

**FY2022 1H
Results Briefing
Fact Data**



House Foods Group Inc.

FY2022 1H Results Briefing Fact Data

1. Consolidated Results

		(Old accounting standard)			(New accounting standard)				
		FY2018 Full year	FY2019 Full year	FY2020 Full year	FY2020 Full year	FY2021 1H	FY2021 Full year	FY2022 1H	FY2022 Revised Forecast
Net sales	Million yen	296,695	293,682	283,754	250,066	124,127	253,386	133,831	275,300
Cost of sales	Million yen	165,068	159,910	156,998	154,114	77,553	158,383	87,008	-
Selling, general and administrative expenses	Million yen	114,068	114,767	107,359	76,539	37,543	75,776	39,191	-
Operating profit	Million yen	17,559	19,005	19,397	19,413	9,032	19,227	7,632	16,000
EBITDA *1	Million yen	30,242	32,284	31,059	31,075	14,256	30,112	13,143	27,700
Ordinary profit	Million yen	19,100	20,797	19,820	19,837	10,336	21,125	8,964	17,900
Profit attributable to owners of parent	Million yen	13,767	11,458	8,733	8,752	7,211	13,956	5,493	11,100
Profit per share	Yen	134.32	113.73	86.68	86.87	72.00	139.75	55.88	112.93
ATO (Total Asset Turnover)	Times	0.79	0.80	0.77	0.68	-	0.67	-	0.72
ROS (Ratio of operating profit to net sales)	%	5.9	6.5	6.8	7.8	7.3	7.6	5.7	5.8
EBITDA margin	%	10.2	11.0	10.9	12.4	11.5	11.9	9.8	10.1
ROA (Ratio of operating profit to total assets)	%	4.7	5.1	5.3	5.3	-	5.1	-	4.2
ROE (Ratio of profit to equity)	%	5.5	4.6	3.4	3.5	-	5.3	-	4.1
Dividend per share	Yen	44	46	46	46	23	46	23	46
Payout ratio	%	32.8	40.4	53.1	53.0	31.9	32.9	41.2	40.7
Total assets	Million yen	371,025	367,194	369,150	369,335	369,697	382,021	387,072	387,002
Net assets	Million yen	279,144	280,930	287,291	286,883	290,088	298,567	299,922	299,552
Shareholders' equity	Million yen	247,275	248,770	258,145	257,825	260,804	268,966	269,522	269,505
Equity ratio	%	66.6	67.7	69.9	69.8	70.5	70.4	69.6	69.6
Net assets per share	Yen	2,454.34	2,469.20	2,562.29	2,559.12	2,615.78	2,700.99	2,763.23	2,763.06
Cash flows from operating activities	Million yen	20,913	24,218	23,181	23,181	5,514	16,140	8,419	-
Cash flows from investing activities	Million yen	-1,008	-6,356	-8,558	-8,558	-8,080	-10,398	-5,816	-
Cash flows from financing activities	Million yen	-17,317	-7,567	-6,172	-6,172	-6,751	-10,068	-8,533	-

*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 1H	FY2021 Full year	FY2022 1H	FY2022 Revised Forecast
Profit attributable to owners of parent	Million yen	17,187	14,680	15,617	15,637	7,279	14,439	5,515	11,407
ROE (Ratio of profit to equity)	%	6.9	5.9	6.2	6.2	-	5.5	-	4.2

(Reference) Payout ratio based on profit distribution policy

Payout ratio *2	%	26.2	31.6	29.7	29.6	31.6	31.8	41.0	39.6
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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 1H	FY2021 Full year	FY2022 1H	FY2022 Revised Forecast
Spice / Seasoning / Processed Food Business	Million yen	141,225	144,996	146,340	120,380	56,965	117,422	58,013	122,900
Health Food Business	Million yen	30,899	27,890	20,105	15,281	7,039	14,432	8,521	16,500
International Food Business	Million yen	26,317	29,734	35,472	34,056	19,440	39,110	22,620	48,700
Restaurant Business	Million yen	52,083	52,498	44,567	44,698	22,106	45,422	22,947	47,300
Other Food Related Business	Million yen	61,882	46,296	45,542	43,922	22,867	45,571	26,387	48,900
Adjustment (elimination)	Million yen	-15,710	-7,733	-8,271	-8,271	-4,290	-8,571	-4,658	-9,000

>> Operating profit

		FY2018 Full year	FY2019 Full year	FY2020 Full year	FY2020 Full year	FY2021 1H	FY2021 Full year	FY2022 1H	FY2022 Revised Forecast
Spice / Seasoning / Processed Food Business	Million yen	12,669	14,111	15,614	15,614	5,402	12,628	3,205	8,800
Health Food Business	Million yen	1,421	521	-413	-396	-333	-138	1,076	1,400
International Food Business	Million yen	3,584	4,098	4,584	4,584	3,227	5,250	3,106	5,400
Restaurant Business	Million yen	-561	202	-660	-660	526	1,502	647	1,700
Other Food Related Business	Million yen	2,045	1,791	1,770	1,770	799	1,480	521	1,200
Adjustment (elimination)	Million yen	-1,599	-1,717	-1,498	-1,498	-589	-1,494	-923	-2,500

(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 1H	FY2021 Full year	FY2022 1H	FY2022 Revised Forecast
International Food Business *3	Million yen	3,584	4,098	4,584	4,584	3,227	5,250	3,106	5,663
Restaurant Business	Million yen	4,457	5,220	2,512	2,512	3,698	2,872	1,332	3,070

*3 As announced on September 16, 2022, North American manufacturer Keystone Natural Holdings has joined the House Foods Group.

The amortization of goodwill associated with this acquisition will start from the second half.

Amount may change based on the results of the market valuation of the assets of the acquired company and the examination of PPA that are currently underway.

3. Net Sales by Geographical Area

		FY2018 Full year	FY2019 Full year	FY2020 Full year	FY2020 Full year	FY2021 1H	FY2021 Full year	FY2022 1H
Japan	Million yen	258,565	252,776	238,817	206,544	99,594	202,982	105,109
East Asia	Million yen	14,841	14,921	15,721	15,147	8,583	17,802	9,278
Southeast Asia	Million yen	7,297	9,387	13,374	12,538	6,987	14,119	8,416
United States	Million yen	14,886	15,246	14,788	14,788	8,317	16,911	10,190
Other	Million yen	1,106	1,353	1,054	1,048	646	1,572	839

4. Content of Business Segments (As of September 30, 2022)

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 Foods Group Asia Pacific Co.,Ltd. / House Osotspa Foods Co., Ltd. PT House And Vox 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. Curry House Korea Corporation 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

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 1H	FY2021 Full year	FY2022 1H	
Spice / Seasoning / Processed Food Business									
House Foods Corporation (consolidated)	※1	Million yen	129,410	133,630	135,789	110,247	52,270	106,859	53,452
Curry roux	※2	Million yen	36,363	37,008	37,768	37,768	18,421	36,475	18,403
Stew roux	※2	Million yen	12,336	12,209	12,824	12,824	4,441	12,321	4,303
Hashed beef sauce roux	※2	Million yen	4,553	4,763	5,409	5,409	2,704	5,145	2,444
Spice	※2	Million yen	18,899	19,894	22,691	22,691	11,183	21,412	10,791
Retort pouched curry	※2	Million yen	15,871	16,796	16,740	16,740	8,392	16,496	9,160
Packaged noodles	※2	Million yen	6,677	7,076	7,342	7,342	3,545	7,672	3,457
Snack	※2	Million yen	6,749	7,267	6,822	6,822	3,199	6,539	3,608
Dessert	※2	Million yen	3,528	3,506	3,581	3,581	1,944	3,558	1,798
Food service products	※2	Million yen	17,444	17,490	14,883	14,883	7,430	15,630	8,150
Gaban Co., Ltd. (non-consolidated)		Million yen	8,620	8,639	7,892	7,892	3,899	8,212	4,337
Health Food Business									
Health Food Business (total)		Million yen	30,899	27,890	20,105	15,281	7,039	14,432	8,521
Ukon No Chikara	※2	Million yen	9,178	8,233	4,240	4,240	1,540	4,021	2,494
Mega Shaki	※2	Million yen	2,024	1,842	1,279	1,279	629	1,269	734
C1000	※2	Million yen	9,306	7,110	5,143	5,143	2,297	4,245	2,318
Ichinichibun No Vitamin	※2	Million yen	4,564	4,097	3,945	3,945	2,261	4,297	2,647
International Food Business									
Business in the United States		Million yen	12,222	13,036	13,471	13,471	7,402	14,793	8,950
Business in China		Million yen	5,801	6,060	7,428	6,981	4,289	8,545	4,910
Business in ASEAN		Million yen	4,265	6,617	10,297	9,496	5,460	10,847	6,468
Restaurant Business									
Ichibanya Co., Ltd. (consolidated)		Million yen	50,215	51,496	44,247	44,378	21,955	45,022	22,875
Other Food Related Business									
Delica Chef Corporation		Million yen	17,533	18,690	18,028	18,028	9,661	19,393	9,749
Vox Trading Co., Ltd. (consolidated)		Million yen	23,926	25,904	25,823	24,204	12,389	24,514	15,775

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

※2: Results by product are based on shipments and are for reference only.

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 1H	FY2022 Plan
United States	110.37	124.52	131.24
China	17.12	19.13	19.58
Taiwan	3.95	4.32	4.43
Thailand	3.43	3.67	3.73

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 1H
37	38
15	15
22	23
5	5
2	2
3	3

8. Change in Number of Consolidated Subsidiaries (FY2021 -> FY2022 1H)

Consolidated subsidiaries	Increase (1 company)	Increase: House Foods Group Asia Pacific Co.,Ltd.
	Decrease (0 companies)	Decrease:
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 1H
6,169	6,251

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 1H	FY2021 Full year	FY2022 1H	FY2022 Plan
5,701	12,976	6,162	18,400
5,257	12,425	5,858	17,900
3,086	5,647	2,217	—
151	237	42	—
865	3,895	2,600	—
634	1,411	589	—
232	609	262	—
288	628	147	—
444	551	304	500

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 1H	FY2021 Full year	FY2022 1H	FY2022 Plan
5,384	11,239	5,683	11,700
5,234	10,941	5,533	11,400
2,254	4,832	2,472	—
328	668	257	—
721	1,476	844	—
1,389	2,844	1,430	—
237	495	248	—
304	625	283	—
150	298	150	300

12. Selling, General and Administrative Expenses

(Old accounting standard)

(New accounting standard)

		FY2018	FY2019	FY2020	FY2020	FY2021	FY2021	FY2022
		Full year	Full year	Full year	Full year	1H	Full year	1H
Selling, general and administrative expenses	Million yen	114,068	114,767	107,359	76,539	37,543	75,776	39,191
Advertising expenses	Million yen	9,739	9,436	7,837	7,961	4,134	8,122	3,971
Transportation and storage costs	Million yen	10,278	11,635	10,983	10,962	5,302	10,992	5,914
Sales commission	Million yen	1,669	1,691	1,769	119	58	122	76
Promotion expenses	Million yen	32,571	32,589	32,061	2,752	1,474	2,968	1,454
Personnel expenses	Million yen	29,614	28,992	28,391	28,397	13,878	27,708	14,091
Research and development expenses	Million yen	4,212	4,465	4,279	4,279	2,134	4,417	2,153
Amortization of goodwill	Million yen	3,420	3,417	1,708	1,708	22	45	22
Other	Million yen	22,564	22,541	20,332	20,362	10,540	21,404	11,508

13. Non-Operating Income (Expenses)

		FY2018	FY2019	FY2020	FY2021	FY2021	FY2022
		Full year	Full year	Full year	1H	Full year	1H
Non-operating income	Million yen	2,566	2,918	2,549	1,816	3,719	1,918
Interest income	Million yen	329	353	253	103	240	121
Dividend income	Million yen	679	658	673	371	693	404
Share of profit of entities accounted for using equity method	Million yen	51	645	—	—	—	15
Rental income from buildings	Million yen	757	806	804	425	854	435
Foreign exchange gains	Million yen	154	—	111	100	353	519
Subsidy income	Million yen	—	—	120	525	1,026	219
Other	Million yen	597	457	588	292	553	205
Non-operating expenses	Million yen	1,026	1,127	2,126	512	1,821	586
Interest expenses	Million yen	80	62	52	24	61	111
Foreign exchange losses	Million yen	—	143	—	—	—	—
Rental expenses	Million yen	618	671	638	348	691	347
Share of loss of entities accounted for using equity method	Million yen	—	—	1,230	27	322	—
Litigation expenses	Million yen	—	—	—	—	281	—
Other	Million yen	327	251	206	114	465	128

14. Extraordinary Income (Losses)

		FY2018	FY2019	FY2020	FY2021	FY2021	FY2022
		Full year	Full year	Full year	1H	Full year	1H
Extraordinary income	Million yen	4,470	2,359	2,590	2,144	3,375	788
Gain on sale of non-current assets	Million yen	6	198	2	62	194	1
Gain on sale of investment securities	Million yen	4,284	2,100	2,453	2,031	3,099	747
Compensation income	Million yen	37	—	—	—	—	—
Gain on sale of restaurants	Million yen	129	61	134	45	74	37
Other	Million yen	15	0	0	6	7	3
Extraordinary losses	Million yen	1,273	2,474	10,361	261	1,130	311
Loss on sale of non-current assets	Million yen	23	9	11	0	6	50
Loss on retirement of non-current assets	Million yen	630	552	224	110	385	70
Loss on sale of investment securities	Million yen	—	11	15	—	—	1
Loss on valuation of investment securities	Million yen	2	145	3	14	99	122
Loss on valuation of membership	Million yen	7	—	—	—	—	1
Impairment losses	Million yen	579	387	10,075	137	636	67
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	—	0	—	—
Other	Million yen	39	28	32	—	5	0

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

		2018	2019	2020	2021
Curry roux	Billion yen	52.9	51.3	50.5	46.9
Stew roux	Billion yen	19.6	18.9	18.9	18.1
Hashed beef sauce roux	Billion yen	7.1	7.1	7.3	6.6
Retort pouched curry	Billion yen	70.7	75.3	78.9	78.7
Spice	Billion yen	85.9	88.4	100.6	97.0

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
			(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	30 years	FY2045	967	967	883	800	800

* Amortization began in the fourth quarter of FY2015.