

# ARIAKE JAPAN Co., Ltd.

Code number: 2815

## FY2016 Interim Financial Results

April 1, 2015–September 30, 2015

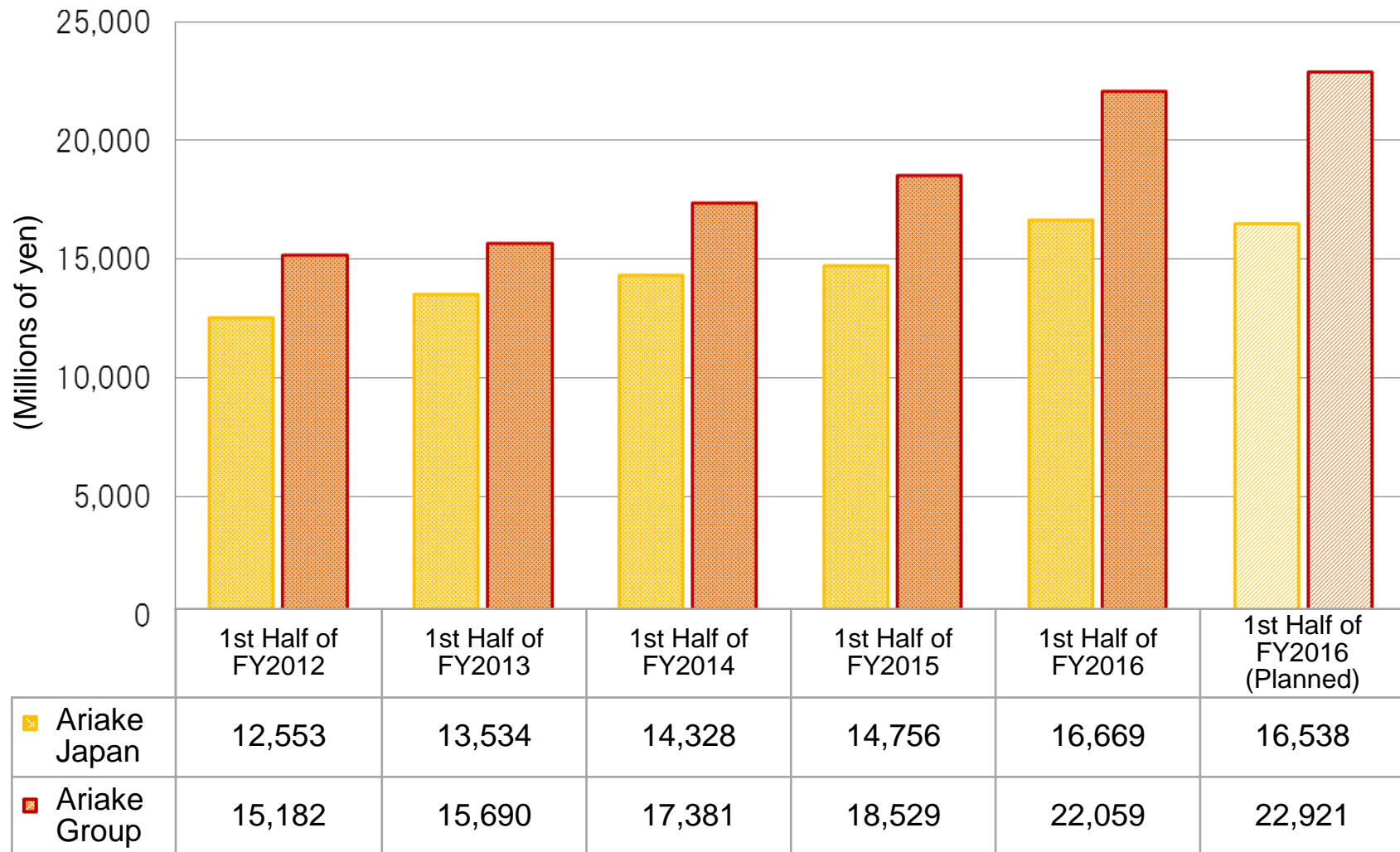
November 11, 2015



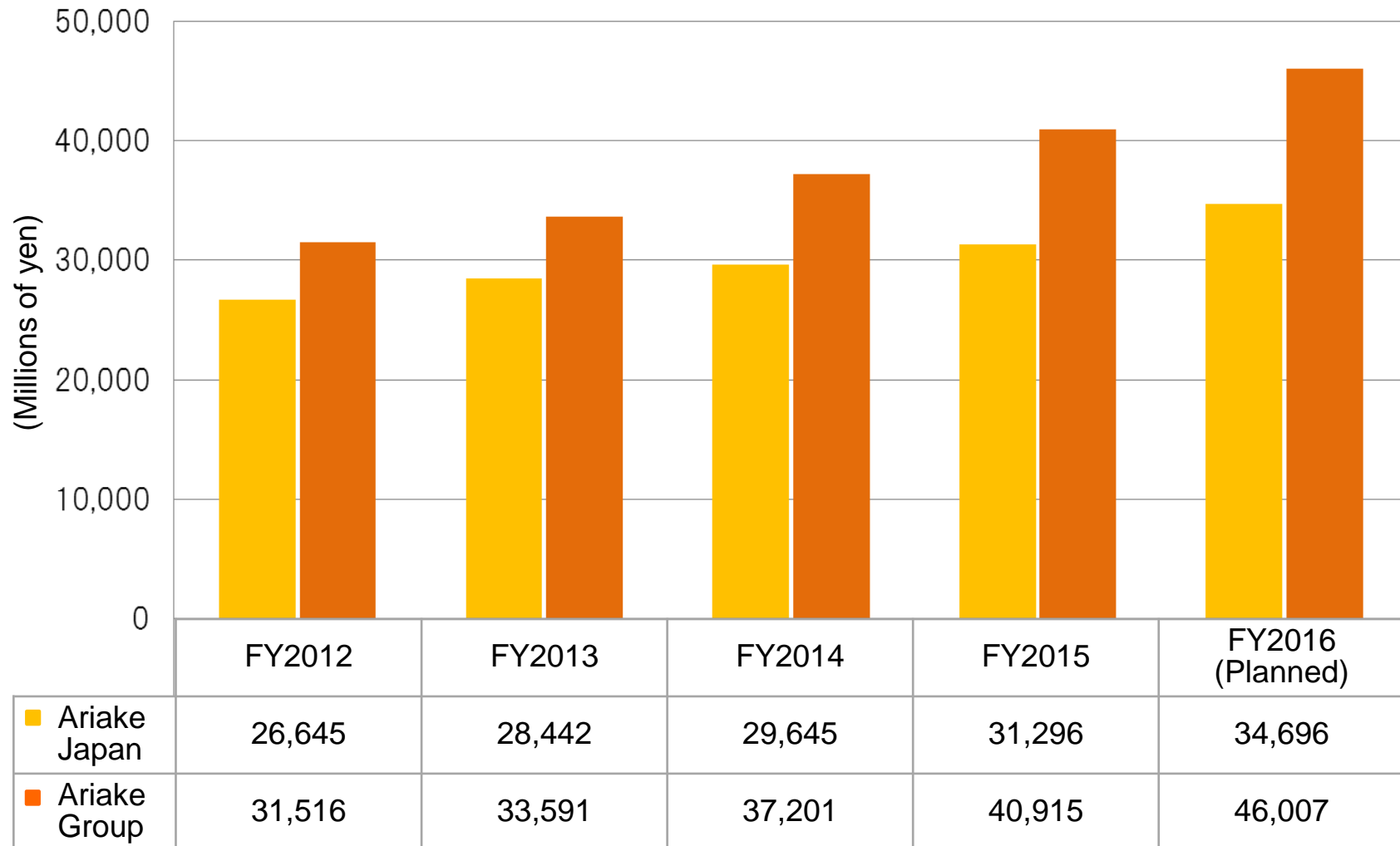
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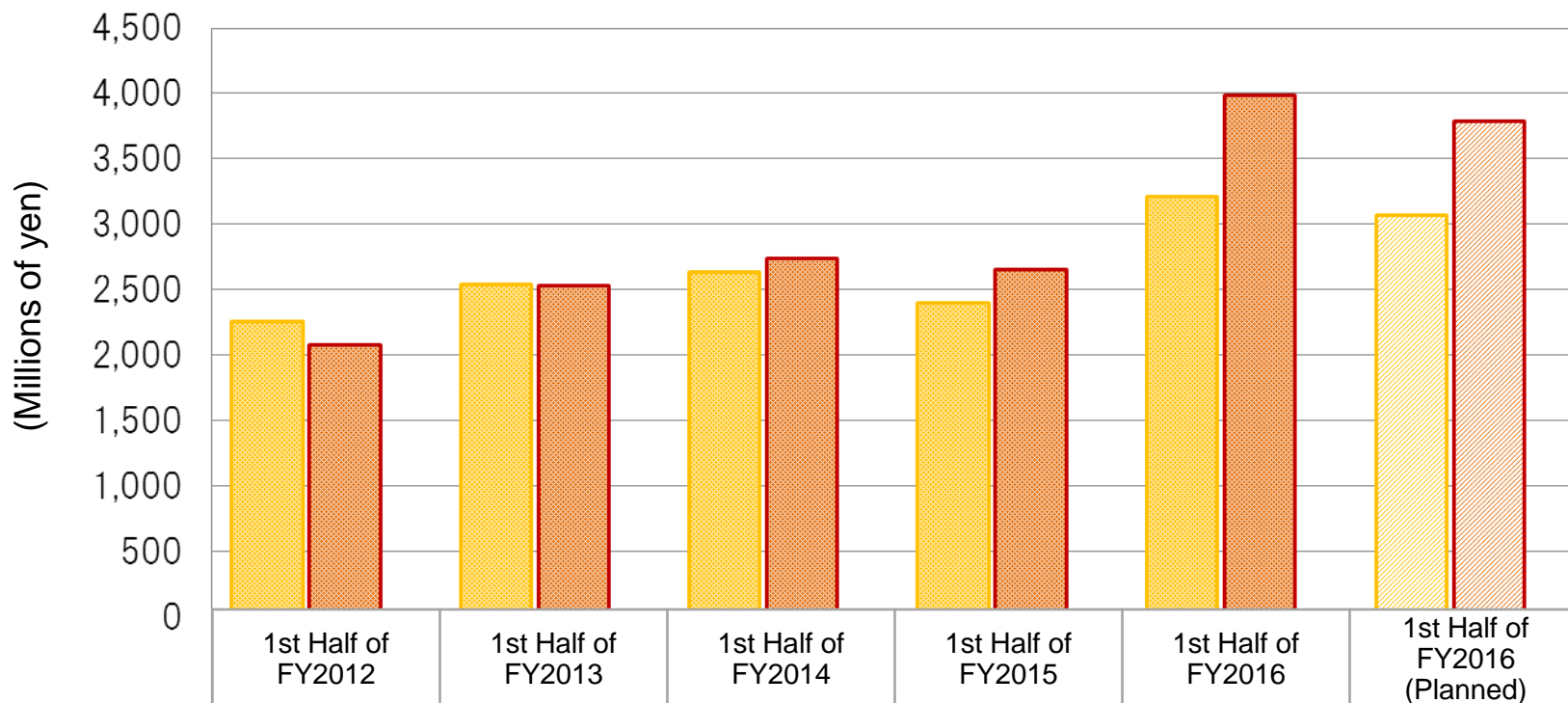
## Consolidated and Non-consolidated Net Sales for the First Half Periods



## Consolidated and Non-consolidated Net Sales for the Fiscal Years

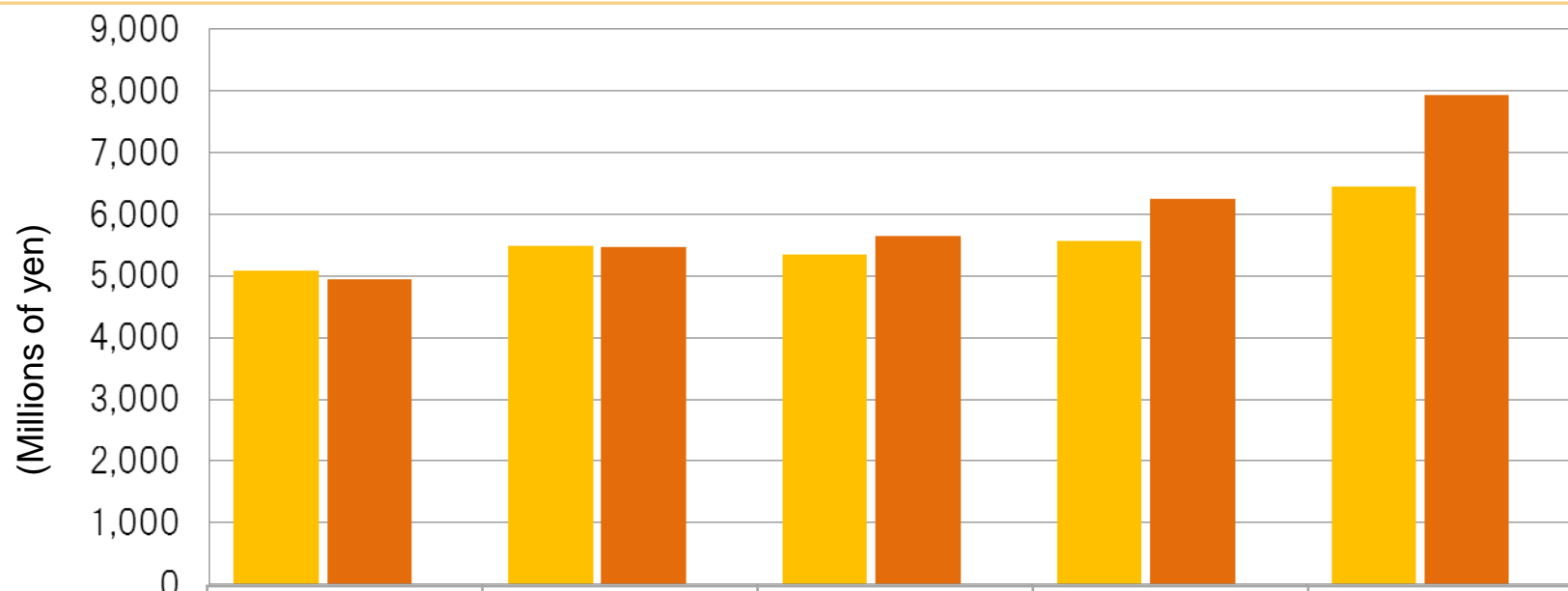


# Consolidated and Non-consolidated Operating Income for the First Half Periods



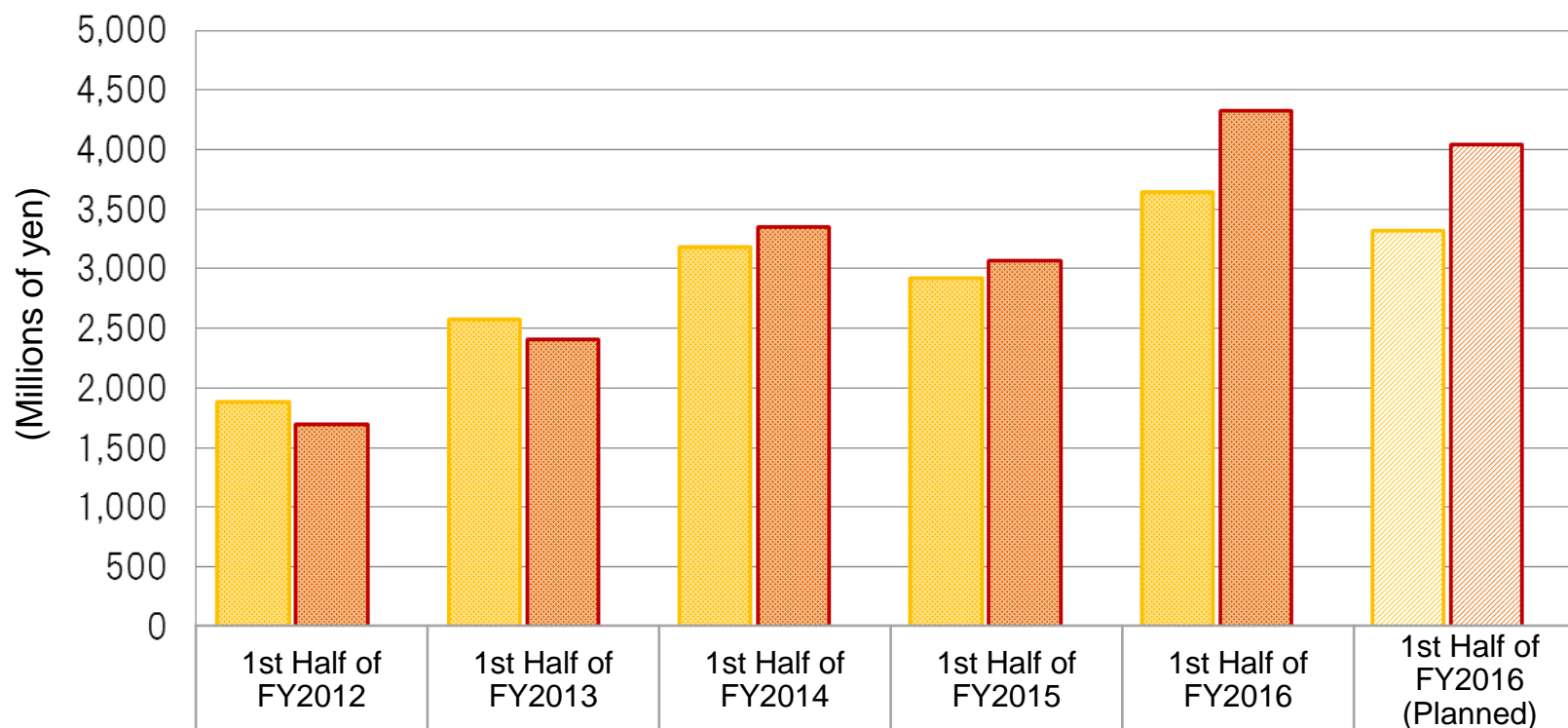
✕ Ariake Japan	2,256	2,546	2,633	2,402	3,214	3,076
Operating income margin	18.0%	18.8%	18.4%	16.3%	19.3%	18.6%
■ Ariake Group	2,080	2,536	2,742	2,651	3,984	3,786
Operating income margin	13.7%	16.2%	15.8%	14.3%	18.1%	16.5%

## Consolidated and Non-consolidated Operating Income for the Fiscal Years



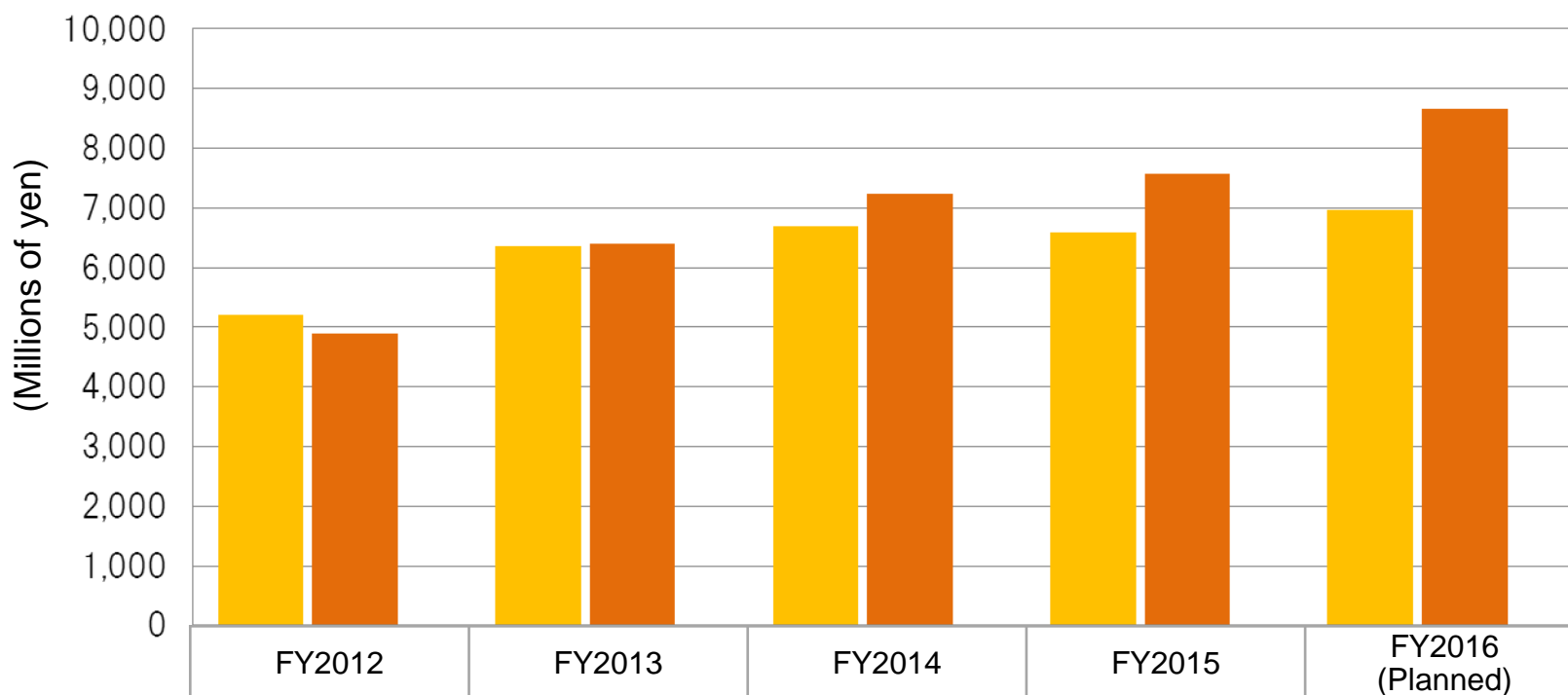
	FY2012	FY2013	FY2014	FY2015	FY2016 (Planned)
<b>■ Ariake Japan</b>	5,094	5,495	5,349	5,556	6,452
Operating income margin	19.1%	19.3%	18.0%	17.8%	18.6%
<b>■ Ariake Group</b>	4,940	5,475	5,639	6,251	7,933
Operating income margin	15.7%	16.3%	15.2%	15.3%	17.2%

## Consolidated and Non-consolidated Ordinary Income for the First Half Periods



Ariake Japan	1,883	2,571	3,178	2,916	3,648	3,324
Ordinary income margin	15.0%	19.0%	22.2%	19.8%	21.9%	20.1%
Ariake Group	1,690	2,405	3,351	3,065	4,322	4,048
Ordinary income margin	11.1%	15.3%	19.3%	16.5%	19.6%	17.7%

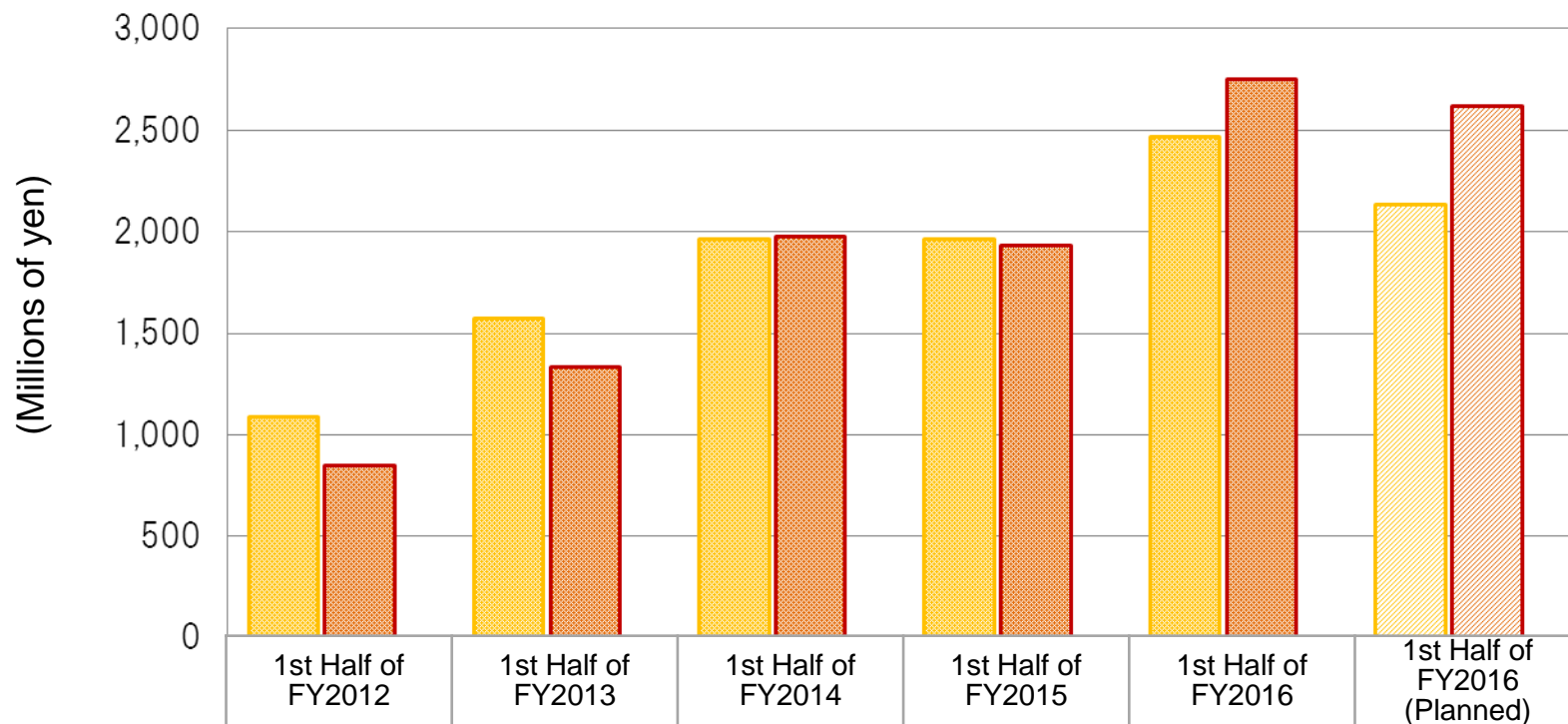
## Consolidated and Non-consolidated Ordinary Income for the Fiscal Years



<b>Ariake Japan</b>	5,198	6,350	6,701	6,592	6,958
Ordinary income margin	19.5%	22.3%	22.6%	21.1%	20.1%
<b>Ariake Group</b>	4,896	6,408	7,236	7,562	8,654
Ordinary income margin	15.5%	19.1%	19.5%	18.5%	18.8%

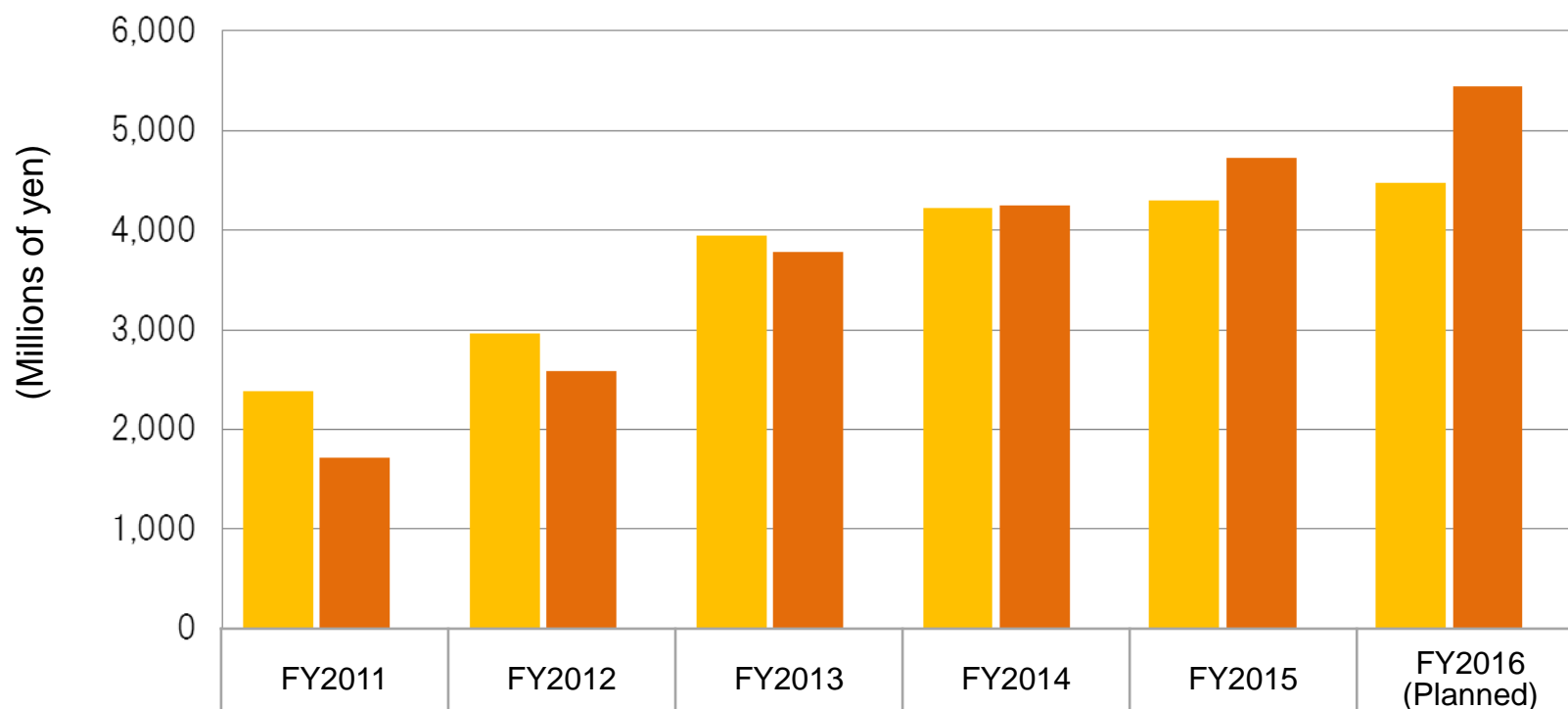


## Consolidated and Non-consolidated Net Income for the First Half Periods



■ Ariake Japan	1,086	1,576	1,965	1,961	2,468	2,133
Net income margin	8.7%	11.6%	13.7%	13.3%	14.8%	12.9%
■ Ariake Group	847	1,332	1,975	1,931	2,754	2,622
Net income margin	5.6%	8.5%	11.4%	10.4%	12.5%	11.4%

## Consolidated and Non-consolidated Net Income for the Fiscal Years



<b>Ariake Japan</b>	2,382	2,967	3,948	4,224	4,299	4,477
<b>Net income margin</b>	10.4%	11.1%	13.9%	14.3%	13.7%	12.9%
<b>Ariake Group</b>	1,716	2,586	3,788	4,252	4,725	5,439
<b>Net income margin</b>	6.3%	8.2%	11.3%	11.4%	11.5%	11.8%

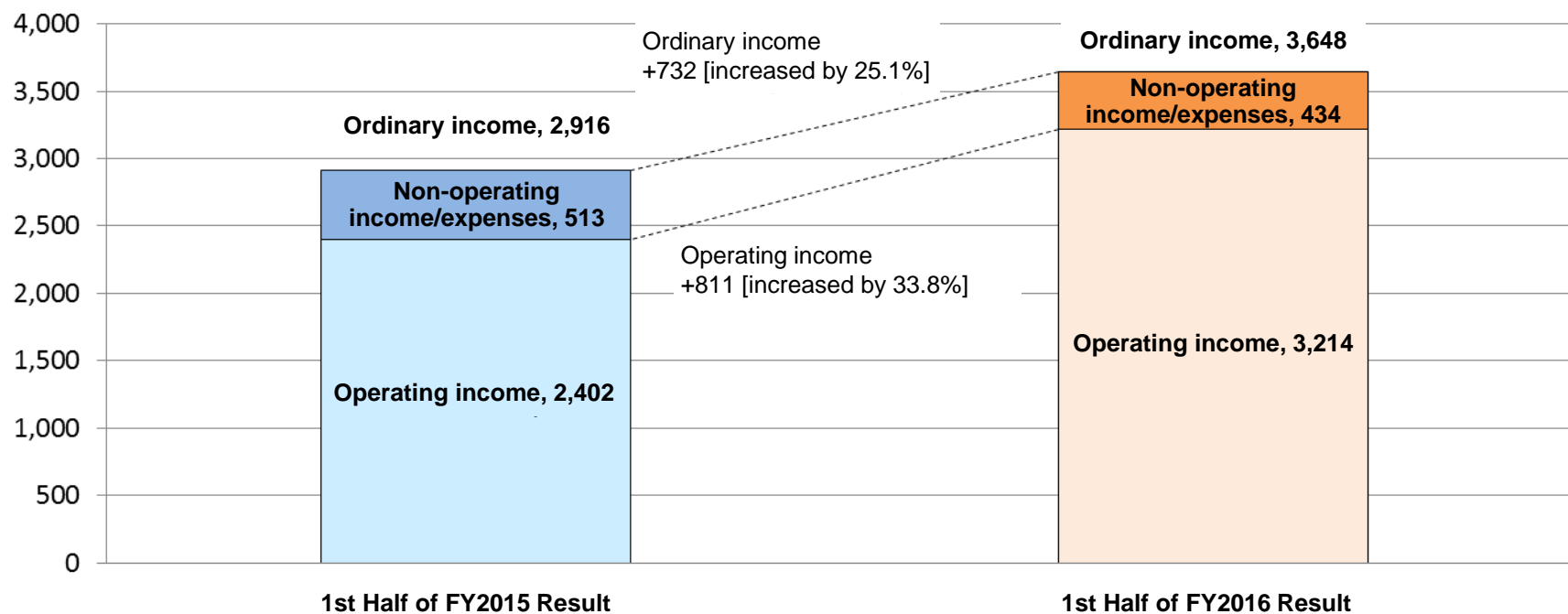
## [Comparison with FY2015 Results] Non-consolidated Business Summary for the First Half of FY2016

### ■ Net sales

Non-consolidated net sales increased by ¥1,912 million (13.0%) year on year, to ¥16,669 million.

### ■ Income

(Millions of yen)

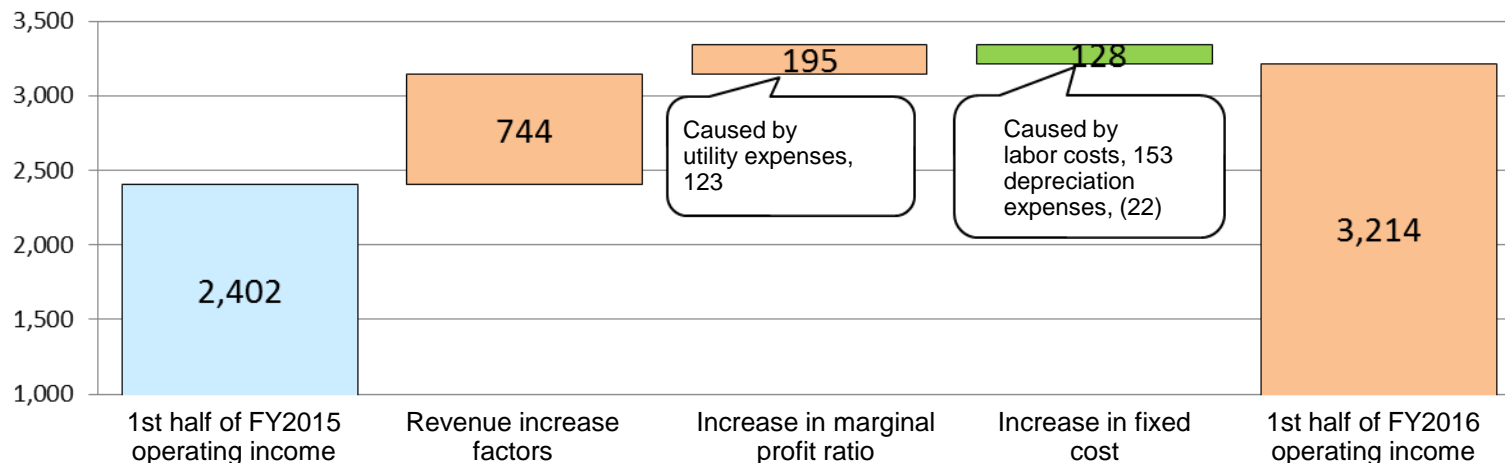


**[Comparison with FY2015 Results]**  
**Non-consolidated Business Summary for the First Half of FY2016**  
**(Income Change Factors)**

■ **Operating income: ¥3,214 million**

Year-on-year increase of ¥811 million (33.8%)

(Millions of yen)



■ **Ordinary income: ¥3,648 million**

Year-on-year increase of ¥732 million (25.1%)

(Millions of yen)

Increase factors	Operating income	811
	Financial income/expenses	13
Decrease factors	Non-operating income/expenses	92
Total		732

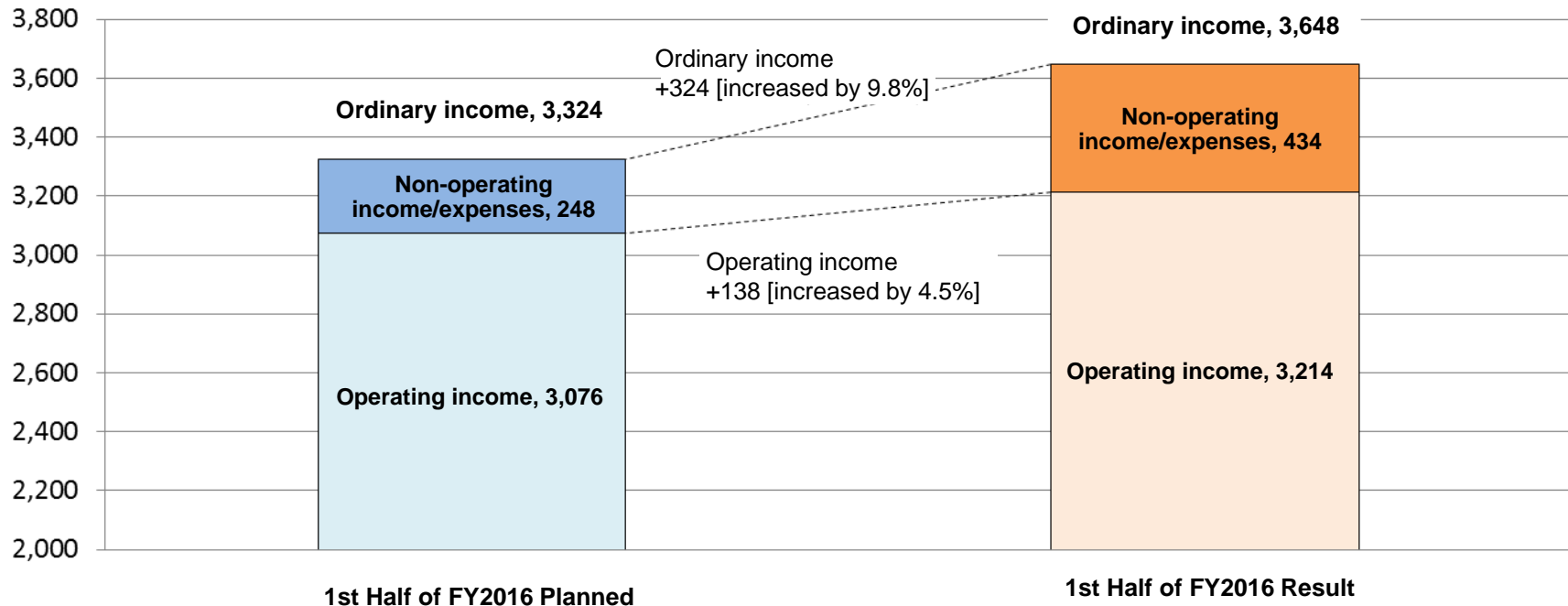
**[Comparison with FY2016 Plan]**  
**Non-consolidated Business Summary for the First Half of FY2016**

**■ Net sales**

Non-consolidated net sales exceeded the plan by ¥131 million.

**■ Income**

(Millions of yen)

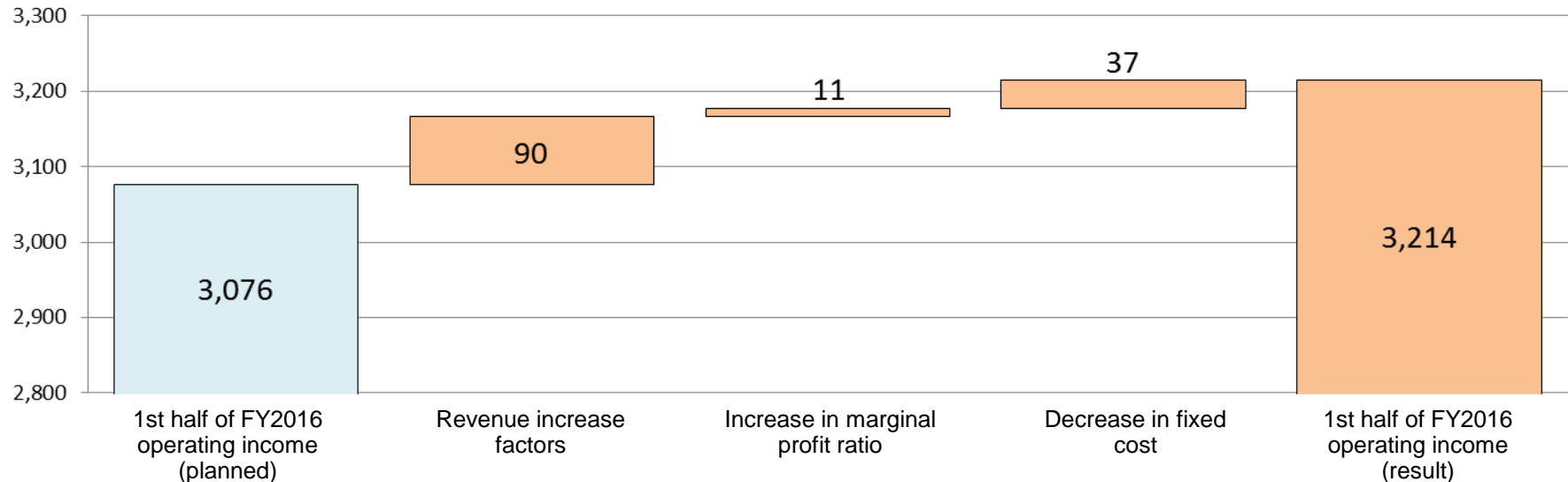


[Comparison with FY2016 Plan]  
**Non-consolidated Business Summary for the First Half of FY2016**  
 (Income Change Factors)

■ **Operating income: ¥3,214 million**

Exceeded the plan by ¥138 million (4.5%)

(Millions of yen)



■ **Ordinary income: ¥3,648 million**

Exceeded the plan by ¥324 million (9.8%)

(Millions of yen)

Increase factors	Operating income	138
	Financial income/expenses	20
	Non-operating income/expenses	166
Total		324

# Ariake Group's Global Seven-Pillar System



# Business Summary of Major Subsidiaries for the First Half of FY2016

(Local currency)

## □ Major subsidiaries

### ◆ U.S.

Both net sales and operating income increased. Net sales increase was driven by increased orders from the existing food-processing companies.

On the other hand, the soaring fuel and raw material costs, which caused cost increase in the previous year, settled down in this period under review. As a result, operating income significantly improved.

### ◆ Asia

China: Both net sales and operating income increased, owing to the further increase in orders from the existing food-processing companies.

Taiwan: Both net sales and operating income increased, owing mainly to increased orders in the local food services market.

### ◆ Europe

Net sales decreased but operating income increased for three subsidiaries in total. This was mainly attributed to a temporary slowdown in sales at Henningsen Nederland BV and a decrease in operating losses in Belgium and France.

### ◆ Japan

The Japanese subsidiaries remained the same as the previous year.



# Consolidated Financial Results by Geographical Area for the First Half of FY2016

(Billions of yen)

	Net sales			Operating income (loss)		
	1st Half of FY2016 Results (A)	1st Half of FY2015 Results (B)	Difference (A-B)	1st Half of FY2016 Results (A)	1st Half of FY2015 Results (B)	Difference (A-B)
Ariake Japan	16.67	14.76	1.91	3.21	2.40	0.81
Subsidiaries total	5.39	3.77	1.62	0.78	0.25	0.53
U.S.	1.98	0.82	1.16	0.38	0.07	0.31
Asia	1.90	1.36	0.54	0.51	0.34	0.17
Europe	1.33	1.41	(0.08)	(0.12)	(0.17)	0.05
Japan	0.18	0.18	0.00	0.01	0.01	0.00
Total	22.06	18.53	3.53	3.99	2.65	1.34

# Consolidated Financial Plan by Geographical Area for FY2016

(Billions of yen)

	Net sales			Operating income (loss)		
	FY2016 Planned (A)	FY2015 Results (B)	Difference (A-B)	FY2016 Planned (A)	FY2015 Results (B)	Difference (A-B)
Ariake Japan	34.70	31.30	3.40	6.45	5.56	0.89
Subsidiaries total*	11.31	9.62	1.69	1.48	0.70	0.78
U.S.	3.62	2.70	0.92	0.47	0.31	0.16
Asia	4.40	3.63	0.77	0.89	0.82	0.07
Europe	2.91	2.93	(0.02)	0.10	(0.45)	0.55
Japan	0.38	0.36	0.02	0.02	0.02	0.00
Total	46.01	40.92	5.09	7.93	6.26	1.67

# Business Plan 1)

(All net sales figures are before consolidation adjustments.)

## 1. Ariake Japan Co., Ltd.

We will focus on new markets in Japan as well as existing markets, aiming to increase net sales to ¥36.7 billion for the fiscal year ending March 31, 2017 (FY2017). Net sales for FY2018 are expected to increase to ¥38.7 billion, with an operating income margin of 19%.

## 2. U.S.

We plan to carry out business operations actively with strategic investments taken into account while striving to increase sales in the food services market as well as the processed foods market by strengthening our sales force. Net sales for FY2017 and FY2018 are expected to reach ¥6.4 billion and ¥7.6 billion, respectively.

## 3. Asia

In China, by expanding sales in all segments, net sales are expected to grow to ¥4.3 billion for FY2017 and ¥5.3 billion for FY2018.

Taiwan is expected to achieve net sales of ¥2.4 billion for FY2017 and ¥3.0 billion for FY2018 by strengthening sales promotion activities in the food services market where demands are brisk.

## 4. Europe

Net sales from the European region are expected to be ¥3.8 billion for FY2017 and ¥4.0 billion for FY2018. We will accelerate performance improvements through the previous year's impairment accounting of machinery in France and Belgium, while striving to boost sales of products for industrial and business use through collaboration in various measures among the Ariake Group and major local companies in Europe.

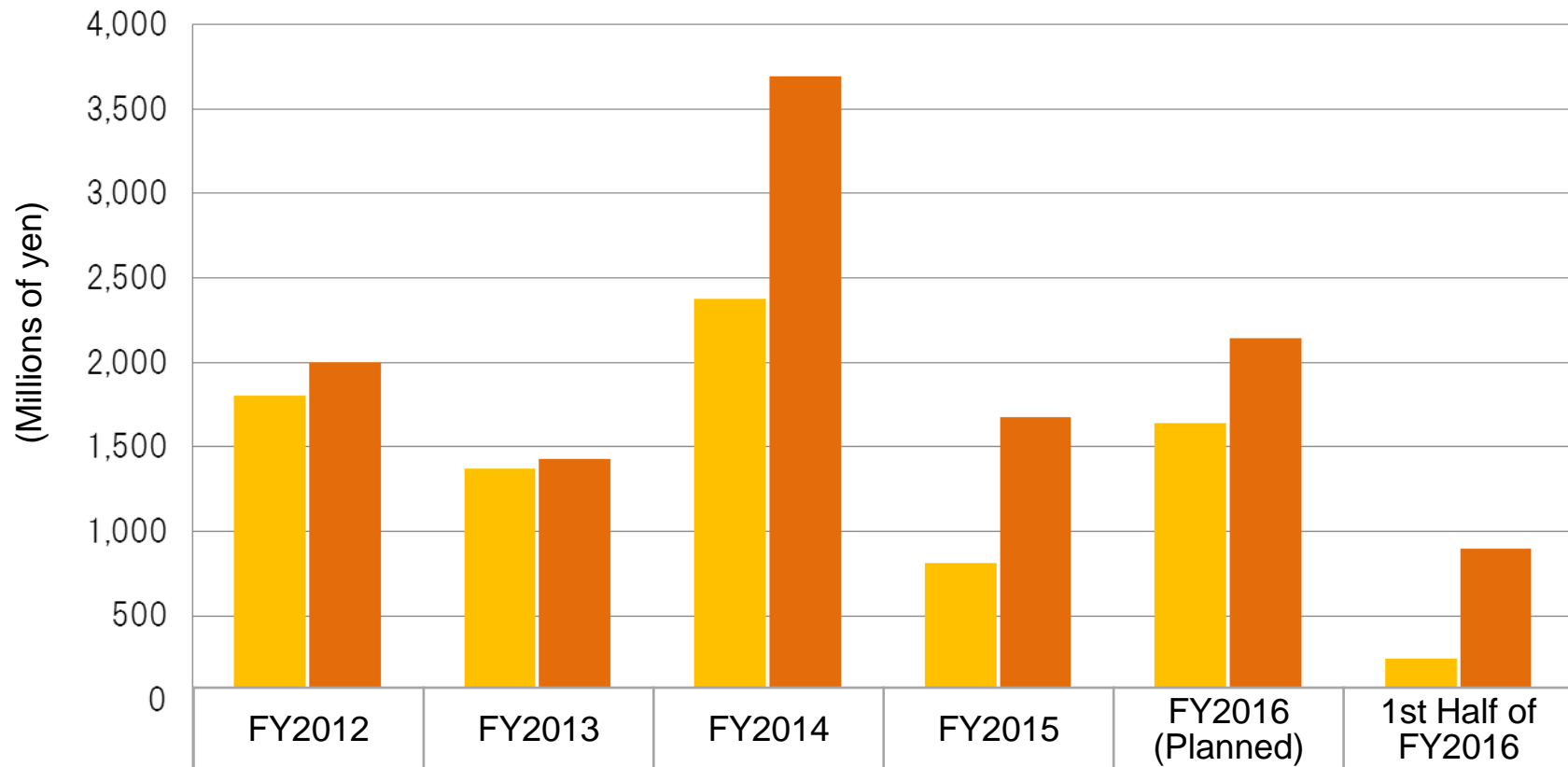
## 5. Further strengthening of global supply system

# Business Plan 2)

(Billions of yen)

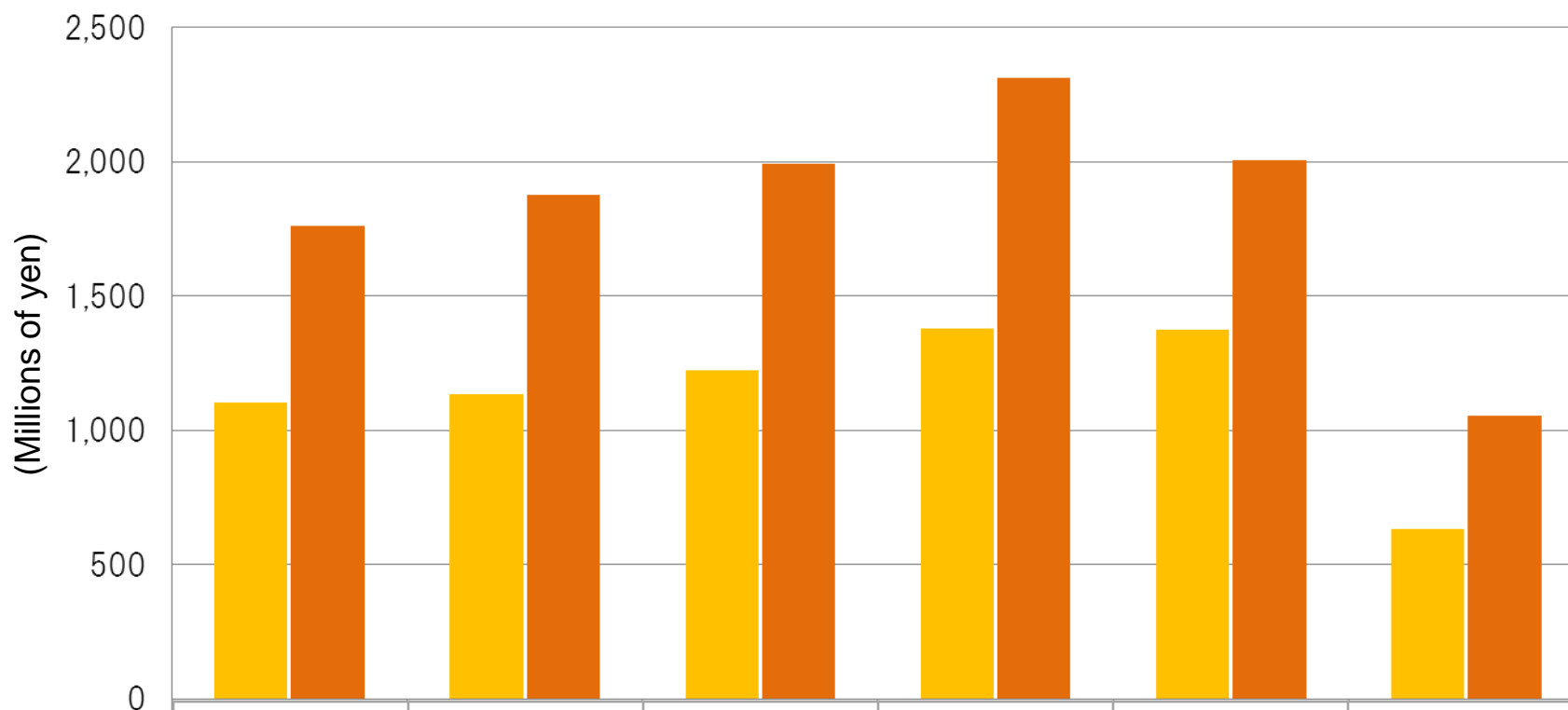
		FY2012 Result	FY2013 Result	FY2014 Result	FY2015 Result	Planned		
						FY2016	FY2017	FY2018
Net sales	Ariake Japan	26.6	28.4	29.6	31.3	34.7	36.7	38.7
	Consolidated subsidiaries	6.5	7.4	9.6	12.4	14.3	17.3	20.5
	Consolidation adjustments	(1.6)	(2.3)	(2.0)	(2.8)	(3.0)	(3.0)	(3.0)
	Consolidated net sales	31.5	33.5	37.2	40.9	46.0	51.0	56.2
Operating income (loss)	Ariake Japan	5.1	5.4	5.3	5.6	6.5	6.9	7.4
	Consolidated subsidiaries	(0.2)	0.0	0.3	0.7	1.5	2.4	3.3
	Consolidated operating income (loss)	4.9	5.4	5.6	6.3	7.9	9.3	10.6

# Consolidated and Non-consolidated Capital Expenditures



■ Ariake Japan	1,803	1,373	2,374	815	1,640	247
■ Ariake Group	1,999	1,429	3,693	1,678	2,140	899

## Consolidated and Non-consolidated Depreciation Expenses



■ Ariake Japan	1,106	1,133	1,223	1,379	1,376	633
■ Ariake Group	1,763	1,878	1,995	2,312	2,005	1,055

This presentation material is a tool to understand our business and is not intended to solicit investment.

Descriptions regarding the future, including financial forecasts contained in this material, are based on certain information currently available to the Company and particular assumptions, which are, at the discretion of the Company, deemed to be reasonable. However, actual business results may significantly vary due to a variety of factors.

Thank you for your attention.