



February 21, 2025

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## **Notice of Posting an Extraordinary Loss (Impairment Loss) and a Revision to the Financial Results Forecast**

House Foods Group Inc. (the “Company”) announces that it expects to post an extraordinary loss in the fourth quarter of the fiscal year ending March 31, 2025. As a result, the Company has revised its consolidated financial forecast for the fiscal year ending March 31, 2025. Details are as follows.

### 1. Posting of an impairment loss

In September 2022, House Foods Holding USA, Inc. (Headquartered in California, USA; President: Takayuki Doue), which is a consolidated subsidiary of the Company, made Keystone Natural Holdings (“Keystone”), a US producer of tofu and plant based food (PBF) products, into a wholly owned subsidiary to achieve medium-to-long-term business growth in the tofu and PBF products market by enhancing the product portfolio and building optimal production, distribution and marketing systems. After becoming a wholly owned subsidiary, Keystone collaborated with House Foods America Corporation, which operates the tofu business in the United States, generating synergies mainly on the cost front in relation to logistics and sales activities. However, the cost-of-living crisis has reshaped consumer behavior in the United States, and with Keystone struggling to sell its products, especially high-priced PBF products, leading to a decline in profitability this fiscal year. Following careful review of the feasibility of the current business plan in light of such circumstances, the Company now expects to post an impairment loss relating to the goodwill of Keystone amounting to approximately 4.6 billion yen under extraordinary losses, to reflect a decrease in the recoverable amount compared with the plan at the time of share acquisition.

The Company reorganized the tofu business in the United States in January 2025 to lay the management foundations for the Soybean Value Chain. With the aim of making House Foods Holding USA, Inc. function as a business holding company, the Company integrated the strategic functions and sales and marketing functions of companies involved in the tofu business in the United States, including Keystone, into House Foods Holding USA, Inc. Under this structure, the Company will strive for greater profitability by strengthening profit and loss management for each product, and seeking continuous cost optimization and sales expansion driven by products that play to strengths.

## 2. Revision of full-year consolidated financial results forecast

(1) Revision to consolidated financial forecast for fiscal year ending March 2025 (April 1, 2024 to March 31, 2025)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Profit per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	320,000	21,000	22,000	13,300	140.38
Revised forecast (B)	316,000	20,000	21,500	12,300	129.83
Change (B - A)	(4,000)	(1,000)	(500)	(1,000)	
Percentage change (%)	(1.3)	(4.8)	(2.3)	(7.5)	
(Reference) Results in previous fiscal year (ended Mar. 2024)	299,600	19,470	21,085	17,580	180.53

### (2) Reason of revision

Net sales, operating profit and ordinary profit are all expected to be lower than previously announced mainly due to the impact of worsening performance in the Other Food Related Business. Profit attributable to owners of parent is also expected to be lower than previously forecast but the impact will be less, with the posting of the aforementioned extraordinary loss partially offset by extraordinary income from the sale of investment securities.

The revisions to the forecast have not caused any revisions to the dividend forecast.