

FY2019 Results Briefing for the First Half House Foods Group Inc.



November 6, 2019
<https://housefoods-group.com/>

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Supplementary materials

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Corporate philosophy of House Foods Group and Medium-Term Business Plan / Sixth Medium-Term Business Plan / History of businesses / Major new products and varieties for the autumn and winter 2019	

FY2019

First-Half Results

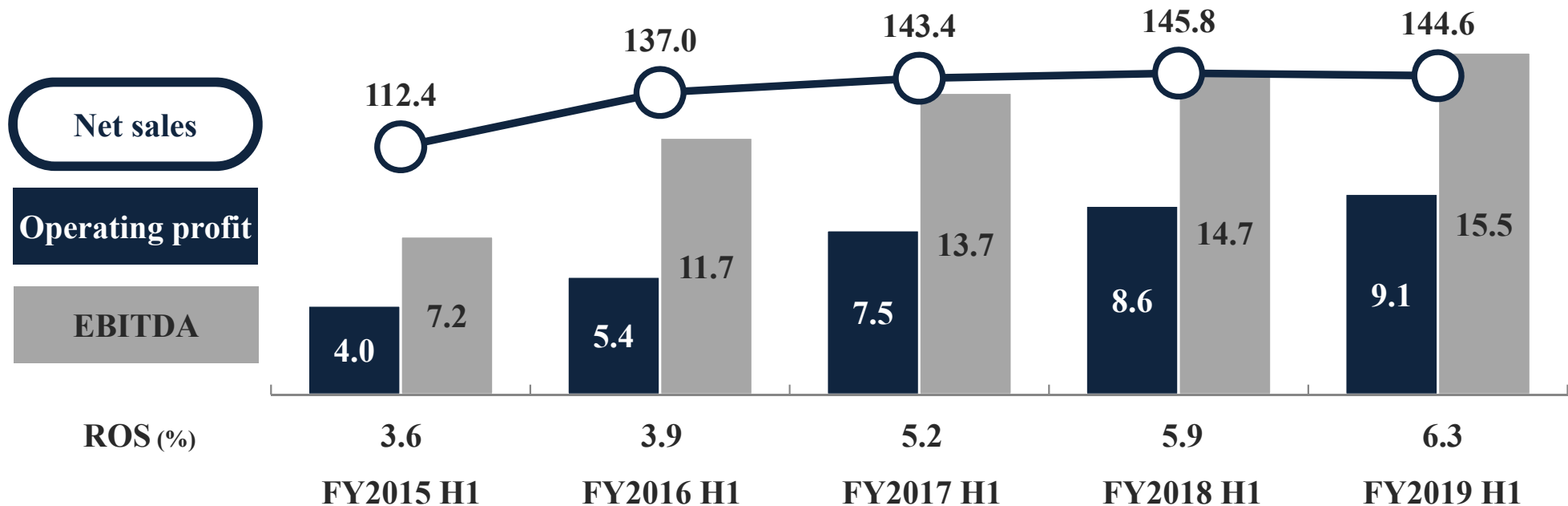
- **Results contrasted sharply depending on the segment, but overall the operating profit for the first half hit a record high (for the second consecutive period).**
- **The new line for retort pouched products began operating (House Foods Corporation).**
Took measures for the growing tendency of people to eat out or buy food to eat at home by working on “Production optimization GOT,” a theme in the Medium-term Business Plan.

Consolidated Results



Billion yen	FY2019 H1			
	Results	Comparison with net sales	Year on year	
Net sales	144.6	—	-1.1	-0.8%
Operating profit	9.1	6.3%	+0.5	+6.3%
Ordinary profit	10.0	6.9%	+0.6	+6.1%
Profit attributable to owners of parent	5.2	3.6%	-0.4	-6.4%
EBITDA	*1 15.5	10.7%	+0.8	+5.4%

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





Results by Segment

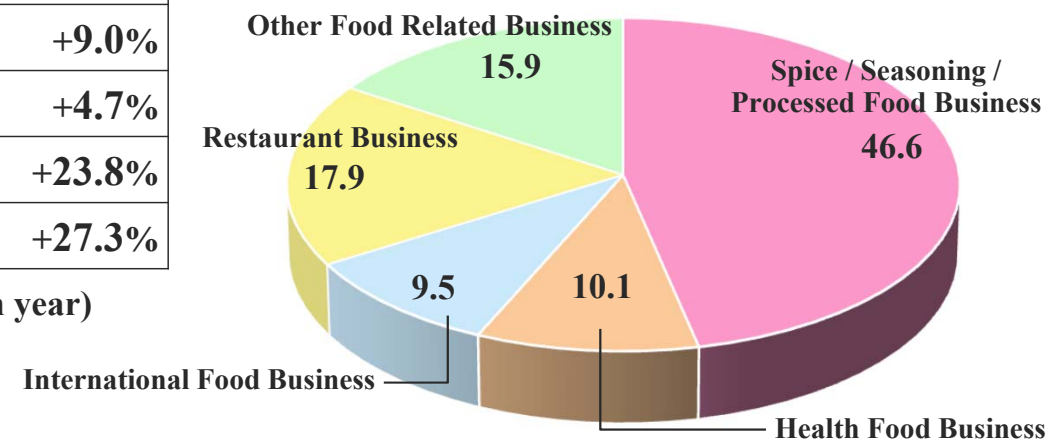
Billion yen	Net Sales			Operating Profit			
	FY2019 H1			FY2019 H1			
	Results	Year on year		Results	ROS	Year on year	
Total	144.6	-1.1	-0.8%	9.1	6.3%	+0.5	+6.3%
Spice / Seasoning / Processed Food Business	69.1	+1.2	+1.8%	5.9	8.5%	+0.4	+6.3%
Health Food Business	15.0	-2.0	-11.7%	0.5	3.3%	-0.6	-55.2%
International Food Business	14.2	+1.9	+15.8%	2.1	15.1%	+0.5	+28.3%
Restaurant Business (Excluding amortization of goodwill, etc. for Ichibanya Co., Ltd.)	26.5	+0.8	+2.9%	0.5	1.9%	+0.6	-
Other Food Related Business	23.6	-7.2	-23.3%	3.0	11.4%	+0.6	+27.4%
Adjustment (elimination)	-3.7	+4.1	-	1.0	4.0%	-0.2	-19.9%
				-0.9	-	-0.1	-

Reference: Net sales by area

Japan	124.6	-3.0	-2.4%
United States	7.9	+0.7	+9.0%
East Asia	7.5	+0.3	+4.7%
Southeast Asia	3.9	+0.7	+23.8%
Other	0.7	+0.1	+27.3%

Ratio of overseas sales: 13.8% (up 1.4 percentage point year on year)

Sales breakdown by business segment (%)



* Before the elimination of intersegment sales

Spice / Seasoning / Processed Food Business



Billion yen	FY2019 H1		
	Results	Year on year	
Net sales	69.1	+1.2	+1.8%
Operating profit	5.9	+0.4	+6.3%
ROS	8.5%		+0.4Pt

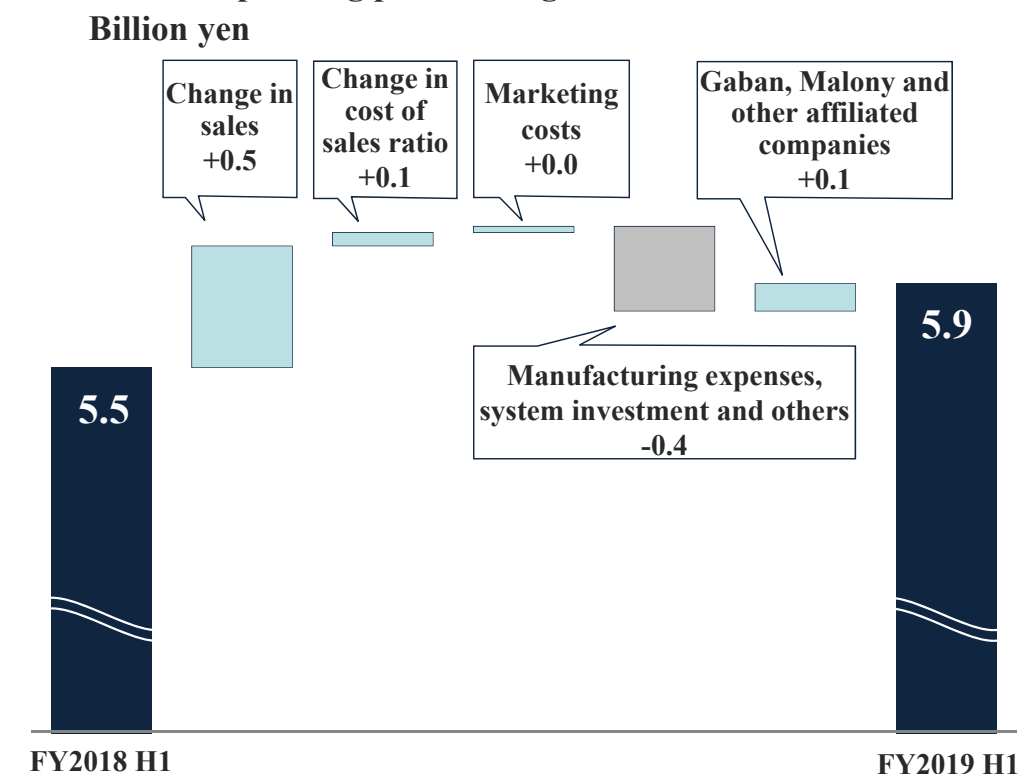
◆ Breakdown of sales (main factors)

Details are also stated in "5. Trends in Net Sales by Business Segment" in Fact Data.

House Foods Corp.	64.3	+1.2	+1.9%
Curry roux	18.7	+0.4	+2.3%
Stew roux	4.4	+0.0	+0.4%
Spice	9.8	+0.2	+2.2%
Total of retort pouched products*	9.2	-0.0	-0.3%
Snacks	3.6	+0.3	+9.5%
Food service products	8.7	+0.0	+0.1%
Gaban Co., Ltd.	5.0	+0.0	+1.0%
Malony Co., Ltd.	0.9	+0.1	+7.5%

* Total of retort pouched curry, retort pouched hashed beef sauce and retort pouched stew

◆ Factors in operating profit change



Curry roux, among other products, remained firm while consumer trends became increasingly uncertain. Profitability improved, despite an increase in fixed costs (depreciation and repair expenses) associated with growth investments, in addition to logistics expenses.

◇ House Foods Corporation

- Demand for curry menus remained solid. Retort pouched products experienced a backlash to temporary demand in the previous fiscal year.
- The line for retort pouched products in the Kanto Plant began operating (August 2019) in anticipation of progress in the growing tendency for people to eat out or buy food to eat at home.
- HOUSE QWAEEL SPICE, a directly managed store of dishes featuring spices, opened in Osaka to communicate the attraction of spices.

Issues: Response to concerns about the deceleration of consumption (increase in the attractiveness of menus not influenced by the environment and the development of promotions).
Reform the revenue structure model in response to progress in the maturation of the domestic market (growing tendency for people to eat out or buy food to eat at home and selective consumption).



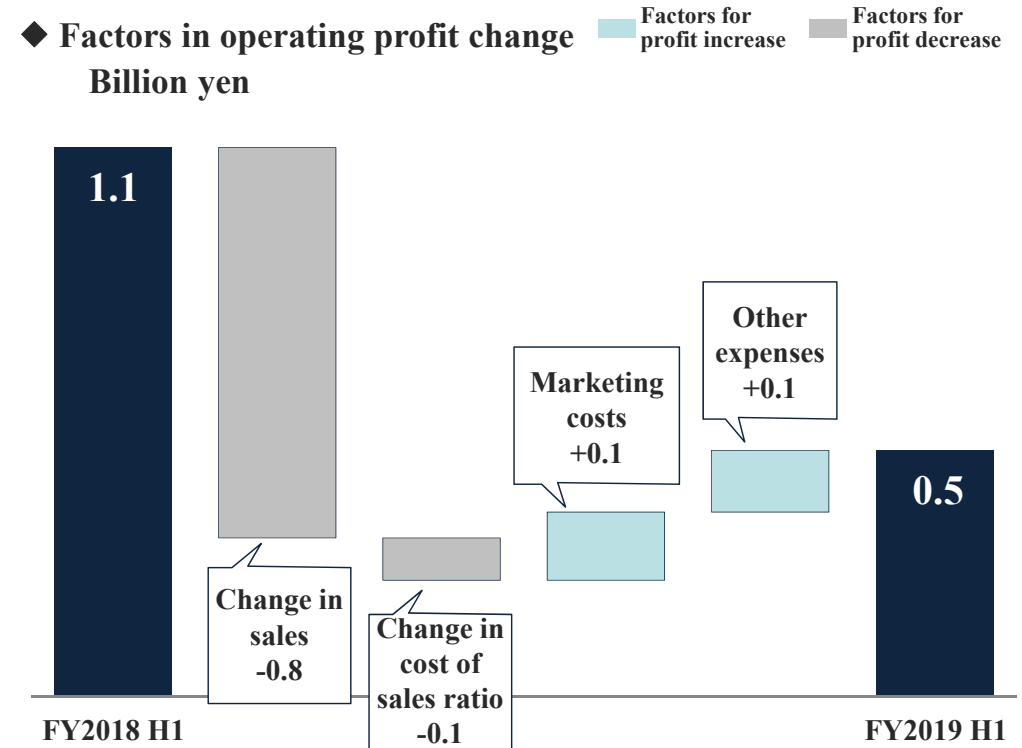


Health Food Business

Billion yen	FY2019 H1		
	Results	Year on year	
Net sales	15.0	-2.0	-11.7%
Operating profit	0.5	-0.6	-55.2%
ROS	3.3%		-3.2Pt

◆ Breakdown of sales (main factors)

Functional spice	5.7	+0.2	+3.4%
<i>Ukon No Chikara</i>	3.9	-0.4	-8.4%
Vitamin	7.0	-2.0	-22.0%
<i>C1000</i>	4.4	-1.6	-26.2%
<i>Ichinichibun No Vitamin</i>	2.1	-0.5	-18.6%
Lactobacillus business	0.3	-0.3	-44.4%



The Health Food Business was strongly affected by the bad weather during the demand season. The segment embarked on the rebuilding of existing brands.

◇ Functional spice business

- *Ukon No Chikara*: The contraction of the hangover prevention market ceased. In the meantime, we aimed to improve the brand power by strengthening the lineup (September).
- *Nerunoda*, food with function claims, steadily penetrated into consumers.

◇ Vitamin business

- *C1000*: Continued to prioritize profitability while conducting cost control. Sales declined significantly strongly affected by the bad weather.
- *Ichinichibun No Vitamin*: Sales decreased partly due to changes in standards for beverages and the effects of revision and abolition associated with the self-manufacture of jelly products, in addition to the impact of the cold summer.

◇ Lactobacillus business

- BtoBtoC: Began selling raw materials for *lactic acid bacterium L-137*, taking advantage of its characteristic heating treatment.
- BtoC: Aimed to reestablish products in the market by reviewing product standards.

Issue:

- Cultivation of lactic acid bacteria and foods with function claims as the next-generation primary source of earnings.



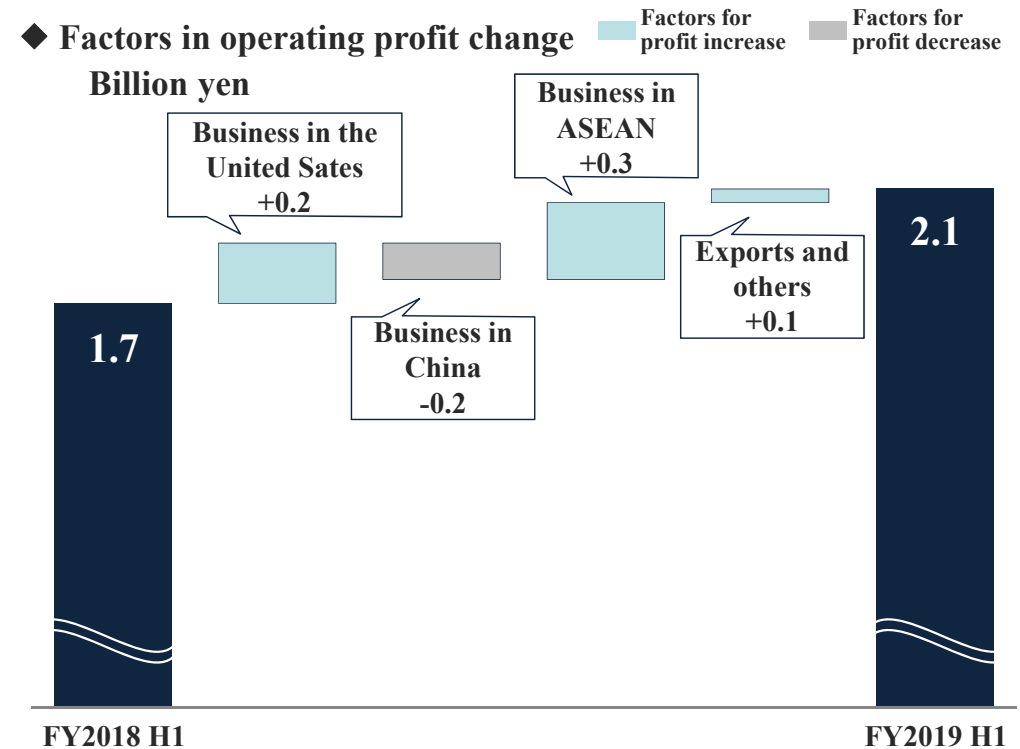


International Food Business

Billion yen	FY2019 H1		Year on year in local currency
	Results	Year on year	
Net sales	14.2	+1.9 +15.8%	+16.1%
Operating profit	2.1	+0.5 +28.3%	+28.0%
ROS	15.1%	+1.5Pt	

◆ Breakdown of sales by main area

Business in the United States	6.5	+0.6 +10.2%	+8.7%
Tofu business	6.0	+0.6 +10.3%	+8.8%
Business in China	3.0	+0.1 +4.8%	+9.8%
Businesses in ASEAN	2.6	+1.1 +70.9%	+67.7%
Thailand	2.5	+1.0 +69.4%	+66.0%



Growth continued in all the three key areas. In particular, the United States and Thailand were a driving force.

◆ Tofu business in the United States

- Strong demand continued thanks to the good market environment. Advance preparation for an increase in production capacity in January 2020.

Issue: Opportunity loss due to tight production capacity (expansion of the plant protein market on the back of growing health consciousness)

◆ Curry business in China

- Demand for Japanese-style curry remained unchanged, but the cultivation and retention of human resources for future growth were challenges amid the high mobility of human resources.
- Costs increased associated with the operation of the Zhejiang plant.

Issue: Cultivation and retention of human resources for the future growth and response to rapid changes in the consumption structure

◆ Functional drinks business in Thailand

- Performance is very strong at the moment. Production stopped for a certain period in the second quarter to deal with production challenges (already solved).

Issue: Response to the excise tax revision in October and the expansion of the production capacity to meet increasing demand

Impact of exchange rates: Net sales: -0 million yen (U.S.: +90 million yen, China: -140 million yen); Operating profit: +0 million yen





Restaurant Business

Billion yen	FY2019 H1		
	Results	Year on year	
Net sales	26.5	+0.8	+2.9%
Operating profit	0.5	+0.6	—
ROS	1.9%		+2.5Pt
(Excluding amortization of goodwill, etc. for Ichibanya Co., Ltd.)	3.0	+0.6	+27.4%
ROS	11.4%		+2.2Pt

◆ Breakdown of sales (main factors)

Ichibanya Co., Ltd. (consolidated)	25.7	+0.9	+3.5%
Ichibanya Co., Ltd. (non-consolidated)	22.7	+0.5	+2.5%
Ichibanya Co., Ltd. (overseas)	3.0	+0.3	+12.7%

◆ Changes in net sales of Ichibanya Co., Ltd. at domestic stores (year on year)

All restaurants	Existing restaurants		
Net sales	Net sales	Number of customers	Average sales per customer
+1.7%	+1.4%	-0.5%	+1.9%

◆ Number of stores of Ichibanya Co., Ltd. in Japan and overseas (as of the end of August 2019) (compared with the end of the previous fiscal year)

Japan (all business categories)	Overseas
1,307 (+2)	182 (+10)

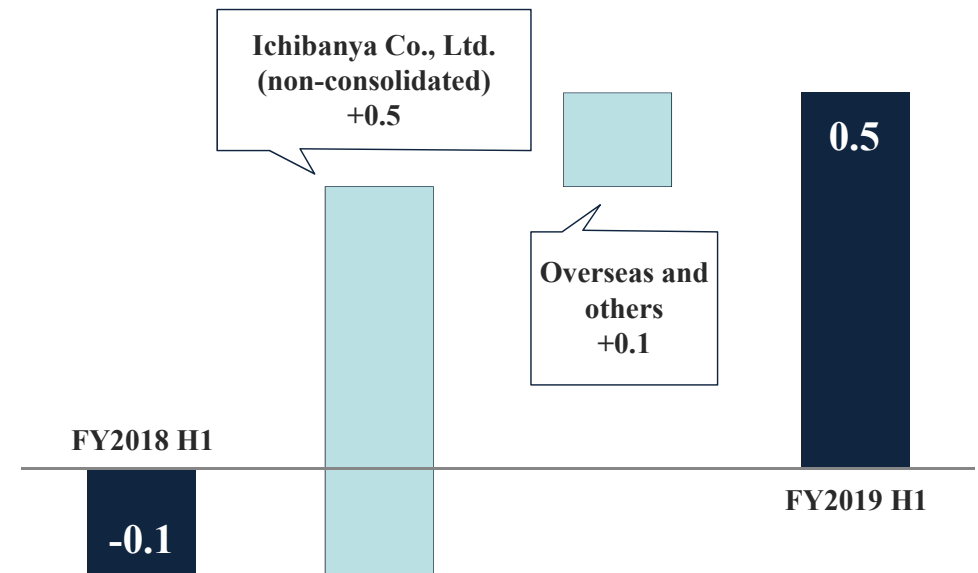
- ◇ Japan - Price revisions implemented in March 2019 made a contribution.
- Generally focused on QSC. The fall in the number of customers was limited as a result of developing menus and strengthening sales promotion activities.

- ◇ Overseas - The expansion of stores made progress in areas that we have already entered, particularly in East Asia.
 - Established a local joint venture company for entry into India, aiming to open a store by the end of 2020.
 - Transferred the restaurant business developed by House Foods America Corporation.
- Impact of exchange rates: Net sales: -100 million yen (China: -60 million yen)

- Issues:
- Response to the Restaurant Business that is becoming increasingly difficult (securing of human resources, consumption tax hike)
 - Development of menus that will lead to the expansion of the customer base

◆ Factors in operating profit change

Billion yen



Low carb curry with lightly crisped chicken and spinach



Spicy curry with THE chicken and vegetable

Other Food Related Business / Adjustment (Elimination)



◆ Other Food Related Business

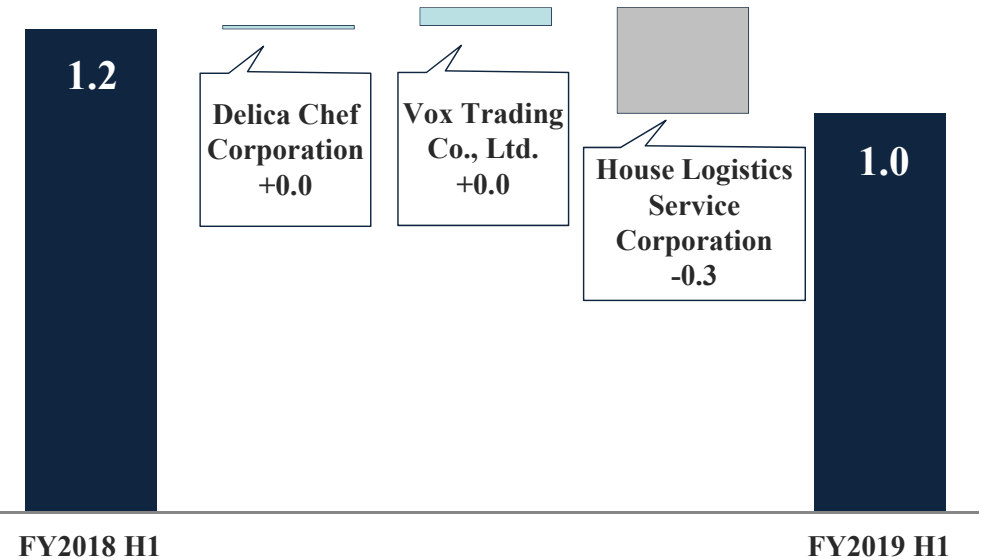
Billion yen	FY2019 H1		
	Results	Year on year	
Net sales	23.6	-7.2	-23.3%
Operating profit	1.0	-0.2	-19.9%
ROS	4.0%		+0.2Pt

◆ Breakdown of sales (main factors)

Delica Chef Corporation	9.0	+0.1	+1.3%
Vox Trading Co., Ltd. (Consolidated)	13.7	+2.5	+22.3%
House Logistics Service Corporation	0.5	-9.7	-95.0%

◆ Factors in operating profit change

Billion yen



◇ Delica Chef Corporation

- Secured a slight increase in profit by strengthening development capabilities and reducing costs, although the employment environment continued to be severe.

◇ Vox Trading Co., Ltd.

- Sales increased due to successful bidding on minimum access rice.
- Continued to focus on sales expansion of high value-added products as in the previous fiscal year (frozen fruit and spice products).

◆ Adjustment (Elimination)

Billion yen	FY2019 H1		
	Results	Year on year	
Net sales	-3.7	+4.1	-
Operating profit	-0.9	-0.1	-

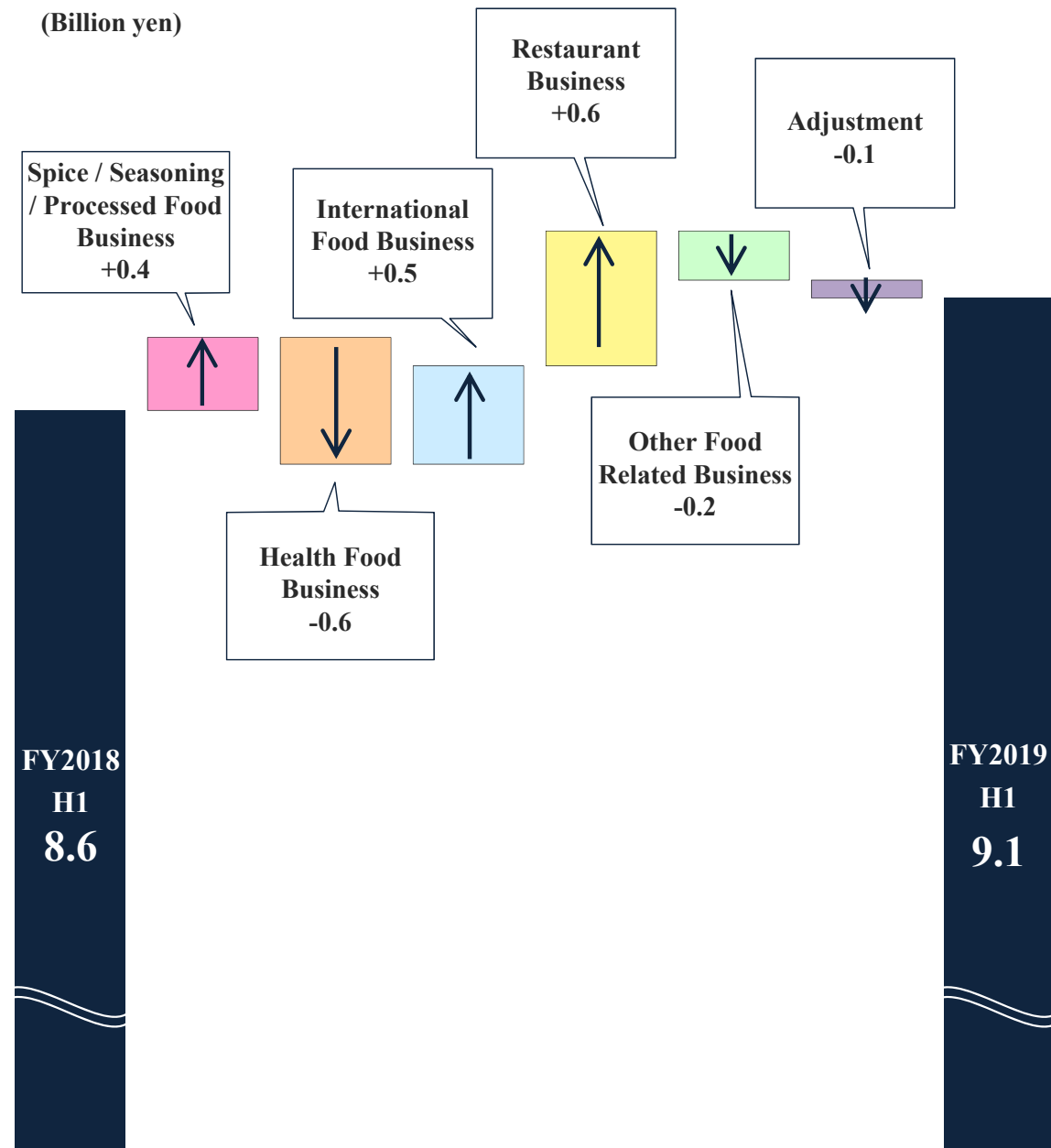
◇ Impact of the spin-off of the major logistics business to F-LINE Corporation

- Net sales: -5.6 billion yen
(Other Food Related Business: -9.7 billion yen,
Adjustment (Elimination): +4.2 billion yen)
- Operating profit: -0.3 billion yen



Operating Profit Change Analysis

◆ Factors of changes by business segment



(Billion yen)

	Amount of change
Spice / Seasoning / Processed Food Business	+0.35
- Change in sales	+0.5
- Change in cost of sales ratio	+0.1
- Marketing costs	+0.0
- Manufacturing expenses, system investment and others	-0.4
- Gaban, Malony and other affiliated companies	+0.1
Health Food Business	-0.61
- Change in sales	-0.8
- Change in cost of sales ratio	-0.1
- Marketing costs	+0.1
- Other expenses	+0.1
International Food Business	+0.47
- Business in the United States	+0.2
- Business in China	-0.2
- Businesses in ASEAN	+0.3
- Exports and others	+0.1
Restaurant Business	+0.65
- Ichibanya Co., Ltd. (non-consolidated)	+0.5
- Ichibanya Co., Ltd. (overseas) and others	+0.1
Other Food Related Business	-0.24
- Delica Chef Corporation	+0.0
- Vox Trading Co., Ltd.	+0.0
- House Logistics Service Corporation	-0.3
Adjustment	-0.08
Changes in operating profit	+0.54

Full-Year Plan for FY2019

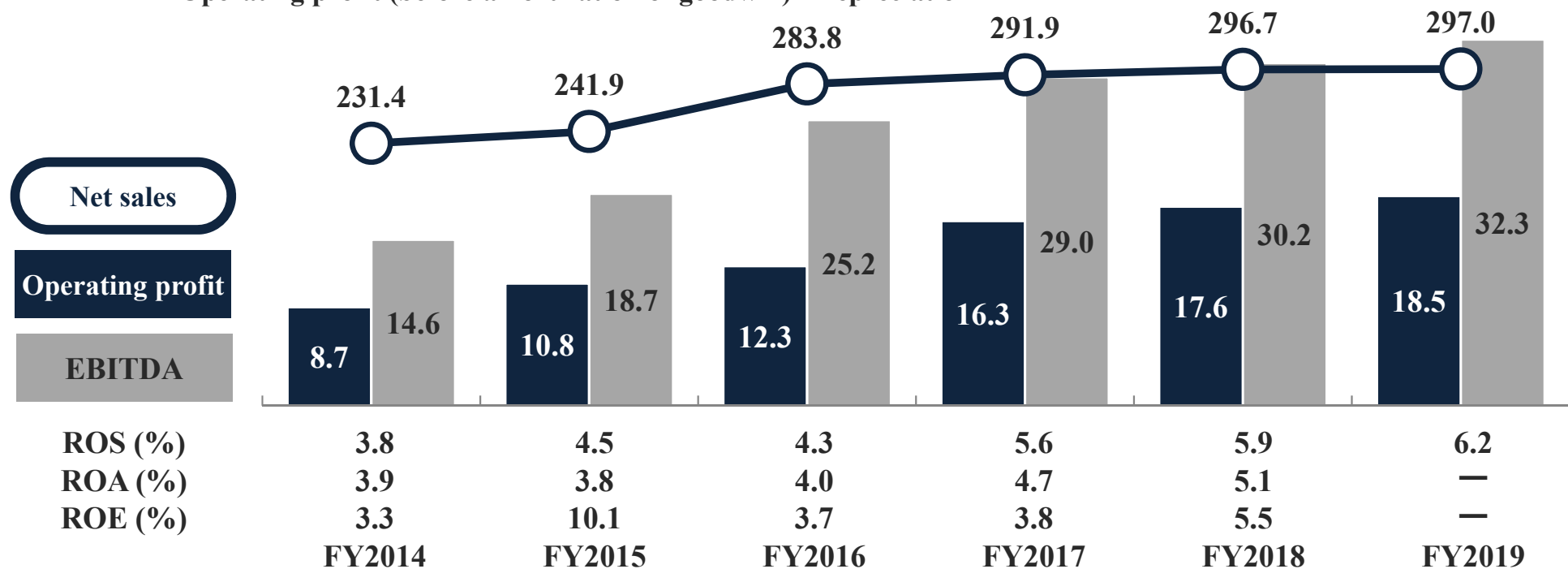
- **We revised only net sales downward in light of the results for the first half that remained strong except for the Health Food Business.**
- **While close attention to growing uncertainty in Japan and overseas is needed, the Company will leave the initial forecast for profits unchanged and increase profitability toward the final year of the Medium-term Business Plan.**

Revised Targets for Consolidated Income (Loss)



Billion yen	FY2019						FY2019 H2				
	Revised target	Comparison with net sales	Year on year		Comparison with initial target (%)		Revised target	Comparison with net sales	Year on year		
Net sales	297.0	—	+0.3	+0.1%	-2.0	-0.7%	152.4	—	+1.4	+1.0%	
Operating profit	18.5	6.2%	+0.9	+5.4%	—	—	9.4	6.2%	+0.4	+4.4%	
Ordinary profit	19.6	6.6%	+0.5	+2.6%	—	—	9.6	6.3%	-0.1	-0.8%	
Profit attributable to owners of parent	10.9	3.7%	-2.9	-20.8%	—	—	5.7	3.7%	-2.5	-30.6%	
EBITDA	*1	32.3	10.9%	+2.1	+6.8%	—	—	16.8	11.0%	+1.3	+8.2%

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



Revised Targets in the Full Year by Segment



Billion yen	Net sales				Operating profit							
	FY2019			Final year of the sixth medium-term business plan (FY2020)		FY2019			Final year of the sixth medium-term business plan (FY2020)			
	Revised target	Year on year		Target	Gap	Revised target	ROS	Year on year		Target	ROS	Gap
Total	297.0	-2.0	-0.7%	310.0	-13.0	18.5	6.2%	+0.9	+5.4%	22.0	7.1%	-3.5
Spice / Seasoning / Processed Food Business	146.2	+5.0	+3.5%	154.0	-7.8	13.3	9.1%	+0.6	+5.0%	14.0	9.1%	-0.7
Health Food Business	30.0	-0.9	-2.9%	36.0	-6.0	1.2	4.0%	-0.2	-15.6%	2.0	5.6%	-0.8
International Food Business	30.3	+4.0	+15.1%	34.0	-3.7	4.0	13.2%	+0.4	+11.6%	4.6	13.5%	-0.6
Restaurant Business (Excluding amortization of goodwill, etc. for Ichibanya Co., Ltd.)	52.5	+0.4	+0.8%	56.0	-3.5	-0.4	-0.8%	+0.2	—	1.1	2.0%	-1.5
Other Food Related Business	45.3	-16.6	-26.8%	43.0	+2.3	4.6	8.8%	+0.2	+3.6%	5.3	9.4%	-0.6
Adjustment (elimination)	-7.3	+8.4	—	-13.0	+5.7	1.8	4.0%	-0.2	-12.0%	1.8	4.2%	+0.0
						-1.4	—	+0.2	—	-1.5	—	+0.1

- Spice / Seasoning / Processed Food Business**
- Plan to increase fixed costs associated with growth investments (new line of retort pouched products and renovation of the research laboratory).
→ Apply marketing costs to measures to strengthen brands and enhance the menu value in a focused manner.
 - Launch products and measures to increase the attraction of curry menus in response to changes in consumer behavior.
 - Aim to diversify contact points by continuing to take on challenges for growth, such as QWAEL SPICE, in the mature market.
-
- Health Food Business**
- Revise the initial plan downward, reflecting a gap in the first half.
 - Aim to cultivate the new products launched and establish them in the market.
 - Plan to operate a line of jelly products and a plant for lactic acid bacteria in the second half.
-
- International Food Business**
- United States: Repair existing facilities and take measures in preparation for expansion of the LA Plant in the first quarter of the next fiscal year.
 - China: Focus on the recruitment and cultivation of human resources in the second half toward the final year of the Medium-term Business Plan.
 - Thailand: Revise the price of *C-vitt* (15 THB → 16 THB) associated with the excise tax revision in October (10%).
-
- Restaurant Business**
- Domestic: Expect that the number of customers will decline 3% in the second half, taking the impact of the consumption tax hike into consideration. Leave the initial plan unchanged.
 - Overseas: Proceed with new store openings mainly in Asia (pay attention to uncertainty in East Asia, but impact on the overall performance will be limited).
-
- Other Food Related Business**
- Continue to make efforts to improve the revenue structure of each company.

Detailed Revised Targets in the Full Year by Segment



Billion yen		FY2019			Breakdown of sales (main factors)	FY2019		
		Revised target	Year on year			Revised target	Year on year	
Spice / Seasoning / Processed Food Business	Net sales	146.2	+5.0	+3.5%	House Foods Corp.	135.1	+4.9	+3.7%
	Operating profit	13.3	+0.6	+5.0%	Curry roux	36.1	-0.2	-0.7%
					Stew roux	12.6	+0.2	+1.9%
					Spice	21.4	+2.5	+13.4%
					Total of retort pouched products*1	19.1	+0.9	+5.1%
					Food service products	18.2	+0.8	+4.4%
					Gaban Co., Ltd.	10.2	+0.3	+3.1%
					Malony Co., Ltd.	2.9	-0.1	-3.1%
Health Food Business	Net sales	30.0	-0.9	-2.9%	Functional spice business	12.5	+1.0	+9.0%
	Operating profit	1.2	-0.2	-15.6%	Vitamin business	12.1	-2.5	-16.9%
					Lactobacillus business	1.5	+0.4	+33.2%
International Food Business	Net sales	30.3	+4.0	+15.1%	Business in the United States	12.8	+0.5	+4.4%
	Operating profit	4.0	+0.4	+11.6%	Business in China	6.8	+1.0	+16.4%
					Business in ASEAN	6.5	+2.3	+53.2%
Restaurant Business	Net sales	52.5	+0.4	+0.8%	Ichibanya Co., Ltd. (consolidated)	51.3	+1.1	+2.2%
	Operating profit	-0.4	+0.2	—	Ichibanya Co., Ltd. (non-consolidated)	45.2	+0.5	+1.1%
					Overseas	6.1	+0.6	+11.3%
Other Food Related Business	Net sales	45.3	-16.6	-26.8%	House Logistics Service Corporation	1.0	-18.7	-94.8%
	Operating profit	1.8	-0.2	-12.0%	Delica Chef Corporation	17.8	+0.3	+1.5%
					Vox Trading Co., Ltd.	25.8	+1.9	+7.8%

<Impact of exchange rates (year on year)>

Net sales: -¥310 million (International Food Business: -¥170 million; Restaurant Business: -¥140 million)

Operating profit: -¥10 million

*1 Total of retort pouched curry, retort pouched hashed beef sauce and retort pouched stew

* Spice / Seasoning / Processed Food Business leaves the initial targets unchanged.

Revised Targets in the Full Year by Segment



Billion yen		FY2019			
		Revised target	Initial target	Comparison with initial target	
Consolidated	Net sales	297.0	299.0	-2.0	-0.7%
	Operating profit	18.5	18.5	—	—
	ROS	6.2%	6.2%		+0.0pt

FY2019 H2		
Revised target	Year on year	
152.4	+1.4	+1.0%
9.4	+0.4	+4.4%
6.2%		+0.2pt

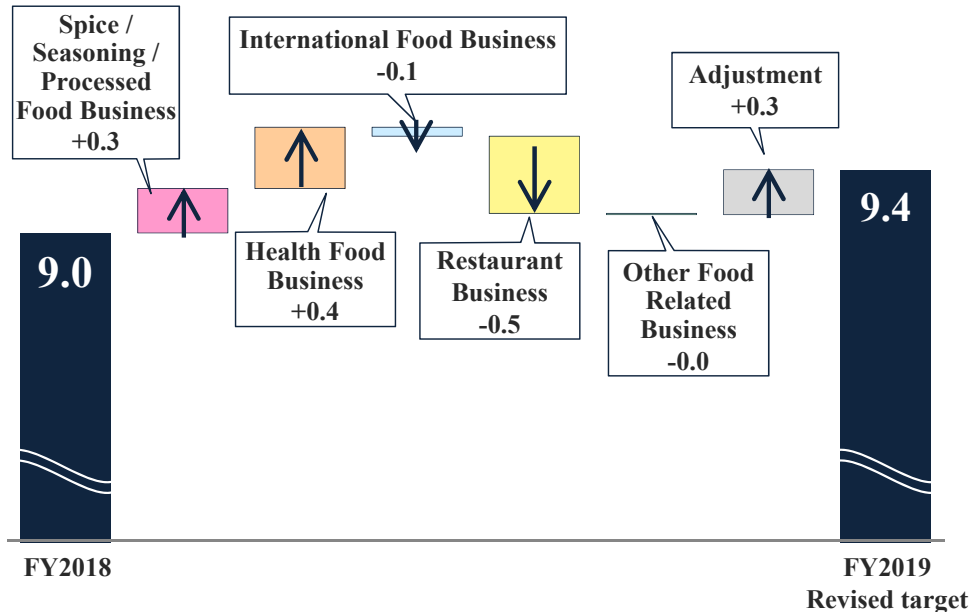
Spice / Seasoning / Processed Food Business	Net sales	146.2	146.2	—	—
	Operating profit	13.3	13.3	—	—
	ROS	9.1%	9.1%		—
Health Food Business	Net sales	30.0	31.0	-1.0	-3.2%
	Operating profit	1.2	1.6	-0.4	-25.0%
	ROS	4.0%	5.2%		-1.2pt
International Food Business	Net sales	30.3	29.6	+0.7	+2.4%
	Operating profit	4.0	3.6	+0.4	+11.1%
	ROS	13.2%	12.2%		+1.0pt
Restaurant Business	Net sales	52.5	53.1	-0.6	-1.1%
	Operating profit	-0.4	-0.4	—	—
	ROS	-0.8%	-0.8%		-0.0pt
Other Food Related Business	Net sales	45.3	46.4	-1.1	-2.4%
	Operating profit	1.8	1.8	—	—
	ROS	4.0%	3.9%		+0.1pt
Adjustment (elimination)	Net sales	-7.3	-7.3	—	—
	Operating profit	-1.4	-1.4	—	—

77.1	+3.8	+5.1%
7.4	+0.3	+3.9%
9.6%		-0.1pt
15.0	+1.1	+7.8%
0.7	+0.4	+121.9%
4.7%		+2.4pt
16.1	+2.1	+14.6%
1.9	-0.1	-3.0%
11.5%		-2.1pt
26.0	-0.3	-1.3%
-0.9	-0.5	—
-3.5%		-1.9pt
21.7	-9.4	-30.2%
0.8	-0.0	-1.0%
3.9%		+1.2pt
-3.6	+4.3	—
-0.5	+0.3	—

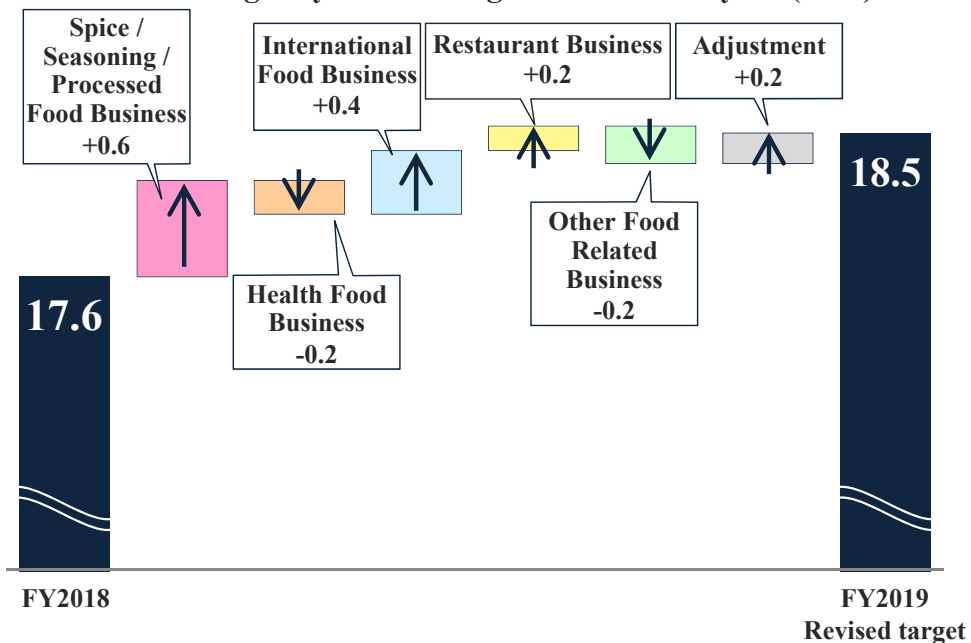


Operating Profit Change Analysis

◆ Factors of changes by business segment in H2 (YoY)

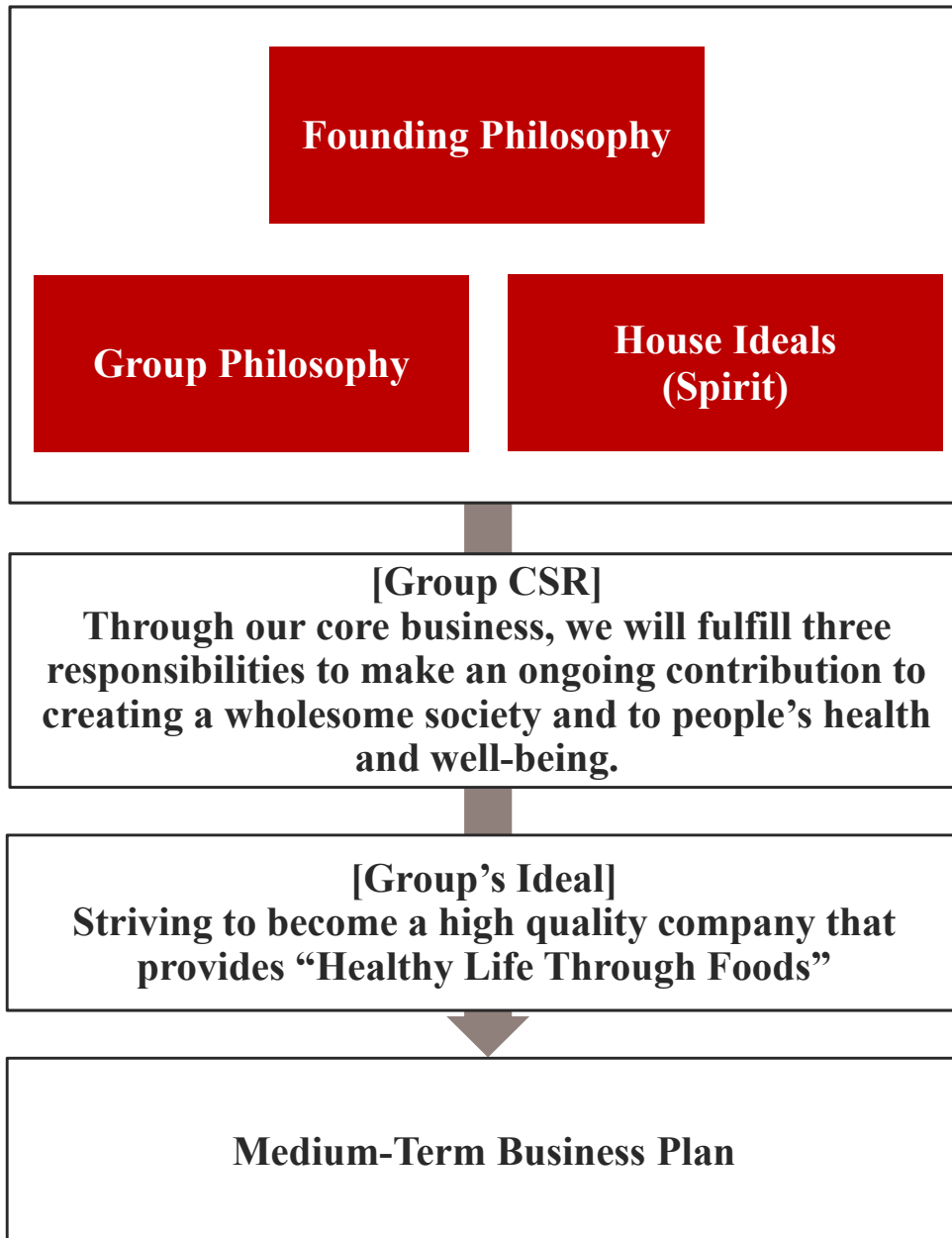


◆ Factors of changes by business segment in the full year (YoY)



Billion yen	FY2019 H1 Results	FY2019 H2 Revised target	FY2019 Revised target
Spice / Seasoning / Processed Food Business	+0.35	+0.28	+0.63
- Change in sales	+0.5	+1.3	+1.8
- Change in cost of sales ratio	+0.1	+0.0	+0.1
- Marketing costs	+0.0	+0.2	+0.2
- Other expenses	-0.4	-0.7	-1.1
- Gaban, Malony and other affiliated companies	+0.1	-0.5	-0.4
Health Food Business	-0.61	+0.39	-0.22
- Change in sales	-0.8	+0.8	+0.0
- Change in cost of sales ratio	-0.1	+0.4	+0.3
- Marketing costs	+0.1	-0.2	-0.0
- Other expenses	+0.1	-0.7	-0.6
International Food Business	+0.47	-0.06	+0.42
- Business in the United States	+0.2	-0.3	-0.0
- Business in China	-0.2	+0.2	+0.0
- Business in ASEAN	+0.3	+0.0	+0.4
- Exports and others	+0.1	-0.0	+0.0
Restaurant Business	+0.65	-0.49	+0.16
- Ichibanya Co., Ltd. (consolidated)	+0.5	-0.1	+0.4
- Ichibanya Co., Ltd. (overseas) and others	+0.1	-0.4	-0.2
Other Food Related Business	-0.24	-0.01	-0.24
- Delica Chef Corporation	+0.0	+0.0	+0.0
- Vox Trading Co., Ltd.	+0.0	+0.1	+0.2
- House Logistics Service Corporation	-0.3	-0.3	-0.5
Adjustment	-0.08	+0.28	+0.20
Changes in operating profit	+0.54	+0.40	+0.94

Supplementary Description



◇ Founding Philosophy

In every happy home throughout Japan you will find the warm flavor of home cooking, House.

◇ Group Philosophy

Through food, we aim to be a good corporate citizen, connecting and collaborating with people to create smiles in their lives.

◇ House Ideals (Spirit)

The Company's motto

Sincerity, Originality and Enthusiasm

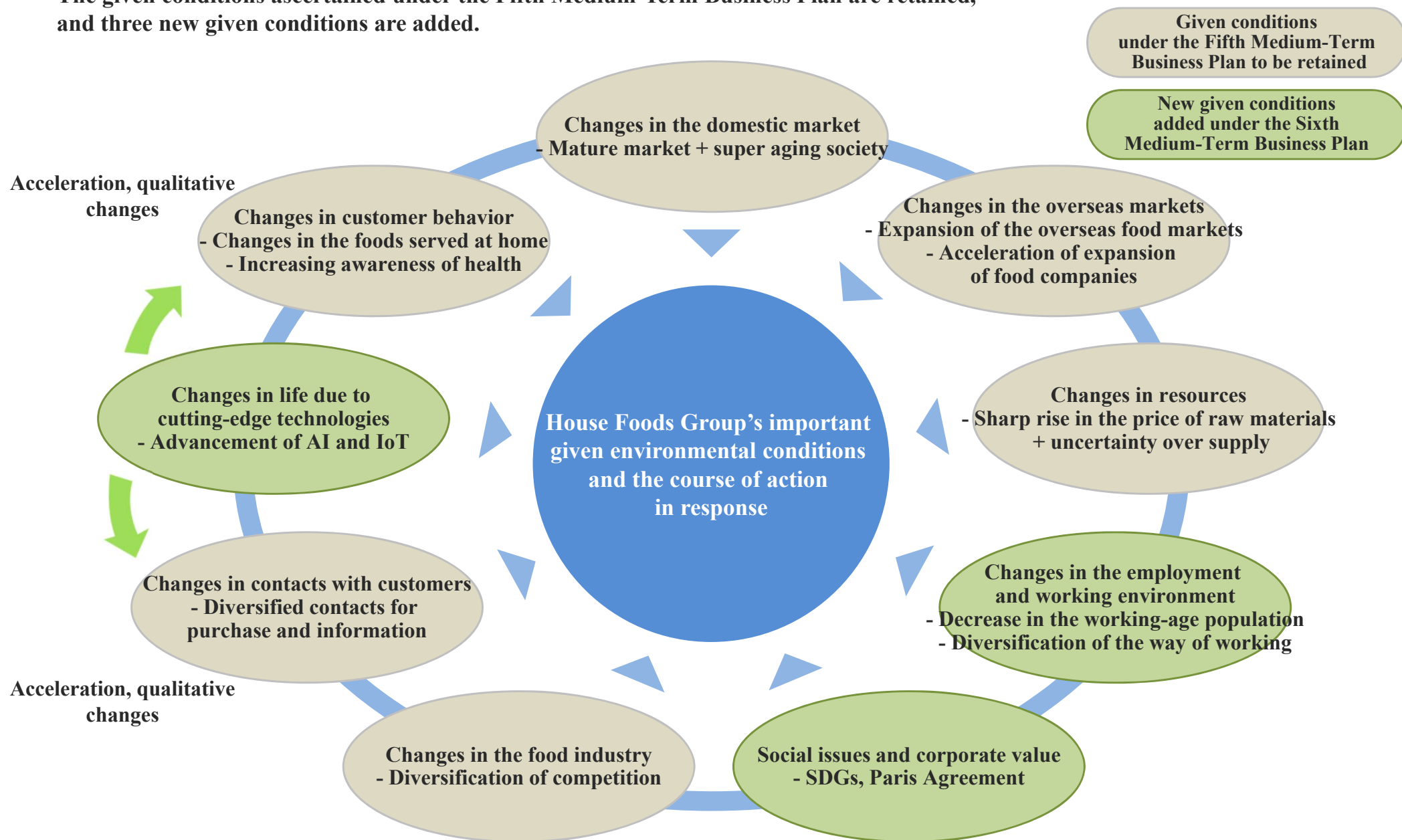
The 10 House Values

- Know yourself
- Be humble in your self-confidence and pride
- Creative work brings dignity
- The advancement of House depends on the personal development of each individual
- House's strength is the strength of all of us combined
- A salary is compensation for doing useful things for society
- Being useful to society as employees and as a company
- A useful employee is a strong partner for achieving business goals
- Profits are necessary for a company to be useful to society
- The dedicated passion each one of us feels for the company is the secret to success for House

Sixth Medium-Term Business Plan, given environmental conditions



The given conditions ascertained under the Fifth Medium-Term Business Plan are retained, and three new given conditions are added.



Meaning of existence in society

Review of the past business

Given environmental conditions

Ideal of the House Foods Group
**Striving to become a high quality company that provides
“Healthy Life Through Foods”**

Establishment not only from a business perspective but also from a wider perspective

For
**Employees and Their
Families**

Achievement of diversity

For
Customers

Domestic mature market and
overseas growth market

Build-up of the core of
the value chain

Build-up of R&D functions
Creation of new business

Expansion of growth and
strengthening of foundation overseas

For
Society

Establishment of
the recycling-oriented model

Contribution to a society of
healthy longevity

Through the fulfilment of the three responsibilities described above,
the Group will strive to become a “high quality company.”

Sixth Medium-Term Business Plan (~ Seventh Medium-Term Business Plan)

◆ Targets on a consolidated basis

	(Targets under the Sixth Medium-Term Business Plan)	(Change from the Fifth Medium-Term Business Plan)
Net sales	310.0 billion yen	+18.1 billion yen (106.2%)
Operating profit	22.0 billion yen	+5.7 billion yen (135.1%)

	ATO	ROS	ROA	ROE
(Targets under the Sixth Medium-Term Business Plan)	0.87 times	7.1%	6.2%	5.4%
(Change from the Fifth Medium-Term Business Plan)	+0.07Pt	+1.5Pt	+1.5Pt	+1.6Pt

Policy for business investment

- ◆ From “addition” to “multiplication”
Focus on investment for the optimization of the systems within the Group to strengthen the revenue base and investment in new/overseas growing business
- ◆ Focus areas

Production optimization (GOT-related investment)	30.0 billion yen
Business investment (including CVC)	20.0 billion yen
Overseas growth investment	10.0 billion yen

Policy for return to shareholders

- ◆ Policy for distribution of profits
To maintain stable dividends with a dividend payout ratio of at least 30% on a consolidated basis excluding the effects of extraordinary income/losses arising from business combinations and the amortization of goodwill as standard.
- ◆ Acquisition of treasury shares
To conduct the acquisition of treasury shares flexibly in light of the qualitative improvement of the balance sheet and demand for funds.

Major business developments (in Japan)

1913	Urakami Shoten, an enterprise dealing in herbal medicines, founded
1926	Launch of powder curry start
1964	Launch of home dessert
1966	Launch of instant stew
1970	Launch of retort pouched products
1973	Launch of packaged noodles
1971	Listed on the Tokyo Stock Exchange and Osaka Securities Exchange
1977	Launch of snacks
1983	Launch of mineral water
1997	Entry into the health foods market
2006	House Wellness Foods Corporation established
2013	Vox Trading Co., Ltd. made into a consolidated subsidiary 100th anniversary; switch to a holding company system
2015	Ichibanya Co., Ltd. made into a consolidated subsidiary
2016	Gaban Co., Ltd. made into a consolidated subsidiary
2017	Malony Co., Ltd. made into a consolidated subsidiary
2018	Complete launch of the Lactobacillus business
2019	Capital and business alliance with Yamami Company

Major events overseas

1981	Entry into USA
1983	Start of tofu business and restaurant business in the United States
1997	Entry into China (Restaurants)
2000	Entry into Taiwan (Restaurants)
2005	Start of curry roux sales in China
2007	Entry into South Korea (Restaurants)
2011	Entry into Thailand (functional drinks)
2012	Entry into Vietnam (home dessert)
2016	Entry into Indonesia (Halal curry for commercial use)
2017	Restructuring of restaurant business in Asia (Ichibanya taking the lead)
2018	Advancement into the U.K. (restaurant: Ichibanya)

Years when major products were launched

<i>Vermont Curry</i>	<i>Ukon No Chikara</i>	<i>Tofu (USA)</i>	<i>Vermont Curry (China)</i>
			
Launched in 1963	Launched in 2004	Launched in 1983	Launched in 2005

Business Development: Major Products by Segment



Spice / Seasoning / Processed Food Business

House Foods Corp.

Gaban Co., Ltd. Malony Co., Ltd.

Curry roux

Stew roux

Retort pouched curry

Spice

Other products



Health Food Business

House Wellness Foods Corporation

Functional spice

Vitamin

Lactobacillus



International Food Business

Restaurant Business

United States

China

ASEAN

Ichibanya Co., Ltd.



Major new products and varieties for the autumn and winter 2019



◆ New product

Category	Product	Suggested retail price (reference price)	On-shelf date
Stew roux	Hokkaido Fondue Stew	(¥260)	Aug. 12
Instant stew	Mug Cup de Hokkaido Stew Cream, Corn Cream, Cheese	(¥188)	Aug. 12
Menu Seasoning	Toromi Sai Oyster Shoyu Fumi-no Butakoma Hakusai Itame Noko Gomamiso Fumi-no Butakoma Daikon Itame Korean style Umakaramiso Fumi-no Butaniku Cabetsu Itame	(¥230)	Aug. 12
Spice	160 g Tsubuiri Mustard	(¥325)	Aug. 12
	Kogashi Ninniku	(¥170)	Aug. 12
	GABAN Grill Master Blend	(¥420)	Aug. 12
Wellness drinks	PERFECT VITAMIN Ichinichibun No Vitamin Grapefruit taste, orange taste Food fiber	¥181 ¥209	Sep. 23
Wellness food	PERFECT VITAMIN Ichinichibun No Vitamin Soft Capsule for 20 days	¥1,800	Sep. 23
Wellness drinks	Ukon No Chikara Super MAX	(¥450)	Sep. 23
	Mamori Takameru Nyusankin L-137 PLUS drink	¥185	Oct. 7
	Mamori Takameru Nyusankin L-137 PLUS jelly	¥185	Oct. 7
Malony	Konabeni! Malony-chan 120	¥200	Aug. 21



◆ Variety

Retort pouched curry	Erabareshi Ninkiten Cheese Torokeru European Beef Curry, Kurogoma Kaoru Kuro Tantan Curry	(¥314)	Aug. 12
Wellness drinks	Mamori Takameru Nyusankin L-137 drink	¥138	Sep. 9
	Mamori Takameru Nyusankin L-137 jelly	¥180	Sep. 9
Wellness food	Mamori Takameru Nyusankin L-137 powder	3 pieces ¥230 10 pieces ¥700 30 pieces ¥2,000	Sep. 9



◆ Renewal

Malony	Malony-chan 100	¥180	-
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* There are other new, variety and renewed products.