

# ARIAKE JAPAN Co., Ltd.

Code number: 2815

## FY2015 Financial Results

April 1, 2014 – March 31, 2015

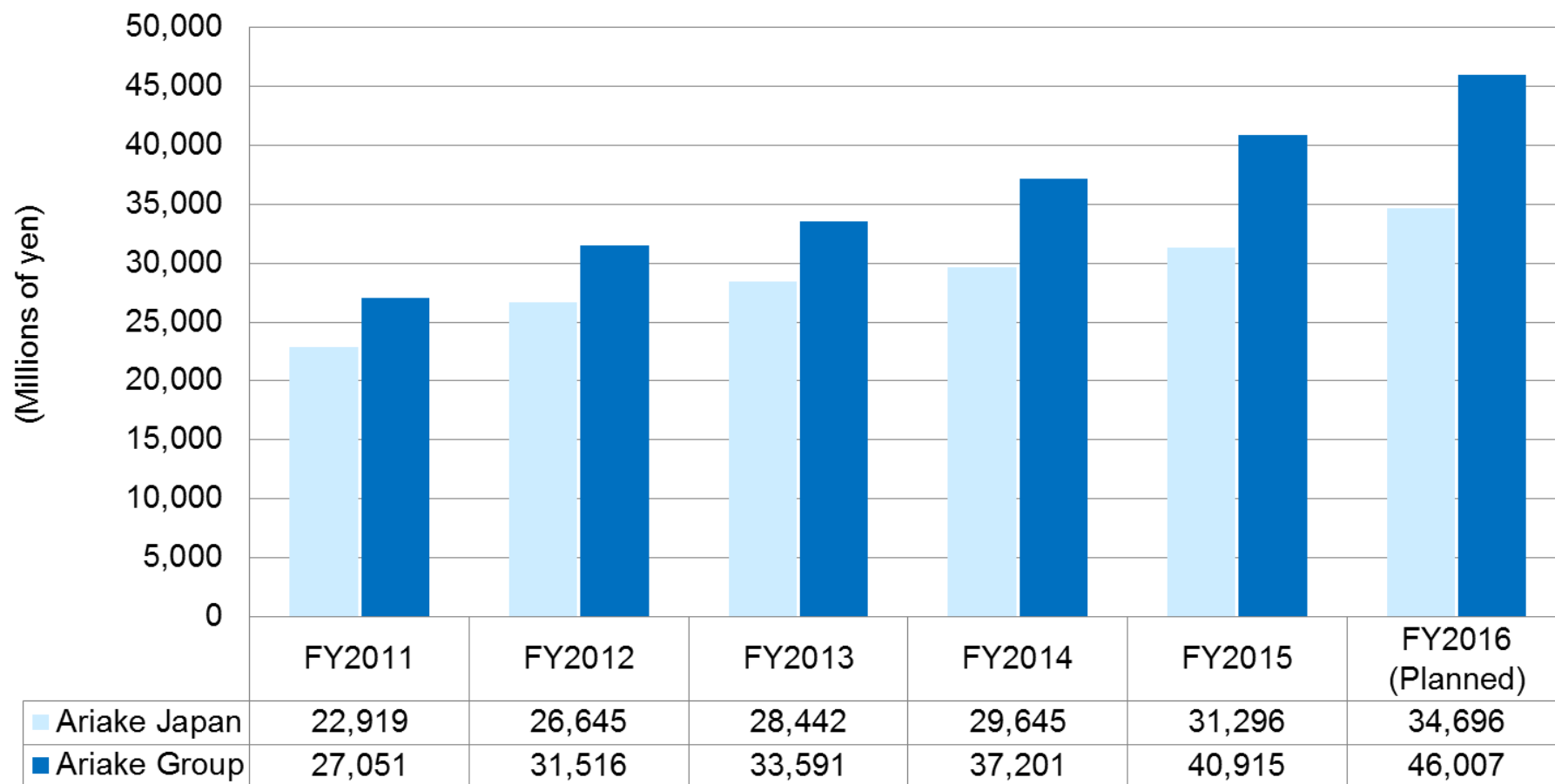
May 14, 2015



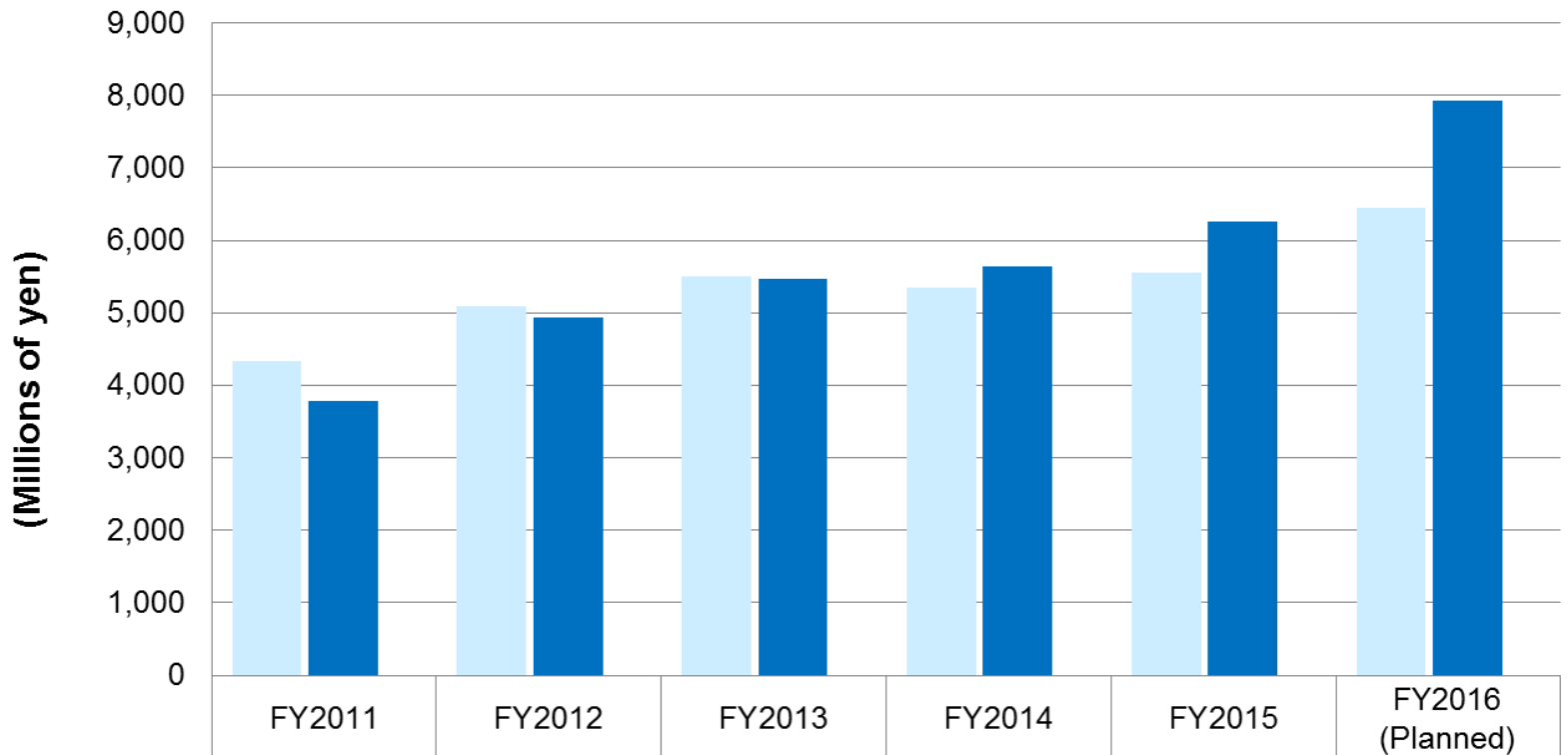
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## Consolidated and Non-consolidated Net Sales

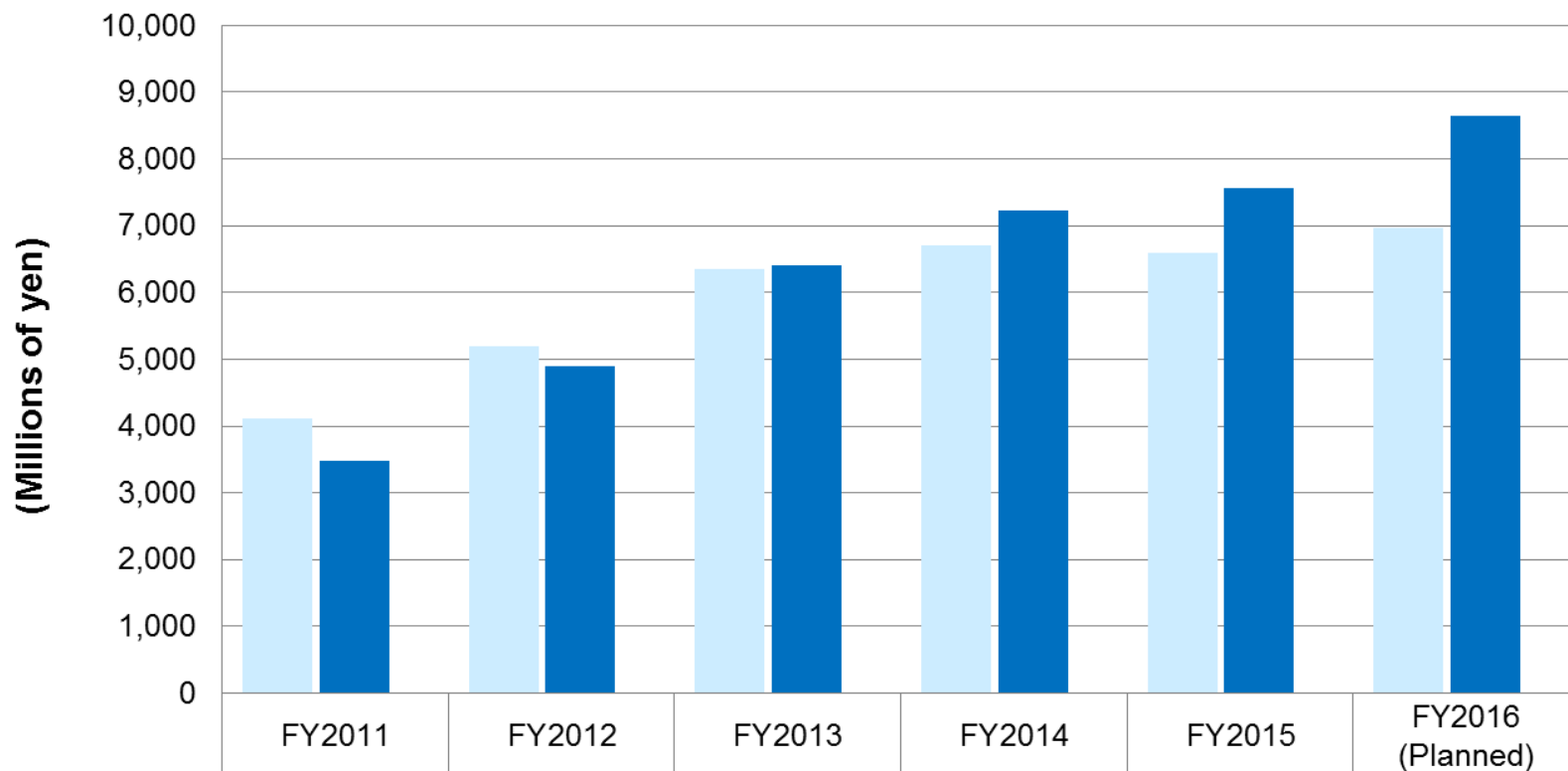


# Consolidated and Non-consolidated Operating Income



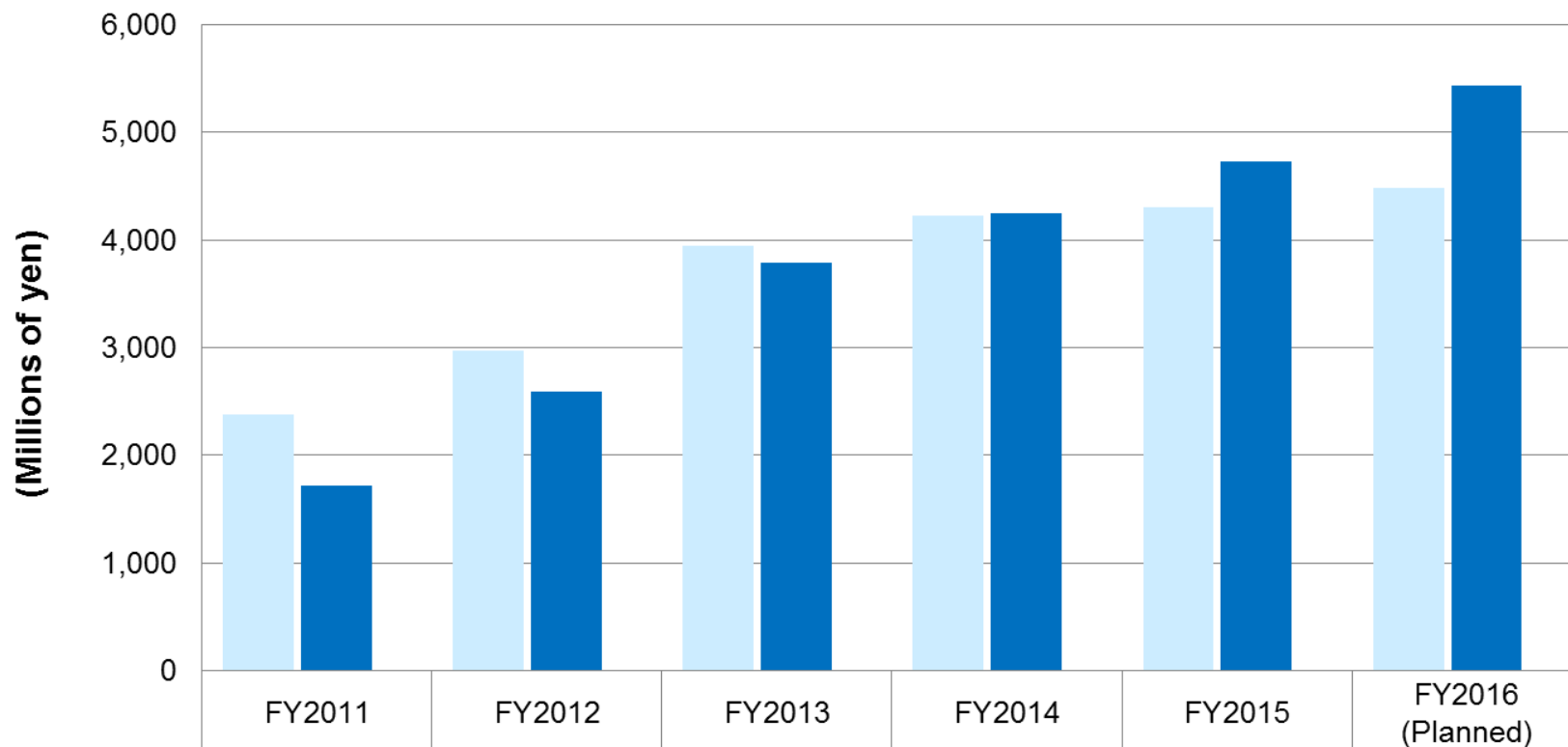
■ Ariake Japan	4,330	5,094	5,495	5,349	5,556	6,452
Operating income margin	18.9%	19.1%	19.3%	18.0%	17.8%	18.6%
■ Ariake Group	3,783	4,940	5,475	5,639	6,251	7,933
Operating income margin	14.0%	15.7%	16.3%	15.2%	15.3%	17.2%

## Consolidated and Non-consolidated Ordinary Income



■ Ariake Japan	4,116	5,198	6,350	6,701	6,592	6,958
Ordinary income margin	18.0%	19.5%	22.3%	22.6%	21.1%	20.1%
■ Ariake Group	3,484	4,896	6,408	7,236	7,562	8,654
Ordinary income margin	12.9%	15.5%	19.1%	19.5%	18.5%	18.8%

## Consolidated and Non-consolidated Net Income



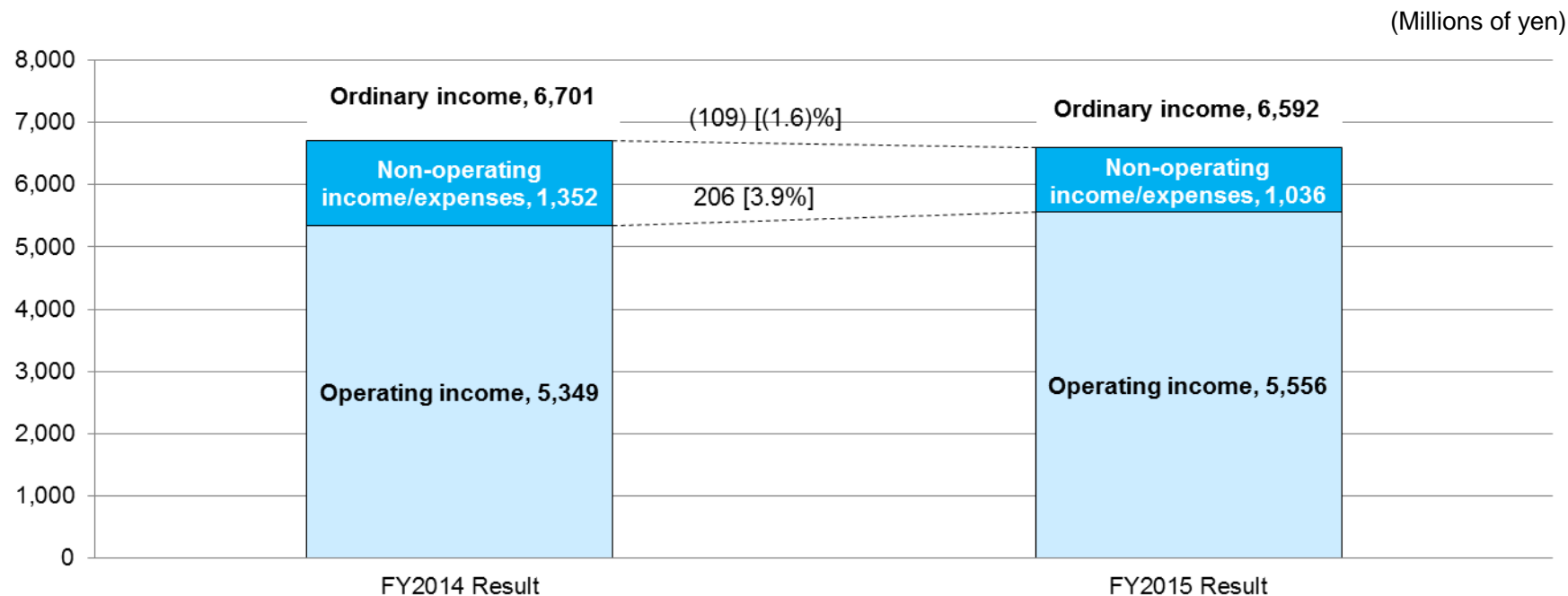
■ Ariake Japan	2,382	2,967	3,948	4,224	4,299	4,477
Net income margin	10.4%	11.1%	13.9%	14.3%	13.7%	12.9%
■ Ariake Group	1,716	2,586	3,788	4,252	4,725	5,439
Net income margin	6.3%	8.2%	11.3%	11.4%	11.5%	11.8%

## [Comparison with FY2014 Results] Non-consolidated Business Summary

### ■ Net sales

Non-consolidated net sales increased by ¥1,650 million (5.6%) year on year, to ¥31,296 million.

### ■ Income

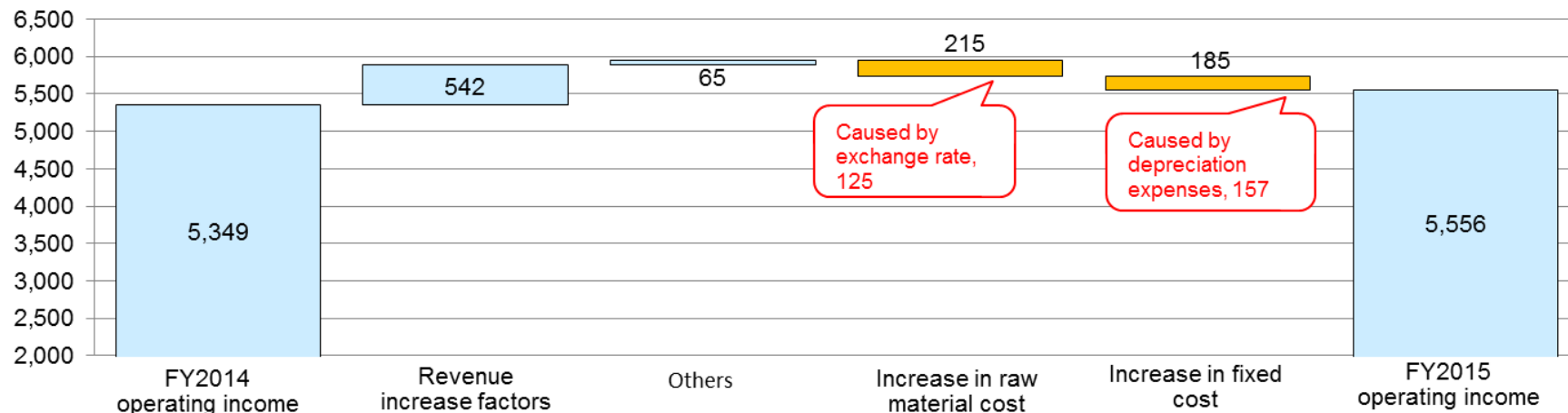


## [Comparison with FY2014 Results] Non-consolidated Business Summary (Income Change Factors)

### ■ Operating income

Year-on-year increase of ¥206 million (3.9%) to ¥5,556 million

(Millions of yen)



### ■ Ordinary income

Year-on-year decrease of ¥109 million (1.6%)

(Millions of yen)

Decrease factors	Decrease in gain on valuation of derivatives	(575)
	Increase in loss on valuation of derivatives	(198)
	Others	(50)
Increase factors	Foreign exchange gains	491
	Increase in operating income	206
	Interest and dividends income	17

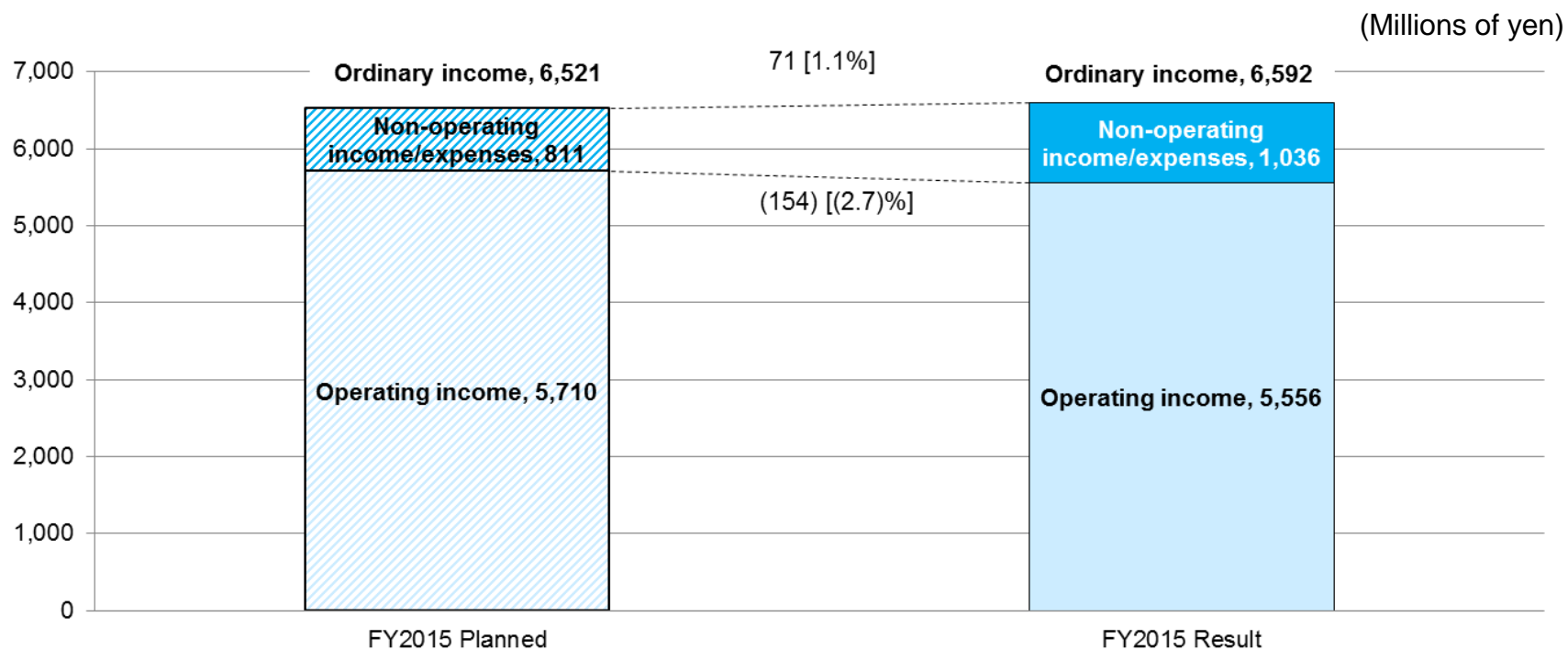


# [Comparison with FY2015 Plan] Non-consolidated Business Summary

## ■ Net sales

Non-consolidated net sales fell short of the plan by ¥385 million.

## ■ Income

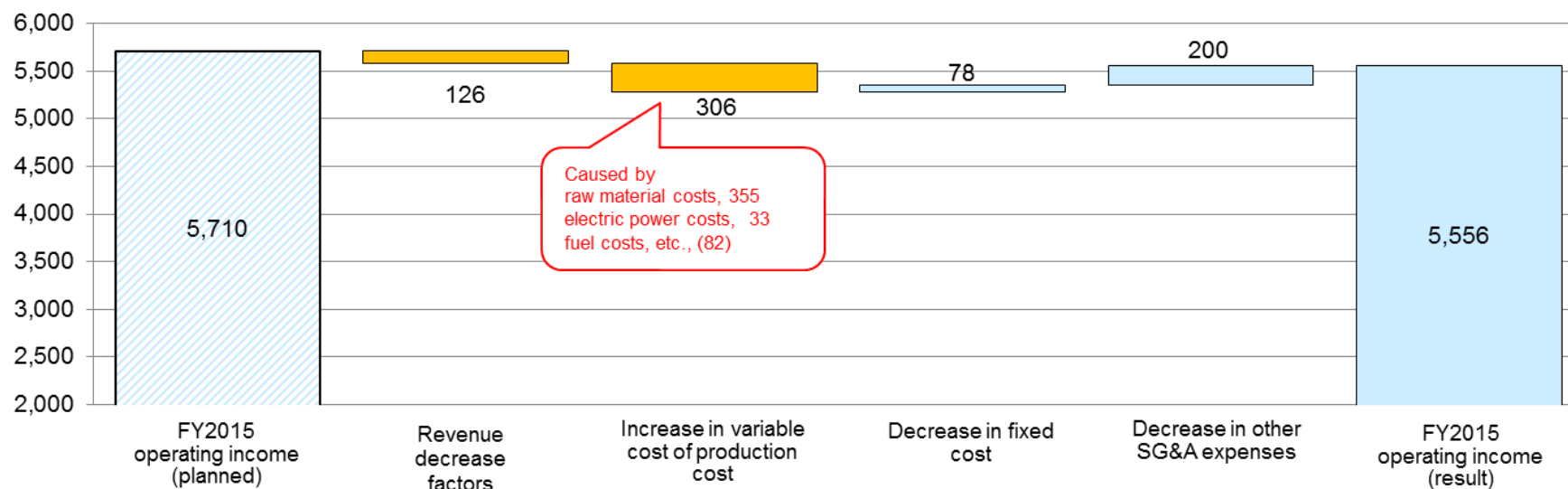


## [Comparison with FY2015 Plan] Non-consolidated Business Summary (Income Change Factors)

### ■ Operating income

Fell short of the plan by ¥154 million (2.7%) to ¥5,556 million

(Millions of yen)



### ■ Ordinary income

Exceed of the plan by ¥71 million (1.1%)

(Millions of yen)

Decrease factors	Decrease in operating income	(153)
Increase factors	Improvement in foreign exchange losses/gains including valuation of derivatives	211
	Others	13

# Business Summary of Major Subsidiaries for FY2015

## □ Major subsidiaries

### ◆ U.S.

Although FY2015 began with negative factors such as cold weather and a delay in the recovery of sales of products for processed foods, the latter half of FY2015 saw a rebound from such a delay, resulting in an increase in revenue. However, operating income dropped due to the effects of higher fuel and raw material costs.

### ◆ Asia

China: Both net sales and operating income increased, but it still fell short of the plan.

Taiwan: Both net sales and operating income increased. Goal was also achieved.

### ◆ Europe

Revenue grew and the operating loss situation improved. Belgium implemented cost reduction measures including partial streamlining. France put in place a system to boost production capacity for new products to respond to demand within the European region. The subsidiary in the Netherlands, which we acquired in the fall of 2013, recorded net sales of ¥1.6 billion and operating income of ¥0.25 billion, contributing to the region's results for the full fiscal year.

### ◆ Japan

The Japanese subsidiaries achieved the plan.

# Consolidated Financial Results by Geographical Area for FY2015

(Billions of yen)

	Net sales					Operating income (loss)				
	FY2015 Results (A)	FY2014 Results (B)	Difference (A-B)	FY2015 Planned (C)	Difference (A-C)	FY2015 Results (A)	FY2014 Results (B)	Difference (A-B)	FY2015 Planned (C)	Difference (A-C)
Ariake Japan	31.30	29.65	1.65	31.68	(0.38)	5.56	5.35	0.21	5.71	(0.15)
Subsidiaries total*	9.62	7.55	2.07	10.19	(0.57)	0.70	0.29	0.41	1.25	(0.55)
U.S.	2.70	2.55	0.15	2.82	(0.12)	0.31	0.45	(0.14)	0.56	(0.25)
Asia	3.63	3.00	0.63	3.75	(0.12)	0.82	0.62	0.20	0.84	(0.02)
Europe	2.93	1.63	1.30	3.28	(0.35)	(0.45)	(0.80)	0.35	(0.16)	(0.29)
Japan	0.36	0.37	(0.01)	0.34	0.02	0.02	0.02	0.00	0.01	0.01
Total	40.92	37.20	3.72	41.87	(0.95)	6.26	5.64	0.62	6.96	(0.70)

\* Subsidiaries' figures are after consolidation adjustments

## 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

\* Subsidiaries' figures are after consolidation adjustments

# Business Plan 1)

(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

# Business Plan 2)

(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 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 make active business operations 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**

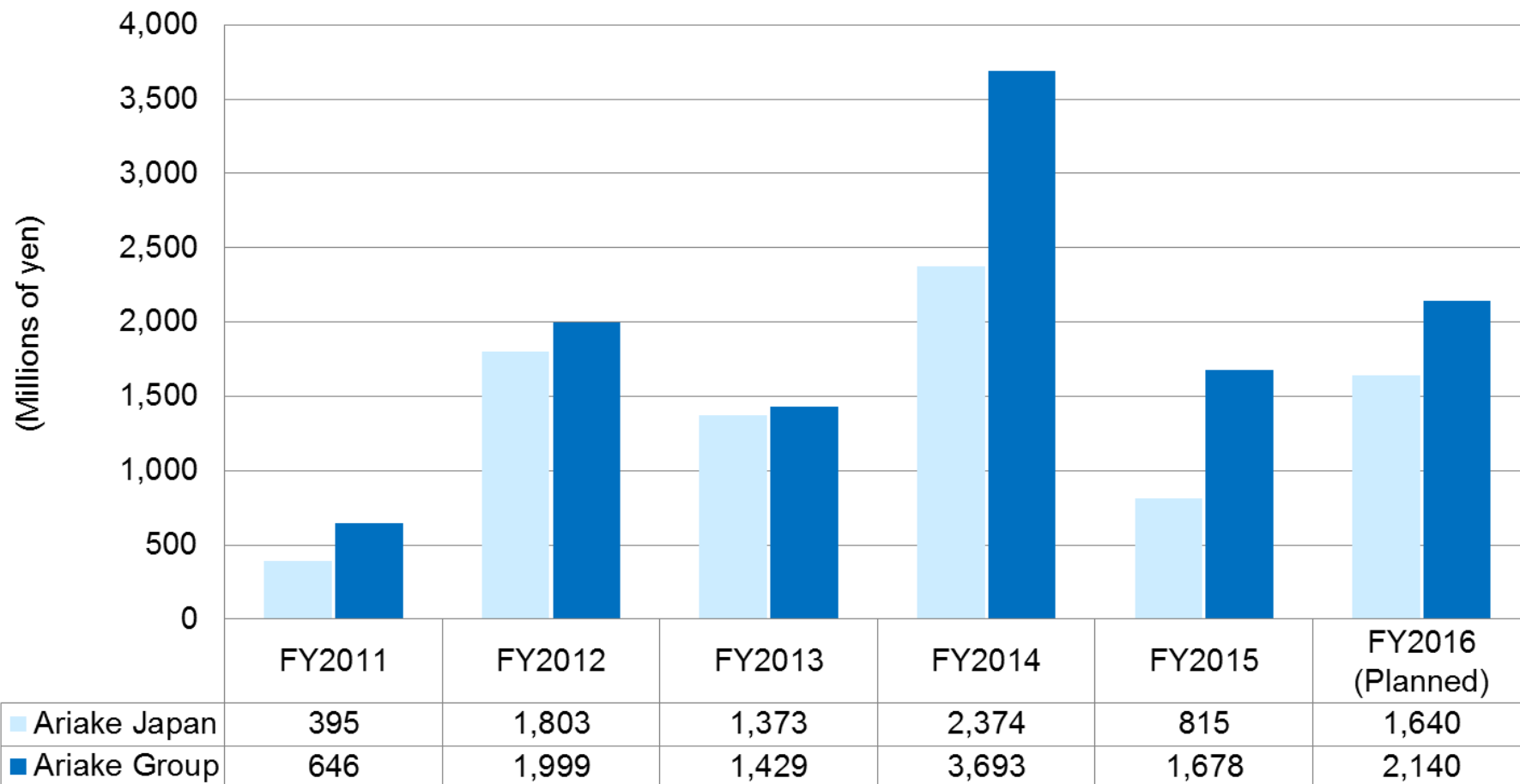
Net sales from the European region are expected to be ¥3.8 billion for FY2017 and ¥4.0 billion for FY2018. We will accelerate improvement in performance through the previous year's impairment accounting of machinery in France and Belgium while striving to boost sales of products for industrial and business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

**Memo**

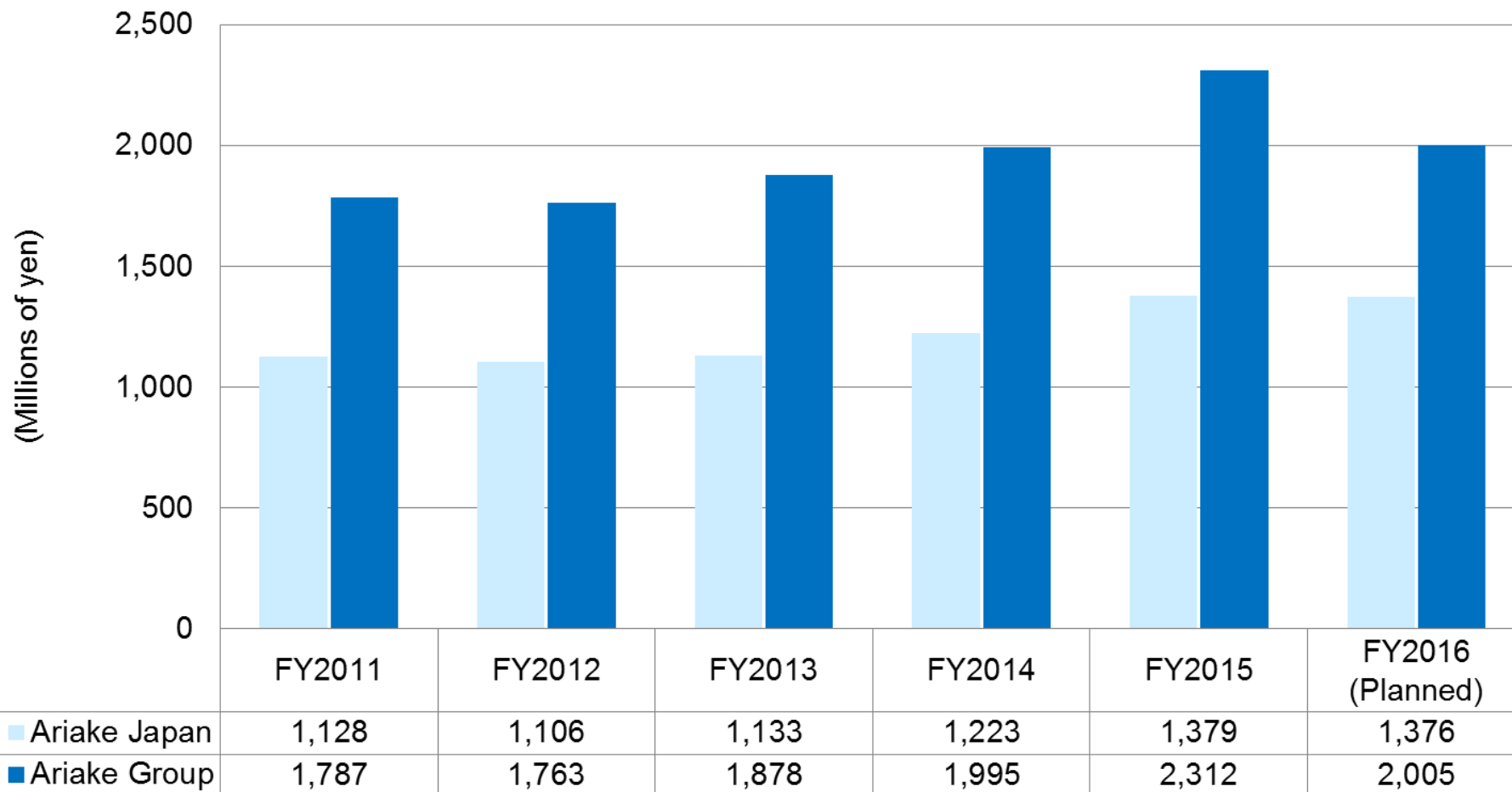
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## Consolidated and Non-consolidated Capital Expenditures



## Consolidated and Non-consolidated Depreciation Expenses



# Ariake Group's Global Seven-Pillar System



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

Descriptions regarding the future, including the financial forecast 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 reasonable and actual business results may significantly vary due to various factors.

Thank you for your attention.

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