



**FY2023**

# **Results Briefing**

**May 10, 2024**

**House Foods Group Inc.**

**Stock code: 2810**

**<https://housefoods-group.com/>**

# FY2023 Results

## Full-Year Plan for FY2024

### Supplementary Materials

1. Eighth Medium-term Business Plan
2. Business Overview

\*1. We applied the Accounting Standard for Revenue Recognition, etc. from FY2021.

\*2: Allocation of the purchase price (PPA) regarding the business combination with Keystone Natural Holdings, LLC effected September 30, 2022 was completed during FY2023.

Due to the completion of these accounting procedures, figures that reflect completion of the PPA are used.

# FY2023 Results

## Full-Year Plan for FY2024

### Supplementary Materials

1. Eighth Medium-term Business Plan
2. Business Overview

- Net sales: Increased, reflecting price revisions at Group companies in Japan and overseas and inclusion of Keystone Natural in consolidated financial statements for the first time
- Operating profit: Increased, with other four business segments making up for struggling International Food Business

Billion yen	FY2022		FY2023		FY2023		Year on year		Comparison with revised plan	
	Results	Comparison with net sales	Revised plan	Comparison with net sales	Results	Comparison with net sales	Increase/Decrease	%	Increase/Decrease	%
Net sales	275.1	—	302.8	—	299.6		+24.5	+8.9%	-3.2	-1.1%
Operating profit	16.7	6.1%	20.0	6.6%	19.5	6.5%	+2.8	+16.7%	-0.5	-2.7%
EBITDA*	28.5	10.4%	33.5	11.1%	33.0	11.0%	+4.5	+15.8%	-0.5	-1.5%
Ordinary profit	18.3	6.7%	21.2	7.0%	21.1	7.0%	+2.8	+15.2%	-0.1	-0.5%
Profit attributable to owners of parent	13.7	5.0%	18.0	5.9%	17.6	5.9%	+3.9	+28.6%	-0.4	-2.3%

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

# Results by Segment

FY2023 Results

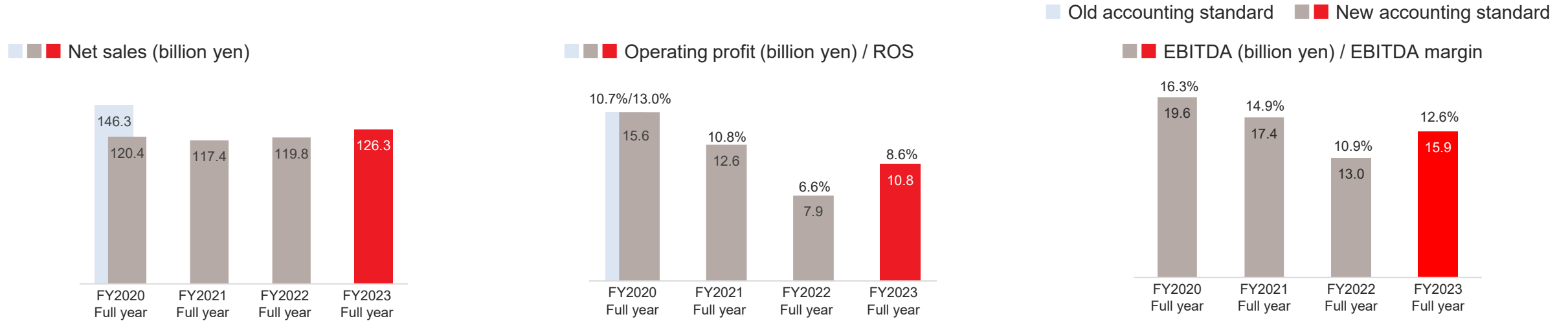
Billion yen	Results	Net sales			Results	Operating profit			ROS		EBITDA margin	
		Year on year	Comparison with revised plan	Year on year		Comparison with revised plan	Results	Year on year	Results	Year on year		
Consolidated	299.6	+24.5	+8.9%	-3.2	19.5	+2.8	+16.7%	-0.5	6.5%	+0.4pt	11.0%	+0.7pt
Spice / Seasoning / Processed Food Business	126.3	+6.5	+5.4%	-1.7	10.8	+2.9	+36.9%	+0.1	8.6%	+2.0pt	12.6%	+1.7pt
Health Food Business	16.9	+0.3	+2.1%	-0.3	2.5	+0.6	+29.2%	+0.4	14.6%	+3.1pt	17.0%	+2.3pt
International Food Business	56.4	+7.5	+15.3%	-0.9	3.1	-2.4	-43.5%	-0.9	5.4%	-5.7pt	12.2%	-3.3pt
Restaurant Business	55.1	+6.8	+14.0%	+0.0	3.4	+1.1	+49.7%	-0.2	6.2%	+1.5pt	11.7%	+1.1pt
Other Food Related Business	55.0	+4.3	+8.6%	-0.6	1.9	+0.7	+56.4%	+0.0	3.5%	+1.1pt	4.4%	+1.0pt
Adjustment (elimination)	-10.1	-0.9	—	+0.3	-2.2	-0.2	—	+0.1	—	—	—	—

# Results by Segment (Spice / Seasoning / Processed Food Business)

FY2023 Results

[Gains in sales and profit] Some degree of recovery in earning capacity is underway thanks to price revisions and the implementation of measures to create demand.

- Household use business: Implemented price revisions for a second consecutive fiscal year. Focused on the deployment of sales backup measures and the development of value-added products such as *X-Blend Curry*. Recovery of sales volume is still a work in progress given the impact of a mild winter on stew roux products and struggling sales of retort pouched products in the mid-to-high range, despite sales of curry roux products in line with expectations.
- Food Service Business: Began operating as House Gaban in April 2023. This business performed mostly in line with expectations, partly due to price revisions implemented in September 2023 and a rebound in demand associated with the resumption of economic activity.




<House Foods Corp. Net sales by major product category>\*1

	Curry roux	Stew roux	Spice	Total of retort pouched products*2
Net sales (billion yen)	38.2	12.2	22.3	20.7
Year-on-year change	+6.6%	-0.5%	+4.4%	+1.1%

\*1 Reference value based on shipments


\*2 Total of retort pouched curry, retort pouched stew, retort pouched hashed beef sauce and retort pouched pasta sauce

<Launch and development of added-value products>




*X-Blend Curry*

Mild/Medium  
Launched in August 2023



Hot  
Launched in February 2024



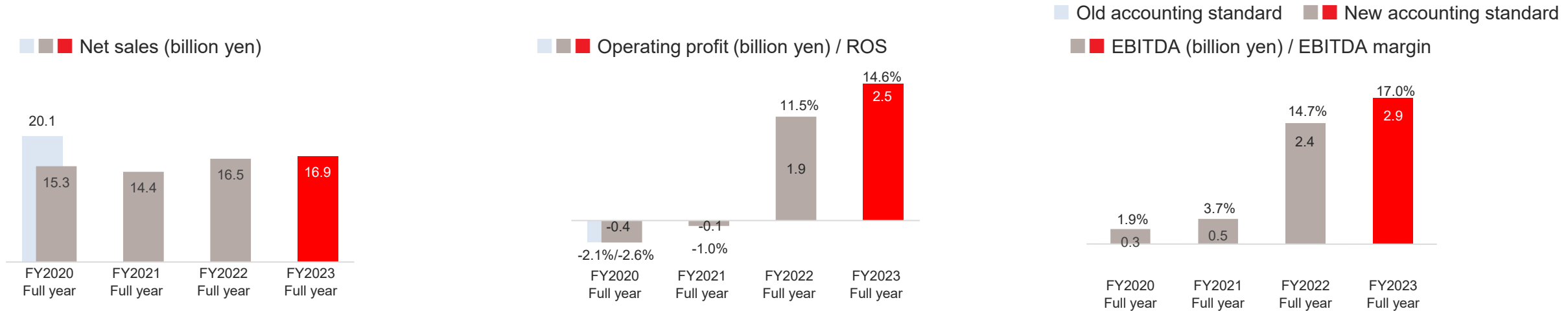
*Vermont Curry Chef's Arrange*

Launched in February 2024

# Results by Segment (Health Food Business)

[Gains in sales and profit] Stepped up initiatives, with emphasis on core brands Generated higher profit through vitamin product price revisions and cost control

- Functional spice business: Sales of *Ukon No Chikara* exceeded the level a year earlier thanks to marketing activities that tapped into increased opportunities to drink alcohol post-COVID
- Vitamin business: Focused on creating demand for *C1000* bottle products after price revisions, and allocated marketing budget as a priority to *Ichinichibun No Vitamin Jelly*, with a view to retaining the broader customer base gained during the COVID pandemic. Vitamin business sales were mostly unchanged year on year, partly due to struggling sales of products launched the previous year.
- Lactobacillus business: Focused on sales for use in functional food ingredients out of newly established base in the United States



<Net sales by business>\*

	Functional spice business	Vitamin products business	Lactobacillus business
Net sales (billion yen)	8.6	9.5	0.4
Year-on-year change	+8.2%	-0.1%	+7.6%

\* Reference value based on shipments

<Vitamin business: Creation of demand according to season>



<Lactobacillus business: Examples of use in food ingredients>

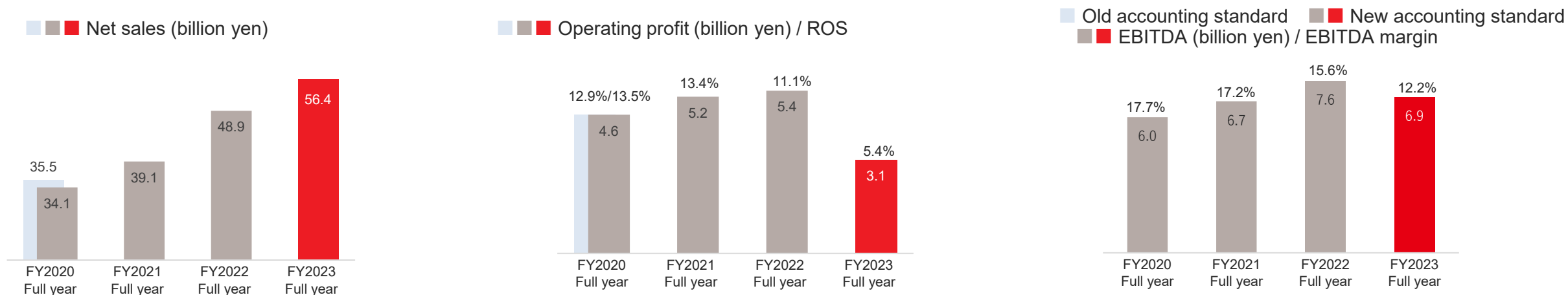


# Results by Segment (International Food Business)

FY2023 Results

[Gain in sales and decline in profit] Responded to changes in the market environment in each area of operation, looking for recovery path

- United States: <Gain in sales and decline in profit> Although sales increased partly due to the inclusion of Keystone in the scope of consolidation for the first time, profit fell in part due to higher depreciation and amortization costs at House Foods America Corporation, reflecting increased amortization of goodwill and intangible assets associated with the acquisition of Keystone and increased production capacity.
- China: <Gain in sales and decline in profit> Household use business: Sales and profit both fell, reflecting the absence of high demand for home-cooked meals during the COVID pandemic and slower movement of goods as consumers cut down on spending in response to the economic downturn.  
Food service business: Sales rose and profit fell, reflecting progress developing new customers centered on emerging chain restaurants that are performing strongly post-COVID on the one hand and higher costs as a result of the resumption of business activities on the other.
- Thailand: <Declines in sales and profit> Full-year business results were significantly affected by struggling first-half sales; however, second-half were in line with the revised plan thanks to the deployment of new marketing strategies.



## Net sales by business

### Business in the United States

### Business in China

### Businesses in Southeast Asia

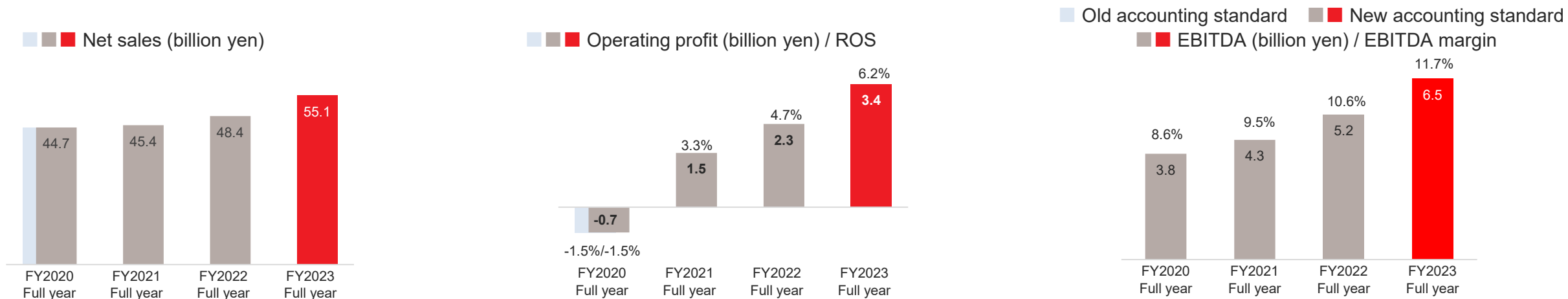
	Overall	Tofu business of House Foods America Corporation	Overall	Overall	Functional drinks business in Thailand
Net sales (billion yen)	31.6	21.2	11.0	8.7	7.9
Year-on-year change	+49.1%	+18.7%	+3.5%	-28.3%	-31.4%
Local currency basis	+39.5%	+11.0%	+1.6%	-	-36.8%





[Gains in sales and profit] Made progress strengthening new business formats in addition to restoring profitability in Japan and overseas

- Japan:
- At Ichibanya, the net sales, number of customers and average sales per customer of existing stores all exceeded levels a year earlier thanks to promotional activities and menu measures in addition to the recovery of demand for eating out.
  - Made progress strengthening new business formats through domestic subsidiary store openings (Daikokuya: Lamb BBQ) and acquisitions (Takei: noodles, Maedaya: motsunabe)
- Overseas: Sales of existing stores increased, reflecting economic recovery in most areas of operation. Worked to rebuild business in China, with the closure of unprofitable stores



<Changes in net sales and number of stores of Ichibanya Co., Ltd.>

<Strengthening of new business formats>

Year-on-year change	All restaurants		Existing restaurants		Number of stores	
	Net sales	Net sales	Number of customers	Average sales per customer	All business categories	Increase/decrease from end of FY2022
Japan*1	+11.3%	+12.1%	+3.8%	+8.1%	1,245	-2
Overseas*2	+17.6%	+9.5%	-	-	212	+4



\*1 Change in net sales is based on CURRY HOUSE CoCo ICHIBANYA stores. Change in number of stores includes domestic subsidiaries.

\*2 Excluding impact of exchange rates

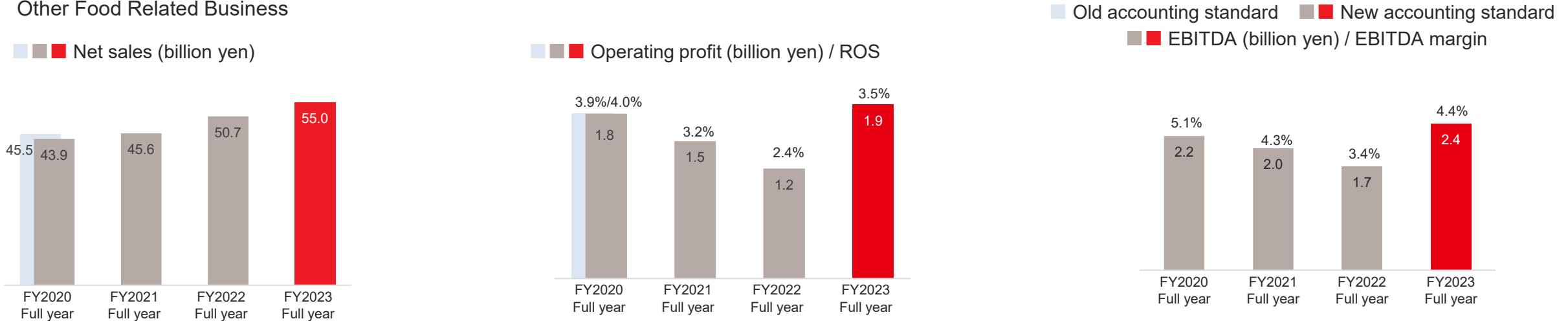
# Results by Segment (Other Food Related Business/Adjustment (Elimination))

FY2023 Results

Delica Chef Corporation: Secured net sales mostly unchanged year on year due to solid sales of prepared dishes and baked bread. Profit rose thanks to initiatives to improve productivity.

Vox Trading Co., Ltd.: Posted gains in both sales and profit due to progress in price pass on and a focus on the sale of highly profitable goods.

## Other Food Related Business



### <Net sales by operating company>

	Delica Chef Corporation	Vox Trading Co., Ltd. (consolidated)
Net sales (billion yen)	19.4	33.8
Year-on-year change	+0.7%	+13.9%

### <Adjustment (elimination)>

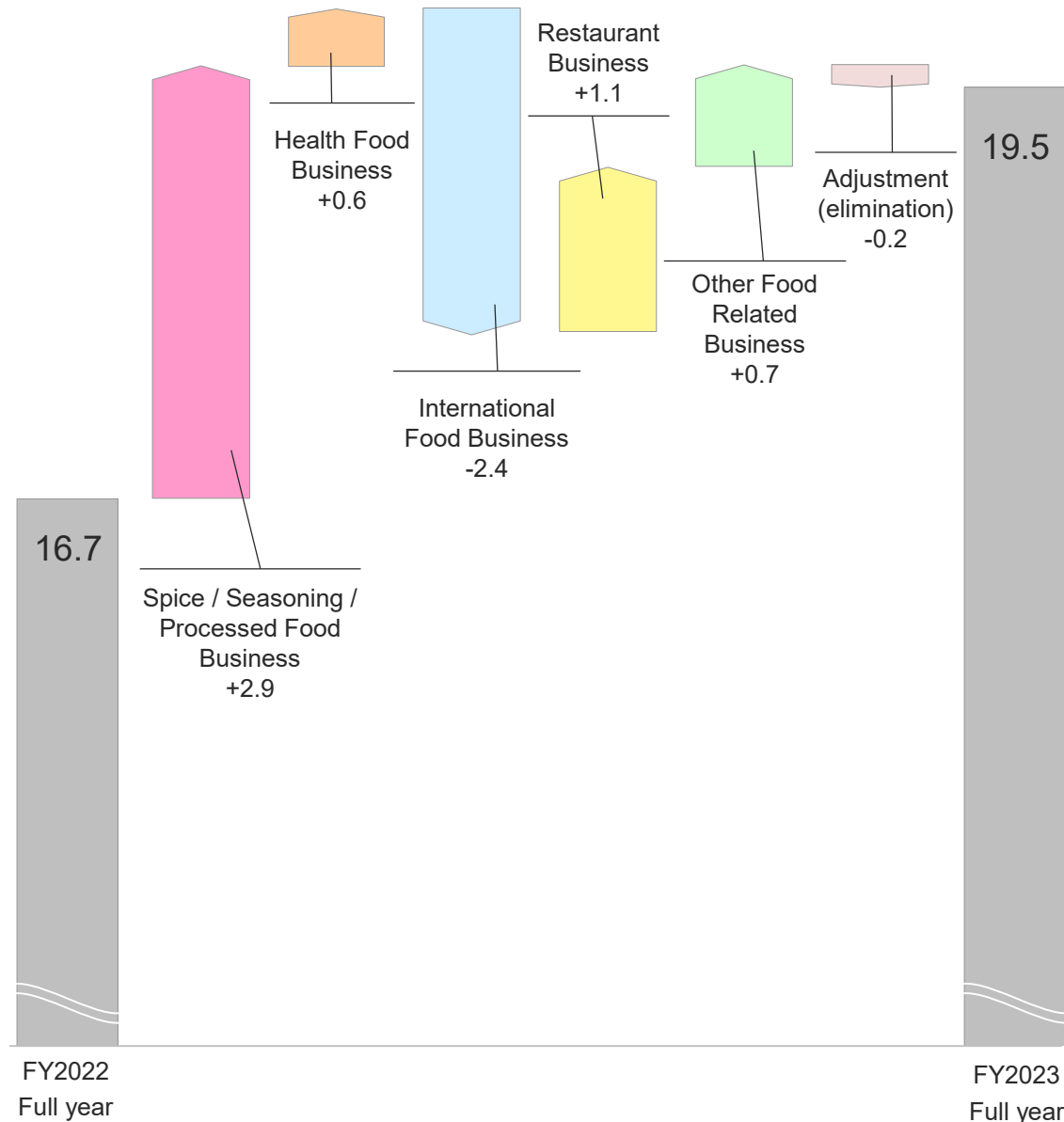


Head office costs: Costs increased, mainly reflecting expansion of personnel for development of value chains.

# Operating Profit Change Analysis

FY2023 Results

## ◆ Factors of changes by business segment (Billion yen)



	Billion yen	Increase/ Decrease
<b>Spice / Seasoning / Processed Food Business</b>		<b>+2.9</b>
Change in sales*		+2.5
Change in cost of sales ratio*		+0.2
Marketing costs*		+0.8
Other expenses*		-0.6
Affiliated companies, adjustment		+0.0
<b>Health Food Business</b>		<b>+0.6</b>
Change in sales		+0.2
Change in cost of sales ratio		-0.1
Marketing costs		+0.3
Other expenses		+0.2
<b>International Food Business</b>		<b>-2.4</b>
Business in the United States		-0.5
(Amortization of goodwill, etc.)		(-0.9)
Business in China		-0.5
Businesses in Southeast Asia		-1.3
Exports and others		-0.1
<b>Restaurant Business</b>		<b>+1.1</b>
<b>Other Food Related Business</b>		<b>+0.7</b>
Delica Chef Corporation		+0.3
Vox Trading Co., Ltd. (consolidated)		+0.4
<b>Adjustment (elimination)</b>		<b>-0.2</b>
Changes in operating profit		+2.8

\* Analysis covering House Foods and House Gaban

# Overview of Non-operating Income and Expenses and Extraordinary Income and Losses

FY2023 Results

Billion yen	FY2022	FY2023	Year-on-year change	Main factors
Operating profit	16.7	19.5	+2.8	
Non-operating income and expenses	1.6	1.6	+0.0	
Ordinary profit	18.3	21.1	+2.8	
Extraordinary income and losses	3.0	6.2	+3.2	- Gain on revision of retirement benefit plan +7.0 - Impairment losses -1.7
Profit before income taxes	21.3	27.3	+6.0	
Income taxes	5.9	8.1	+2.2	
Profit attributable to non-controlling interests	1.8	1.6	-0.2	
Profit attributable to owners of parent	13.7	17.6	+3.9	

# FY2023 Results

## Full-Year Plan for FY2024

### Supplementary Materials

1. Eighth Medium-term Business Plan
2. Business Overview

Aiming for gains in sales and profit despite a challenging cost environment through the creation of demand to meet increasingly diverse customer needs and cost effectiveness

Billion yen	FY2023		FY2024		Year on year	
	Results	Comparison with net sales	Forecast	Comparison with net sales	Increase/Decrease	%
Net sales	299.6	—	320.0	—	+20.4	+6.8%
Operating profit	19.5	6.5%	21.0	6.6%	+1.5	+7.9%
EBITDA*	33.0	11.0%	35.0	10.9%	+2.0	+6.1%
Ordinary profit	21.1	7.0%	22.0	6.9%	+0.9	+4.3%
Profit attributable to owners of parent	17.6	5.9%	13.3	4.2%	-4.3	-24.3%

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

# Plan by Segment

Full-Year Plan for FY2024

Billion yen	Net sales			Operating profit			ROS		EBITDA margin	
	Forecast	Year on year		Forecast	Year on year		Forecast	Year on year	Forecast	Year on year
Consolidated	320.0	+20.4	+6.8%	21.0	+1.5	+7.9%	6.6%	+0.1pt	35.0	-0.1pt
Spice / Seasoning / Processed Food Business	133.0	+6.7	+5.3%	12.6	+1.8	+16.3%	9.5%	+0.9pt	17.2	+0.4pt
Health Food Business	18.0	+1.1	+6.7%	2.5	+0.0	+1.5%	13.9%	-0.7pt	3.0	-0.5pt
International Food Business	62.0	+5.6	+10.0%	3.2	+0.1	+4.3%	5.2%	-0.3pt	7.5	-0.1pt
Restaurant Business	61.0	+5.9	+10.6%	3.9	+0.5	+14.9%	6.4%	+0.2pt	7.2	+0.1pt
Other Food Related Business	57.0	+2.0	+3.6%	2.1	+0.2	+8.8%	3.7%	+0.2pt	2.6	+1.0pt
Adjustment (elimination)	-11.0	-0.9	—	-3.3	-1.1	—	—	—	—	—

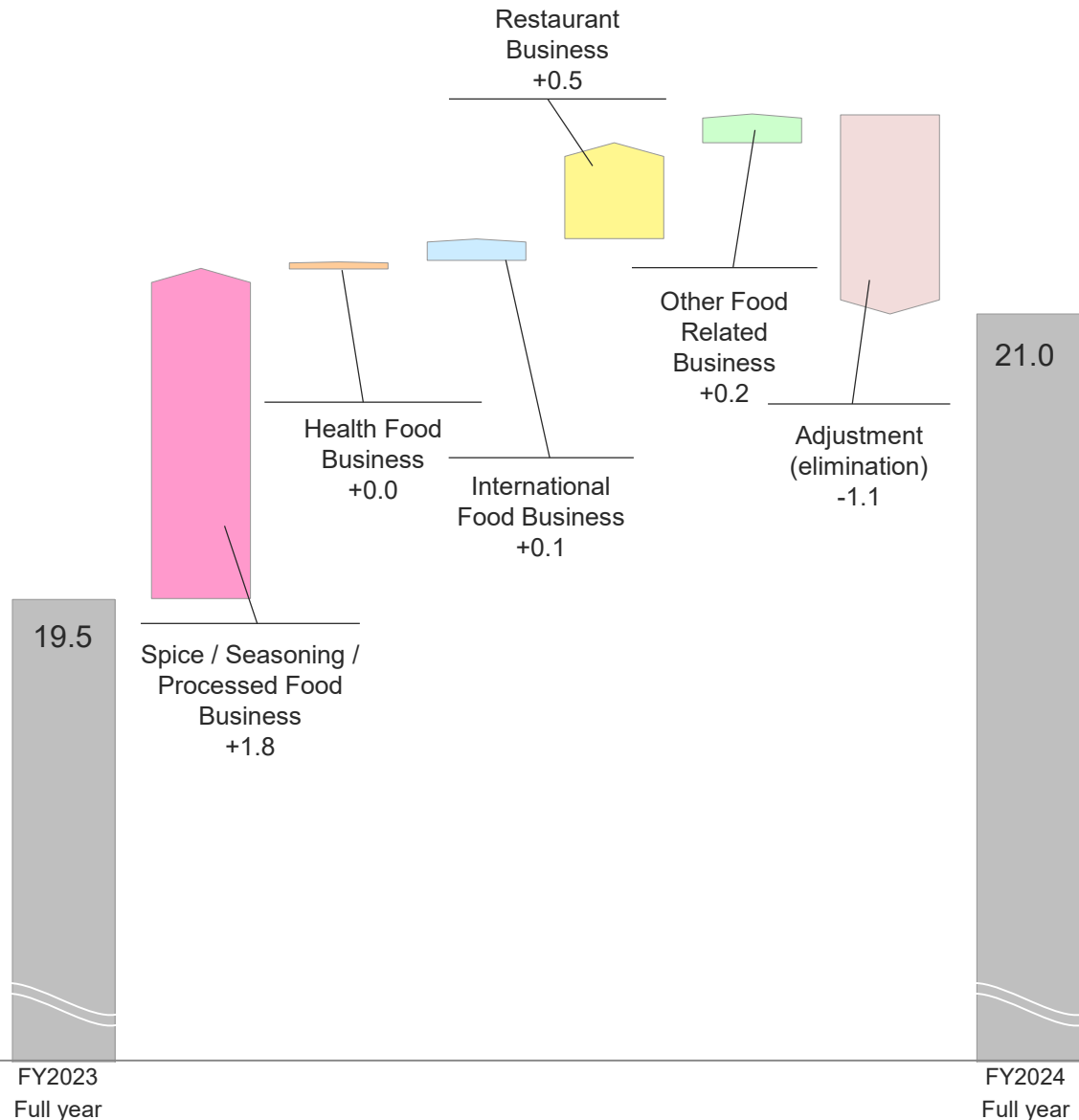
Spice / Seasoning / Processed Food Business	<ul style="list-style-type: none"> <li>Household use business: Strengthen ability to respond to increasingly diverse consumer preferences and changes in household composition both in terms of products and promotions. Promote the theme of cost reductions across all value chains. Translate initiatives into sustainable enhancement of profitability.</li> <li>Food Service Business: Expand sales through integrated cross-selling in both businesses* and respond to rising raw material prices</li> </ul>
Health Food Business	<ul style="list-style-type: none"> <li>Expand sales, maintaining profitability through the effective allocation of marketing budget to mainstay brands</li> </ul>
International Food Business	<p>[United States] Implement sales expansion and marketing strategies based on a detailed understanding of the market (each area of operation, each ethnic group and each customer base). Absorb higher fixed costs by developing new customers to expand sales.</p> <p>[China] - Household use: Develop business in more depth in Beijing and Shanghai and expand scope by rolling out promotional measures concentrating on carefully selected cities with high sales potential</p> <p>- Food service use: Expand sales channels to emerging chain restaurants and capture demand by developing products that match customer needs</p> <p>[Thailand] Secure profitability through expansion of sales of <i>C-vitt</i> in compliance with new regulations</p>
Restaurant Business	<ul style="list-style-type: none"> <li>Continue to expand sales at existing restaurants in Japan by strengthening marketing measures</li> <li>Accelerate store expansion in new business formats and overseas business</li> </ul>
Adjustment (elimination)	<ul style="list-style-type: none"> <li>Invest in human capital, IT, R&amp;D, etc. for implementation of the Eighth Medium-term Business Plan</li> </ul>

\* House Foods Corporation's food service use business and Gaban

# Operating Profit Change Analysis

Full-Year Plan for FY2024

## ◆ Factors of changes by business segment (Billion yen)



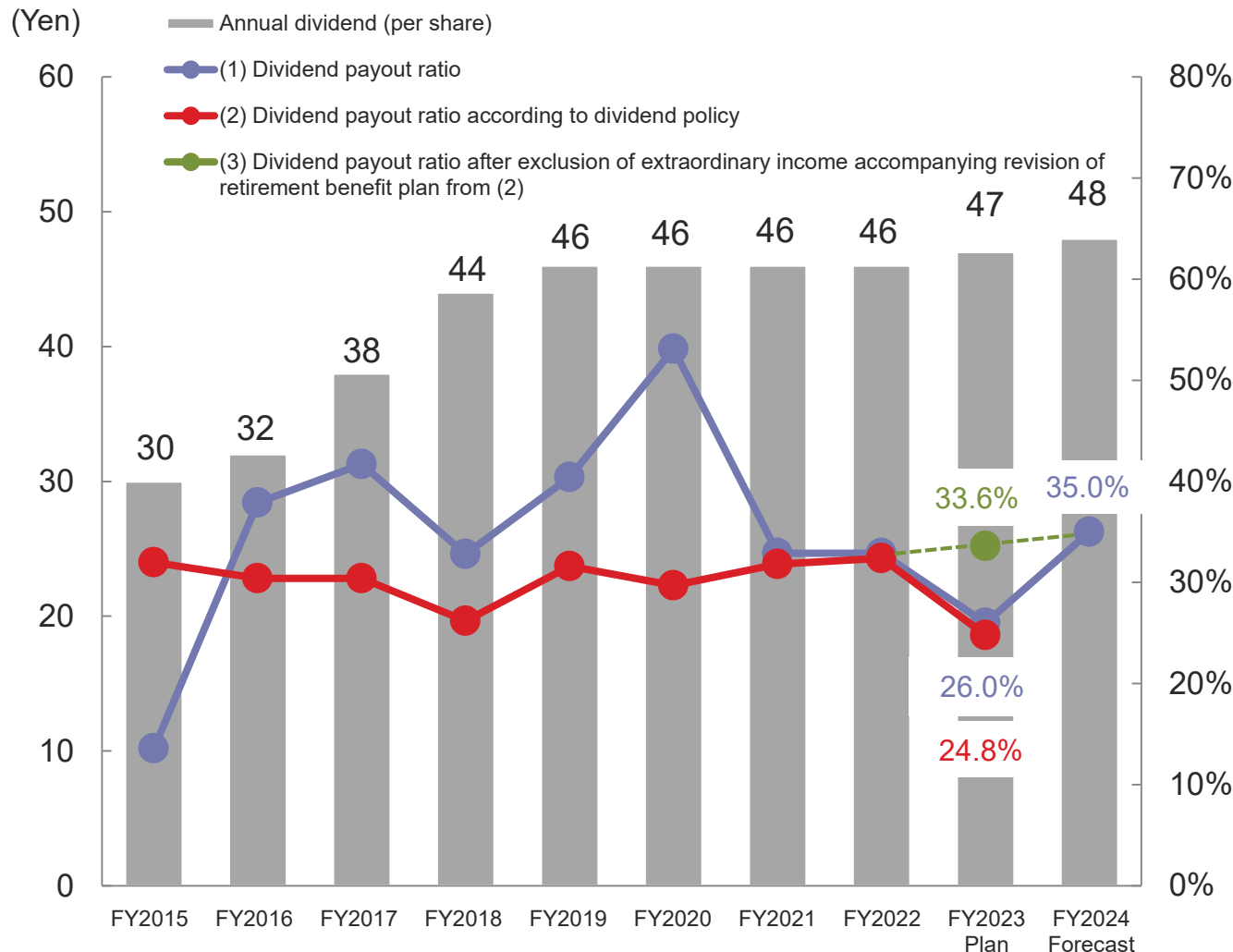
	Billion yen	Full-Year Plan
<b>Spice / Seasoning / Processed Food Business</b>		<b>+1.8</b>
Change in sales*		+2.5
Change in cost of sales ratio*		-0.2
Marketing costs*		+0.5
Other expenses*		-1.2
Affiliated companies, adjustment		+0.2
<b>Health Food Business</b>		<b>+0.0</b>
Change in sales		+0.8
Change in cost of sales ratio		+0.0
Marketing costs		-0.4
Other expenses		-0.4
<b>International Food Business</b>		<b>+0.1</b>
Business in the United States		+0.2
Business in China		-0.0
Businesses in Southeast Asia		-0.1
Exports and others		+0.0
<b>Restaurant Business</b>		<b>+0.5</b>
<b>Other Food Related Business</b>		<b>+0.2</b>
Delica Chef Corporation		+0.0
Vox Trading Co., Ltd. (consolidated)		+0.2
<b>Adjustment (elimination)</b>		<b>-1.1</b>
<b>Changes in operating profit</b>		<b>+1.5</b>

\* Analysis covering House Foods and House Gaban



- For FY2023, the Company will pay a full-year dividend of 47 yen (an increase of 1 yen). For FY2024, the Company plans to pay a full-year dividend of 48 yen (an increase of 1 yen).
- The Company changed to a new profit distribution policy (total return) from FY2024.

## ◆ Dividends (FY2015 to FY2024 plan)



## ◆ Dividend Policy

Until FY2023

Continued to pay stable dividends with a consolidated payout ratio of 30% as the basis

\* Excluding the effects of extraordinary income/losses arising from business combination and the amortization of goodwill

New Profit Distribution Policy from FY2024

(1) Total return ratio of 40% or higher

\* During the period of the Eighth Medium-term Business Plan, since we will pursue treasury share acquisitions funded by reductions in cross-shareholdings, we will aim to improve the total return ratio to at least 50%.

(2) Ongoing payment of annual dividends of at least 46 yen as stable dividends

## Review of Executives' Compensation System

- Review of composition ratios of compensation to Executive Directors (increase in percentage of performance-linked compensation)

Before the review

Compensation type	Composition ratio
Monthly compensation (fixed)	70%
Short-term incentive (bonus)	20%
Long-term incentive (restricted stock compensation)	10%

After the review

Compensation type	Composition ratio	
Monthly compensation (fixed)	60%	
Short-term incentive (bonus)	25%	
Medium- to long-term incentive	Advance-issue-type restricted stock compensation	10%
	Performance-linked, restricted stock compensation	5%

- Short-term incentive: Use of ROIC as evaluation indicator for the first time
- Medium-to-long-term incentive: Use of non-financial indicators set out in Medium-term Business Plan as evaluation indicators

## Adoption of Trust-Type Employee Shareholding Incentive Plan

- Strengthening the Group's employees' shareholding association to increase awareness of multiple stakeholder perspectives, develop a sense of unity between the company and Group employees, and increase work motivation
- Helping employees build wealth through enhancement of the shareholding association

# FY2023 Results

## Full-Year Plan for FY2024

### Supplementary Materials

1. Eighth Medium-term Business Plan
2. Business Overview

# 1-1. Review of the Seventh Medium-term Business Plan by Segment

Billion yen		Sixth Medium-term Business Plan	Seventh Medium-term Business Plan						
		FY2020	FY2021	FY2022	FY2023	Initial plan	Comparison with initial plan		
Spice / Seasoning / Processed Food Business	Net sales	120.4	117.4	119.8	126.3	133.0	-6.7	-5.0%	
	Operating profit	15.6	12.6	7.9	10.8	15.1	-4.3	-28.3%	
	ROS	13.0%	10.8%	6.6%	8.6%	11.4%	-2.8pt		
Health Food Business	Net sales	15.3	14.4	16.5	16.9	22.8	-5.9	-26.0%	
	Operating profit	-0.4	-0.1	1.9	2.5	1.5	+1.0	64.3%	
	ROS	-2.6%	-1.0%	11.5%	14.6%	6.6%	+8.0pt		
International Food Business	Net sales	34.1	39.1	48.9	56.4	57.5	-1.1	-2.0%	
	Operating profit	4.6	5.2	5.4	3.1	6.6	-3.5	-53.5%	
	ROS	13.5%	13.4%	11.1%	5.4%	11.5%	-6.0pt		
Restaurant Business	Net sales	44.7	45.4	48.4	55.1	57.0	-1.9	-3.3%	
	Operating profit	-0.7	1.5	2.3	3.4	4.7	-1.3	-27.8%	
	ROS	-1.5%	3.3%	4.7%	6.2%	8.2%	-2.1pt		
Other Food Related Business	Net sales	43.9	45.6	50.7	55.0	44.4	+10.6	+24.0%	
	Operating profit	1.8	1.5	1.2	1.9	1.6	+0.3	+20.7%	
	ROS	4.0%	3.2%	2.4%	3.5%	3.6%	-0.1pt		
Adjustment	Net sales	-8.3	-8.6	-9.2	-10.1	-9.7	-0.4	-	
	Operating profit	-1.5	-1.5	-2.1	-2.2	-3.5	+1.3	-	

- Spice / Seasoning / Processed Food Business
  - Revised prices flexibly and created demand in response to dramatic changes in the cost structure. Profitability recovered to some extent but is not in line with the plan.
  - In the Food Service Business, House Gaban was launched and proposal capabilities were strengthened. Realization of business expansion in new domains is behind schedule.
- Health Food Business
  - Restored profitability from FY2022 and achieved profit plan thanks to profit structure reform centered on core products
- International Food Business
  - Profitability declined in the final fiscal year, reflecting a competitive environment in the United States, deteriorating business confidence post-COVID in China, and market changes in the wake of COVID in Thailand. Failed to achieve plan.
- Restaurant Business
  - Profitability was restored both in Japan and overseas thanks to price revisions and a rebound in demand after the COVID pandemic but failed to achieve plan.
- Other Food Related Business
  - Achieved plan both in terms of net sales and operating profit thanks to initiatives to strengthen profitability at each company

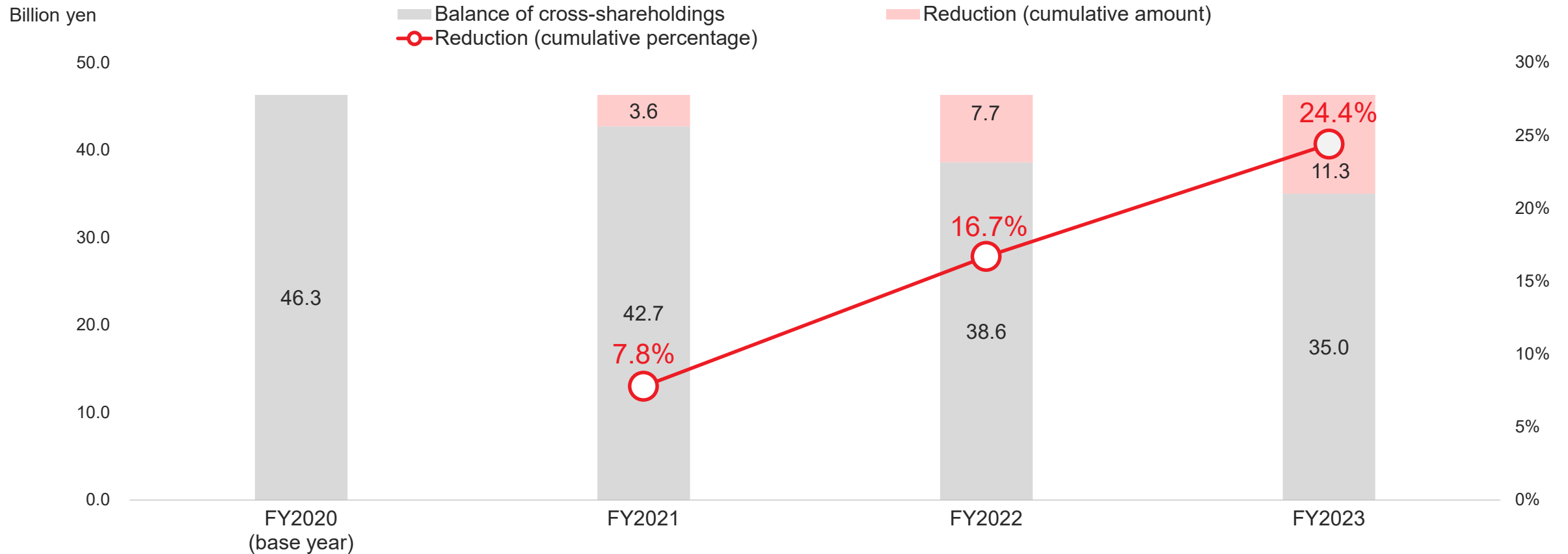
\* On this page, the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) is applied to improve the comparability of business results on completion of the Sixth Medium-Term Business Plan and those for the Seventh Medium-Term Business Plan period

# 1-2. Financial Strategy (Reduction of Cross-Shareholdings)

Making reductions continuously based on an assessment of the purpose of cross-shareholdings  
Achieved the Seventh Medium-term Business Plan target reduction of 20%

## <Status of reduction of cross-shareholdings>

\* Reduction amount is calculated based on market value as of end of FY2020.



## Group philosophy, To Be

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

## Eighth Medium-term Business Plan, To Do

Striving to become a high quality company that provides  
"Healthy Life Through Foods" <Chapter 2>  
Striving for growth by building a global value chain

### For Customers

Aim to achieve value chain management that delivers healthy life through foods globally

### For Society

Tackle the environmental impact caused by our global corporate activities as corporate responsibility

### For our Employees and Their Families

Turn diversity into a strength and support initiatives to become a quality company in powerful terms

Spice

Functional Ingredients

Soybean

Value-added Vegetables  
(Creation of new value)

Financial Capital Policy

# 1-4. Consolidated Numerical Targets

◇ Consolidated Targets	Seventh Medium-term Business Plan (FY2023)		Eighth Medium-term Business Plan (FY2026)		Ninth Medium-term Business Plan (FY2029)		
	Results	Target	vs. Seventh Medium-term Business Plan	Target	vs. Eighth Medium-term Business Plan		
Net sales	299.6 billion yen	360.0 billion yen	+60.4 billion yen	450.0 billion yen	+90.0 billion yen		
Operating profit	19.5 billion yen	27.0 billion yen	+7.5 billion yen	40.0 billion yen	+13.0 billion yen		
◇ Management Indicators	Seventh Medium-term Business Plan (FY2023)		Eighth Medium-term Business Plan (FY2026)		Ninth Medium-term Business Plan (FY2029)		Ideal proportions
	Results	Target	vs. Seventh Medium-term Business Plan	Target	vs. Eighth Medium-term Business Plan		
ROIC (Return on invested capital)	4.6%	6.0% or higher	—	8.0% or higher	—		—
ATO (Total asset turnover)	0.72 times	0.83 times	+0.11 times	0.96 times	+0.13 times		1.0 time or greater
ROS (Return on sales)	6.5%	7.5%	+1.0pt	8.9%	+1.4pt		10% or higher
EBITDA margin	11.0%	11.4%	+0.4pt	12.7%	+1.6pt		—
ROA (Return on assets)	4.7%	6.2%	+1.5pt	8.6%	+2.4pt		10% or higher
ROE (Return on equity)	6.2%	7.0%	+0.8pt	—	—		Securing 10%

# 1-5. Projected Change in ROIC

- As we will continue to invest in growth areas under the Eighth Medium-term Business Plan, we will aim to significantly improve the proportion of operating capital and enhance company-wide ROIC by reducing non-operating capital, though improvements to business ROIC will be limited.
- In the Ninth Medium-term Business Plan we will complete the cycle of investment in growth areas. By improving the capital profitability of our core business produced from investments (business ROIC), we will strive to further improve company-wide ROIC.

## ROIC

(company-wide)  
(Cost of capital)



## Business ROIC

(capital profitability from core business)

<Formula>

NOPAT
Operating Capital

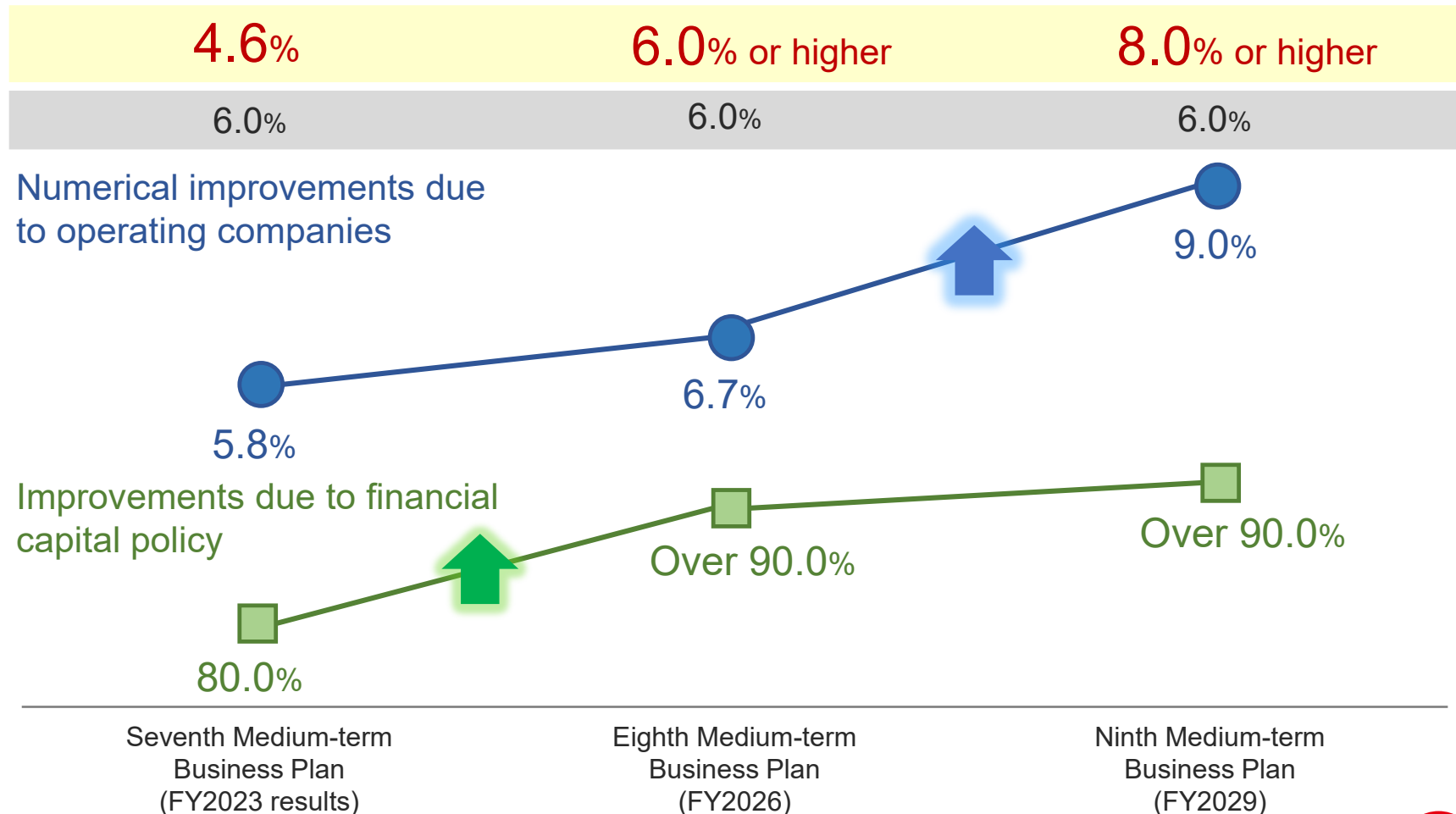


## Proportion of operating capital

(Operating capital as a percentage of overall invested capital)

<Formula>

Operating Capital
Invested capital





# 1-6. The Eighth Medium-term Business Plan Targets by Segment

Supplementary Materials  
1. Eighth Medium-term Business Plan

Billion yen	Net sales			Operating profit			ROS		EBITDA margin	
	Target	vs. Seventh Medium-term Business Plan (FY2023)		Target	vs. Seventh Medium-term Business Plan (FY2023)		Target	vs. Seventh Medium-term Business Plan (FY2023)	Target	vs. Seventh Medium-term Business Plan (FY2023)
Consolidated	360.0	+60.4	+20.2%	27.0	+7.5	+38.7%	7.5%	+1.0pt	11.4%	+0.4pt
Spice / Seasoning / Processed Food Business	140.0	+13.7	+10.9%	14.5	+3.7	+33.9%	10.4%	+1.8pt	13.6%	+1.0pt
Health Food Business	21.0	+4.1	+24.5%	2.8	+0.3	+13.6%	13.3%	-1.3pt	15.7%	-1.3pt
International Food Business	74.0	+17.6	+31.3%	4.8	+1.7	+56.5%	6.5%	+1.1pt	12.8%	+0.6pt
United States Tofu business	39.4	+7.8	+24.8%	1.0	+1.0	+1992.8%	2.6%	+2.4pt	11.7%	+2.1pt
China Curry business	14.8	+3.8	+34.5%	1.8	+0.7	+62.6%	12.0%	+2.1pt	19.1%	+1.4pt
Functional drinks business in Southeast Asia	10.4	+2.6	+32.6%	1.7	+0.3	+19.2%	16.5%	-1.9pt	16.6%	-1.9pt
Restaurant Business	74.0	+18.9	+34.2%	5.7	+2.3	+67.9%	7.7%	+1.5pt	11.8%	+0.1pt
Other Food Related Business	62.0	+7.0	+12.6%	2.6	+0.7	+34.7%	4.2%	+0.7pt	5.0%	+0.6pt
Adjustment (elimination)	-11.0	-0.9	—	-3.4	-1.2	—	—	—	—	—

# 1-7. Themes by Segment under the Eighth Medium-term Business Plan

Segment	Main Themes
Spice / Seasoning / Processed Food Business	<ul style="list-style-type: none"> <li>● Strengthen growth potential and profitability as core business and further develop Spice VC.</li> <li>● Implement profit structure reform with nothing sacred in all VCs to improve profitability.               <ul style="list-style-type: none"> <li>• Household use: House Foods will branch out from core domestic business and lead the Spice VC. Promote the creation of added value focusing on curry and spice domain and expand customer contact points in Japan and overseas.</li> <li>• Food service use: Build optimal business model for the realization of growth in the BtoB business and expand business domains</li> </ul> </li> </ul>
Health Food Business	<ul style="list-style-type: none"> <li>● Leverage strategic ingredients to pursue global shift from a Functional Ingredients VC perspective               <ul style="list-style-type: none"> <li>Vitamin business: Expand vitamin beverage business in Southeast Asia</li> <li>Lactobacillus business: Establish a BtoB solutions business model in Europe and the United States</li> </ul> </li> <li>• Continue profit structure reform in domestic business and create precedents for global expansion</li> </ul>
International Food Business	<ul style="list-style-type: none"> <li>● Accelerate sales growth and establish profit base in each VC business               <ul style="list-style-type: none"> <li>• United States: Expand present in the PBF* market and implement strategies to deal with the competition</li> <li>• China: Overcome market stagnation to achieve growth with CAGR of 10%</li> <li>• Southeast Asia: Introduce BtoC curry roux products to the Indonesian market, firmly establish them and increase their popularity</li> </ul> </li> </ul>
Restaurant Business	<ul style="list-style-type: none"> <li>● Expand business and improve profitability to realize the ICHIBANYA Long-Term Vision 2030 of becoming a food entertainment company               <ul style="list-style-type: none"> <li>• Strengthen profit base in Japan and accelerate profit growth of new business formats through overseas business and M&amp;A</li> <li>• Create benefits for the Company, Ichibanya and franchise owners through the realization of plans for new curry sauces</li> </ul> </li> </ul>
Other Food Related Business	<ul style="list-style-type: none"> <li>• Delica Chef: Realize stable profit structure</li> <li>• Vox: Realize sustainable growth by strengthening upstream functions, developing added-value products and expanding overseas business</li> </ul>

\* PBF: Plant Based Foods

## 2-1. Results by Segment (FY2023 1H, 2H, Full-year)

Billion yen		1H		2H		Full year	
		Results	Year on year	Results	Year on year	Results	Year on year
Consolidated	Net sales	142.8	+9.0	156.8	+15.5	299.6	+24.5
	Operating profit	8.1	+0.4	11.4	+2.3	19.5	+2.8
	EBITDA	14.5	+1.4	18.5	+3.2	33.0	+4.5
Spice / Seasoning / Processed Food Business	Net sales	60.4	+2.4	65.9	+4.1	126.3	+6.5
	Operating profit	3.7	+0.5	7.2	+2.5	10.8	+2.9
	EBITDA	6.1	+0.4	9.8	+2.4	15.9	+2.8
Health Food Business	Net sales	8.6	+0.1	8.3	+0.3	16.9	+0.3
	Operating profit	1.2	+0.2	1.2	+0.4	2.5	+0.6
	EBITDA	1.4	+0.1	1.4	+0.3	2.9	+0.4
International Food Business	Net sales	26.5	+3.8	29.9	+3.7	56.4	+7.5
	Operating profit	1.1	-2.0	2.0	-0.3	3.1	-2.4
	EBITDA	2.8	-1.2	4.1	+0.4	6.9	-0.7
Restaurant Business	Net sales	26.8	+3.9	28.3	+2.9	55.1	+6.8
	Operating profit	1.8	+1.2	1.6	-0.0	3.4	+1.1
	EBITDA	3.3	+1.3	3.2	+0.1	6.5	+1.3
Other Food Related Business	Net sales	25.7	-0.6	29.3	+5.0	55.0	+4.3
	Operating profit	1.1	+0.6	0.8	+0.1	1.9	+0.7
	EBITDA	1.3	+0.6	1.1	+0.1	2.4	+0.7
Adjustment (elimination)	Net sales	-5.2	-0.6	-4.9	-0.3	-10.1	-0.9
	Operating profit	-0.8	+0.1	-1.4	-0.3	-2.2	-0.2

## 2-2. Trends by Business (FY2023 1H, 2H, Full-year)

Net sales YoY change (billion yen/%)			1H			2H			Full year		
			Results	Year on year		Results	Year on year		Results	Year on year	
Spice / Seasoning / Processed Food Business	Curry roux	*	19.1	+0.7	+4.0%	19.0	+1.6	+9.4%	38.2	+2.4	+6.6%
	Retort pouched curry	*	9.0	-0.1	-1.3%	8.8	+0.1	+1.6%	17.8	+0.0	+0.1%
House Foods Corporation	Spice	*	11.1	+0.3	+2.6%	11.2	+0.7	+6.2%	22.3	+0.9	+4.4%
Health Food Business	<i>Ukon No Chikara</i>	*	3.0	+0.5	+18.4%	3.4	+0.4	+13.0%	6.3	+0.8	+15.5%
	<i>C1000</i>	*	2.3	+0.0	+1.5%	1.9	+0.1	+2.7%	4.3	+0.1	+2.1%
House Wellness Foods Corporation	<i>Ichinichibun No Vitamin</i>	*	2.6	-0.0	-1.7%	2.0	-0.1	-3.9%	4.6	-0.1	-2.7%
International Food Business	Business in the United States		15.3	+6.3	+70.5% (+55.5%)	16.4	+4.1	+33.6% (+26.6%)	31.6	+10.4	+49.1% (+39.5%)
	Year-on-year change	Business in China	5.6	+0.7	+13.6% (+11.2%)	5.5	-0.3	-5.1% (-6.9%)	11.0	+0.4	+3.5% (+1.6%)
Top line: Japanese yen basis Bottom line: Local currency basis	Business in Thailand		3.1	-3.1	-49.7% (-53.5%)	4.7	-0.5	-10.1% (-16.6%)	7.9	-3.6	-31.4% (-36.8%)
Restaurant Business	Ichibanya Co., Ltd. (Consolidated)		26.8	+3.9	+17.3%	28.3	+2.9	+11.4%	55.1	+6.9	+14.2%
	Ichibanya Co., Ltd. (non-consolidated)		22.0	+2.3	+11.5%	22.6	+1.6	+7.5%	44.6	+3.8	+9.4%
Other Food Related Business	Delica Chef Corporation		9.7	-0.0	-0.3%	9.7	+0.2	+1.7%	19.4	+0.1	+0.7%
	Vox Trading Co., Ltd. (Consolidated)		15.1	-0.7	-4.2%	18.7	+4.8	+34.6%	33.8	+4.1	+13.9%

\* Results by product are based on shipments and are for reference only.

## 2-3. Net Sales by Region

Supplementary Materials  
2. Business Overview

		Based on previous accounting standards					Based on new accounting standards				
		FY2016	FY2017	FY2018	FY2019	FY2020	FY2020	FY2021	FY2022	FY2023	
Consolidated	Billion yen	283.8	291.9	296.7	293.7	283.8	250.1	253.4	275.1	299.6	
Japan	Billion yen	254.2	257.2	258.6	252.8	238.8	206.5	203.0	213.4	228.2	
Overseas	North America	Billion yen	13.2	14.0	14.9	15.2	14.8	16.9	23.8	35.0	
	East Asia	Billion yen	12.1	14.2	14.8	14.9	15.1	17.8	20.4	22.0	
	Southeast Asia	Billion yen	3.8	5.5	7.3	9.4	13.4	12.5	14.1	15.8	12.5
	Other	Billion yen	0.5	1.0	1.1	1.4	1.1	1.0	1.6	1.7	1.8
Composition ratio of overseas sales	%	10.4	11.9	12.9	13.9	15.8	17.4	19.9	22.4	23.8	

## 2-4. Cost Increase Results and Forecasts (FY2023, FY2024)

Billion yen

Impact of cost increases on profit on a consolidated basis  
(including the impact of exchange rates)

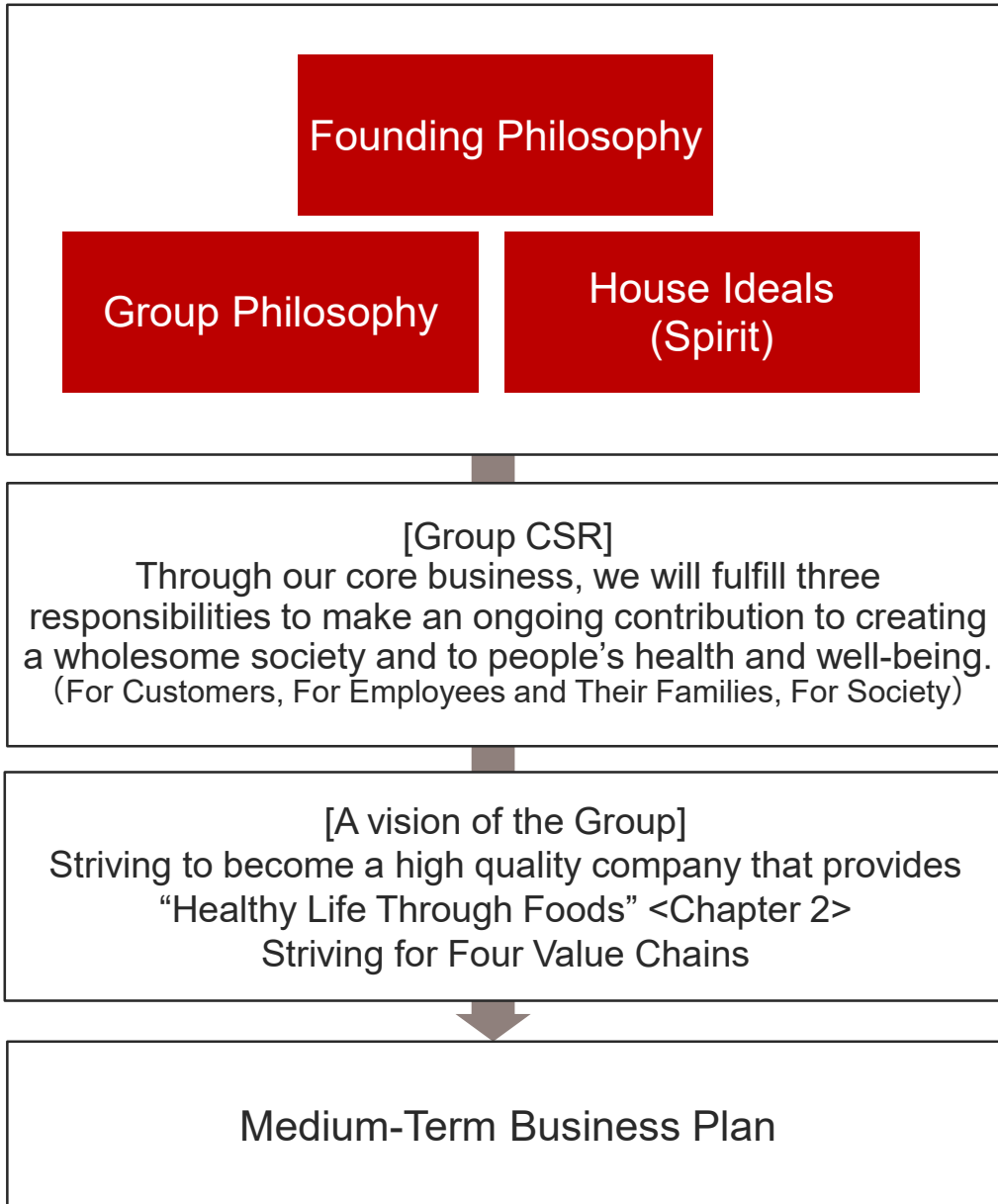
\* Total increase in raw material and energy costs and logistics expenses

	FY2023 Results	FY2024 Forecast
	-6.1	-4.5
Spice / Seasoning / Processed Food Business	-3.3	-3.0
Health Food Business	-0.3	-0.1
International Food Business	-0.8	-0.3
Restaurant Business	-1.7	-1.0
Other Food Related Business	+0.1	-0.1

## 2-5. Key Financial Data

		Based on previous accounting standards					Based on new accounting standards					Eighth Medium-term Business Plan Target
		FY2016	FY2017	FY2018	FY2019	FY2020	FY2020	FY2021	FY2022	FY2023	FY2024	
							Full year			Forecast		
Net sales	Billion yen	283.8	291.9	296.7	293.7	283.8	250.1	253.4	275.6	299.6	320.0	360.0
Operating profit	Billion yen	12.3	16.3	17.6	19.0	19.4	19.4	19.2	16.7	19.5	21.0	27.0
Ordinary profit	Billion yen	14.0	17.2	19.1	20.8	19.8	19.8	21.1	18.3	21.1	22.0	-
Profit attributable to owners of parent	Billion yen	8.7	9.4	13.8	11.5	8.7	8.8	14.0	13.7	17.6	13.3	-
EBITDA	Billion yen	25.2	29.0	30.2	32.3	31.1	31.1	30.1	28.5	33.0	35.0	-
Capital investment	Billion yen	7.7	10.2	11.3	16.3	11.3	11.3	12.4	15.2	14.7	19.4	-
Depreciation	Billion yen	9.3	9.1	9.3	9.9	10.0	10.0	10.9	11.6	12.7	12.4	-
Cash flows from operating activities	Billion yen	21.3	23.6	20.9	24.2	23.2	23.2	16.1	19.5	25.6	-	-
Cash flows from investing activities	Billion yen	-2.2	-13.7	-1.0	-6.4	-8.6	-8.6	-10.4	-21.5	-2.3	-	-
Cash flows from financing activities	Billion yen	-7.4	-5.3	-17.3	-7.6	-6.2	-6.2	-10.1	-12.7	-7.4	-	-
Total assets	Billion yen	353.9	378.9	371.0	367.2	369.2	396.3	382.0	396.9	431.6	445.9	-
Net assets	Billion yen	266.6	283.7	279.1	280.9	287.3	286.9	298.6	301.3	321.6	330.4	-
Shareholders' equity	Billion yen	235.2	251.8	247.3	248.8	258.1	257.8	269.0	272.3	292.2	300.9	-
Profit per share (basic)	Yen	84.53	91.02	134.32	113.73	86.68	86.87	139.75	139.63	180.53	137.28	-
Dividend per share	Yen	32	38	44	46	46	46	46	46	47	48	-
<Managed Indicators regarded as important by the Company>												
ROIC	%	—	—	—	—	—	—	—	—	4.6	4.7	6.0 or higher
ATO	Times	0.81	0.80	0.79	0.80	0.77	0.68	0.67	0.71	0.72	0.73	0.83
ROS	%	4.3	5.6	5.9	6.5	6.8	7.8	7.6	6.1	6.5	6.6	7.5
EBITDA margin	%	8.9	9.9	10.2	11.0	10.9	12.4	11.9	10.4	11.0	10.9	11.4
ROA	%	3.5	4.4	4.7	5.1	5.3	5.3	5.1	4.3	4.7	4.8	6.2
Equity ratio	%	66.5	66.5	66.6	67.7	69.9	69.8	70.4	68.6	67.7	67.5	-
ROE	%	3.7	3.8	5.5	4.6	3.4	3.5	5.3	5.1	6.2	4.5	7.0

## 2-6. House Foods Group's Philosophies



- ◇ 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



## Spice / Seasoning / Processed Food Business



## Health Food Business



## International Food Business



## Restaurant Business



# 2-8. Major New Products and Varieties for Spring and Summer

House Foods Corporation, House Wellness Foods Corporation

Category	Product	Suggested retail price (reference price)	On-shelf date
<b>◆ New Products</b>			
Curry roux	Vermont Curry Chef's Arrange Fruity Sauce Creamy Sauce	(270 yen)	February 12
Retort pouched curry	Shitamachi Bistro Curry Medium Hot	(238 yen)	February 12
Hamburger Base	Tofu Hamburger Helper Root Vegetables Mushroom	250 yen	February 12
Spice	Red Pepper Garlic Green Pepper Garlic	(190 yen)	February 12
Spice	GABAN 8 g Cumin -Whole-Bag	(178 yen)	February 12
Spice	GABAN 18 g Garlic Slice	198 yen	February 12
<b>◆ Variety</b>			
Curry roux	X-Blend Curry (Hot)	(258 yen)	February 12
Curry-related products	Curry Partner Butter Scented Turmeric Rice Base Spice Scented Garlic Rice Base	(148 yen)	February 12
Spice	Rakuchin DELI Mala Green Pepper Otsumami Okra Spicy Hot Chicken Strips	(125 yen)	February 12
<b>◆ Renewal</b>			
Hamburger Base	92 g Hamburger Helper 35 g Hamburger Helper (3 to 4 individual servings)	250 yen 120 yen	February 12
Cooking Sauce	Maze-nobi Cheese Sauce Base	(258 yen)	February 12
Wellness food	Shingen Fortified Rice Vitamin & Iron Calcium Folic Acid	400 yen	March 11
Wellness drinks	Mega Shaki	(238 yen)	March 18

(New Products)



(Variety)



(Renewal)





The forward-looking statements such as plans, strategies and result forecasts included in this document are based on the information available to the Company at the time of the announcement and on certain assumptions considered reasonable, and the Company makes no representations as to their achievability. Actual results may differ materially from the forecast depending on a range of factors.

Amounts of less than one million yen are rounded to the nearest million yen.