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FY2020
Results Briefing
Fact Data

House Foods Group Inc.

FY2020 Results Briefing Fact Data

Since the Company will apply "Accounting Standard for Revenue Recognition" (ASBJ Japan Statement No. 29) and "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30) from the beginning of the year ending March 31, 2022, the forecasts for FY2021 (the fiscal year ending March 31, 2022) reflect application of said standard and implementation guidance.
Retrospective treatment of said standard and implementation guidance is limited to FY2020 (the fiscal year ended March 31, 2021) in accordance with the principles-based treatment.
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

		(Current standard)					(New standard) →	
		FY2016 Full year	FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Full year	FY2020 Full year	FY2021 Forecast
Net sales	Million yen	283,812	291,897	296,695	293,682	283,754	250,066	259,000
Cost of sales	Million yen	159,624	162,497	165,068	159,910	156,998	154,113	—
Selling, general and administrative expenses	Million yen	111,875	113,112	114,068	114,767	107,359	76,539	—
Operating profit	Million yen	12,312	16,288	17,559	19,005	19,397	19,413	20,000
EBITDA *1	Million yen	25,235	28,978	30,242	32,284	31,059	31,075	31,000
Ordinary profit	Million yen	13,951	17,207	19,100	20,797	19,820	19,837	21,500
Profit attributable to owners of parent	Million yen	8,683	9,353	13,767	11,458	8,733	8,749	13,000
Profit per share	Yen	84.53	91.02	134.32	113.73	86.68	86.84	130.51
ATO (Total Asset Turnover)	Times	0.81	0.80	0.79	0.80	0.77	—	—
ROS (Ratio of operating profit to net sales)	%	4.3	5.6	5.9	6.5	6.8	7.8	7.7
EBITDA margin	%	8.9	9.9	10.2	11.0	10.9	12.4	12.0
ROA (Ratio of operating profit to total assets)	%	3.5	4.4	4.7	5.1	5.3	—	—
ROE (Ratio of profit to equity)	%	3.7	3.8	5.5	4.6	3.4	—	—
Dividend per share	Yen	32	38	44	46	46	46	46
Payout ratio	%	37.9	41.7	32.8	40.4	53.1	53.0	35.2
Total assets	Million yen	353,888	378,864	371,025	367,194	369,150	369,180	—
Net assets	Million yen	266,615	283,719	279,144	280,930	287,291	286,739	—
Shareholders' equity	Million yen	235,246	251,814	247,275	248,770	258,145	257,593	—
Equity ratio	%	66.5	66.5	66.6	67.7	69.9	69.8	—
Net assets per share	Yen	2,289.43	2,450.71	2,454.34	2,469.20	2,562.29	2,556.81	—
Cash flows from operating activities	Million yen	21,298	23,608	20,913	24,218	23,181	23,181	—
Cash flows from investing activities	Million yen	-2,169	-13,739	-1,008	-6,356	-8,558	-8,558	—
Cash flows from financing activities	Million yen	-7,388	-5,317	-17,317	-7,567	-6,172	-6,172	—

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

(Reference)Net of amortization of goodwill related to restaurant business

		FY2016 Full year	FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Full year	FY2020 Full year	FY2021 Forecast
Operating profit	Million yen	17,330	21,306	22,577	24,023	22,568	22,585	21,370
ROS (Ratio of operating profit to net sales)	%	6.1	7.3	7.6	8.2	8.0	9.0	8.3

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

		FY2016 Full year	FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Full year	FY2020 Full year	FY2021 Forecast
Profit attributable to owners of parent	Million yen	10,795	12,859	17,187	14,680	15,617	15,633	13,137
ROE (Ratio of profit to equity)	%	4.7	5.3	6.9	5.9	6.2	6.2	—

(Reference) Payout ratio based on profit distribution policy

Payout ratio *2	%	30.4	30.4	26.2	31.6	29.7	29.6	34.9

*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

		(Current standard)					(New standard) →	
		FY2016 Full year	FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Full year	FY2020 Full year	FY2021 Forecast
Spice / Seasoning / Processed Food Business	Million yen	132,059	139,937	141,225	144,996	146,340	120,309	121,700
Health Food Business	Million yen	33,281	31,599	30,899	27,890	20,105	15,281	17,500
International Food Business	Million yen	20,111	22,855	26,317	29,734	35,472	34,128	36,100
Restaurant Business	Million yen	51,375	51,974	52,083	52,498	44,567	44,698	49,300
Other Food Related Business	Million yen	62,123	61,024	61,882	46,296	45,542	43,922	42,400
Adjustment	Million yen	-15,138	-15,492	-15,710	-7,733	-8,271	-8,271	-8,000

>> Operating profit

		FY2016 Full year	FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Full year	FY2020 Full year	FY2021 Forecast
Spice / Seasoning / Processed Food Business	Million yen	9,885	12,081	12,669	14,111	15,614	15,614	14,000
Health Food Business	Million yen	1,334	907	1,421	521	-413	-396	100
International Food Business	Million yen	1,681	2,847	3,584	4,098	4,584	4,584	4,700
Restaurant Business	Million yen	-424	-406	-561	202	-660	-660	2,600
Other Food Related Business	Million yen	719	1,865	2,045	1,791	1,770	1,770	1,500
Adjustment	Million yen	-883	-1,008	-1,599	-1,717	-1,498	-1,498	-2,900

(Reference) Net of amortization of goodwill related to restaurant business

Restaurant Business	Million yen	4,594	4,612	4,457	5,220	2,512	2,512	3,970

3. Net Sales by Geographical Area

		FY2016 Full year	FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Full year
Japan	Million yen	254,188	257,218	258,565	252,776	238,817
East Asia	Million yen	12,114	14,202	14,841	14,921	15,721
Southeast Asia	Million yen	3,782	5,469	7,297	9,387	13,374
United States	Million yen	13,192	13,977	14,886	15,246	14,788
Other	Million yen	536	1,031	1,106	1,353	1,054

4. Content of Business Segments (As of March 31, 2021)

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. Daikoku Shoji Co., Ltd.
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

		FY2016 Full year	FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Full year
Spice / Seasoning / Processed Food Business						
House Foods Corporation	Million yen	125,902	129,615	130,222	134,385	136,374
Curry roux	Million yen	38,008	37,051	36,363	37,008	37,768
Stew roux	Million yen	12,583	13,105	12,336	12,209	12,824
Hashed beef sauce roux	Million yen	4,425	4,307	4,553	4,763	5,409
Spice	Million yen	17,827	18,656	18,899	19,894	22,691
Retort pouched curry	Million yen	13,823	15,259	15,871	16,796	16,740
Packaged noodles	Million yen	6,318	6,430	6,677	7,076	7,342
Snack	Million yen	5,523	6,782	6,749	7,267	6,822
Dessert	Million yen	3,138	3,265	3,528	3,506	3,581
Food service products	Million yen	16,838	17,373	17,444	17,490	14,883
Health Food Business						
Ukon No Chikara	Million yen	11,482	10,355	9,178	8,233	4,240
Mega Shaki	Million yen	2,465	2,230	2,024	1,842	1,279
C1000	Million yen	10,762	10,209	9,306	7,110	5,143
Ichinichibun No Vitamin	Million yen	2,952	3,725	4,564	4,097	3,945
International Food Business						
Business in the United Sates	Million yen	10,926	11,315	12,222	13,036	13,471
Business in China	Million yen	3,918	5,035	5,801	6,060	7,428
Business in ASEAN	Million yen	1,838	2,640	4,265	6,617	10,297
Restaurant Business						
Ichibanya Co., Ltd. (consolidated)	Million yen	44,893	49,472	50,215	51,496	44,247
Other Food Related Business						
House Logistics Service Corporatic *1	Million yen	23,193	21,687	19,671	1,025	1,036
Delica Chef Corporation	Million yen	16,755	17,035	17,533	18,690	18,028
Vox Trading Co., Ltd.(consolidated)	Million yen	21,195	21,473	23,926	25,904	25,823

*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

		FY2016 Full year	FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Full year
Consolidated subsidiaries	Companies	36	37	36	35	37
Japan	Companies	14	14	14	14	15
Overseas	Companies	22	23	22	21	22
Equity-method affiliate	Companies	4	4	4	5	5
Japan	Companies	2	2	2	2	2
Overseas	Companies	2	2	2	3	3

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

Consolidated subsidiaries	Increase (2 companies)	Increase: Ichibanya International USA, Inc. / Daikoku Shoji Co., Ltd.
	Decrease (0 companies)	Decrease:
Equity-method affiliate	Increase (1 companies)	Increase: Flavorful Brands, Llc
	Decrease (1 companies)	Decrease: Himadri Foods Ltd

8. Business Results of Major Subsidiaries

		FY2016 Full year	FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Full year
House Foods Corporation						
Net sales	Million yen	125,902	129,615	130,222	134,385	136,374
Operating profit	Million yen	9,399	11,059	11,500	13,121	14,725
House Wellness Foods Corporation						
Net sales	Million yen	33,281	31,599	30,899	27,890	20,105
Operating profit	Million yen	1,329	909	1,419	518	△ 416
House Foods America Corporation (Consolidated)						
Net sales	Million yen	12,572	12,776	13,606	13,676	13,483
Operating profit	Million yen	1,153	1,303	1,449	1,209	756
Ichibanya Co., Ltd. (Consolidated)						
Net sales	Million yen	44,893	49,472	50,215	51,496	44,247
Operating profit	Million yen	4,806	4,713	4,442	5,205	2,559

9. Number of Employees

		FY2016 Full year	FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Full year
Number of employees * Excluding those on leave of absence and part-time workers	People	6,248	6,089	6,066	6,122	6,153

10. Capital Investment

		FY2016 Full year	FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Full year	FY2021 Forecast
Total	Million yen	8,178	10,699	11,864	34,224	11,708	18,600
Capital investment	Million yen	7,708	10,215	11,320	16,253	11,324	18,000
Spice / Seasoning / Processed Food Business	Million yen	3,486	3,468	5,583	7,419	7,208	—
Health Food Business	Million yen	465	322	573	2,630	347	—
International Food Business	Million yen	984	4,472	2,324	4,255	1,217	—
Restaurant Business	Million yen	1,724	1,319	2,025	1,386	1,716	—
Other Food Related Business	Million yen	302	294	397	279	421	—
Adjustment	Million yen	747	339	418	284	415	—
Leases	Million yen	470	484	544	1,719	383	600

11. Depreciation

		FY2016 Full year	FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Full year	FY2021 Forecast
Total	Million yen	9,691	9,456	9,661	20,079	10,373	11,400
Depreciation	Million yen	9,345	9,126	9,262	9,862	10,035	11,000
Spice / Seasoning / Processed Food Business	Million yen	3,259	3,365	3,544	4,013	3,989	—
Health Food Business	Million yen	447	458	471	644	686	—
International Food Business	Million yen	845	871	960	1,114	1,428	—
Restaurant Business	Million yen	3,179	2,855	2,779	3,016	2,870	—
Other Food Related Business	Million yen	1,038	962	916	487	475	—
Adjustment	Million yen	576	616	593	587	589	—
Lease payments	Million yen	346	330	398	355	337	400

12. Selling, General and Administrative Expenses

		FY2016 Full year	FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Full year
Selling, general and administrative expenses	Million yen	111,875	113,112	114,068	114,767	107,359
Advertising expenses	Million yen	9,869	9,879	9,739	9,436	7,837
Transportation and storage costs	Million yen	9,519	9,919	10,278	11,635	10,983
Sales commission	Million yen	2,455	2,480	1,669	1,691	1,769
Promotion expenses	Million yen	30,607	31,234	32,571	32,589	32,061
Personnel expenses	Million yen	29,278	29,694	29,614	28,992	28,391
Research and development expenses	Million yen	3,787	3,955	4,212	4,465	4,279
Amortization of goodwill	Million yen	3,578	3,564	3,420	3,417	1,708
Other	Million yen	22,782	22,387	22,564	22,541	20,332

13. Non-Operating Income (Expenses)

		FY2016 Full year	FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Full year
Non-operating income	Million yen	2,607	2,296	2,566	2,918	2,549
Interest income	Million yen	395	328	329	353	253
Dividend income	Million yen	762	656	679	658	673
Share of profit of entities accounted for using equity method	Million yen	70	99	51	645	—
Foreign exchange gains	Million yen	238	—	154	—	111
Rental income from buildings	Million yen	758	762	757	806	804
Other	Million yen	384	451	597	457	708
Non-operating expenses	Million yen	969	1,376	1,026	1,127	2,126
Interest expenses	Million yen	87	90	80	62	52
Foreign exchange losses	Million yen	—	380	—	143	—
Rental expenses	Million yen	631	616	618	671	638
Share of loss of entities accounted for using equity method	Million yen	—	—	—	—	1,230
Other	Million yen	251	291	327	251	206

14. Extraordinary Income (Losses)

		FY2016 Full year	FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Full year
Extraordinary income	Million yen	2,008	993	4,470	2,359	2,590
Gain on sales of non-current assets	Million yen	178	13	6	198	2
Reversal of allowance for doubtful accounts	Million yen	—	0	6	0	—
Gain on sales of investment securities	Million yen	147	765	4,284	2,100	2,453
Gain on bargain purchase	Million yen	1,018	57	—	—	—
Compensation income	Million yen	—	—	37	—	—
Gain on sales of restaurants	Million yen	147	144	129	61	134
Gain on step acquisitions	Million yen	448	—	—	—	—
Other	Million yen	70	13	9	0	0
Extraordinary losses	Million yen	1,488	1,186	1,273	2,474	10,361
Loss on sales of non-current assets	Million yen	10	19	23	9	11
Loss on retirement of non-current assets	Million yen	279	222	630	552	224
Loss on sales of investment securities	Million yen	—	0	—	11	15
Loss on valuation of investment securities	Million yen	0	5	2	145	3
Loss on valuation of membership	Million yen	11	0	7	—	—
Impairment loss	Million yen	1,138	774	579	387	10,075
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	50	166	32	28	32

15. Foreign Exchange Rates

		FY2016 Full year	FY2017 Full year	FY2018 Full year	FY2019 Full year	FY2020 Full year	FY2021 Forecast
United States	USD	116.49	113.00	110.36	109.24	106.43	105.00
China	CNY	16.76	17.29	16.64	15.82	15.42	16.00
Taiwan	TWD	3.61	3.79	3.66	3.54	3.62	3.60
South Korea	KRW	0.0968	0.1062	0.1004	0.0941	0.0906	0.0950
Thailand	THB	3.24	3.45	3.41	3.53	3.40	3.40
Vietnam	VND	0.00512	0.00498	0.00479	0.00470	0.00458	0.00450

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

		2016	2017	2018	2019	2020
Curry roux	Billion yen	50.3	47.4	45.0	44.2	43.8
Stew roux	Billion yen	18.0	18.1	17.0	16.6	16.7
Hashed beef sauce roux	Billion yen	6.3	6.1	6.0	6.2	6.3
Retort pouched curry	Billion yen	53.9	55.9	58.1	61.2	63.7
Spice	Billion yen	70.3	71.5	73.8	76.2	86.5

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

	Amortization period	Amortization completed	FY2017 (million yen)	FY2018 (million yen)	FY2019 (million yen)	FY2020 (million yen)	FY2021 (million yen)
Total amortization of goodwill, etc.	—	—	5,018	5,018	5,018	3,172	1,326
Goodwill	5 years	FY2020	3,417	3,417	3,417	1,708	—
Trademark right	42 years	FY2057	635	635	635	580	526
Contract-related intangible assets	30 years	FY2045	967	967	967	883	800

* Amortization began in the fourth quarter of FY2015.