May 11, 2021

Consolidated Financial Results (Japanese Accounting Standards) for the FY2020 (Ended March 31, 2021)

Company name: House Foods Group Inc.
Stock exchange listing: Tokyo Stock Exchange
Stock code: 2810
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Scheduled date of ordinary shareholders' meeting: June 25, 2021
Scheduled date of commencement of dividend payment: June 28, 2021
Scheduled date for filing of annual securities report: June 25, 2021
Supplementary documents for financial results: Yes
Financial results briefing: Yes (for analysts and institutional investors)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 1, 2020 – March 31, 2021)

(1) Consolidated Results of Operations (Percentages show year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2021	283,754	(3.4)	19,397	2.1	19,820	(4.7)	8,733	(23.8)
Year ended March 31, 2020	293,682	(1.0)	19,005	8.2	20,797	8.9	11,458	(16.8)

(Note) Comprehensive income: 12,264 million yen (53.7%) for the fiscal year ended March 31, 2021
7,981 million yen (-18.2%) for the fiscal year ended March 31, 2020

	Profit per share (basic)	Profit per share (diluted)	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Year ended March 31, 2021	86.68	–	3.4	5.4	6.8
Year ended March 31, 2020	113.73	–	4.6	5.6	6.5

(Reference) Share of profit (loss) of entities accounted for using equity method:
(1,230) million yen for the fiscal year ended March 31, 2021
645 million yen for the fiscal year ended March 31, 2020

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2021	369,150	287,291	69.9	2,562.29
As of March 31, 2020	367,194	280,930	67.7	2,469.20

(Reference) Shareholders' equity: As of March 31, 2021: 258,145 million yen
As of March 31, 2020: 248,770 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of fiscal year
	Million yen	Million yen	Million yen	Million yen
Year ended March 31, 2021	23,181	(8,558)	(6,172)	78,343
Year ended March 31, 2020	24,218	(6,356)	(7,567)	69,870

2. Dividends

	Dividend per share					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended March 31, 2020	–	23.00	–	23.00	46.00	4,634	40.4	1.9
Year ended March 31, 2021	–	23.00	–	23.00	46.00	4,634	53.1	1.8
Year ending March 31, 2022 (forecasts)	–	23.00	–	23.00	46.00		35.2	

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2022 (April 1, 2021 – March 31, 2022)

(Percentage figures for the fiscal year represent the changes from the previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Year ending March 31, 2022	259,000	3.6	20,000	3.0	21,500	8.4	13,000	48.6	130.51

(Notes) 1. 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 above consolidated forecasts reflect application of said standard and implementation guidance, and percentage changes from the previous year are calculated on the assumption of application of said accounting standard and implementation guidance in the year ended March 31, 2021.

2. At the meeting of the Board of Directors held on May 11, 2021, the Company adopted a resolution of the purchase of treasury shares. “Profit per share” in the consolidated forecasts for the year ending March 31, 2022 takes the impact of said purchase of treasury shares into consideration. For details of the purchase of treasury shares, please refer to “Notice of Determination of Matters Relating to Purchase of Treasury Shares” released today.

* Notes

(1) Changes of important subsidiaries during the period (changes of specific subsidiaries in accordance with changes in the scope of consolidation): None

(2) Changes in accounting policies and changes or restatement of accounting estimates

- (i) Changes in accounting policies caused by revision of accounting standards: None
- (ii) Changes in accounting policies other than (i): None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of shares outstanding (common shares):

- (i) Number of shares outstanding at end of period (including treasury shares)
  - As of March 31, 2021: 100,750,620 shares
  - As of March 31, 2020: 100,750,620 shares
- (ii) Number of treasury shares at end of period
  - As of March 31, 2021: 2,816 shares
  - As of March 31, 2020: 1,367 shares
- (iii) Average number of shares outstanding during the term
  - Year ended March 31, 2021: 100,748,551 shares
  - Year ended March 31, 2020: 100,749,643 shares

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 1, 2020 – March 31, 2021)

(1) Non-Consolidated Financial Results (Percentages show year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2021	21,061	0.3	10,083	5.4	10,963	6.8	10,645	(3.1)
Year ended March 31, 2020	20,990	2.4	9,570	4.1	10,264	0.2	10,988	(12.6)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Year ended March 31, 2021	105.66	–
Year ended March 31, 2020	109.06	–

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2021	216,741	187,923	86.7	1,865.28
As of March 31, 2020	206,885	180,377	87.2	1,790.35

(Reference) Shareholders' equity: As of March 31, 2021: 187,923 million yen
As of March 31, 2020: 180,377 million yen

* These consolidated financial results are not included in the scope of audits by certified public accountants or the audit corporation.

* Explanations and other special notes concerning the appropriate use of business performance forecasts

- The forward-looking statements such as 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.
- For other matters relating to the forecasts, please refer to "1. Analysis of Operating Results and Financial Position, (4) Future Outlook" on page 8 of the accompanying materials.

Accompanying Materials – Contents

1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

The impact of the COVID-19 pandemic on economic activities is still immense, and the future outlook remains uncertain as the pandemic drags on.

Under such conditions, the Group endeavored to provide a stable supply of products and services as a corporate group which plays a role in the vital lifeline of “food,” while taking consistent steps in all three responsibilities (“For our customers,” “For our employees and their families,” and “For society”) it seeks to fulfill as a corporate citizen to realize the Group philosophy: “Through food, we aim to be a good corporate citizen, connecting and collaborating with people to create smiles in their lives.”

Looking at operating results for the fiscal year under review, changes in consumer behavior during the COVID-19 pandemic had a considerable impact on each business, separating the winners and losers in the COVID economy. Whilst the Health Food Business and the Restaurant Business languished, largely because people refrained from going out, the Spice/Seasoning/Processed Food Business and the International Food Business performed strongly on the back of growth in sales of products for household use in Japan and overseas owing to more home-cooked meal demand.

In view of the changes in the business environment caused by the COVID-19 pandemic, the Group recorded a share of loss of entities accounted for using equity method under non-operating expenses and an impairment loss under extraordinary losses in the second quarter of the fiscal year under review. In addition, the Group sold some of the investment securities it held and recorded a gain on sale of investment securities under extraordinary income in the fourth quarter of the fiscal year under review.

As a result, the Group’s operating results were as shown below.

	FY2020	
	Amount (million yen)	Year-on-year change (%)
Net sales	283,754	96.6
Operating profit	19,397	102.1
Ordinary profit	19,820	95.3
Profit attributable to owners of parent	8,733	76.2

As a result, the management indicators regarded as important by the Company are as follows.

	FY2019	FY2020
ATO (Asset Turnover)	0.80 times	0.77 times
ROS (Ratio of operating profit to net sales)	6.5%	6.8%
ROA (Ratio of operating profit to total assets)	5.1%	5.3%
ROE (Ratio of profit to equity)	4.6%	3.4%

The following is an overview of results by segment (before the elimination of inter-segment transactions).

Segment	Consolidated net sales		Consolidated operating profit (Segment profit (loss))	
	Amount (million yen)	Year-on-year change (%)	Amount (million yen)	Year-on-year change (%)
Spice / Seasoning / Processed Food Business	146,340	100.9	15,614	110.7
Health Food Business	20,105	72.1	(413)	–
International Food Business	35,472	119.3	4,584	111.9
Restaurant Business	44,567	84.9	(660)	–
Other Food Related Business	45,542	98.4	1,770	98.8
Subtotal	292,025	96.9	20,895	100.8
Adjustment (elimination)	(8,271)	–	(1,498)	–
Total	283,754	96.6	19,397	102.1

(Note) Adjustment (elimination) comprises profit or loss not distributed to segments and the elimination of inter-segment transactions.

Spice / Seasoning / Processed Food Business

The Spice/Seasoning/Processed Food Business posted gains in sales and profit, reflecting growth of products for the household use, notably spices, due to growing demand for home-cooked meals as well as general reduction in indirect fixed costs due to constraints on business activities.

House Foods Corporation tailored its offer to changing customer needs, simplifying products and increasing the variety of dishes offered. It also sought to make retort pouched products microwaveable, and endeavored to improve value provided both in terms of convenience and lower environmental impact. Meanwhile, the business of products for food service use conducted by House Foods Corporation and Gaban Co., Ltd. reported decreased sales due to the impact of the sluggish restaurant market, although the business showed a gradual recovery trend.

As a result of the above, sales in the Spice/Seasoning/Processed Food Business stood at 146,340 million yen, up 0.9% year on year, and operating profit was 15,614 million yen, up 10.7% year on year. As a result, the ratio of operating profit to net sales was 10.7%, rising 0.9 percentage point from the previous fiscal year.

Health Food Business

The Health Food Business gave a very poor performance in the fiscal year under review. Sales of the *Ukon No Chikara* series, which is a pillar of earnings in this segment, fell sharply due to plunging demand for drinking out, while *C1000,* which is sold mainly through convenience stores, also saw a decline in selling opportunities, especially in urban areas.

As a result, sales in the Health Food Business declined 27.9% year on year, to 20,105 million yen. The segment reported an operating loss of 413 million yen, representing a decrease of 934 million yen year on year, with efforts to drastically reduce costs proving insufficient to offset the impact of sharp decline in sales. As a consequence, the ratio of operating profit to net sales was -2.1%, falling 3.9 percentage point from a year earlier.

International Food Business Period covered by the consolidated financial statements: Mainly from January to December 2020

The tofu business in the United States increased sales despite the COVID-19 pandemic due to growing demand in the plant-based protein market driven by health awareness and environmental awareness. However, in addition to depreciation associated with the new manufacturing lines at the Los Angeles Plant which went into operation in January 2020, the business faced challenges when starting up the new lines and incurred mounting costs because of requiring the full year for stable operation. Accordingly, the tofu business in the United States reported increased sales and decreased profit.

The curry business in China posted increased sales, as COVID-driven demand for home-cooked meals increased,

reflecting expansion of the market for products for household use to include China's inland regions. The business also achieved higher profit, mostly due to the effect of increased sales and reduced expenditures amid restrictions on business activities in the first half. Food service products have also been recovering since the resumption of economic activities.
The functional beverage business in Thailand posted gains in sales and profits, reflecting market expansion after production and supply were significantly ramped up, eliminating the gap between demand and supply, despite an increase in costs due to the introduction of VAT. However, results for the fourth quarter of the fiscal year under review were below the level a year earlier due to slow-moving inventory towards the end of the fiscal year.
As a result of the above, sales in the International Food Business rose 19.3% year on year, to 35,472 million yen, and operating profit increased 11.9%, to 4,584 million yen. As a consequence, the ratio of operating profit to net sales was 12.9%, falling 0.9 percentage point from a year earlier.

Restaurant Business Periods covered by the consolidated financial statements: From March 2020 to February 2021 for Ichibanya Co., Ltd. and from January to December 2020 for overseas subsidiaries
The Restaurant Business faced an extremely difficult environment due to the COVID-19 pandemic, with restaurants asked to close temporarily or shorten their operating hours by local authorities and with inbound demand drying up. Ichibanya Co., Ltd. reported declines in sales and profit, reflecting store sales far below the level a year earlier, despite the active incorporation of measures to prevent the spread of COVID-19 and efforts to operate in such a way that made customers feel safe, as well as efforts to expand takeout and home delivery. Under such conditions, Ichibanya Co., Ltd. pushed ahead with initiatives for growth, including opening a first restaurant in India in August 2020 and making DAIKOKU SHOJI Ltd. (now DAIKOKU SHOJI Co., Ltd.), which operates the Jingisukan restaurant chain in Hokkaido, into a consolidated subsidiary in December 2020. Meanwhile, steps were taken to provide cash flow support for franchisees, including scrapping the franchise security deposit system and refunding security deposits in full.
As a result of the above, the Restaurant Business that includes Ichibanya Co., Ltd. and other restaurant subsidiaries recorded net sales of 44,567 million yen, a decrease of 15.1% year on year, and an operating loss of 660 million yen, with operating profit declining 862 million yen from a year ago. As a consequence, the ratio of operating profit to net sales was -1.5%, falling 1.9 percentage point from a year earlier.
Taking into consideration the deterioration of the business environment due to COVID-19, in the second quarter of the fiscal year under review, the Company recognized impairment losses in relation to the goodwill and other intangible assets, which arose when the Company made Ichibanya Co., Ltd. into a consolidated subsidiary and recorded extraordinary losses. As a result, the Company completed amortization of such goodwill in the fiscal year under review.

Other Food Related Business
Delica Chef Corporation recorded declines in sales and profits, reflecting the impact of fewer production items for prepared food, in addition to the sluggish performance of baked bread.
Vox Trading Co., Ltd. posted lower sales and higher profits, reflecting a reduction in fixed costs such as travel expenses, which offset slow shipments of food service products.
As a result of the above, sales in Other Food Related Business decreased 1.6% year on year, to 45,542 million yen, and operating profit fell 1.2% year on year, to 1,770 million yen. Consequently, the ratio of operating profit to net sales was 3.9%, mostly unchanged from a year earlier.

(2) Analysis of Financial Position
Total assets at the end of the consolidated fiscal year under review rose 1,956 million yen from the end of the previous

consolidated fiscal year, to 369,150 million yen.

Current assets stood at 156,909 million yen, an increase of 7,256 million yen compared to the end of the previous consolidated fiscal year. Non-current assets were 212,241 million yen, a year-on-year decrease of 5,300 million yen.

The primary factors for the increase in current assets include a 12,481 million yen increase in cash and deposits and a 1,214 million yen increase in merchandise and finished goods, offsetting a 4,670 million yen decrease in notes and accounts receivable-trade and a 1,378 million yen decrease in securities.

The primary factors for the decrease in non-current assets include a 5,085 million yen decrease in contract-related intangible assets, a 4,654 million yen decrease in trademark right and a 2,250 million yen decrease in goodwill, offsetting a 6,785 million yen increase in retirement benefit asset.

Total liabilities at the end of the consolidated fiscal year under review were 81,859 million yen, a decrease of 4,405 million yen compared to the end of the previous consolidated fiscal year.

Current liabilities were down 1,810 million yen from the end of the previous consolidated fiscal year, to 51,327 million yen, and non-current liabilities were 30,532 million yen, a year-on-year decrease of 2,594 million yen.

The primary factors for the decrease in current liabilities include a 2,925 million yen decrease in notes and accounts payable-trade, offsetting an 871 million yen increase in accounts payable-other.

The main factors for the decrease in non-current liabilities include a 1, 714 million yen decrease in long-term guarantee deposits.

Net assets stood at 287,291 million yen, an increase of 6,361 million yen from the end of the previous consolidated fiscal year, reflecting increases in remeasurements of defined benefit plans and in retained earnings due to the posting of profit attributable to owners of parent, offsetting a decrease in non-controlling interests.

As a result, the equity ratio at the end of the consolidated fiscal year under review stood at 69.9%, compared with 67.7% at the end of the previous consolidated fiscal year, and net assets per share were 2,562.29 yen, compared with 2,469.20 yen at the end of the previous consolidated fiscal year.

(3) Analysis of Cash Flows

With respect to cash flows for the consolidated fiscal year under review, net cash provided by operating activities amounted to 23,181 million yen, net cash used in investing activities, including the purchase of plant, property and equipment and purchase of securities, amounted to 8,558 million yen, and net cash used in financing activities, including proceeds from short-term borrowings, repayments of short-term borrowings, and dividends paid, was 6,172 million yen.

As a result, cash and cash equivalents at the end of the consolidated fiscal year under review stood at 78,343 million yen, an increase of 8,473 million yen compared with the balance at the beginning of the year.

The status and primary contributing factors for each cash flows category were as follows:

(Cash flows from operating activities)

Cash provided by operating activities during the consolidated fiscal year under review was 23,181 million yen, a decrease of 1,037 million yen from the previous consolidated fiscal year. Key factors included 12,049 million yen in profit before income taxes, impairment loss of 10,075 million yen, depreciation of 10,035 million yen, and income taxes paid of 7,548 million yen.

The decrease in comparison to the previous consolidated fiscal year is mainly attributable to a decrease in profit before income taxes (a year-on-year decrease of 8,633 million yen), an increase in decrease (increase) of inventories (a year-on-year decrease of 3,333 million yen), and an increase in impairment loss (a year-on-year increase of 9,688 million yen).

(Cash flows from investing activities)

Cash used in investing activities during the consolidated fiscal year under review was 8,558 million yen, which was 2,202 million yen more than cash used in the previous consolidated fiscal year. Key factors included the purchase of property, plant and equipment of 8,819 million yen, the purchase of securities of 4,508 million yen, the purchase of investment securities of 4,459 million yen, proceeds from sale of securities of 6,902 million yen, and proceeds from sale of investment securities of 4,534 million yen.

The primary factors for the decrease compared with the previous consolidated fiscal year were an increase in purchase of securities (a year-on-year decrease of 2,508 million yen), a decrease in proceeds from the sale of securities (a year-on-year decrease of 1,647 million yen), a decrease in proceeds from the sale of investment securities (a year-on-year decrease of 1,457 million yen), an increase in purchase of investment securities (a year-on-year decrease of 1,297 million yen), an increase in purchase of intangible assets (a year-on-year decrease of 1,192 million yen) and a decrease in purchase of property, plant and equipment (a year-on-year increase of 6,097 million yen).

(Cash flows from financing activities)

Cash used in financing activities during the consolidated fiscal year under review was 6,172 million yen, which was 1, 394 million yen less than cash used in the previous consolidated fiscal year. Key factors included repayments of short-term borrowings of 47,663 million yen, dividends paid of 4,634 million yen, and proceeds from short-term borrowings of 47,965 million yen.

The primary factors for the increase compared with the previous consolidated fiscal year were an increase in proceeds from short-term borrowings (a year-on-year increase of 13,119 million yen) and an increase in repayments of short-term borrowings (a year-on-year decrease of 12,281 million yen).

(Million yen)

	Year ended March 31, 2020	Year ended March 31, 2021	Year-on-year change
Cash flows from operating activities	24,218	23,181	(1,037)
Cash flows from investing activities	(6,356)	(8,558)	(2,202)
Cash flows from financing activities	(7,567)	(6,172)	1,394
Effect of exchange rate changes on cash and cash equivalents	(192)	22	214
Net increase (decrease) in cash and cash equivalents	10,104	8,473	(1,631)
Cash and cash equivalents at beginning of period	62,495	69,870	7,375
Decrease in cash and cash equivalents resulting from corporate division	(2,729)	–	2,729
Cash and cash equivalents at end of period	69,870	78,343	8,473

Cash flow indicators for the Group are as follows:

	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2021
Equity ratio (%)	66.5	66.5	66.6	67.7	69.9
Equity ratio (market value basis) (%)	70.5	95.9	120.8	96.7	99.3
Cash flow/interest bearing liabilities ratio (%)	64.9	62.6	63.7	45.9	40.5
Interest coverage ratio (times)	252.8	263.5	256.0	383.1	444.8

(Notes) 1. Equity ratio: Shareholders' equity / Total assets
Equity ratio (market value basis): Market capitalization / Total assets
Cash flow / interest bearing liabilities ratio: Interest-bearing debt / Operating cash flow
Interest coverage ratio: Operating cash flow / Interest payments
2. Each indicator is calculated based on consolidated financial figures.
3. Market capitalization is calculated by multiplying the closing share price at the end of the fiscal year with the number of outstanding shares (excluding treasury shares) as of that date.
4. Operating cash flow uses net cash provided by operating activities on the consolidated cash flow statements.
5. Interest-bearing debt includes all liabilities requiring the payment of interest under the liabilities section of the consolidated balance sheet. Interest payments equal the amount of interest paid on the consolidated cash flow statements.

(4) Future Outlook

	Result for year ended March 31, 2021 (Million yen)	Result for year ended March 31, 2021 after application of accounting standard (Million yen)	Year ending March 31, 2022 (forecasts) (Million yen)	Increase/ Decrease (Million yen)	Increase/ Decrease (%)
Net sales	283,754	250,066	259,000	8,934	3.6
Operating profit	19,397	19,413	20,000	587	3.0
Ordinary profit	19,820	19,837	21,500	1,663	8.4
Profit attributable to owners of parent	8,733	8,749	13,000	4,251	48.6

(Note) 1. The changes from the previous year and percentage change from the previous year are based on comparison between the forecast for the year ending March 31, 2022 and the results for the year ended March 31, 2021 after application of the accounting standard.

The outlook for the Group’s operating environment, including consumer spending, remains uncertain, as the economy is expected to take some time to fully recover amid fears that the effects of the COVID-19 will drag on.
Under the Group’s Seventh Medium-term Business Plan, launched in April this year, the Group will accelerate its transformation into a high quality company in terms of all “three responsibilities” (“For our customers,” “For our employees and their families,” and “For society”) and will pivot towards new challenges for growth. The Group has defined four value chains (“VC”) as domains in which it will provide “Healthy Life Through Food.” By further expanding the mainstay “Spice VC” and by endeavoring to develop the “Functional Ingredients VC,” which includes vitamin and lactic acid bacterium, and the “Soybean VC” centered on tofu, as well as the “Value-Added Vegetable VC” as a new challenge, the Group will work to achieve growth in Japan and overseas through the creation of new value.
In the year ending March 31, 2022, which is the first fiscal year of the plan, the Group will focus on improving productivity in existing domains through structural reforms, including integrating sales capabilities for products for household use in Japan (integration of the sales capabilities of House Wellness Foods Corporation into House Foods Corporation) effective from April this year. It will also work to strengthen the foundations for executing strategies by focusing management resources on growth domains.
With these initiatives, for the next fiscal year the Group expects consolidated net sales of 259,000 million yen (a year-on-year increase of 3.6%), consolidated operating profit of 20,000 million yen (a year-on-year increase of 3.0%) and consolidated ordinary profit of 21,500 million yen (a year-on-year increase of 8.4%). The Group also anticipates profit attributable to owners of parent of 13,000 million yen (a year-on-year increase of 48.6%).

The forecasts above have been made based on information available on the date of publication of this document. Actual results may differ from the forecast.

(Reference) By segment

	Result for year ended March 31, 2021 (Million yen)	Result for year ended March 31, 2021 after application of accounting standard (Million yen)	Year ending March 31, 2022 (forecasts) (Million yen)	Increase/ Decrease (Million yen)	Increase/ Decrease (%)
Spice / Seasoning / Processed Food Business					
Net sales	146,340	120,309	121,700	1,391	1.2
Operating profit	15,614	15,614	14,000	(1,614)	(10.3)
Health Food Business					
Net sales	20,105	15,281	17,500	2,219	14.5
Operating profit	(413)	(396)	100	496	–
International Food Business					
Net sales	35,472	34,128	36,100	1,972	5.8
Operating profit	4,584	4,584	4,700	116	2.5
Restaurant Business					
Net sales	44,567	44,698	49,300	4,602	10.3
Operating profit	(660)	(660)	2,600	3,260	–
Other Food Related Business					
Net sales	45,542	43,922	42,400	(1,522)	(3.5)
Operating profit	1,770	1,770	1,500	(270)	(15.2)
Adjustment					
Net sales	(8,271)	(8,271)	(8,000)	271	–
Operating profit	(1,498)	(1,498)	(2,900)	(1,402)	–

(Note) 1. The changes from the previous year and percentage change from the previous year are based on comparison between the forecast for the year ending March 31, 2022 and the results for the year ended March 31, 2021 after application of the accounting standard.

(5) Basic Policy on the Payment of Dividends and Dividends for the Fiscal Year under Review and Next Fiscal Year

Recognizing that one of the key management issues is the return of profits to shareholders, the Group endeavors to increase its earnings power and improve its financial position. In addition, our basic policy on the payment of dividends is 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 combination and the amortization of goodwill as a standard,” comprehensively considering the consolidated business results and the business plans, among other aspects.

In the fiscal year under review, the Group recorded one-off extraordinary income mainly due to the sale of investment securities. However, out of consideration for maintaining a stable dividend, the Group expects to pay a year-end dividend of 23.00 yen per share. This combined with the interim dividend of 23.00 yen, will bring the annual dividend to 46.00 yen per share, which is unchanged from the previous fiscal year.

As a result, the consolidated dividend payout ratio will be 53.1%. However, excluding the effects of extraordinary income/losses arising from business combinations and the amortization of goodwill mentioned above, the dividend payout ratio will be 29.7% on a consolidated basis.

Next fiscal year, despite concerns that the effects of COVID-19 will drag on, out of consideration for maintaining a stable dividend, the Company plans to pay an annual dividend of 46.00 yen per share (Including an interim dividend of 23.00 yen).

In terms of internal reserves, the Group seeks to use such reserves to fund investment in manufacturing equipment, research and development, and new businesses development, to prepare for future business.

(6) Business and Other Risks

To achieve the Group philosophy, “Through food, we aim to be a good corporate citizen, connecting and collaborating with people to create smiles in their lives,” the Group is “striving to become a high quality company that provides ‘Healthy Life Through Foods,’” while fulfilling its responsibility as a corporate citizen in all “three responsibilities” (“For our customers,” “For our employees and their families,” and “For society”).

Risks that could influence the Group’s situation including its financial position, operating results and cash flow (hereinafter referred to as “financial position, etc.”) include the following. However, the statements below do not cover all the risks, and the Group may be subject to the impact of any risk in the future that cannot be foreseen or is not perceived as a problem at the present time. Recognizing the possibility of these risks occurring (being actualized), the Group will work to prevent or avoid them. The Group will also focus on minimizing risks to operations and business risks in the event of actualization of risks.

The forward-looking statements included in this document are judgments made by the Group as of the end of the fiscal year under review.

<Effects of COVID-19>

Since the start of the COVID-19 pandemic, amid the multiple waves of COVID-19 and the rounds of containment measures, the Group has sought to prevent the spread of infection, including modifying the way it does business and adjusting working environments, in line with the established guidance for each phase to ensure that the Group can continue conducting business as a corporate group which is instrumental in the “food” lifeline. The Group believes it is imperative to assume that the effects will continue to drag on further and to take action to address the increased societal demands and changing consumer behaviors brought about by COVID-19.

Effects on business While opportunities for home-cooked meals will increase, there is a risk that the Group’s financial position, etc. will be affected by market contraction in the Restaurant Business and the business of food service products. Meanwhile, House Wellness Foods Corporation, which sells products linked to drinking such as the *Ukon No Chikara* series, may continue to be hit by fewer opportunities to drink out, as people refrain from going out and workstyles and lifestyles change, and the Group’s financial position, etc. could be affected as a result.
Effects on value chains The Group has many manufacturing and business facilities in Japan and overseas and also procures raw materials from countries all over the world. Although the Group is implementing measures to prevent the spread of infection as outlined above, any temporary stoppage in business activities due to a COVID-19 cluster or instability in the supply of raw materials procured overseas might disrupt the supply of products and services.
Effect on business operations and expansion There is the risk that business expansion will be delayed because of COVID-19, with business investments that require overseas trips or other visits being abandoned, disrupted or taking longer than anticipated. Similarly in the case of projects the Group has already decided to invest in, the COVID-19 situation may prevent the Group from establishing direct communication, making smooth progress with PMI or other processes further down the line or making decisions at the right time, and the Group’s financial position, etc. might be affected as a result. In view of changes in the business environment, the Group recorded a share of loss of entities accounted for using equity method and an impairment loss in the year ended March 31, 2021.

(i) Risks related to responsibility for our customers

Key risks related to the activities for sustainable business growth and the continued provision of unique value to society are as follows.

1) Risks related to domestic market trends

Background	Overview and impact of risks	Main countermeasures
Domestic sales account for more than 80% of the Group’s total sales. In the Spice/Seasoning/Processed Food Business, products for cooking, such as curry roux, make up most of net sales, and there is a risk that the market will shrink due to a growing underlying tendency for people to eat out or buy food to eat at home. In the Health Food Business, there is a risk of market contraction because of changes in lifestyles.	There is a risk that domestic economic trends and a fall in the population will lead to sluggish consumption and intensified sales competition over the long term. There is also a risk that the value we provide will be damaged by a delayed response to the shrinking market described on the left.	- Reinforcement of earnings strength through improved productivity in existing mature business areas and the focused allocation of management resources to growth business areas in Japan and overseas - Expansion of the domains in which the Group operates based on value chains (hereinafter referred to as “VC”), with spices as the axis - Strengthening of competitiveness and enhancement of value provided through the sharing of resources and improvement of efficiency within the Group including pursuing initiatives to be conducted beyond the boundaries within the Group (hereinafter referred to as “GOT”) - Focus on the creation of business from a VC perspective in areas in which the Group excels such as functional ingredients and soybeans - Consideration of business strategies and strengthening of ability to propose solutions for the “New Normal”

2) Risks related to business expansion

Background	Overview and impact of risks	Main countermeasures
Since shifting to a holding company system in 2013, the Group has promoted the expansion of value chains by including Ichibanya Co., Ltd. and Gaban Co., Ltd. in the Group in 2015 and 2016, respectively, among other measures. The Group also established a venture capital fund in 2017 and worked to lay the foundations for new value through investment in enterprises expected to generate business synergy with the Group. As a result, the Group may record goodwill and intangible assets associated with acquisitions.	There is a risk that the Group will incur impairment losses in relation to goodwill and intangible assets associated with acquisitions if these assets are unable to generate the expected cash flows or create the initially assumed synergies due to nonattainment of the business plan or changes in the market environment.	- Examination of investment plans at the Management Committee (including reasonability from a financial perspective as well as profitability and growth potential risk from a business strategy perspective) - Tightening of rules on monitoring after investments are made (any unexpected business changes which occur are reported without delay to the Management Committee for a management decision to be made, etc.) - Accumulation of knowledge about the issues that arise from business investments such as M&A and strengthening of ability to manage the investment process and gather information

3) Risks related to technological innovation

Background	Overview and impact of risks	Main countermeasures
In the mature food industry, the competitive environment is diversified due to entries from other industries and the rise of new technologies, in addition to existing business competition.	While the Group is working to strengthen its R&D functions to help resolve the issues facing customers and society and working to adapt to digitalization, there is a risk that value provided will become obsolete as a result of the declining competitive advantage of the Group if its response to these developments is delayed.	- Setting of key R&D areas and themes as well as the concentrated investment of management resources - Awareness-raising and creation of a climate to improve the ability to create and achieve new innovations - Enhancement of collaboration among value chains with the aim of creating businesses, in addition to solving technological issues among the Group companies - Promotion of co-creation strategies through open innovation - Laying of foundations and the creation of new value through more proactive investment in digital technology

4) Risks related to overseas business development

Background	Overview and impact of risks	Main countermeasures
The Group is expanding businesses such as curry products, tofu products and functional drinks in the countries it operates but food cultures are conservative by nature and detailed prior research and continuous strengthening of the business base are required for these products to penetrate and become firmly established in the food cultures of the countries in which the Group operates. In addition, the Group converts financial statements prepared in the local currency of each area into yen to prepare its consolidated financial statements and is affected by medium- and long-term currency fluctuations.	Business plans may be delayed or impairment losses may be incurred if products and services are less successful than expected in penetrating and becoming firmly established in the food cultures of each market. There is also a risk of a decline in ability to generate profit or incompetent governance if the Group is too slow in establishing or developing a management base commensurate with business size, if it is too slow to comply with the promulgation or amendment of national laws or if a country risk emerges.	- Forecasting of market potential based on detailed market research into receptivity of food culture and brand recognition - Strengthening of the business base by continually developing and securing human resources for managerial posts and gathering information about national laws in collaboration with outside agencies - Construction and development of a risk management system according to business size based on cooperation between House Foods Group and its overseas business companies - Efforts to mitigate country risk through decentralization of business infrastructure by expanding business into multiple geographical areas

5) Risks related to safety and security of food

Overview and impact of risks	Main countermeasures
Whilst the entire Group is focused on maintaining and improving quality to continue supplying customers with worthwhile products and services in a safe and secure manner, there is a risk that the Group's corporate brand will be damaged and its social credibility will be lost due to the occurrence of quality issues in its products and services, and costs to address these issues will increase.	- Strengthening and promotion of a quality assurance system as an overall Group centered on the Group Quality Assurance Committee and the Group Quality Assurance Executives Committee - Acquisition of international certifications for quality and food safety management systems, such as ISO 9001 and FSSC 22000, according to the characteristics of the Group companies, and operation in accordance with such standards - Management of quality risk information related to legal regulations and matters of concern from customers regarding food safety, including raw materials - Cultivation of human resources through study meetings on the subject of safety and security of food - Fostering of an organizational climate which attaches importance to quality through measures such as a professional award scheme - Improvement in quality assurance in each process, from product design to sales, through activities that reflect customers' comments - Full enforcement of easy-to-understand information disclosure through product packages and the web

(ii) Risks related to responsibility for our employees and their families

For the medium- to long-term growth of the Group, the active participation of each employee with diverse values and expertise is essential. Key risks related to activities for providing extensive and strong support to employees to help them lead enriched lives through work are as follows.

1) Risks related to the securing, cultivation and active participation of diverse human resources

Overview and impact of risks	Main countermeasures
There is a risk that the ability to innovate will be damaged, business opportunities will be lost, and excellent human resources will leave the Group if human resources cannot be appropriately secured and trained according to the characteristics and growth stage of each Group company or the realization of GOT and global expansion of business domains and if an organizational climate that respects diversity in terms of culture and values cannot be fostered.	- Development of a personnel system and change in workstyle for all employees with diverse individuality to be able to showcase their expertise (Shift away from "work style reform" to "job satisfaction transformation" for employees' own growth) - Creation of an organizational climate in which diverse human resources are able to actively participate, regardless of gender, nationality, career or disability - Promotion of personnel exchanges inside and outside the Group and strengthening of the process to cultivate human resources - Development of a workplace environment that observes compliance without discrimination and harassment - Support for employees to take on new challenges through initiatives such as in-house recruitment system and challenge awards - Creation of learning opportunities through various systems to support learning and in-house training - Systems to support employees in keeping healthy

(iii) Risks related to responsibility for society

Key risks related to activities for helping solve various issues facing society through business activities as a corporate member of society are as follows.

1) Risks related to sustainable procurement of raw materials

Overview and impact of risks	Main countermeasures
The Group procures a variety of raw materials including spices from countries around the world. In the procurement of these raw materials, there is a risk that intensified competition in the procurement of food resources and changes in supply and demand associated with growing international demand, climate change, geopolitical risk and a delay in response to social and environmental issues in each stage of the VC will lead to inadequate procurement, higher costs and loss of social credibility.	- Execution of a variety of measures to strengthen efforts in upstream areas (such as stable procurement through the diversification of production regions, the promotion of efforts to collaborate with procurement places in areas such as technological development and quality improvement, and the strengthened monitoring of suppliers) - Creation of a framework for the realization of sustainable procurement (establishment of CSR guidelines for suppliers of materials and promotion of procurement of raw materials in consideration of the environment, human rights and the economy in production regions) - Review of safety stock levels for important raw materials

2) Risks related to climate change

Overview and impact of risks	Main countermeasures
Recognizing that climate change is an issue that could have an impact on a global scale and is important for the Group, which has created value chains in Japan and overseas, the Group takes measures against it. However, there is a risk that incomplete procurement of raw materials, rising costs and the division of business activities, such as a halt in production, will occur due to a rise in temperature, abnormal weather and natural disasters. There is also a risk that higher production costs, restrictions on business activities and damage to corporate value will occur due to deficiency or delay in response to decarbonization.	- Promotion of investments to reduce environmental burdens by formulating judgment criteria for environmental investments - Consideration and implementation of new energy measures in relation to emissions of CO2 and other greenhouse gases (acceleration of initiatives to reduce scope 1 and 2 emissions and action to address scope 3) - Promotion of resource circulation and recycling through initiatives such as the reduction of food waste and process loss (conversion to feedstuff and fertilizer, food banks, disposal control and the establishment of technology to use up raw materials) and development of eco-friendly containers and packages - Shift to renewable energy

3) Risks related to weather-related factors, large-scale natural disasters and widespread outbreak of serious diseases

Overview and impact of risks	Main countermeasures
Weather-related factors, such as relatively cold summers, heat waves and relatively mild winters, the occurrence of a large-scale natural disaster, or the widespread outbreak of serious infectious disease could affect the Group's financial position, etc. Details of the effects of COVID-19 on the Group are described earlier in <Effects of COVID-19>.	- Construction of a crisis management system including the development of production and supply systems to fulfill our responsibility for supplying products while securing the safety of human lives as the mission of a food company when a large-scale disaster or the widespread outbreak of a serious infectious disease has occurred - Formulation of a business continuity plan (BCP) according to the characteristics and size of business and implementation of a review through regular trainings and other means at the Group companies in Japan and overseas

(iv) Other common risks

1) Risk related to laws and regulations and soft law

Overview and impact of risks	Main countermeasures
The Group is subject to a number of laws and regulations, including the Food Sanitation Act, the Product Liability Act, the Act against Unjustifiable Premiums and Misleading Representations, and local laws and regulations overseas. The Group conducts business activities in Japan and overseas in compliance with the laws and regulations of each country but new laws and regulations are being enacted in line with changes in society and the environment and increasingly diverse values. If the Group fails to obtain information about existing laws and regulations or the enactment or amendment of new laws and regulations in a timely manner, if it fails to properly adapt its businesses practices to the content of such laws and regulations, or if it fails to conduct business activities in line with moral values and ethical values that show respect for diverse values, the Group's business activities may be restricted and there is a risk of other consequences such as a loss of favor among customers, increased costs if it is sanctioned or subject to restrictions on its business activities for violation of the law or anti-social behavior, and damage to its corporate value due to a loss of social credibility.	- Compliance with laws, regulations and international rules in the countries of each officer and employee and the maintenance and promotion of friendly relationships by respecting human rights and local cultures, traditions and customs based on the House Way, which contains values common to the Group, as well as the House Foods Group CSR Policy and the House Foods Group Action Guidelines, which outline the code of conduct for the Group. - Implementation of monitoring and review of the status of efforts for important CSR-related subjects for the entire Group through the Group CSR Committee, which consists of directors, etc. in House Foods Group - With respect to compliance, which is regarded as an important CSR issue, progress on the resolution of issues at each company through establishment of the Compliance Promotion Committee - Development and publication of the House Foods Group General Compliance Helpline to discover and solve compliance issues at an early stage - Gathering of information about new laws and amendments through the division responsible for each type of law or the Legal Division and adaptation of business practices accordingly

2) Risks related to information security

Overview and impact of risks	Main countermeasures
The Group uses mainly IT systems to manage data about development, production, logistics, sales, labor and other aspects, and the personal information of many customers obtained mainly through mail-order marketing. Systems could become inoperative, or sensitive information could be lost if software or equipment were to be damaged in a disaster. There is also the potential for system failures, unauthorized disclosure, or falsification of data as a result of unexpected cyber attacks. Meanwhile, the diversification of workstyles might result in employees taking information outside the Group or handling it inappropriately, leading to information leaks. Such events could affect the Group's financial position, etc. and public trust in the Group.	- Development of structures and enforcement of rules for comprehensively managing information security - Implementation of system security measures using software and equipment as well as employee trainings and exercises - Tighter measures to prevent leaks including regular implementation of internal surveys about working from home and web conferencing, specification of company information that needs to be protected, and reinforcement of employee training

2. Basic Corporate Management Policy and Issues Facing the Group

(1) Basic Corporate Management Policy

The Group positions the following three factors as the Group philosophy. According to the Group philosophy, the Group has been striving to expand its business through consistent business activities by clarifying the targets it aims to achieve.

"Our Founding philosophy"

In every happy home throughout Japan you will find the warm flavor of home cooking, House. The Symbol of a Happy Home

"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)"

Consisting of the Company's motto (Sincerity, Originality and Enthusiasm) and the 10 House Values.

(2) Business Environment

The COVID-19 pandemic has brought about huge changes in society, the economy and people's lifestyles. In Japan, whilst products for household use have grown due to increased demand for home-cooked meals, some businesses continue to face difficult conditions due to decreased food service demand. Meanwhile, the employment and labor environments are being affected by demographic changes such as decline in the working-age population. Overseas, continued growth in markets such as the United States, China and ASEAN is expected. At the same time, companies are increasingly expected to contribute to solutions to global social issues, including global environmental concerns, for instance by reducing carbon dioxide and waste.

In response to such changes in the business environment, the Group aims to flexibly adapt to changing food scenarios, push ahead with initiatives for the realization of diversity, and fulfil its social responsibilities as a corporate citizen.

(3) The Company's Medium- to Long-term Management Strategy and the Issues that the Company Needs to Address

The Group's current Medium-term Business Plan specifies "striving to become a high quality company that provides 'Healthy Life Through Foods'" as the ideal of the House Foods Group. Both on the business front and in all the Group's three responsibilities as a corporate citizen that form the basis of the Group philosophy, namely "For our customers," "For our employees and their families" and "For society", the Group is pushing ahead with initiatives to transform itself into a high quality company.

Under the Seventh Medium-term Business Plan, launched from April this year, the Group will achieve sustainable growth under the slogan "Striving to become a high quality company that provides 'Healthy Life Through Foods' <Chapter 2> Striving for Four Value Chains," by further strengthening "1: Spice Value Chain" whilst also striving to develop "2: Functional Ingredients Value Chain," which includes vitamins and lactic acid bacterium, "3: Soybean Value Chain," which is predominantly tofu, and "4: Value-added Vegetable Value Chain," which represents a new challenge, and by prioritizing the allocation of management resources to growth areas.

● Priority Initiatives

(i) <u>For customers</u>

■ Achievement of growth driven by four value chains (hereinafter referred to as “VC”)

<table>
<tr><th></th><th>Existing domains</th><th>Growth domains</th><th>New domains</th></tr>
<tr><td rowspan="3">Spice VC</td><td><u>(Production GOT)</u>
◇ Deepening of domestic business
- Strengthening of earning power
- Improvement of productivity</td><td><u>(BtoB-GOT)</u>
◇ Expansion of domestic BtoB business</td><td>◇ Application of technologies utilizing spice ingredients</td></tr>
<tr><td colspan="3"><u>(Spice VC-GOT)</u>
◇ Spice procurement reforms
◇ ASEAN business development</td></tr>
<tr><td>◇ Restaurant Business (domestic): Improvement of earning potential of curry business</td><td>◇ China: Expansion of business domains
◇ Restaurant Business (international): Expansion of areas of operation overseas</td><td>◇ ASEAN: Establishment of BtoC curry business</td></tr>
<tr><td>Functional Ingredients VC</td><td>◇ Structural reform of domestic business
◇ Maximize the effect of integration of sales capabilities in Japan</td><td>◇ Expansion of direct retail (mail order) business
◇ Expansion of overseas vitamin drink business (Thailand → ASEAN)</td><td>◇ Overseas expansion of lactic acid bacterium business (Europe/United States)</td></tr>
<tr><td>Soybean VC</td><td colspan="2">◇ Expansion of tofu business in the United States
- Strengthening of R&D and production capabilities: Expansion of production capabilities of LA plant, consideration of third base</td><td>◇ Business expansion outside the United States</td></tr>
<tr><td>Value-added Vegetables VC</td><td colspan="3">◇ Creation of VC’s own unique business model through collaborative creation with partners inside and outside the Group</td></tr>
</table>

(Note) 1. Themes contained inside a double border are all new domains the Group will focus on moving forward.

■ Realization of three GOT

GOT initiatives considered under the Sixth Medium-term Business Plan will enter the implementation phase under the Seventh and Eighth Medium-term Business Plans.

1) Production GOT: Realization of stronger Group competitiveness

- Establishment of the Group’s optimum production management system

2) BtoB-GOT: Creation of a new growth story for domestic BtoB

- Realization of growth in mature domestic market

3) Spice VC-GOT: Establishment of globally competitive Spice VC

Implementation of global strategy with upstream (ASEAN) as starting point

■ Creation of new value through collaborative creation

We will focus on creating new value through the integration of business development, R&D and development of human resources, aiming to become a more innovative organization with the capacity to develop themes and take on challenges.

1) Business development

- Elimination of division of roles between new and existing domains Bridging of gap between new and existing domains, stimulating groupwide hunger to explore new growth opportunities

2) R&D (Knowledge exploration)

- Shift towards open technology and cultivation of business mindset for multi-faceted usage of technologies

3) Development of human resources

- Identification and cultivation of human resources with a challenging spirit and creation of a climate and opportunities for taking on challenges

(ii) For our employees and their families

We will further cultivate and accelerate the approach adopted under the Sixth Medium-term Business Plan of aiming for both the growth of employees and the growth of the Group by improving productivity through the “achievement of diversity.”

■ Implementation of job satisfaction transformation

- Evolution of “work style reform” concept into concept of “job satisfaction transformation” for employees’ own growth

■ Strong support for demonstration of individuality and mix of personalities

- Mix of diverse personalities for maximization of Group synergy (support for career development, , exchange of human resources across the Group, development of global human resources, promotion of female participation and career advancement,and increased career recruiting)

(iii) For society

Acceleration of initiatives from a global perspective and across all value chains aiming for “healthy people and a healthy planet”

■ Establishment of a recycling-oriented model: Environmental measures across all VCs

- Acceleration of reduction in CO2 emissions and expansion of scope of initiatives
- Strengthening of momentum behind waste reduction activities and promotion of recovery of valuable materials from waste

■ Achievement of a society of healthy longevity: Contribution to better health through core business

- Creation of health value through business activities
- Exploration of seeds for creation of the health businesses of the future

● Business strategies by segment

Segment	Key initiatives
Spice / Seasoning / Processed Food Business	◇ Growth based on the creation of new value Achievement of growth across a wider domain through free thinking and a challenging spirit ◇ Improvement of earning capacity as core business Continuation of initiatives for reform of earning structure and pursuit of effective marketing measures to ensure competitiveness ◇ Commitment to solve social issues through core business Reduction of CO_2 emissions and waste in production operations, and reduction of CO_2 emissions through shift to microwaveable retort pouched products
Health Food Business	◇ Shift to a more sustainable business model by capturing business opportunities globally from a VC perspective Focus on the global expansion of vitamin drinks and lactic acid bacterium business for the establishment of Functional Ingredient VC ◇ Rebuilding of existing domestic business Implementation of profit structure reforms and establishment of new customer contact points
International Food Business	◇ Acceleration of growth. Shift towards greater local autonomy aiming to achieve growth on a “local production for local consumption” basis - Business in the United States: Strengthening of base (expansion of production system and supply chain, strengthening of R&D) for advancement to further growth stage, and expansion of area of operation - Business in China: reflecting expansion of the market for products for household use to include China’s inland regions, sustainable growth of core business and expansion of business domain to meet local needs - ASEAN: Establishment of BtoC curry business as a new challenge and pursuit of possibilities of BtoB spice business in conjunction with GOT - Strengthening of governance with a view to greater local autonomy
Restaurant Business	◇ Proactive generation of domestic demand in the COVID and post-COVID era Strengthening of non-eat-in services and contact points (home delivery and drive-thru, development of business styles, etc.) ◇ Promotion of Group synergy themes Creation of benefits for the Company, Ichibanya Co., Ltd. and franchise owners through the development of new curry sauces
Other Food Related Business	◇ Delica Chef Corporation: Collaborative creation in Value-added Vegetable VC ◇ Vox Trading Co., Ltd.: Utilization of upstream strengths and demonstration of capabilities linking activities in the VC together

● Financial strategies

Over the period of the Seventh Medium-term Business Management Plan, we plan to make business investments totaling 70 billion yen, comprising investments of 40 billion yen in growth domains of the Four VCs, 20 billion yen in existing domains, and 10 billion yen in digital transformation and the environment. We also plan to purchase treasury shares worth 12 billion yen funded by the partial sale of the Group’s cross-shareholdings.

● Strengthening of corporate governance

The Company considers a system of internal controls to be a mechanism for strengthening its corporate governance system, embodying its corporate philosophy, and achieving its management goals. We plan to step up the construction and operation of governance systems for risk management, compliance, and other areas from the perspective of Group management, to improve our corporate value, and achieve sustainable development. In terms of corporate bodies, the Company has two Outside Directors and is focusing on reinforcing the supervisory function in relation to the management strategy body. Five audit & supervisory board members, including three outside audit & supervisory board members, inspect the directors’ performance of their duties. Two standing audit & supervisory board members strive to ensure the effectiveness of auditors' auditing in the Group by concurrently becoming non-standing auditors of major Group companies. In addition, the Company establishes the Compensation Advisory Committee chaired by an Independent Director and of which more than half of the members are Independent Directors and ensures the objectivity and transparency of the procedure for determining the remuneration of directors and audit & supervisory board members.

At a meeting of the Board of Directors held on February 19, 2021, the Company resolved to transition to a Company with Audit & Supervisory Committee subject to approval of the 75th Ordinary General Meeting of Shareholders, with the aim of strengthening its audit and supervisory functions and further enhancing its corporate governance system. At the same meeting of the Board of Directors, the Company resolved to establish a Nomination Advisory Committee with the aim of ensuring transparency and objectivity in the process of determining matters such as the election and dismissal of Directors.

We plan to make ongoing improvements to our system of internal controls so that it functions effectively for the entire Group.

(4) Target Management Indicators

The target management indicators for the fiscal year ending March 31, 2024, which is the final fiscal year of the Seventh Medium-term Business Plan, are as follows.

	Targets for the final fiscal year of the Seventh Medium-term Business Plan (fiscal year ending March 31, 2024)
Net sales	305 billion yen
Operating profit	26 billion yen
ATO (Asset turnover)	0.80 times
ROS (Return on sales)	8.5%
EBITDA margin	13.2%
ROA (Return on assets)	6.8%
E-ratio (Equity ratio)	70.6%
ROE (Return on equity)	6.1%

(Note) 1. 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 above target management indicators reflect application of said standard and implementation guidance.

3. Basic Concept concerning the Selection of Accounting Standards

To sustain comparability of consolidated financial statements between periods as well as between companies, the Group prepares consolidated financial statements under Japanese GAAP. With regard to the International Financial Reporting Standards (IFRS), we will appropriately determine the timing for the application while considering various circumstances in Japan and overseas.

4. Consolidated Financial Statements and Key Notes

(1) Consolidated Balance Sheets

(Million yen)

	Previous consolidated fiscal year (As of March 31, 2020)	Consolidated fiscal year under review (As of March 31, 2021)
Assets		
Current assets		
Cash and deposits	66,424	78,905
Notes and accounts receivable - trade	47,774	43,104
Securities	10,893	9,515
Merchandise and finished goods	11,390	12,604
Work in process	1,979	2,301
Raw materials and supplies	5,128	5,185
Other	6,181	5,472
Allowance for doubtful accounts	(115)	(177)
Total current assets	149,653	156,909
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	32,327	33,504
Machinery, equipment and vehicles, net	17,229	17,639
Land	31,865	31,940
Lease assets, net	1,861	1,586
Construction in progress	4,589	3,138
Other, net	2,368	2,134
Total property, plant and equipment	90,239	89,942
Intangible assets		
Goodwill	2,562	312
Trademark right	24,024	19,370
Software	1,549	1,554
Contract-related intangible assets	24,887	19,802
Software in progress	731	2,268
Other	722	714
Total intangible assets	54,476	44,021
Investments and other assets		
Investment securities	60,182	60,268
Long-term loans receivable	3	1
Deferred tax assets	1,837	627
Long-term time deposits	1,000	1,000
Retirement benefit asset	3,162	9,947
Distressed receivables	659	638
Long-term deposits	1,088	1,080
Other	6,825	6,609
Allowance for doubtful accounts	(1,931)	(1,892)
Total investments and other assets	72,825	78,278
Total non-current assets	217,541	212,241
Total assets	367,194	369,150

(Million yen)

	Previous consolidated fiscal year (As of March 31, 2020)	Consolidated fiscal year under review (As of March 31, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	19,706	16,781
Electronically recorded obligations - operating	1,553	1,847
Short-term borrowings	3,340	3,650
Current portion of bonds payable	26	–
Lease obligations	491	519
Accounts payable - other	17,435	18,307
Income taxes payable	4,232	3,814
Provision for bonuses	636	476
Provision for bonuses for directors (and other officers)	85	80
Provision for shareholder benefit program	86	92
Asset retirement obligations	3	12
Other	5,543	5,751
Total current liabilities	53,138	51,327
Non-current liabilities		
Long-term borrowings	98	96
Lease obligations	1,451	1,142
Long-term accounts payable - other	250	215
Deferred tax liabilities	22,518	21,966
Retirement benefit liability	1,987	1,948
Asset retirement obligations	723	738
Long-term guarantee deposited	5,698	3,984
Other	400	442
Total non-current liabilities	33,126	30,532
Total liabilities	86,264	81,859
Net assets		
Shareholders' equity		
Share capital	9,948	9,948
Capital surplus	22,829	22,829
Retained earnings	195,844	199,943
Treasury shares	(6)	(11)
Total shareholders' equity	228,616	232,709
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,650	20,364
Deferred gains or losses on hedges	14	(34)
Foreign currency translation adjustment	292	(356)
Remeasurements of defined benefit plans	1,198	5,462
Total accumulated other comprehensive income	20,154	25,437
Non-controlling interests	32,160	29,146
Total net assets	280,930	287,291
Total liabilities and net assets	367,194	369,150

(2) Consolidated Statements of Income and Comprehensive Income

(Million yen)

	Previous consolidated fiscal year (April 1, 2019 – March 31, 2020)	Consolidated fiscal year under review (April 1, 2020 – March 31, 2021)
Net sales	293,682	283,754
Cost of sales	159,910	156,998
Gross profit	133,772	126,756
Selling, general and administrative expenses	114,767	107,359
Operating profit	19,005	19,397
Non-operating income		
Interest income	353	253
Dividend income	658	673
Share of profit of entities accounted for using equity method	645	–
Rental income from buildings	806	804
Foreign exchange gains	–	111
Other	457	708
Total non-operating income	2,918	2,549
Non-operating expenses		
Interest expenses	62	52
Rental expenses	671	638
Foreign exchange losses	143	–
Share of loss of entities accounted for using equity method	–	1,230
Other	251	206
Total non-operating expenses	1,127	2,126
Ordinary profit	20,797	19,820
Extraordinary income		
Gain on sales of non-current assets	198	2
Gain on sales of investment securities	2,100	2,453
Gain on sales of restaurants	61	134
Other	0	0
Total extraordinary income	2,359	2,590
Extraordinary losses		
Loss on sales of non-current assets	9	11
Loss on retirement of non-current assets	552	224
Loss on sales of investment securities	11	15
Loss on valuation of investment securities	145	3
Impairment loss	387	10,075
Loss on change in equity	212	–
Loss on sale of businesses	42	–
Provision of allowance for doubtful accounts	1,088	–
Other	28	32
Total extraordinary losses	2,474	10,361
Profit before income taxes	20,682	12,049
Income taxes - current	7,482	7,160
Income taxes - deferred	28	(2,009)
Total income taxes	7,510	5,151
Profit	13,172	6,897
Profit attributable to		
Profit attributable to owners of parent	11,458	8,733
Profit (loss) attributable to non-controlling interests	1,714	(1,835)

(Million yen)

	Previous consolidated fiscal year (April 1, 2019 – March 31, 2020)	Consolidated fiscal year under review (April 1, 2020 – March 31, 2021)
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,770)	1,880
Deferred gains or losses on hedges	13	(55)
Foreign currency translation adjustment	(428)	(673)
Remeasurements of defined benefit plans, net of tax	(2,034)	4,250
Share of other comprehensive income of entities accounted for using equity method	28	(36)
Total other comprehensive income	(5,191)	5,367
Comprehensive income	7,981	12,264
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,311	14,015
Comprehensive income attributable to non-controlling interests	1,669	(1,751)

(3) Consolidated Statements of Changes in Equity

Previous consolidated fiscal year (April 1, 2019 – March 31, 2020)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,948	23,107	188,920	(1)	221,975
Changes in items during period					
Dividends of surplus			(4,534)		(4,534)
Profit attributable to owners of parent			11,458		11,458
Change in ownership interest of parent due to transactions with non-controlling interests		(279)			(279)
Purchase of treasury shares				(4)	(4)
Net changes in items other than shareholders' equity					–
Total changes in items during period	–	(279)	6,924	(4)	6,641
Balance at end of period	9,948	22,829	195,844	(6)	228,616

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	21,327	5	756	3,213	25,300	31,869	279,144
Changes in items during period							
Dividends of surplus					–		(4,534)
Profit attributable to owners of parent					–		11,458
Change in ownership interest of parent due to transactions with non-controlling interests					–		(279)
Purchase of treasury shares					–		(4)
Net changes in items other than shareholders' equity	(2,677)	9	(464)	(2,015)	(5,146)	291	(4,855)
Total changes in items during period	(2,677)	9	(464)	(2,015)	(5,146)	291	1,786
Balance at end of period	18,650	14	292	1,198	20,154	32,160	280,930

Consolidated fiscal year under review (April 1, 2020 – March 31, 2021)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,948	22,829	195,844	(6)	228,616
Changes in items during period					
Dividends of surplus			(4,634)		(4,634)
Profit attributable to owners of parent			8,733		8,733
Change in ownership interest of parent due to transactions with non-controlling interests					–
Purchase of treasury shares				(5)	(5)
Net changes in items other than shareholders' equity					–
Total changes in items during period	–	–	4,098	(5)	4,093
Balance at end of period	9,948	22,829	199,943	(11)	232,709

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	18,650	14	292	1,198	20,154	32,160	280,930
Changes in items during period							
Dividends of surplus					–		(4,634)
Profit attributable to owners of parent					–		8,733
Change in ownership interest of parent due to transactions with non-controlling interests					–		–
Purchase of treasury shares					–		(5)
Net changes in items other than shareholders' equity	1,714	(48)	(647)	4,264	5,283	(3,014)	2,268
Total changes in items during period	1,714	(48)	(647)	4,264	5,283	(3,014)	6,361
Balance at end of period	20,364	(34)	(356)	5,462	25,437	29,146	287,291

(4) Consolidated Statements of Cash Flows

(Million yen)

	Previous consolidated fiscal year (April 1, 2019 – March 31, 2020)	Consolidated fiscal year under review (April 1, 2020 – March 31, 2021)
Cash flows from operating activities		
Profit before income taxes	20,682	12,049
Depreciation	9,862	10,035
Amortization of goodwill	3,417	1,708
Impairment loss	387	10,075
Share of (profit) loss of entities accounted for using equity method	(645)	1,230
Loss (gain) on valuation of investment securities	145	3
Increase (decrease) in allowance for doubtful accounts	1,063	23
Increase (decrease) in provision for directors' bonuses	(13)	(5)
Increase (decrease) in provision for shareholder benefit program	(3)	5
Increase (decrease) in provision for loss on guarantees	(2)	–
Increase (decrease) in net defined benefit liability	(142)	98
Interest and dividend income	(1,011)	(926)
Interest expenses	62	52
Foreign exchange losses (gains)	131	(135)
Loss (gain) on sales of investment securities	(2,089)	(2,439)
Loss (gain) on sales of non-current assets	(189)	9
Loss on retirement of non-current assets	552	224
Loss (gain) on change in equity	212	–
Loss (gain) on sale of businesses	42	–
Loss (gain) on sales of restaurants	(59)	(134)
Decrease (increase) in notes and accounts receivable - trade	824	4,549
Decrease (increase) in inventories	1,736	(1,597)
Increase (decrease) in notes and accounts payable - trade	(1,347)	(3,121)
Increase (decrease) in accounts payable - bonuses	205	(160)
Increase (decrease) in long-term guarantee deposits	(79)	(1,714)
Decrease (increase) in other assets	(2,438)	(424)
Increase (decrease) in other liabilities	(1,341)	418
Subtotal	29,962	29,824
Interest and dividend income received	1,066	957
Interest paid	(63)	(52)
Income taxes paid	(6,746)	(7,548)
Net cash provided by (used in) operating activities	24,218	23,181

(Million yen)

	Previous consolidated fiscal year (April 1, 2019 – March 31, 2020)	Consolidated fiscal year under review (April 1, 2020 – March 31, 2021)
Cash flows from investing activities		
Payments into time deposits	(1,865)	(2,089)
Proceeds from withdrawal of time deposits	1,847	2,061
Purchase of securities	(2,000)	(4,508)
Proceeds from sale of securities	8,549	6,902
Purchase of property, plant and equipment	(14,916)	(8,819)
Proceeds from sale of property, plant and equipment	262	5
Gain on sales of restaurants	185	301
Purchase of intangible assets	(983)	(2,175)
Purchase of investment securities	(3,162)	(4,459)
Proceeds from sale of investment securities	5,991	4,534
Purchase of investments in capital of subsidiaries	(13)	–
Proceeds from sale of shares of subsidiaries and associates	99	–
Proceeds from sale of membership	7	–
Proceeds from sale of businesses	10	–
Payments for investments in capital	(390)	(0)
Collection of investments in capital	22	11
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(323)
Net cash provided by (used in) investing activities	(6,356)	(8,558)
Cash flows from financing activities		
Repayments of short-term borrowings	(35,382)	(47,663)
Proceeds from short-term borrowings	34,846	47,965
Repayments of lease obligations	(620)	(548)
Repayments of long-term borrowings	(200)	–
Redemption of bonds	(26)	(26)
Purchase of treasury shares	(4)	(5)
Purchase of treasury shares of subsidiaries	(0)	(1)
Dividends paid	(4,532)	(4,634)
Dividends paid to non-controlling interests	(1,248)	(1,261)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(400)	–
Net cash provided by (used in) financing activities	(7,567)	(6,172)
Effect of exchange rate change on cash and cash equivalents	(192)	22
Net increase (decrease) in cash and cash equivalents	10,104	8,473
Cash and cash equivalents at beginning of period	62,495	69,870
Decrease in cash and cash equivalents resulting from corporate division	(2,729)	–
Cash and cash equivalents at end of period	69,870	78,343

(5) Notes to Consolidated Financial Statements

Notes Relating to Assumptions for the Going Concern

Not applicable.

Additional Information

Share of loss of entities accounted for using equity method

Himadri Foods Ltd., which is an equity-method affiliate of the Company and is mainly engaged in the manufacture and sale of spice products in India, is no longer expected to achieve the initially anticipated sales and profits as the business environment worsens, with no prospect for an end to the COVID-19 outbreak in India.

Accordingly, the Company recorded a share of loss of entities accounted for using equity method of 1,365 million yen (of which 796 million yen is the balance of unamortized goodwill) for the fiscal year under review, under non-operating expenses.

Impairment loss

In December 2015, the Company made Ichibanya Co., Ltd. into a consolidated subsidiary through the acquisition of additional shares. In light of the spread of COVID-19 during the fiscal year under review, the Company recognized impairment loss in relation to the goodwill, trademark right and contract-related intangible assets which arose when the Company made Ichibanya Co., Ltd. into a consolidated subsidiary and recorded extraordinary losses of 9,128 million yen. The Company recognized this impairment loss because, upon revaluation, the future cash flows expected to be derived from the goodwill, trademark right and contract-related intangible assets which arose when the Company made Ichibanya Co., Ltd. into a consolidated subsidiary were lower than initially anticipated.

Impacts of COVID-19 on accounting estimates

With respect to the fiscal year under review, the Company recorded a “Share of loss of entities accounted for using equity method” and an “Impairment loss” as described above because changes in consumer behavior caused by the COVID-19 pandemic significantly impacted the Company’s consolidated business results and in turn its accounting estimates.

Over the coming fiscal years, the impact of COVID-19 on social and economic activities is likely to remain uncertain. When considering impairment loss in relation to the non-current assets pertaining to the Health Food Business and trademark right and contract-related intangible assets which arose when the Company made Ichibanya Co., Ltd. into a consolidated subsidiary, the Company adopted certain assumptions about the impact of COVID-19. The Group’s financial position and operating results may, therefore, be affected in the event of even greater changes than those currently assumed.

Segment Information

[Segment Information]

1. Overview of Reported Segments

The reported segments of the Company are those units for which separate financial statements can be obtained among the constituent units of the Company and which are regularly examined by the Board of Directors for decisions on the allocation of management resources and for assessing business performance.

The Company’s business strategy in the domestic Spice / Seasoning / Processed Food Business and the domestic Health Food Business is to strengthen the existing fields and develop new fields. The Company will also work to create new value in the mature market, while promoting partnerships with each reported segment including the Other Food Related Business.

In the International Food Business, the Company is working to increase the speed of business expansion and improve profitability in the United States, China and ASEAN with a view to business expansion.

In the Restaurant Business, the Company will work to make Japanese-style curry more available worldwide through the operation of curry restaurants both in Japan and overseas.

In the Other Food Related Business, which includes the business engaged in exports, imports and sales of foodstuffs and the transport business, the Company is working to increase the comprehensive strength of the Group by optimizing business and pursuing the strengthened capabilities of each company.

On the basis of these strategic business areas, the Company has decided to make the five units—Spice / Seasoning / Processed Food Business, Health Food Business, International Food Business, Restaurant Business, and Other Food Related Business—its reported segments.

2. Basis for Calculating Sales, Profit or Loss, Assets, and Other Items by Reportable Segment

The accounting methods for reportable segments are mostly the same as the methods used in preparing the consolidated financial statements.

The income figures stated in the reportable segments are based on operating profit. The intersegment sales and transfers are based on actual market prices.

3. Information on Amounts of Sales, Profit or Loss, Assets, Liabilities, and Other Items by Reportable Segment

Previous consolidated fiscal year (April 1, 2019 – March 31, 2020) (Million yen)

	Reported segments						Other	Total	Adjustment (Note 1)	Amount on consolidated financial statements (Note 2)
	Spice / Seasoning / Processed Food Business	Health Food Business	International Food Business	Restaurant Business	Other Food Related Business	Total				
Net sales										
Sales – outside customers	140,820	27,600	29,597	52,419	43,191	293,627	–	293,627	55	293,682
Sales and transfer – inter-segment	4,176	290	138	79	3,105	7,788	–	7,788	(7,788)	–
Total	144,996	27,890	29,734	52,498	46,296	301,415	–	301,415	(7,733)	293,682
Segment profit (loss)	14,111	521	4,098	202	1,791	20,723	–	20,723	(1,717)	19,005
Segment assets	79,304	20,047	31,476	93,421	19,537	243,785	–	243,785	123,409	367,194
Other items										
Depreciation	3,970	644	1,157	3,016	620	9,407	–	9,407	455	9,862
Amortization of goodwill	–	–	1	3,417	–	3,417	–	3,417	–	3,417
Increase in property, plant and equipment, and intangible assets	7,354	2,634	4,340	2,830	379	17,537	–	17,537	288	17,825

(Notes) 1. Details of adjustments are as follows.
(1) Sales-outside customers are mainly real estate rental revenues recorded by the Company.
(2) Segment profit (loss) includes profit of -1,719 million yen of the Company and House Business Partners Corporation which was not allocated to business segments and elimination of inter-segment transactions of 1 million yen.
(3) Segment assets include assets of 124,760 million yen of the Company and House Business Partners Corporation which were not allocated to business segments and elimination of inter-segment transactions of -1,351 million yen.
(4) Depreciation includes depreciation of 455 million yen of the Company and House Business Partners Corporation that was not allocated to business segments.
(5) Increase in property, plant and equipment and intangible assets includes equipment investment of 288 million yen of the Company and House Business Partners Corporation which was not allocated to business segments.
2. Segment profit was adjusted with operating profit on the consolidated financial statements.

Consolidated fiscal year under review (April 1, 2020 – March 31, 2021) (Million yen)

	Reported segments						Other	Total	Adjustment (Note 1)	Amount on consolidated financial statements (Note 2)
	Spice / Seasoning / Processed Food Business	Health Food Business	International Food Business	Restaurant Business	Other Food Related Business	Total				
Net sales										
Sales – outside customers	142,010	19,771	35,344	44,506	42,066	283,696	–	283,696	58	283,754
Sales and transfer – inter-segment	4,330	334	128	61	3,475	8,329	–	8,329	(8,329)	–
Total	146,340	20,105	35,472	44,567	45,542	292,025	–	292,025	(8,271)	283,754
Segment profit (loss)	15,614	(413)	4,584	(660)	1,770	20,895	–	20,895	(1,498)	19,397
Segment assets	81,382	17,899	34,478	77,278	20,126	231,164	–	231,164	137,986	369,150
Other items										
Depreciation	3,948	686	1,469	2,870	601	9,572	–	9,572	463	10,035
Amortization of goodwill	–	–	–	1,708	–	1,708	–	1,708	–	1,708
Increase in property, plant and equipment, and intangible assets	7,141	347	1,293	1,857	471	11,110	–	11,110	469	11,579

(Notes) 1. Details of adjustments are as follows.
(1) Sales-outside customers are mainly real estate rental revenues recorded by the Company.
(2) Segment profit (loss) includes profit of -1,498 million yen of the Company and House Business Partners Corporation which was not allocated to business segments.
(3) Segment assets include assets of 139,430 million yen of the Company and House Business Partners Corporation which were not allocated to business segments and elimination of inter-segment transactions of -1,444 million yen.
(4) Depreciation includes depreciation of 463 million yen of the Company and House Business Partners Corporation that was not allocated to business segments.
(5) Increase in property, plant and equipment and intangible assets includes equipment investment of 469 million yen of the Company and House Business Partners Corporation which was not allocated to business segments.
2. Segment profit was adjusted with operating profit on the consolidated financial statements.

[Related information]

Previous consolidated fiscal year (April 1, 2019 – March 31, 2020)

1. Information by Product and Service

Since similar information is described in the segment information, this information is omitted.

2. Information by Area

(1) Net sales (Million yen)

Japan	East Asia	Southeast Asia	United States	Other	Total
252,776	14,921	9,387	15,246	1,353	293,682

(2) Property, plant and equipment (Million yen)

Japan	East Asia	Southeast Asia	United States	Other	Total
73,856	5,168	1,613	9,439	163	90,239

3. Information by Major Customer

(Million yen)

Customer	Sales	Related segments
KATOSANGYO Co., Ltd.	37,390	Spice / Seasoning / Processed Food Business Health Food Business
Mitsubishi Shokuhin Co., Ltd.	20,958	Spice / Seasoning / Processed Food Business Health Food Business

Consolidated fiscal year under review (April 1, 2020 – March 31, 2021)

1. Information by Product and Service

Since similar information is described in the segment information, this information is omitted.

2. Information by Area

(1) Net sales (Million yen)

Japan	East Asia	Southeast Asia	United States	Other	Total
238,817	15,721	13,374	14,788	1,054	283,754

(2) Property, plant and equipment (Million yen)

Japan	East Asia	Southeast Asia	United States	Other	Total
74,586	5,125	1,356	8,703	172	89,942

3. Information by Major Customer

(Million yen)

Customer	Sales	Related segments
KATOSANGYO Co., Ltd.	39,165	Spice / Seasoning / Processed Food Business Health Food Business
Mitsubishi Shokuhin Co., Ltd.	21,100	Spice / Seasoning / Processed Food Business Health Food Business

[Information on impairment loss in non-current assets by reported segment]

Previous consolidated fiscal year (April 1, 2019 – March 31, 2020)

(Million yen)

	Reported segments						Other	Adjustment	Total
	Spice / Seasoning / Processed Food Business	Health Food Business	International Food Business	Restaurant Business	Other Food Related Business	Total			
Impairment loss	–	–	–	387	–	387	–	–	387

Consolidated fiscal year under review (April 1, 2020 – March 31, 2021)

(Million yen)

	Reported segments						Other	Adjustment	Total
	Spice / Seasoning / Processed Food Business	Health Food Business	International Food Business	Restaurant Business	Other Food Related Business	Total			
Impairment loss	14	–	457	9,604	–	10,075	–	–	10,075

[Information on amortization of goodwill and amortized balance by reported segment]

Previous consolidated fiscal year (April 1, 2019 – March 31, 2020)

(Million yen)

	Reported segments						Other	Adjustment	Total
	Spice / Seasoning / Processed Food Business	Health Food Business	International Food Business	Restaurant Business	Other Food Related Business	Total			
Amortization in fiscal year under review	–	–	1	3,417	–	3,417	–	–	3,417
Balance at end of fiscal year under review	–	–	–	2,562	–	2,562	–	–	2,562

Consolidated fiscal year under review (April 1, 2020 – March 31, 2021)

(Million yen)

	Reported segments						Other	Adjustment	Total
	Spice / Seasoning / Processed Food Business	Health Food Business	International Food Business	Restaurant Business	Other Food Related Business	Total			
Amortization in fiscal year under review	–	–	–	1,708	–	1,708	–	–	1,708
Balance at end of fiscal year under review	–	–	–	312	–	312	–	–	312

[Information on gain on bargain purchase by reported segment]

Previous consolidated fiscal year (April 1, 2019 – March 31, 2020)

Not applicable.

Consolidated fiscal year under review (April 1, 2020 – March 31, 2021)

Not applicable.

Per Share Information

(Yen)

	Previous consolidated fiscal year (April 1, 2019 – March 31, 2020)	Consolidated fiscal year under review (April 1, 2020 – March 31, 2021)
Net assets per share	2,469.20	2,562.29
Profit per share	113.73	86.68

(Notes) 1. Since no residual securities exist, per-share profit after residual securities adjustments is omitted.

2. The basis for calculating profit per share is as follows.

	Previous consolidated fiscal year (April 1, 2019 – March 31, 2020)	Consolidated fiscal year under review (April 1, 2020 – March 31, 2021)
	Million yen	Million yen
Profit attributable to owners of parent	11,458	8,733
Amount not allocable to common shareholders	–	–
Profit attributable to owners of parent available for common stock	11,458	8,733
	Thousand shares	Thousand shares
Average number of shares of common stock outstanding during the term	100,750	100,749

3. The basis for calculating net assets per share is as follows.

	Previous consolidated fiscal year (As of March 31, 2020)	Consolidated fiscal year under review (As of March 31, 2021)
	Million yen	Million yen
Total net assets	280,930	287,291
Amount deducted from total net assets	32,160	29,146
(Of which are non-controlling interests)	(32,160)	(29,146)
Net assets at end of year available for common stock	248,770	258,145
	Thousand shares	Thousand shares
Number of shares of common stock at end of year used for calculating net assets per share	100,749	100,748

Important Subsequent Events

Not applicable.

5. Other Information

(1) Transition to a Company with Audit & Supervisory Committee

As disclosed in "Notice of Transition to a Company with Audit & Supervisory Committee" on February 19, 2021, the Company plans to shift to a Company with Audit & Supervisory Committee subject to approval of the 75th Ordinary General Meeting of Shareholders to be held on June 25, 2021, with the aim of strengthening supervisory functions of the Board of Directors and further enhancing its corporate governance system.

(2) Senior Management Changes

1. Candidates for Directors who are Audit & Supervisory Committee Members (effective June 25, 2021)

Masao Taguchi (currently Standing Audit & Supervisory Board Member)
Akira Koike (currently Standing Audit & Supervisory Board Member)
Kyuzo Saito (currently Non-Standing Outside Director)
Hiroyuki Kamano (currently Non-Standing Outside Audit & Supervisory Board Member)
Junsuke Fujii (currently Non-Standing Outside Director)
Atsuko Okajima (currently Non-Standing Outside Audit & Supervisory Board Member)
* Kyuzo Saito, Hiroyuki Kamano, Junsuke Fujii and Atsuko Okajima are all candidates for Outside Director.

2. Retiring Director (effective June 25, 2021)

Keiji Matsumoto (currently Representative Senior Managing Director)

3. Retiring Audit & Supervisory Board Member (effective June 25, 2021)

Tamotsu Iwamoto (currently Non-Standing Outside Audit & Supervisory Board Member)

6. Supplementary Information

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) Business Performance

Consolidated (Million yen)

	Current standard				New standard			
	FY2019		FY2020		FY2020		FY2021 Forecast	
	Amount	Year-on-year change	Amount	Year-on-year change	Amount	Year-on-year change	Amount	Year-on-year change
Net sales	293,682	99.0%	283,754	96.6%	250,066	–	259,000	103.6%
Operating profit	19,005	108.2%	19,397	102.1%	19,413	–	20,000	103.0%
Ordinary profit	20,797	108.9%	19,820	95.3%	19,837	–	21,500	108.4%
Profit attributable to owners of parent	11,458	83.2%	8,733	76.2%	8,749	–	13,000	148.6%
Comprehensive income	7,981	81.8%	12,264	153.7%	–	–	–	–

By Business Segment

Net sales	Amount	Year-on-year change	Amount	Year-on-year change	Amount	Year-on-year change	Amount	Year-on-year change
Spice / Seasoning / Processed Food Business	144,996	102.7%	146,340	100.9%	120,309	–	121,700	101.2%
Health Food Business	27,890	90.3%	20,105	72.1%	15,281	–	17,500	114.5%
International Food Business	29,734	113.0%	35,472	119.3%	34,128	–	36,100	105.8%
Restaurant Business	52,498	100.8%	44,567	84.9%	44,698	–	49,300	110.3%
Other Food Related Business	46,296	74.8%	45,542	98.4%	43,922	–	42,400	96.5%
Adjustment	(7,733)	–	(8,271)	–	(8,271)	–	(8,000)	–

Operating profit	Amount	Year-on-year change	Amount	Year-on-year change	Amount	Year-on-year change	Amount	Year-on-year change
Spice / Seasoning / Processed Food Business	14,111	111.4%	15,614	110.7%	15,614	–	14,000	89.7%
Health Food Business	521	36.7%	(413)	–	(396)	–	100	–
International Food Business	4,098	114.3%	4,584	111.9%	4,584	–	4,700	102.5%
Restaurant Business	202	–	(660)	–	(660)	–	2,600	–
Other Food Related Business	1,791	87.6%	1,770	98.8%	1,770	–	1,500	84.8%
Adjustment	(1,717)	–	(1,498)	–	(1,498)	–	(2,900)	–

(2) Number of Group Companies

	FY2019	FY2020
Consolidated subsidiaries	35	37
Japan	14	15
Overseas	21	22
Equity-method affiliate	5	5
Japan	2	2
Overseas	3	3

FY2020 Business Results of Major Subsidiaries (Current standard) (Million yen)

	Net sales		Operating profit		Profit	
	Amount	Year-on-year change	Amount	Year-on-year change	Amount	Year-on-year change
House Foods Corporation	136,374	101.5%	14,725	112.2%	10,407	111.5%
House Wellness Foods Corporation	20,105	72.1%	(416)	–	(664)	–
House Foods America Corporation (Consolidated)	13,483	98.6%	756	62.6%	591	65.0%
Ichibanya Co., Ltd. (Consolidated)	44,247	85.9%	2,559	49.2%	1,736	53.3%

* Period included in consolidated financial statements: House Foods America Corporation - from January to December 2020; Ichibanya Co., Ltd. - from March 2020 to February 2021

Average exchange rate during the period

	Currency unit	FY2019	FY2020	FY2021 Forecast
United States	USD	109.24	106.43	105.00

(3) Consolidated Statements of Income (Current standard)

1. Consolidated Statements of Income (Million yen)

	FY2019		FY2020		Year-on-year change	
	Amount	Percentage	Amount	Percentage	Amount	Rate of change
Net sales	**293,682**	**100.0%**	**283,754**	**100.0%**	**(9,928)**	**(3.4%)**
<By business segment>						
Spice / Seasoning / Processed Food Business	144,996	49.4%	146,340	51.6%	1,344	0.9%
Health Food Business	27,890	9.5%	20,105	7.1%	(7,785)	(27.9%)
International Food Business	29,734	10.1%	35,472	12.5%	5,737	19.3%
Restaurant Business	52,498	17.9%	44,567	15.7%	(7,931)	(15.1%)
Other Food Related Business	46,296	15.8%	45,542	16.0%	(754)	(1.6%)
Adjustment	(7,733)	(2.6%)	(8,271)	(2.9%)	(538)	–
Cost of sales	159,910	54.5%	156,998	55.3%	(2,912)	(1.8%)
Selling, general and administrative expenses	114,767	39.1%	107,359	37.8%	(7,407)	(6.5%)
Advertising expenses	9,436	3.2%	7,837	2.8%	(1,599)	(16.9%)
Transportation and storage costs	11,635	4.0%	10,983	3.9%	(653)	(5.6%)
Sales commission	1,691	0.6%	1,769	0.6%	78	4.6%
Promotion expenses	32,589	11.1%	32,061	11.3%	(528)	(1.6%)
Personnel expenses	28,992	9.9%	28,391	10.0%	(602)	(2.1%)
Research and development expenses	4,465	1.5%	4,279	1.5%	(186)	(4.2%)
Amortization of goodwill	3,417	1.2%	1,708	0.6%	(1,709)	(50.0%)
Other	22,541	7.7%	20,332	7.2%	(2,209)	(9.8%)
Operating profit	**19,005**	**6.5%**	**19,397**	**6.8%**	**391**	**2.1%**
Non-operating income	2,918	1.0%	2,549	0.9%	(369)	(12.7%)
Non-operating expenses	1,127	0.4%	2,126	0.7%	999	88.7%
Ordinary profit	**20,797**	**7.1%**	**19,820**	**7.0%**	**(977)**	**(4.7%)**
Extraordinary income	2,359	0.8%	2,590	0.9%	230	9.8%
Extraordinary losses	2,474	0.8%	10,361	3.7%	7,886	318.7%
Profit before income taxes	20,682	7.0%	12,049	4.2%	(8,633)	(41.7%)
Income taxes	7,510	2.6%	5,151	1.8%	(2,358)	(31.4%)
Profit	13,172	4.5%	6,897	2.4%	(6,275)	(47.6%)
Profit attributable to						
Profit attributable to owners of parent	**11,458**	**3.9%**	**8,733**	**3.1%**	**(2,725)**	**(23.8%)**
Profit attributable to non-controlling interests	1,714	0.6%	(1,835)	(0.6%)	(3,549)	–
Comprehensive income	**7,981**	**2.7%**	**12,264**	**4.3%**	**4,283**	**53.7%**

2. Major Factors for Changes in Operating Profit (Year on Year) (Million yen)

Decrease in gross profit	(7,016)
Decrease in marketing costs (sum of advertising expenses, sales commission and promotion expenses)	2,049
Decrease in amortization of goodwill	1,709
Decrease in transportation and storage costs	653
Decrease in personnel expenses	602
Decrease in other expenses	2,394

3. Non-Operating Income (Expenses)

(Million yen)

	FY2019	FY2020	Year-on-year change
Interest income / Interest income on securities	353	253	(100)
Dividend income	658	673	16
Share of profit of entities accounted for using equity method	645	–	(645)
Rental income from buildings	806	804	(1)
Foreign exchange gains	–	111	111
Other	457	708	251
Total non-operating income	2,918	2,549	(369)
Interest expenses	62	52	(10)
Rental expenses	671	638	(33)
Foreign exchange losses	143	–	(143)
Share of loss of entities accounted for using equity method	–	1,230	1,230
Other	251	206	(46)
Total non-operating expenses	1,127	2,126	999

4. Extraordinary Income (Losses)

(Million yen)

	FY2019	FY2020	Year-on-year change
Gain on sales of non-current assets	198	2	(196)
Gain on sales of investment securities	2,100	2,453	353
Gain on sales of restaurants	61	134	73
Other	0	0	(0)
Total extraordinary income	2,359	2,590	230
Loss on sales of non-current assets	9	11	2
Loss on retirement of non-current assets	552	224	(328)
Loss on sales of investment securities	11	15	3
Loss on valuation of investment securities	145	3	(142)
Impairment loss	387	10,075	9,688
Loss on change in equity	212	–	(212)
Loss on sale of businesses	42	–	(42)
Provision of allowance for doubtful accounts	1,088	–	(1,088)
Other	28	32	5
Total extraordinary losses	2,474	10,361	7,886

5. Quarterly Statements

Consolidated

(Million yen)

	FY2019					FY2020				
	1Q	2Q	3Q	4Q	Cumulative total	1Q	2Q	3Q	4Q	Cumulative total
Net sales	72,341	72,292	78,005	71,043	293,682	67,448	72,642	77,056	66,608	283,754
Year-on-year change	1,036	(2,168)	(1,847)	(34)	(3,014)	(4,893)	349	(950)	(4,434)	(9,928)
Operating profit	4,638	4,475	6,861	3,031	19,005	4,407	5,470	8,659	860	19,397
Year-on-year change	327	214	(332)	1,236	1,446	(230)	995	1,798	(2,171)	391
Ordinary profit	5,002	4,995	7,323	3,477	20,797	4,491	4,318	8,984	2,026	19,820
Year-on-year change	342	232	(117)	1,240	1,697	(511)	(676)	1,661	(1,451)	(977)
Profit (loss) attributable to owners of parent	2,488	2,719	4,910	1,341	11,458	2,789	(1,818)	5,783	1,979	8,733
Year-on-year change	(227)	(131)	222	(2,172)	(2,309)	301	(4,537)	872	638	(2,725)

Comprehensive income	1,834	4,017	4,534	(2,404)	7,981	2,953	(2,905)	7,394	4,823	12,264
Year-on-year change	(1,296)	(420)	3,973	(4,031)	(1,773)	1,119	(6,923)	2,860	7,226	4,283

Net sales by business segment

Net sales		FY2019					FY2020				
		1Q	2Q	3Q	4Q	Cumulative total	1Q	2Q	3Q	4Q	Cumulative total
Spice / Seasoning / Processed Food Business		33,405	35,718	40,194	35,679	144,996	35,350	36,396	40,866	33,728	146,340
	Year-on-year change	472	742	642	1,915	3,771	1,945	677	672	(1,951)	1,344
Health Food Business		7,520	7,458	7,550	5,361	27,890	4,921	5,746	5,434	4,005	20,105
	Year-on-year change	(629)	(1,359)	(752)	(269)	(3,009)	(2,600)	(1,712)	(2,117)	(1,357)	(7,785)
International Food Business		7,390	6,772	7,920	7,652	29,734	8,341	10,456	10,004	6,671	35,472
	Year-on-year change	1,357	573	815	673	3,418	951	3,683	2,084	(980)	5,737
Restaurant Business		13,186	13,310	12,743	13,258	52,498	10,419	11,197	11,567	11,384	44,567
	Year-on-year change	442	316	(349)	6	415	(2,767)	(2,114)	(1,176)	(1,875)	(7,931)
Other Food Related Business		12,678	10,912	11,548	11,158	46,296	10,932	10,637	11,069	12,903	45,542
	Year-on-year change	(2,693)	(4,474)	(4,349)	(4,071)	(15,586)	(1,746)	(275)	(479)	1,745	(754)
Adjustment		(1,838)	(1,879)	(1,951)	(2,065)	(7,733)	(2,514)	(1,790)	(1,885)	(2,082)	(8,271)
	Year-on-year change	2,086	2,035	2,145	1,712	7,977	(676)	90	65	(17)	(538)

Operating profit by business segment

Operating profit		FY2019					FY2020				
		1Q	2Q	3Q	4Q	Cumulative total	1Q	2Q	3Q	4Q	Cumulative total
Spice / Seasoning / Processed Food Business		2,884	3,006	4,736	3,485	14,111	4,263	3,678	5,731	1,942	15,614
	Year-on-year change	227	124	(375)	1,466	1,442	1,380	672	995	(1,544)	1,503
	ROS	8.6%	8.4%	11.8%	9.8%	9.7%	12.1%	10.1%	14.0%	5.8%	10.7%
Health Food Business		144	351	251	(224)	521	(235)	177	388	(743)	(413)
	Year-on-year change	(519)	(90)	(556)	264	(900)	(379)	(173)	137	(519)	(934)
	ROS	1.9%	4.7%	3.3%	(4.2%)	1.9%	(4.8%)	3.1%	7.1%	(18.6%)	(2.1%)
International Food Business		1,310	831	1,255	702	4,098	1,010	1,963	1,639	(27)	4,584
	Year-on-year change	349	124	192	(151)	514	(300)	1,132	383	(729)	487
	ROS	17.7%	12.3%	15.8%	9.2%	13.8%	12.1%	18.8%	16.4%	(0.4%)	12.9%
Restaurant Business		303	204	(37)	(267)	202	(927)	(523)	563	227	(660)
	Year-on-year change	463	186	193	(78)	763	(1,230)	(727)	600	494	(862)
	ROS	2.3%	1.5%	(0.3%)	(2.0%)	0.4%	(8.9%)	(4.7%)	4.9%	2.0%	(1.5%)
Other Food Related Business		410	544	620	218	1,791	508	413	526	323	1,770
	Year-on-year change	(195)	(41)	(25)	8	(254)	98	(131)	(94)	105	(21)
	ROS	3.2%	5.0%	5.4%	2.0%	3.9%	4.6%	3.9%	4.8%	2.5%	3.9%
Adjustment		(413)	(460)	37	(883)	(1,717)	(212)	(238)	(187)	(862)	(1,498)
	Year-on-year change	4	(88)	240	(273)	(118)	201	222	(224)	21	219

(4) Consolidated Balance Sheets

Consolidated Balance Sheets (Million yen)

	FY2019		FY2020		Year-on-year change	Major factors for increase/ decrease	
	Amount	Percentage	Amount	Percentage	Amount		
Current assets	149,653	40.8%	156,909	42.5%	7,256	Increase in cash and deposits	12,481
						Increase in merchandise and finished goods	1,214
						Decrease in notes and accounts receivable - trade	(4,670)
						Decrease in securities	(1,378)
Non-current assets	217,541	59.2%	212,241	57.5%	(5,300)	Decrease in contract-related intangible assets	(5,085)
						Decrease in trademark right	(4,654)
						Decrease in goodwill	(2,250)
						Increase in retirement benefit asset	6,785
Total assets	**367,194**	**100.0%**	**369,150**	**100.0%**	**1,956**		
Current liabilities	53,138	14.5%	51,327	13.9%	(1,810)	Decrease in notes and accounts payable - trade	(2,925)
						Increase in accounts payable - other	871
Non-current liabilities	33,126	9.0%	30,532	8.3%	(2,594)	Decrease in long-term guarantee deposits	(1,714)
						Decrease in deferred tax liabilities	(552)
						Decease in lease obligations	(309)
Total liabilities	**86,264**	**23.5%**	**81,859**	**22.2%**	**(4,405)**		
Total shareholders' equity	228,616	62.3%	232,709	63.0%	4,093	Increase in retained earnings	4,098
Total accumulated other comprehensive income	20,154	5.5%	25,437	6.9%	5,283	Increase in remeasurements of defined benefit plans	4,264
						Increase in valuation difference on available-for-sale securities	1,714
Non-controlling interests	32,160	8.8%	29,146	7.9%	(3,014)		
Total net assets	**280,930**	**76.5%**	**287,291**	**77.8%**	**6,361**		
Total liabilities and net assets	**367,194**	**100.0%**	**369,150**	**100.0%**	**1,956**		

(5) Consolidated Statements of Cash Flows

Consolidated Statements of Cash Flows (Million yen)

	FY2019	FY2020	Year-on-year change	Major factors for increase/ decrease	
Cash flows from operating activities	24,218	23,181	(1,037)	Decrease in profit before income taxes	(8,633)
				Decrease (increase) in inventories	(3,333)
				Increase in impairment losses	9,688
Cash flows from investing activities	(6,356)	(8,558)	(2,202)	Purchase of securities	(2,508)
				Proceeds from sale of securities	(1,647)
				Proceeds from sale of investment securities	(1,457)
				Purchase of investment securities	(1,297)
				Purchase of intangible assets	(1,192)
				Purchase of property, plant and equipment	6,097
Cash flows from financing activities	(7,567)	(6,172)	1,394	Proceeds from short-term borrowings	13,119
				Repayments of short-term borrowings	(12,281)
Cash and cash equivalents at end of period	69,870	78,343	8,473		

(6) Capital Investment

Consolidated (Million yen)

	FY2019	FY2020	FY2021 Forecast
Capital investment	16,253	11,324	18,000
Leases	1,719	383	600
Total	17,971	11,708	18,600

(7) Depreciation

Consolidated (Million yen)

	FY2019	FY2020	FY2021 Forecast
Depreciation	9,862	10,035	11,000
Lease payments	355	337	400
Total	10,217	10,373	11,400

* Lease payments for leased property which is recorded as an asset according to the method for sales transactions are included in "depreciation."

(8) Major Management Indicators, etc.

Consolidated

	FY2019	FY2020	FY2021 Forecast
Profit per share	113.73 yen	86.68 yen	130.51 yen
Net assets per share	2,469.20 yen	2,562.29 yen	–
ATO	0.80 times	0.77 times	–
Ratio of operating profit to net sales	6.5%	6.8%	7.7%
Ratio of ordinary profit to net sales	7.1%	7.0%	8.3%
Ratio of operating profit to total assets	5.1%	5.3%	–
ROE	4.6%	3.4%	–
Equity ratio	67.7%	69.9%	–

Dividend per share	46.00 yen	46.00 yen	46.00 yen
Dividend payout ratio	40.4%	53.1%	35.2%
Dividend payout ratio according to the basic policy on the return of earnings to shareholders	31.6%	29.7%	34.9%

* Basic policy on the payment of dividends:
  A 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

Number of employees	6,122 people	6,153 people	–

* Excluding those on leave of absence and part-time workers

(9) Reference Information

1. Domestic market scale (according to the survey by House Foods) (Billion yen)

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Curry roux	51.9	50.3	47.4	45.0	44.2	43.8
Stew roux	18.7	18.0	18.1	17.0	16.6	16.7
Hashed beef sauce roux	6.5	6.3	6.1	6.0	6.2	6.3
Retort pouched curry	51.6	53.9	55.9	58.1	61.2	63.7
Spice in total	69.1	70.3	71.5	73.8	76.2	86.5

2. Curry roux market trends (SRI)

FY2020		1Q	2Q	3Q	4Q	1H	2H	Full year
Overall market	Average selling price	197 yen	192 yen	191 yen	192 yen	195 yen	191 yen	193 yen
	Change from the previous year	+9 yen	+2 yen	+1 yen	+3 yen	+5 yen	+2 yen	+4 yen
House Foods	Average selling price	198 yen	191 yen	191 yen	192 yen	194 yen	192 yen	193 yen
	Change from the previous year	+7 yen	+0 yen	+0 yen	+1 yen	+4 yen	+1 yen	+2 yen
	Share of amount	61.6%	62.9%	62.5%	61.5%	62.2%	62.0%	62.2%

Source: SRI monthly data of INTAGE Inc. (April 2020 – March 2021)

3. Year-on-year sales by major category (based on shipment amount)

FY2020	1Q	2Q	3Q	4Q	1H	2H	Full year
Spice / Seasoning / Processed Food Business							
Curry roux in total	108.7%	104.0%	103.7%	92.3%	106.3%	97.7%	102.1%
Retort pouched curry in total	99.5%	109.3%	99.5%	91.0%	104.6%	95.1%	99.7%
Stew roux in total	128.1%	93.8%	108.3%	99.8%	103.8%	105.7%	105.0%
Hashed beef sauce roux in total	105.1%	133.0%	113.6%	105.8%	118.1%	109.2%	113.6%
Spice in total	124.6%	115.9%	112.4%	102.7%	120.2%	108.0%	114.1%
Health Food Business							
Ukon No Chikara	36.6%	56.9%	58.4%	47.9%	47.5%	55.2%	51.5%
C1000	64.8%	75.6%	69.8%	83.7%	70.0%	76.2%	72.3%
Ichinichibun No Vitamin	94.8%	104.4%	96.6%	88.6%	99.6%	92.8%	93.3%