

FY2017 Interim Financial Results

April 1, 2016–September 30, 2016

November 9, 2016



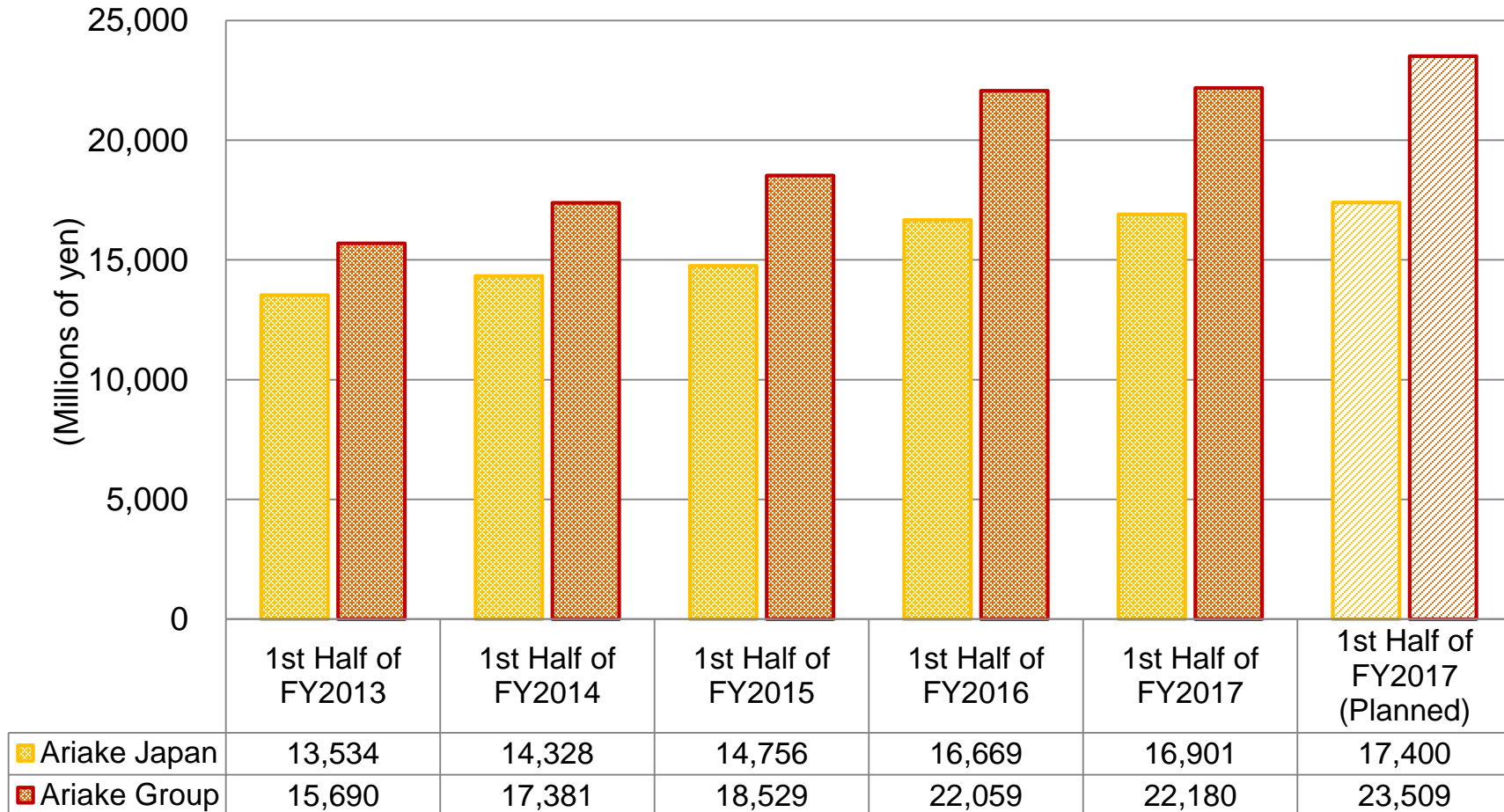
ARIAKE JAPAN Co., Ltd.

Code number: 2815

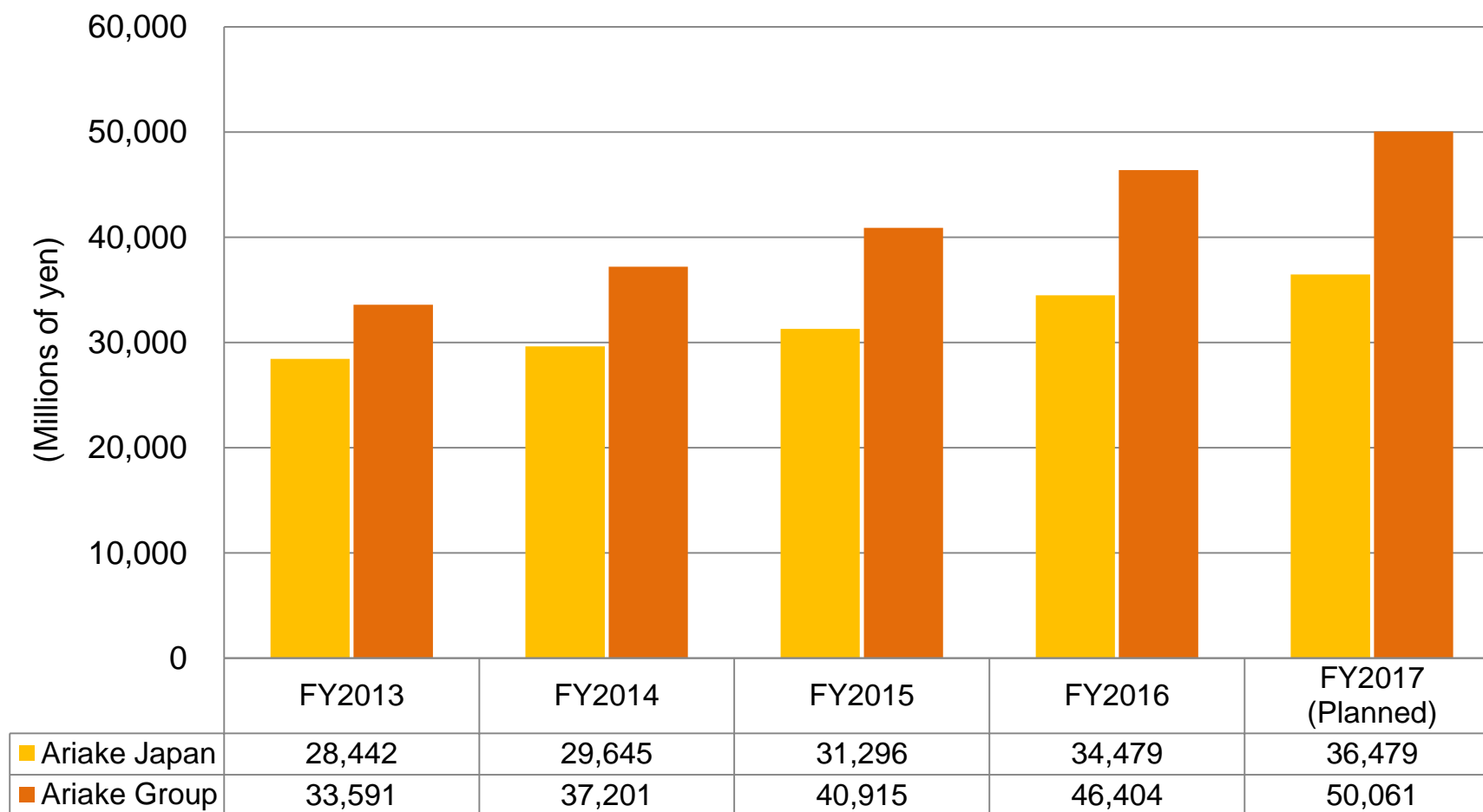
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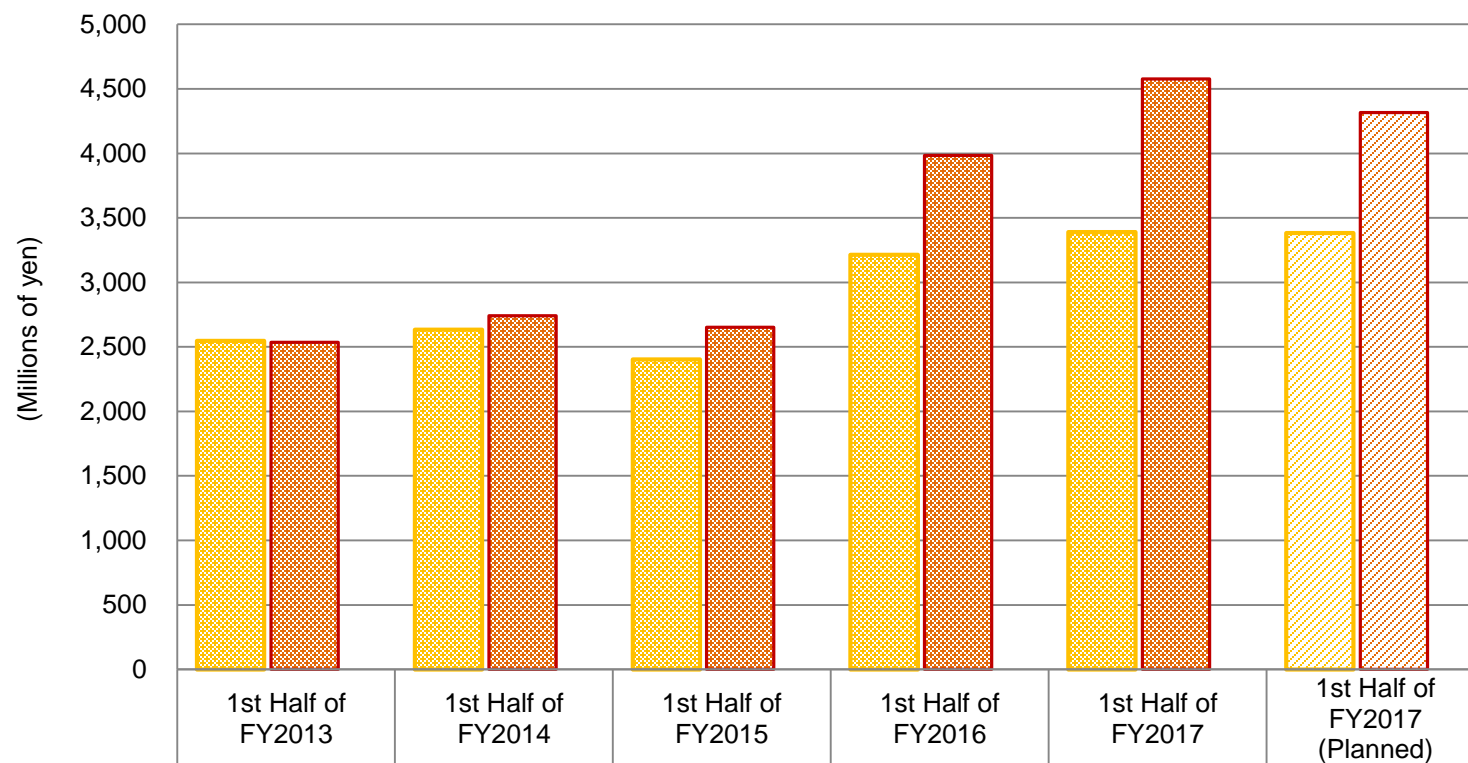
Consolidated and Non-consolidated Net Sales for the First Half Periods



Consolidated and Non-consolidated Net Sales for the Fiscal Years

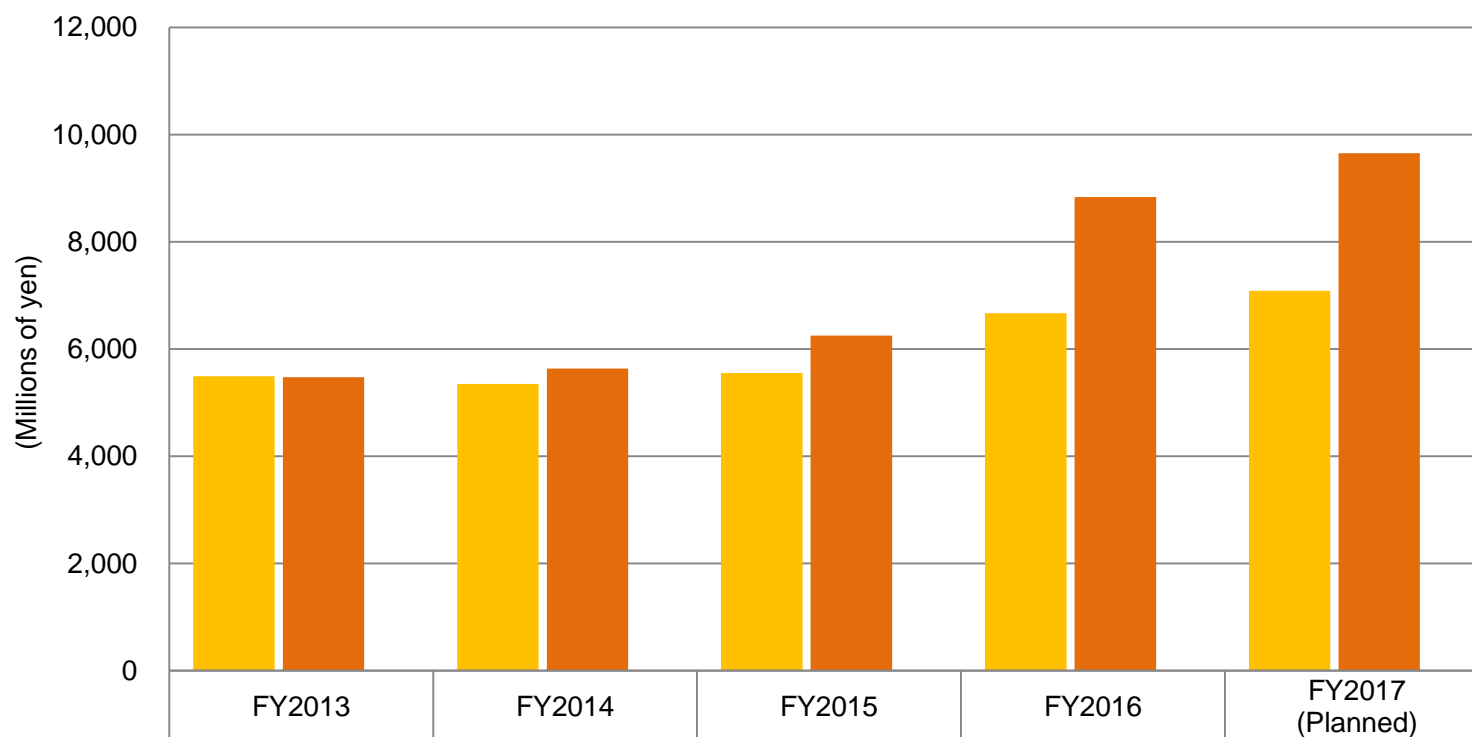


Consolidated and Non-consolidated Operating Income for the First Half Periods



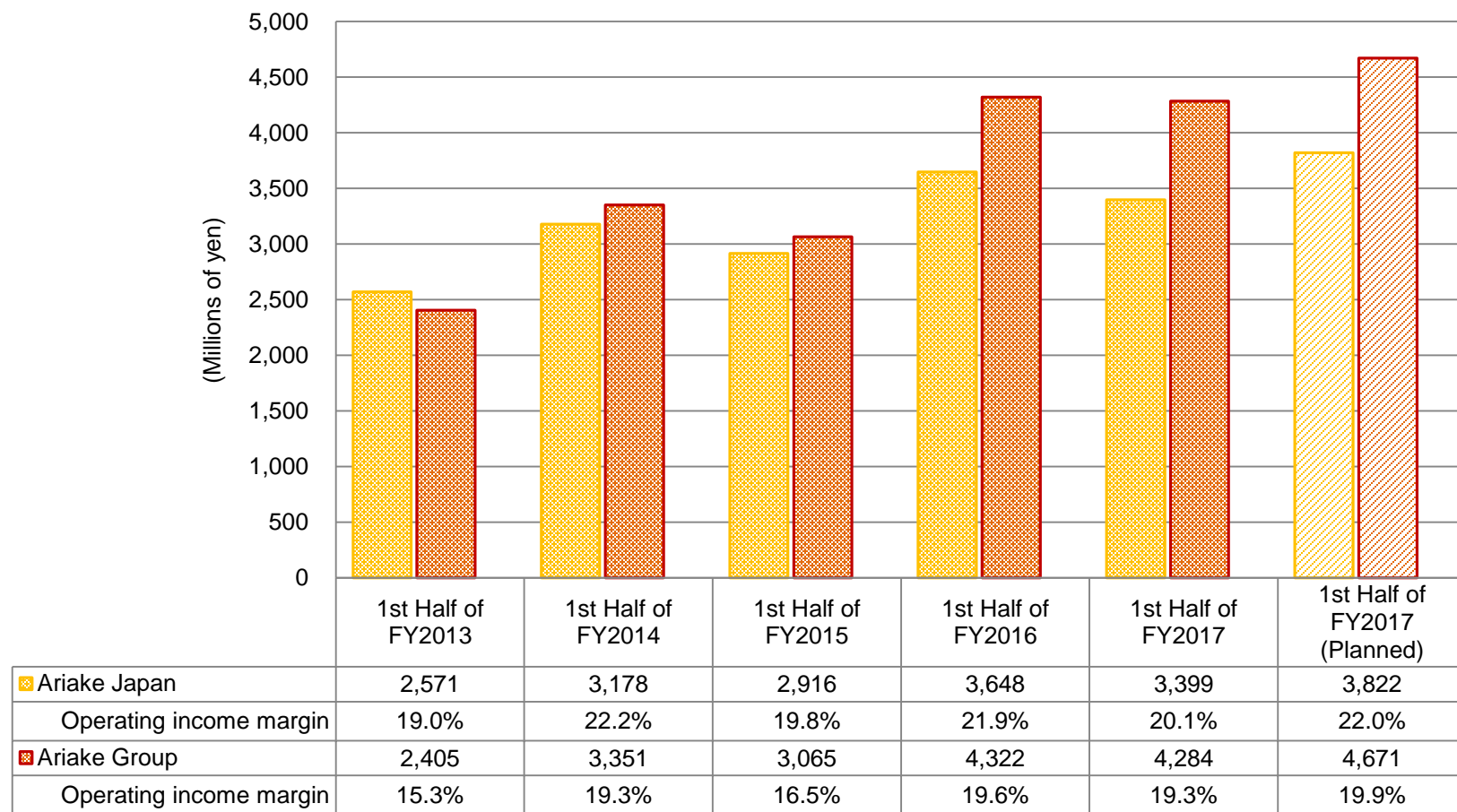
■ Ariake Japan	2,546	2,633	2,402	3,214	3,389	3,383
Operating income margin	18.8%	18.4%	16.3%	19.3%	20.1%	19.4%
■ Ariake Group	2,536	2,742	2,651	3,984	4,578	4,316
Operating income margin	16.2%	15.8%	14.3%	18.1%	20.6%	18.4%

Consolidated and Non-consolidated Operating Income for the Fiscal Years

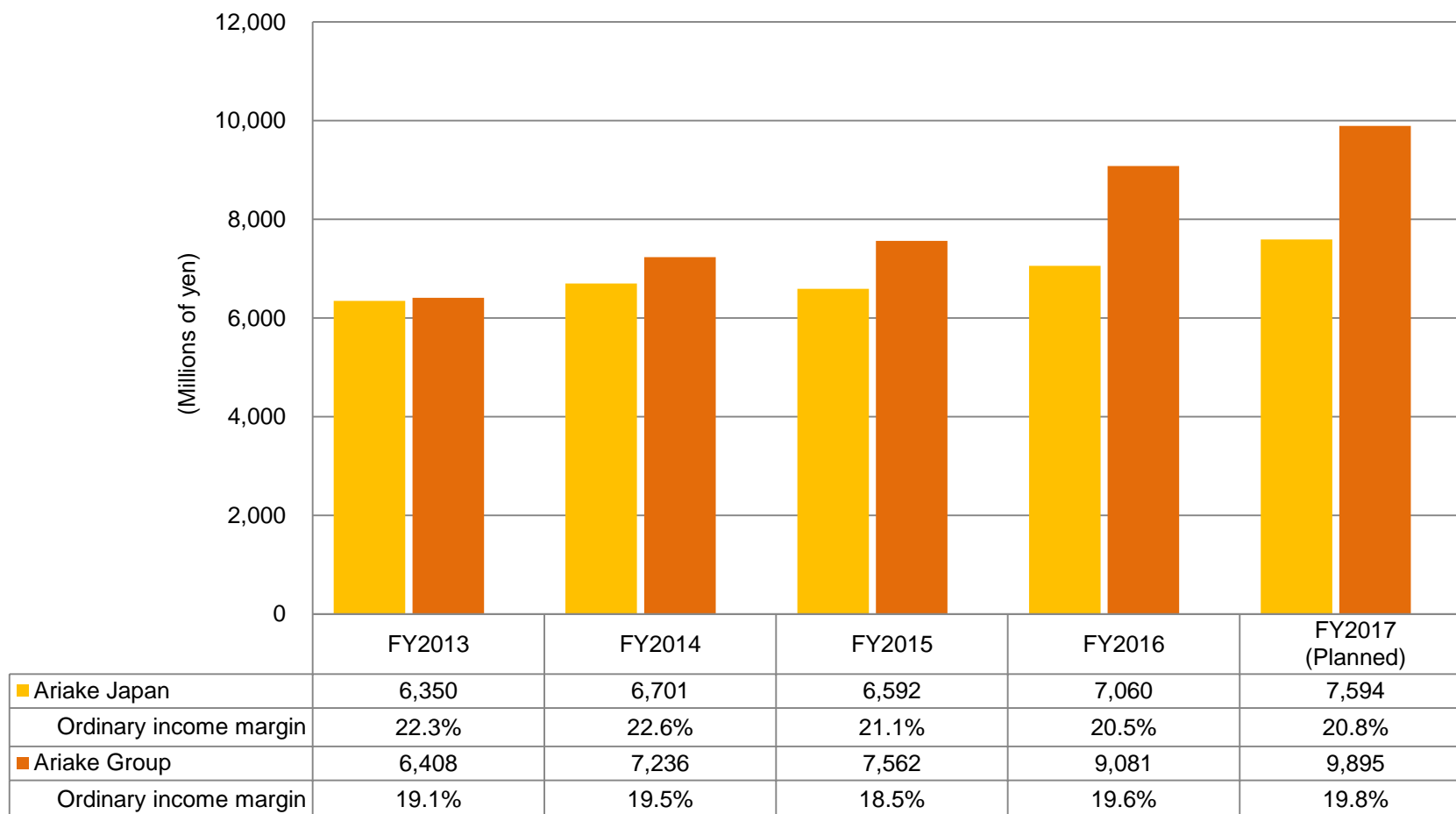


■ Ariake Japan	5,495	5,349	5,556	6,669	7,092
Operating income margin	19.3%	18.0%	17.8%	19.3%	19.4%
■ Ariake Group	5,475	5,639	6,251	8,836	9,654
Operating income margin	16.3%	15.2%	15.3%	19.0%	19.3%

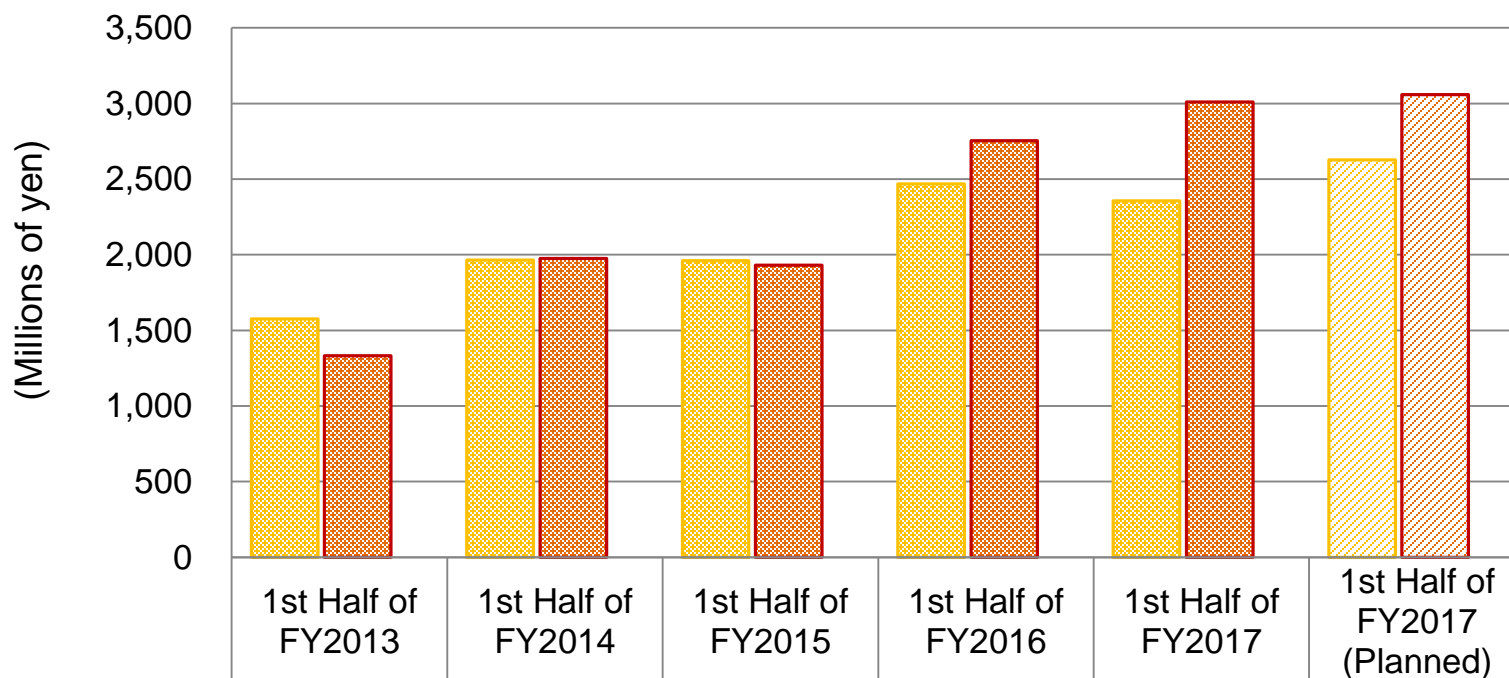
Consolidated and Non-consolidated Ordinary Income for the First Half Periods



Consolidated and Non-consolidated Ordinary Income for the Fiscal Years

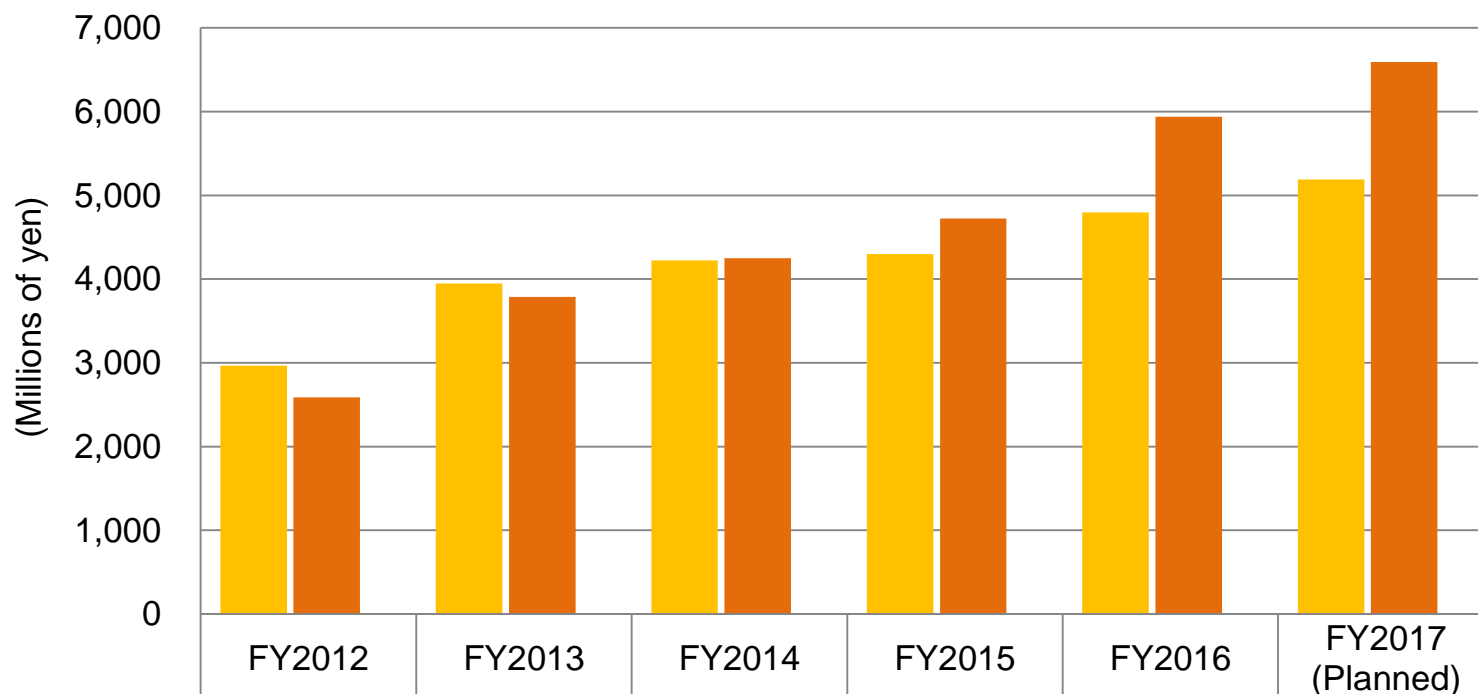


Consolidated and Non-consolidated Net Income Attributable to Shareholders of Parent Company for the First Half Periods



■ Ariake Japan	1,576	1,965	1,961	2,468	2,355	2,627
Net income margin	11.6%	13.7%	13.3%	14.8%	13.9%	15.1%
■ Ariake Group	1,332	1,975	1,931	2,754	3,009	3,059
Net income margin	8.5%	11.4%	10.4%	12.5%	13.6%	13.0%

Consolidated and Non-consolidated Net Income Attributable to Shareholders of Parent Company for the Fiscal Years



■ Ariake Japan	2,967	3,948	4,224	4,299	4,798	5,192
Net income margin	11.1%	13.9%	14.3%	13.7%	13.9%	14.2%
■ Ariake Group	2,586	3,788	4,252	4,725	5,939	6,592
Net income margin	8.2%	11.3%	11.4%	11.5%	12.8%	13.2%

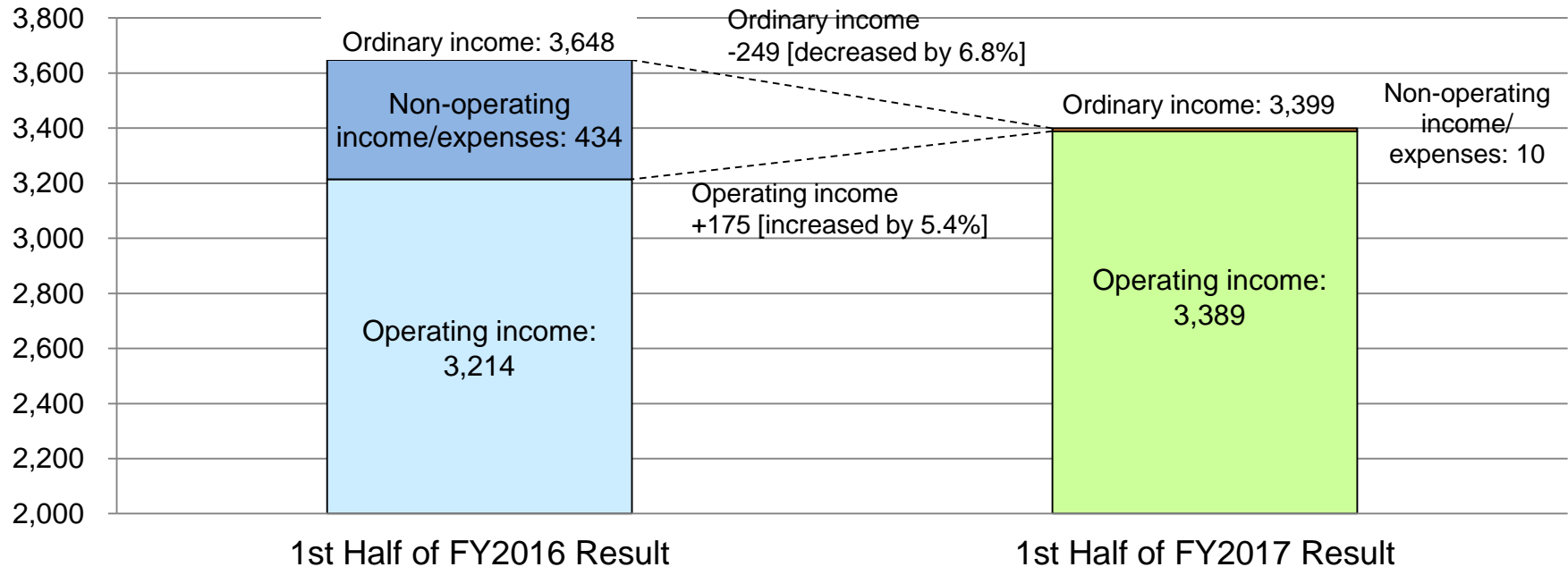
[Comparison with FY2016 Results] Non-consolidated Business Summary for the First Half of FY2017

■ Net sales

Non-consolidated net sales increased by ¥232 million (1.4%) year on year, to ¥16,901 million.

■ Income

(Millions of yen)



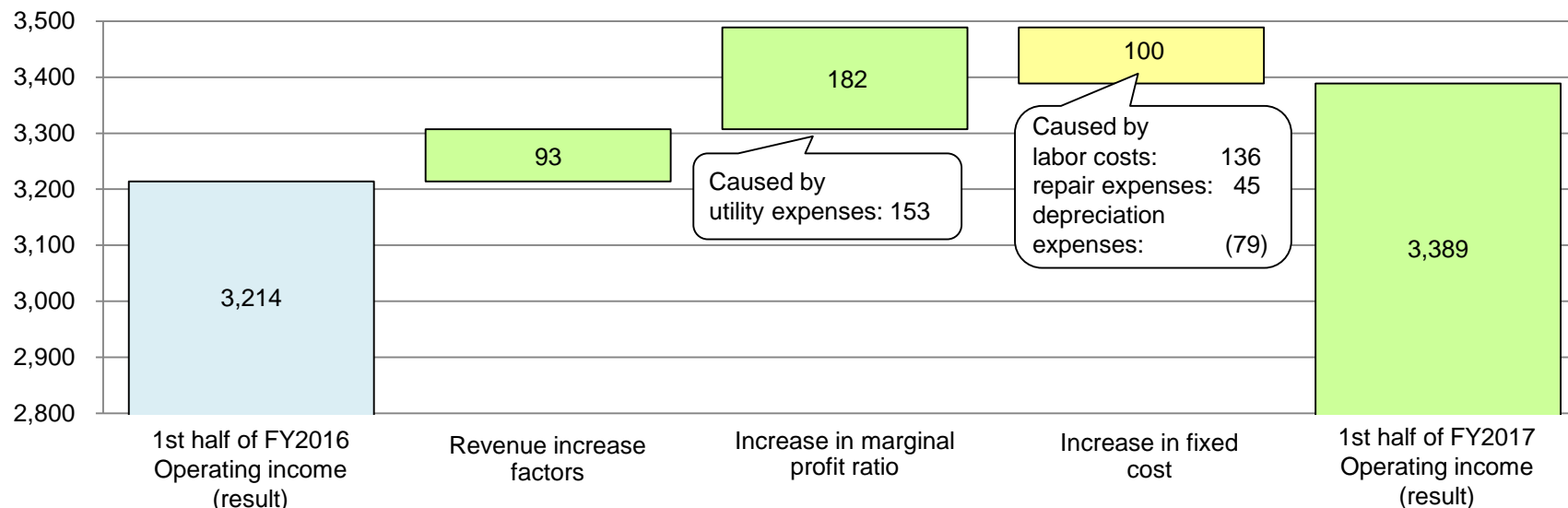
[Comparison with FY2016 Results]

Non-consolidated Business Summary for the First Half of FY2017 (Income Change Factors)

■ Operating income: ¥3,389 million

Year-on-year increase of ¥175 million (5.4%)

(Millions of yen)



■ Ordinary income: ¥3,399 million

Year-on-year decrease of ¥249 million (6.8%)

(Millions of yen)

Increase factors	Increase in operating income		175
	Loss on valuation of derivatives		139
	Dividend income, etc.		44
Decrease factors	Foreign exchange losses	Foreign currency hedge	(330)
		Revaluation of foreign currency deposits	(115)
		Revaluation of loans denominated in foreign currency	(111)
		Others	(51)
		Total	(249)

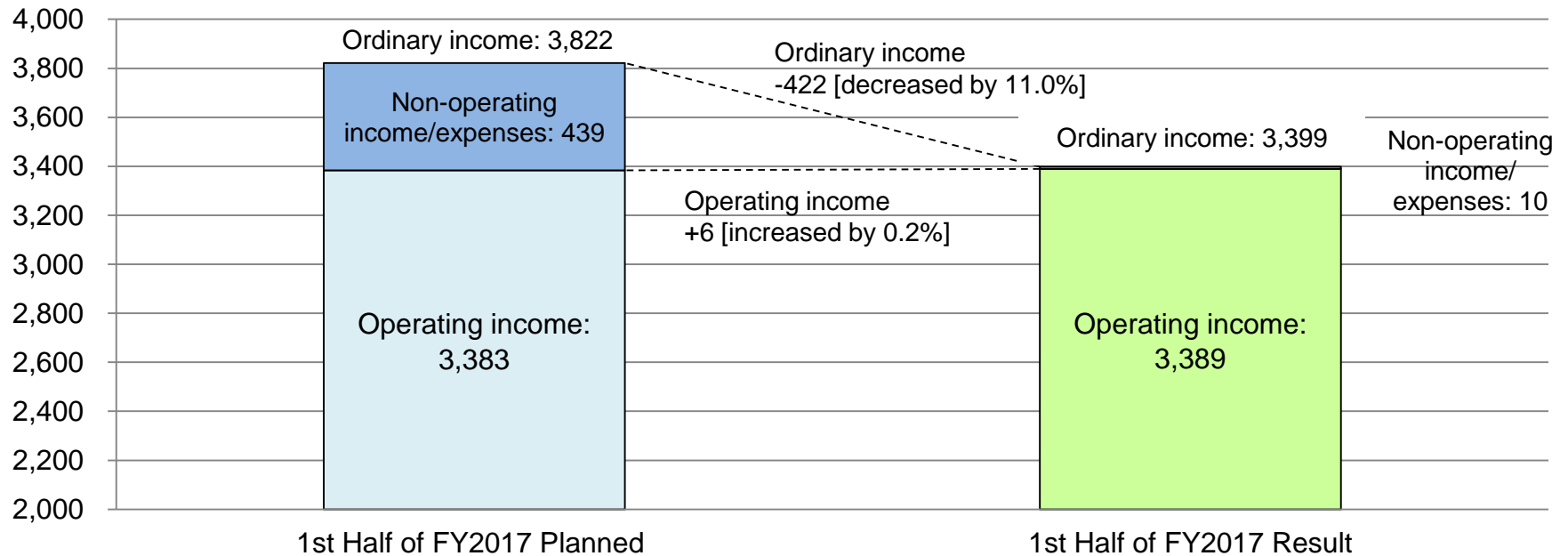
[Comparison with FY2017 Plan]
 Non-consolidated Business Summary for the First Half of FY2017

■ Net sales

Non-consolidated net sales fell short of the plan by ¥498 million.

■ Income

(Millions of yen)

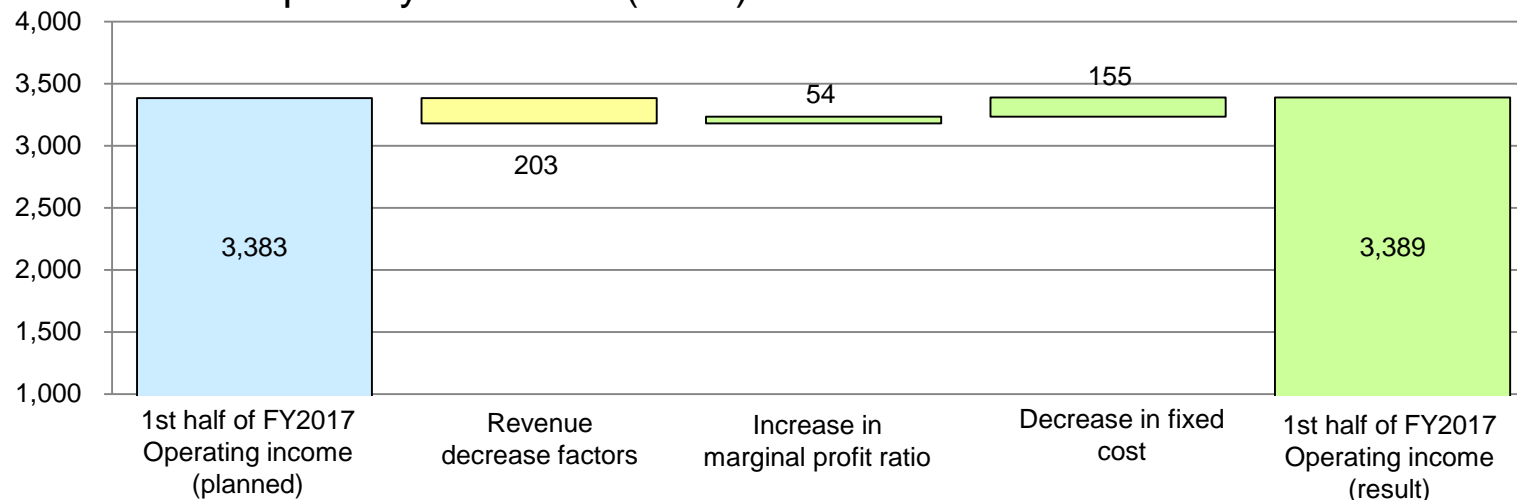


[Comparison with FY2017 Plan]
 Non-consolidated Business Summary for the First Half of FY2017
 (Income Change Factors)

■ **Operating income: ¥3,389 million**

Exceeded the plan by ¥6 million (0.2%)

(Millions of yen)



■ **Ordinary income: ¥3,399 million**

Fell short of the plan by ¥422 million (11.0%)

(Millions of yen)

Increase factors	Increase in operating income	6
Decrease factors	Foreign exchange losses	(287)
	Loss on valuation of derivatives	(71)
	Other non-operating income/expenses	(70)
Total		(422)

Ariake Group's Global Eight-Pillar System



Business Summary of Major Subsidiaries for the First Half of FY2017

□ Major subsidiaries

(Local currency)

◆ U.S.

Net sales increase was driven by increased orders from the existing food-processing companies. We started the sales to the food services market. On the other hand, reduction of raw material costs and utilities costs contributed to the improved profit.

◆ Asia

With strong demand in local markets, sales grew in China because of increased orders from food processing companies, and in Taiwan as well because of increased orders from the food services market.

In Indonesia, a factory is under construction, targeting the summer of 2017 for the start of operation.

◆ Europe

Sales within Europe increased and profit improved, owing to cooperation between three locations (Belgium, France and the Netherlands).

◆ Japan

The Japanese subsidiaries remained the same as the previous year.

Consolidated Financial Results by Geographical Area for the First Half of FY2017

(Billions of yen)

* Subsidiaries' figures are after consolidation adjustments

	1st Half of FY2017 Results (A)	1st Half of FY2016 Results (B)	Changes		Details of changes		
			(A-B) = C	%	Exchange differences (D)	Actual (C-D)	%
Net sales	22.18	22.06	0.12	0.6%	(1.13)	1.25	5.7%
Ariake Japan	16.90	16.67	0.23	1.4%	-	0.23	1.4%
Subsidiaries total*	5.28	5.39	(0.11)	-2.1%	(1.13)	1.02	19.0%
U.S.	1.81	1.98	(0.17)	-8.3%	(0.34)	0.17	9.1%
Asia	2.05	1.90	0.15	8.0%	(0.54)	0.69	36.5%
Europe	1.24	1.33	(0.09)	-6.8%	(0.25)	0.16	11.8%
Japan	0.18	0.18	0.00	-5.1%	-	0.00	-5.1%
Operating income	4.58	3.99	0.59	14.9%	(0.27)	0.86	21.6%
Ariake Japan	3.39	3.21	0.18	5.4%	-	0.18	5.4%
Subsidiaries total*	1.19	0.78	0.41	54.4%	(0.27)	0.68	89.2%
U.S.	0.43	0.38	0.05	11.7%	(0.08)	0.13	33.0%
Asia	0.62	0.51	0.11	21.8%	(0.16)	0.27	53.4%
Europe	0.13	(0.12)	0.25	-	(0.03)	0.28	-
Japan	0.01	0.01	0.00	9.5%	-	0.00	9.5%

USD	102.9	122.5	-19.5	19.0%
EUR	114.4	137.2	-22.8	20.0%
RMB	15.5	19.7	-4.3	27.6%
TWD	3.2	3.9	-0.8	23.5%

Consolidated Financial Plan by Geographical Area for FY2017

* Subsidiaries' figures are after consolidation adjustments

(Billions of yen)

	Net sales			Operating income (loss)		
	FY2017 Planned (A)	FY2016 Results (B)	Difference (A-B)	FY2017 Planned (A)	FY2016 Results (B)	Difference (A-B)
Ariake Japan	36.48	34.48	2.00	7.09	6.67	0.42
Subsidiaries total*	13.58	11.93	1.65	2.56	2.17	0.39
U.S.	4.62	4.40	0.22	0.98	0.96	0.02
Asia	4.96	4.30	0.66	1.26	1.22	0.04
Europe	3.62	2.86	0.76	0.30	(0.03)	0.33
Japan	0.38	0.36	0.02	0.02	0.02	0.00
Total	50.06	46.40	3.66	9.65	8.84	0.81

USD 110.0 120.6

EUR 125.0 131.8

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 ¥38.5 billion for FY2018. Net sales for FY2019 are expected to increase to ¥40.5 billion, with an operating income margin of 19.5%.

2. U.S.

Besides further boosting the sales to processed food manufacturers, we will work to expand sales to the food services market and make active business operations with strategic investments. Net sales for FY2018 and FY2019 are expected to reach ¥5.8 billion and ¥6.7 billion, respectively.

3. Asia

In China, by expanding sales in all segments, net sales are expected to grow to ¥4.3 billion for FY2018 and ¥4.8 billion for FY2019.

Taiwan is expected to achieve net sales of ¥2.2 billion for FY2018 and ¥2.6 billion for FY2019 by strengthening sales promotion activities in the food services market where demands are brisk.

4. Europe

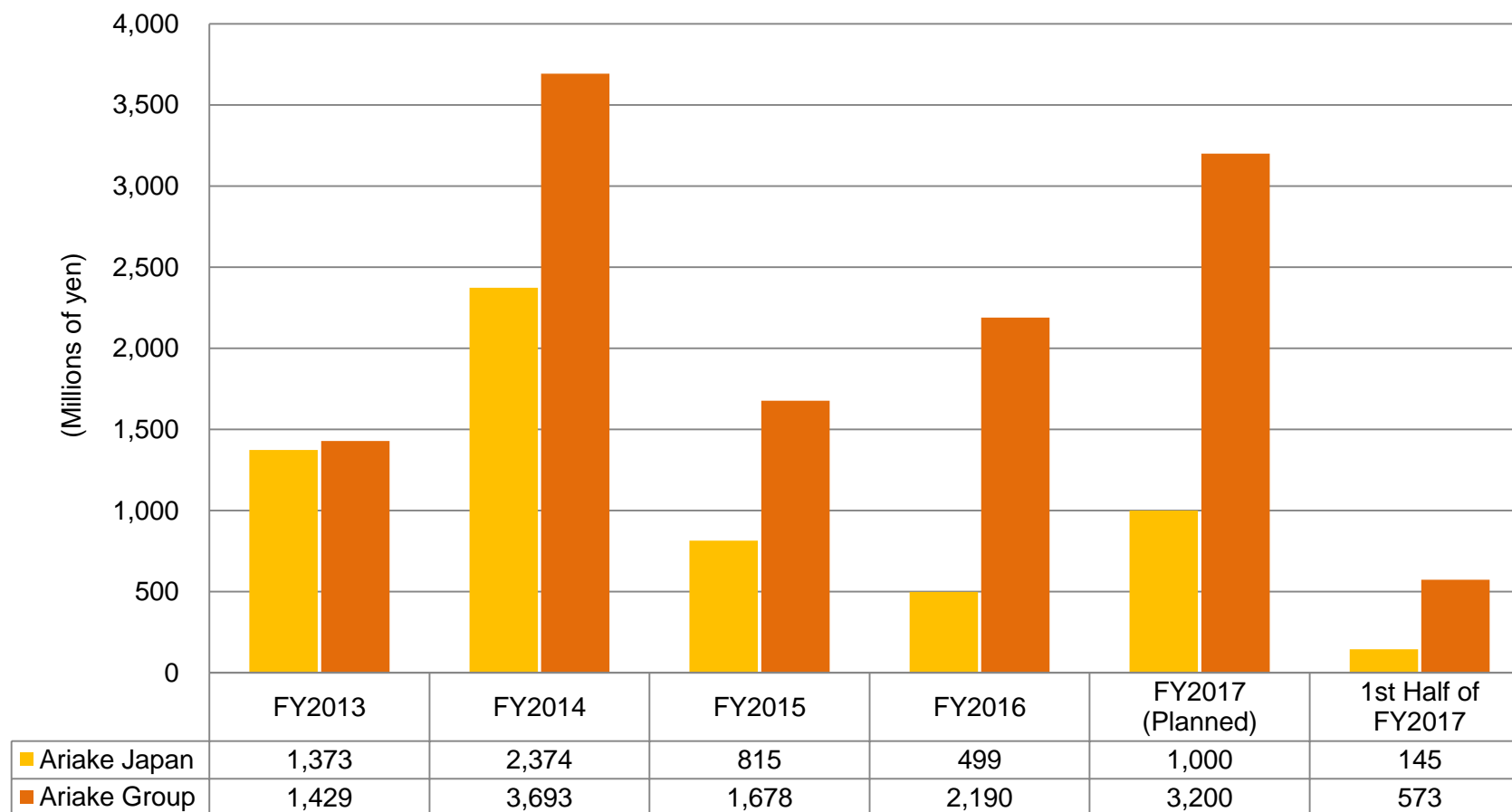
Net sales from the European region are expected to be ¥5.0 billion for FY2018 and ¥5.4 billion for FY2019. We will accelerate efforts to boost sales in Europe, and at the same time aim to increase supply of good-quality foodstuffs to Japan and start supplying to the Indonesian factory which is slated to start operation in 2017.

Business Plan 2)

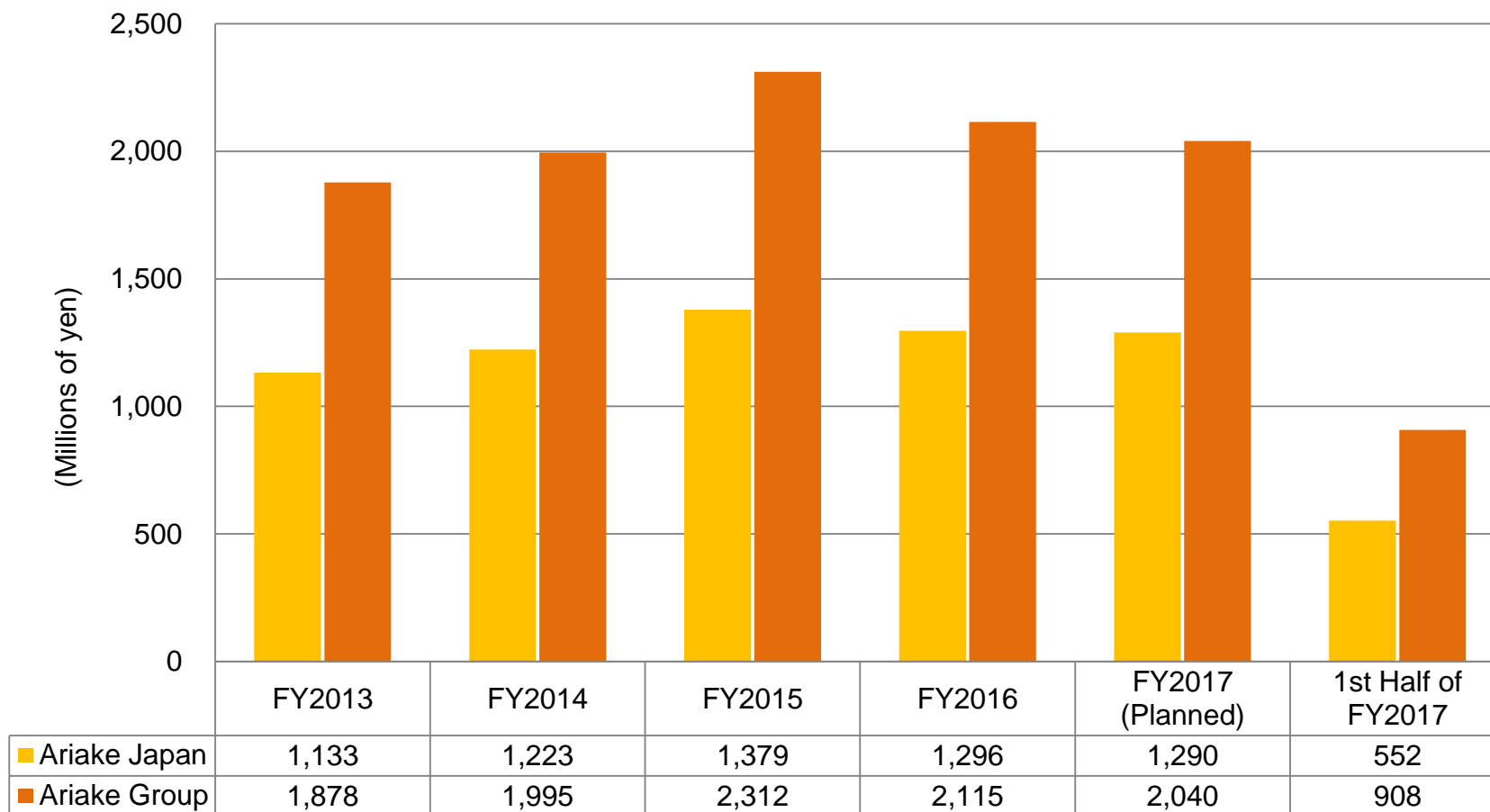
(Billions of yen)

		Result				Planned		
		FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Net sales	Ariake Japan	28.4	29.6	31.3	34.5	36.5	38.5	40.5
	Consolidated subsidiaries	7.4	9.6	12.4	14.4	15.6	18.4	21.5
	Consolidation adjustments	(2.3)	(2.0)	(2.8)	(2.5)	(2.0)	(2.5)	(3.0)
	Consolidated net sales	33.5	37.2	40.9	46.4	50.1	54.4	59.0
Operating income (loss)	Ariake Japan	5.4	5.3	5.6	6.7	7.1	7.5	7.9
	Consolidated subsidiaries	0.0	0.3	0.7	2.1	2.6	3.3	3.9
	Consolidated operating income (loss)	5.4	5.6	6.3	8.8	9.7	10.8	11.8

Consolidated and Non-consolidated Capital Expenditures



Consolidated and Non-consolidated Depreciation Expenses



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.