Business						
Business in the United States	Million yen	11,315	12,222	6,532	13,036	6,803
Business in China	Million yen	5,035	5,801	2,998	6,060	3,852
Business in ASEAN	Million yen	2,640	4,265	2,584	6,617	5,551
Restaurant Business						
Ichibanya Co., Ltd. (consolidated)	Million yen	49,472	50,215	25,680	51,496	21,460
Other Food Related Business						
House Logistics Service Corporation *1	Million yen	21,687	19,671	511	1,025	519
Delica Chef Corporation	Million yen	17,035	17,533	9,040	18,690	9,060
Vox Trading Co., Ltd. (consolidated)	Million yen	21,473	23,926	13,689	25,904	11,672

\*1 On April 1, 2019, House Logistics Service Corporation conducted a company split and transferred its logistics business(excluding orders received and yard handling business operations) to F-LINE Corporation.

6. Number of Group Companies

		FY2017 Full year	FY2018 Full year	FY2019 1H	FY2019 Full year	FY2020 1H
Consolidated subsidiaries						
Japan	Companies	37	36	36	35	36
Overseas	Companies	14	14	14	14	14
Equity-method affiliate						
Japan	Companies	4	4	4	5	5
Overseas	Companies	2	2	2	2	2
Overseas	Companies	2	2	2	3	3

7. Change in Number of Consolidated Subsidiaries (FY2019 -> FY2020 H1)

Consolidated subsidiaries	Increase (1 companies)	Increase: Ichibanya International USA, Inc.
	Decrease (0 companies)	Decrease:
Equity-method affiliate	Increase (0 companies)	Increase:
	Decrease (0 companies)	Decrease:

#### 8. Business Results of Major Subsidiaries

		FY2017 Full year	FY2018 Full year	FY2019 1H	FY2019 Full year	FY2020 1H
House Foods Corporation						
Net sales	Million yen	129,615	130,222	64,284	134,385	67,434
Operating profit	Million yen	11,059	11,500	5,410	13,121	7,635
House Wellness Foods Corporation						
Net sales	Million yen	31,599	30,899	14,978	27,890	10,666
Operating profit	Million yen	909	1,419	492	518	-60
House Foods America Corporation (Consolidated)						
Net sales	Million yen	12,776	13,606	7,132	13,676	6,803
Operating profit	Million yen	1,303	1,449	785	1,209	406
Ichibanya Co., Ltd. (Consolidated)						
Net sales	Million yen	49,472	50,215	25,680	51,496	21,460
Operating profit	Million yen	4,713	4,442	2,997	5,205	1,070

#### 9. Number of Employees

		FY2017 Full year	FY2018 Full year	FY2019 1H	FY2019 Full year	FY2020 1H
Number of employees * Excluding those on leave of absence and part-time workers	People	6,089	6,066	6,202	6,122	6,199

#### 10. Capital Investment

		FY2017 Full year	FY2018 Full year	FY2019 1H	FY2019 Full year	FY2020 1H	FY2020 Plan
Total	Million yen	10,699	11,864	9,676	17,971	3,730	12,200
Capital investment	Million yen	10,215	11,320	8,097	16,253	3,546	11,800
Leases	Million yen	484	544	1,579	1,719	184	400

#### 11. Depreciation

		FY2017 Full year	FY2018 Full year	FY2019 1H	FY2019 Full year	FY2020 1H	FY2020 Plan
Total	Million yen	9,456	9,661	4,878	10,217	5,188	10,500
Depreciation	Million yen	9,126	9,262	4,696	9,862	5,016	10,200
Lease payments	Million yen	330	398	182	355	172	300

#### 12. Selling, General and Administrative Expenses

		FY2017 Full year	FY2018 Full year	FY2019 1H	FY2019 Full year	FY2020 1H
Selling, general and administrative expenses	Million yen	113,112	114,068	56,355	114,767	52,917
Advertising expenses	Million yen	9,879	9,739	4,431	9,436	3,475
Transportation and storage costs	Million yen	9,919	10,278	5,747	11,635	5,450
Sales commission	Million yen	2,480	1,669	826	1,691	877
Promotion expenses	Million yen	31,234	32,571	15,809	32,589	15,319
Personnel expenses	Million yen	29,694	29,614	14,461	28,992	14,148
Research and development expenses	Million yen	3,955	4,212	2,162	4,465	2,039
Amortization of goodwill	Million yen	3,564	3,420	1,709	3,417	1,708
Other	Million yen	22,387	22,564	11,209	22,541	9,901

#### 13. Non-Operating Income (Expenses)

		FY2017 Full year	FY2018 Full year	FY2019 1H	FY2019 Full year	FY2020 1H
Non-operating income	Million yen	2,296	2,566	1,562	2,918	1,114
Interest income	Million yen	328	329	166	353	106
Dividend income	Million yen	656	679	363	658	370
Share of profit of entities accounted for using equity method	Million yen	99	51	431	645	—
Foreign exchange gains	Million yen	—	154	—	—	—
Rental income from buildings	Million yen	762	757	378	806	394
Other	Million yen	451	597	225	457	244
Non-operating expenses	Million yen	1,376	1,026	678	1,127	2,182
Interest expenses	Million yen	90	80	35	62	27
Foreign exchange losses	Million yen	380	—	268	143	265
Rental expenses	Million yen	616	618	311	671	317
Share of loss of entities accounted for using equity method	Million yen	—	—	—	—	1,421
Other	Million yen	291	327	65	251	152

## 14. Extraordinary Income (Losses)

		FY2017 Full year	FY2018 Full year	FY2019 1H	FY2019 Full year	FY2020 1H
Extraordinary income	Million yen	993	4,470	38	2,359	83
Gain on sales of non-current assets	Million yen	13	6	30	198	0
Reversal of allowance for doubtful accounts	Million yen	0	6	—	0	—
Gain on sales of investment securities	Million yen	765	4,284	—	2,100	33
Gain on bargain purchase	Million yen	57	—	—	—	—
Compensation income	Million yen	—	37	—	—	—
Gain on sales of restaurants	Million yen	144	129	9	61	50
Gain on step acquisitions	Million yen	—	—	—	—	—
Other	Million yen	13	9	0	0	—
Extraordinary losses	Million yen	1,186	1,273	682	2,474	9,354
Loss on sales of non-current assets	Million yen	19	23	0	9	11
Loss on retirement of non-current assets	Million yen	222	630	293	552	59
Loss on sales of investment securities	Million yen	0	—	0	11	13
Loss on valuation of investment securities	Million yen	5	2	—	145	3
Loss on valuation of membership	Million yen	0	7	—	—	—
Impairment loss	Million yen	774	579	114	387	9,264
Loss on change in equity	Million yen	—	—	212	212	—
Loss on sale of businesses	Million yen	—	—	42	42	—
Provision of allowance for doubtful accounts	Million yen	—	—	—	1,088	—
Other	Million yen	166	32	21	28	4

## 15. Foreign Exchange Rates

		FY2017 Full year	FY2018 Full year	FY2019 1H	FY2019 Full year	FY2020 1H	FY2020 Revised Forecast
United States	USD	113.00	110.36	109.97	109.24	108.24	108.24
China	CNY	17.29	16.64	16.23	15.82	15.32	15.32
Taiwan	TWD	3.79	3.66	3.55	3.54	3.61	3.61
South Korea	KRW	0.1062	0.1004	0.0962	0.0941	0.0895	0.0895
Thailand	THB	3.45	3.41	3.48	3.53	3.42	3.42
Vietnam	VND	0.00498	0.00479	0.00473	0.00470	0.00464	0.00464

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

		2015	2016	2017	2018	2019
Curry roux	Billion yen	51.9	50.3	47.4	45.0	44.2
Stew roux	Billion yen	18.7	18.0	18.1	17.0	16.6
Hashed beef sauce roux	Billion yen	6.5	6.3	6.1	6.0	6.2
Retort pouched curry	Billion yen	51.6	53.9	55.9	58.1	61.2
Spice	Billion yen	69.1	70.3	71.5	73.8	76.2

## Reference 2: Schedule of Amortization of Goodwill, etc. for Ichibanya Co., Ltd.

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

\* Amortization began in the fourth quarter of FY2015.