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FY2019
Results Briefing
Fact Data

House Foods Group Inc.

FY2019 Results Briefing Fact Data

1. Consolidated Results

		FY2015 Full year	FY2016 Full year	FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Forecast
Net sales	Million yen	241,893	283,812	291,897	296,695	293,682	290,000
Cost of sales	Million yen	138,371	159,624	162,497	165,068	159,910	—
Selling, general and administrative expenses	Million yen	92,746	111,875	113,112	114,068	114,767	—
Operating profit	Million yen	10,775	12,312	16,288	17,559	19,005	15,500
EBITDA *1	Million yen	18,699	25,235	28,978	30,242	32,284	28,700
Ordinary profit	Million yen	12,152	13,951	17,207	19,100	20,797	16,900
Profit attributable to owners of parent	Million yen	22,632	8,683	9,353	13,767	11,458	9,600
Profit per share	Yen	220.48	84.53	91.02	134.32	113.73	95.29
ATO (Total Asset Turnover)	Times	0.76	0.81	0.80	0.79	0.80	—
ROS (Ratio of operating profit to net sales)	%	4.5	4.3	5.6	5.9	6.5	5.3
ROA (Ratio of operating profit to total assets)	%	3.4	3.5	4.4	4.7	5.1	—
ROE (Ratio of profit to equity)	%	10.1	3.7	3.8	5.5	4.6	—
Dividend per share	Yen	30	32	38	44	46	46
Payout ratio	%	13.6	37.9	41.7	32.8	40.4	48.3
Total assets	Million yen	349,427	353,888	378,864	371,025	367,194	—
Net assets	Million yen	260,329	266,615	283,719	279,144	280,930	—
Shareholders' equity	Million yen	228,812	235,246	251,814	247,275	248,770	—
Equity ratio	%	65.5	66.5	66.5	66.6	67.7	—
Net assets per share	Yen	2,231.86	2,289.43	2,450.71	2,454.34	2,469.20	—
Cash flows from operating activities	Million yen	12,518	21,298	23,608	20,913	24,218	—
Cash flows from investing activities	Million yen	-8,308	-2,169	-13,739	-1,008	-6,356	—
Cash flows from financing activities	Million yen	-3,743	-7,388	-5,317	-17,317	-7,567	—

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

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

		FY2015 Full year	FY2016 Full year	FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Forecast
Operating profit	Million yen	12,030	17,330	21,306	22,577	24,023	19,664
ROS (Ratio of operating profit to net sales)	%	5.0	6.1	7.3	7.6	8.2	6.8

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

		FY2015 Full year	FY2016 Full year	FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Forecast
Profit attributable to owners of parent	Million yen	9,635	10,795	12,859	17,187	14,680	12,162
ROE (Ratio of profit to equity)	%	4.3	4.7	5.3	6.9	5.9	—

(Reference) Payout ratio based on profit distribution policy

Payout ratio *2	%	32.0	30.4	30.4	26.2	31.6	38.1

*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

		FY2015 Full year	FY2016 Full year	FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Forecast
Spice / Seasoning / Processed Food Business	Million yen	120,018	132,059	139,937	141,225	144,996	149,000
Health Food Business	Million yen	34,523	33,281	31,599	30,899	27,890	25,000
International Food Business	Million yen	18,577	20,111	22,855	26,317	29,734	35,000
Restaurant Business	Million yen	18,312	51,375	51,974	52,083	52,498	45,400
Other Food Related Business	Million yen	62,718	62,123	61,024	61,882	46,296	43,800
Adjustment	Million yen	-12,256	-15,138	-15,492	-15,710	-7,733	-8,200

>> Operating profit

		FY2015 Full year	FY2016 Full year	FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Forecast
Spice / Seasoning / Processed Food Business	Million yen	7,924	9,885	12,081	12,669	14,111	13,700
Health Food Business	Million yen	1,398	1,334	907	1,421	521	0
International Food Business	Million yen	1,381	1,681	2,847	3,584	4,098	4,000
Restaurant Business	Million yen	44	-424	-406	-561	202	-1,900
Other Food Related Business	Million yen	101	719	1,865	2,045	1,791	1,600
Adjustment	Million yen	-73	-883	-1,008	-1,599	-1,717	-1,900

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

Restaurant Business	Million yen	1,299	4,594	4,612	4,457	5,220	2,264

3. Net Sales by Geographical Area

		FY2015 Full year	FY2016 Full year	FY2017 Full year	FY2018 Full year	FY2019 Full year
Japan	Million yen	215,688	254,188	257,218	258,565	252,776
East Asia	Million yen	11,253	12,114	14,202	14,841	14,921
Southeast Asia	Million yen	1,896	3,782	5,469	7,297	9,387
United States	Million yen	12,599	13,192	13,977	14,886	15,246
Other	Million yen	457	536	1,031	1,106	1,353

4. Content of Business Segments (As of March30, 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
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

		FY2015 Full year	FY2016 Full year	FY2017 Full year	FY2018 Full year	FY2019 Full year
Spice / Seasoning / Processed Food Business						
House Foods Corporation	Million yen	122,172	125,902	129,615	130,222	134,385
Curry roux	Million yen	37,271	38,008	37,051	36,363	37,008
Stew roux	Million yen	13,001	12,583	13,105	12,336	12,209
Hashed beef sauce roux	Million yen	4,220	4,425	4,307	4,553	4,669
Spice	Million yen	16,876	17,827	18,656	18,899	19,894
Retort pouched curry	Million yen	11,561	13,823	15,259	15,871	16,796
Packaged noodles	Million yen	6,411	6,318	6,430	6,677	7,076
Snack	Million yen	5,363	5,523	6,782	6,749	7,267
Dessert	Million yen	3,210	3,138	3,265	3,528	3,506
Food service products	Million yen	16,397	16,838	17,373	17,444	17,490
Health Food Business						
Ukon No Chikara	Million yen	12,141	11,482	10,355	9,178	8,233
Mega Shaki	Million yen	2,259	2,465	2,230	2,024	1,842
C1000 *1	Million yen	11,845	10,762	10,209	9,306	7,110
Ichinichibun No Vitamin *1	Million yen	1,981	2,952	3,725	4,564	4,097
International Food Business						
Business in the United Sates	Million yen	10,705	10,926	11,315	12,222	13,036
Business in China	Million yen	4,049	3,918	5,035	5,801	6,060
Business in ASEAN	Million yen	1,081	1,838	2,640	4,265	6,617
Restaurant Business						
Ichibanya Co., Ltd. (consolidated)	Million yen	11,411	44,893	49,472	50,215	51,496
Other Food Related Business						
House Logistics Service Corporation	Million yen	23,000	23,193	21,687	19,671	1,025
Delica Chef Corporation	Million yen	16,921	16,755	17,035	17,533	18,690
Vox Trading Co., Ltd. *2	Million yen	21,830	21,195	21,473	23,926	25,904

*1 *Ichinichibun No Vitamin* , which was included in the *C1000* brand, is a separate item, from FY2016.
The figures for FY2015 have been replaced in accordance with the new segments from FY2016.

*2 Vox Trading Co., Ltd. merged with Horie Yamatoya Co., Ltd. on April 1, 2016.
The results in FY2015 include the results of Horie Yamatoya Co., Ltd.

6. Number of Group Companies

		FY2015 Full year	FY2016 Full year	FY2017 Full year	FY2018 Full year	FY2019 Full year
Consolidated subsidiaries	Companies	34	36	37	36	35
Japan	Companies	14	14	14	14	14
Overseas	Companies	20	22	23	22	21
Equity-method affiliate	Companies	3	4	4	4	5
Japan	Companies	1	2	2	2	2
Overseas	Companies	2	2	2	2	3

7. Change in Number of Consolidated Subsidiaries (FY2018 -> FY2019)

Consolidated subsidiaries	Increase (0 companies)	Increase:
	Decrease (1 companies)	Decrease : House Restaurant Management (Beijing) Co., Ltd.
Equity-method affiliate	Increase (1 companies)	Increase: Himadri Foods Ltd
	Decrease (0 companies)	Decrease :

8. Business Results of Major Subsidiaries

		FY2015 Full year	FY2016 Full year	FY2017 Full year	FY2018 Full year	FY2019 Full year
House Foods Corporation						
Net sales	Million yen	122,172	125,902	129,615	130,222	134,385
Operating profit	Million yen	8,398	9,399	11,059	11,500	13,121
House Wellness Foods Corporation						
Net sales	Million yen	34,558	33,281	31,599	30,899	27,890
Operating profit	Million yen	1,403	1,329	909	1,419	518
House Foods America Corporation (Consolidated)						
Net sales	Million yen	12,437	12,572	12,776	13,606	13,676
Operating profit	Million yen	875	1,153	1,303	1,449	1,209
Ichibanya Co., Ltd. (Consolidated)						
Net sales	Million yen	11,411	44,893	49,472	50,215	51,496
Operating profit	Million yen	1,300	4,806	4,713	4,442	5,205

9. Number of Employees

		FY2015 Full year	FY2016 Full year	FY2017 Full year	FY2018 Full year	FY2019 Full year
Number of employees * Excluding those on leave of absence and part-time workers	People	6,376	6,248	6,089	6,066	6,122

10. Capital Investment

		FY2015 Full year	FY2016 Full year	FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Forecast
Total	Million yen	7,260	8,178	10,699	11,864	17,971	16,700
Capital investment	Million yen	6,757	7,708	10,215	11,320	16,253	16,500
Leases	Million yen	503	470	484	544	1,719	200

11. Depreciation

		FY2015 Full year	FY2016 Full year	FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Forecast
Total	Million yen	7,277	9,691	9,456	9,661	10,217	11,100
Depreciation	Million yen	6,908	9,345	9,126	9,262	9,862	10,720
Lease payments	Million yen	369	346	330	398	355	380

12. Selling, General and Administrative Expenses

		FY2015 Full year	FY2016 Full year	FY2017 Full year	FY2018 Full year	FY2019 Full year
Selling, general and administrative expenses	Million yen	92,746	111,875	113,112	114,068	114,767
Advertising expenses	Million yen	9,822	9,869	9,879	9,739	9,436
Transportation and storage costs	Million yen	7,248	9,519	9,919	10,278	11,635
Sales commission	Million yen	2,342	2,455	2,480	1,669	1,691
Promotion expenses	Million yen	29,741	30,607	31,234	32,571	32,589
Personnel expenses	Million yen	21,987	29,278	29,694	29,614	28,992
Research and development expenses	Million yen	3,510	3,787	3,955	4,212	4,465
Amortization of goodwill	Million yen	1,016	3,578	3,564	3,420	3,417
Other	Million yen	17,080	22,782	22,387	22,564	22,541

13. Non-Operating Income (Expenses)

		FY2015 Full year	FY2016 Full year	FY2017 Full year	FY2018 Full year	FY2019 Full year
Non-operating income	Million yen	2,177	2,607	2,296	2,566	2,918
Interest income	Million yen	478	395	328	329	353
Dividend income	Million yen	609	762	656	679	658
Share of profit of entities accounted for using equity method	Million yen	584	70	99	51	645
Foreign exchange gains	Million yen	—	238	—	154	—
Rental income from buildings	Million yen	176	758	762	757	806
Other	Million yen	330	384	451	597	457
Non-operating expenses	Million yen	801	969	1,376	1,026	1,127
Interest expenses	Million yen	93	87	90	80	62
Foreign exchange losses	Million yen	174	—	380	—	143
Rental expenses	Million yen	148	631	616	618	671
Other	Million yen	385	251	291	327	251

14. Extraordinary Income (Losses)

		FY2015 Full year	FY2016 Full year	FY2017 Full year	FY2018 Full year	FY2019 Full year
Extraordinary income	Million yen	17,013	2,008	993	4,470	2,359
Gain on sales of non-current assets	Million yen	7	178	13	6	198
Reversal of allowance for doubtful accounts	Million yen	0	―	0	6	0
Gain on sales of investment securities	Million yen	3,135	147	765	4,284	2,100
Gain on bargain purchase	Million yen	―	1,018	57	―	―
Compensation income	Million yen	―	―	―	37	―
Gain on sales of restaurants	Million yen	19	147	144	129	61
Gain on step acquisitions	Million yen	13,851	448	―	―	―
Other	Million yen	1	70	13	9	0
Extraordinary losses	Million yen	1,062	1,488	1,186	1,273	2,474
Loss on sales of non-current assets	Million yen	0	10	19	23	9
Loss on retirement of non-current assets	Million yen	273	279	222	630	552
Loss on sales of membership	Million yen	2	―	―	―	―
Loss on sales of investment securities	Million yen	―	―	0	―	11
Loss on valuation of investment securities	Million yen	16	0	5	2	35
Loss on valuation of membership	Million yen	3	11	0	7	―
Impairment loss	Million yen	718	1,138	774	579	387
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	51	50	166	32	139

15. Foreign Exchange Rates

		FY2015 Full year	FY2016 Full year	FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Forecast
United States	USD	120.61	116.49	113.00	110.36	109.24	109.00
China	CNY	18.36	16.76	17.29	16.64	15.82	15.50
Taiwan	TWD	3.66	3.61	3.79	3.66	3.54	3.60
South Korea	KRW	0.1033	0.0968	0.1062	0.1004	0.0941	0.0940
Thailand	THB	3.34	3.24	3.45	3.41	3.53	3.60
Vietnam	VND	0.00545	0.00512	0.00498	0.00479	0.00470	0.00470

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	Amount (million yen)	FY2017 (million yen)	FY2018 (million yen)	FY2019 (million yen)	FY2020 (million yen)	FY2021 (million yen)	FY2022 (million yen)
Total amortization of goodwill, etc.	―	72,744	5,018	5,018	5,018	4,164	1,601	1,601
Goodwill	5 years	17,083	3,417	3,417	3,417	2,562	―	―
Trademark right	42 years	26,666	635	635	635	635	635	635
Contract-related intangible assets	30 years	28,995	967	967	967	967	967	967

* Amortization began in the fourth quarter of FY2015.