

# FY2019 Financial Results

April 1, 2018–March 31, 2019

May 10, 2019



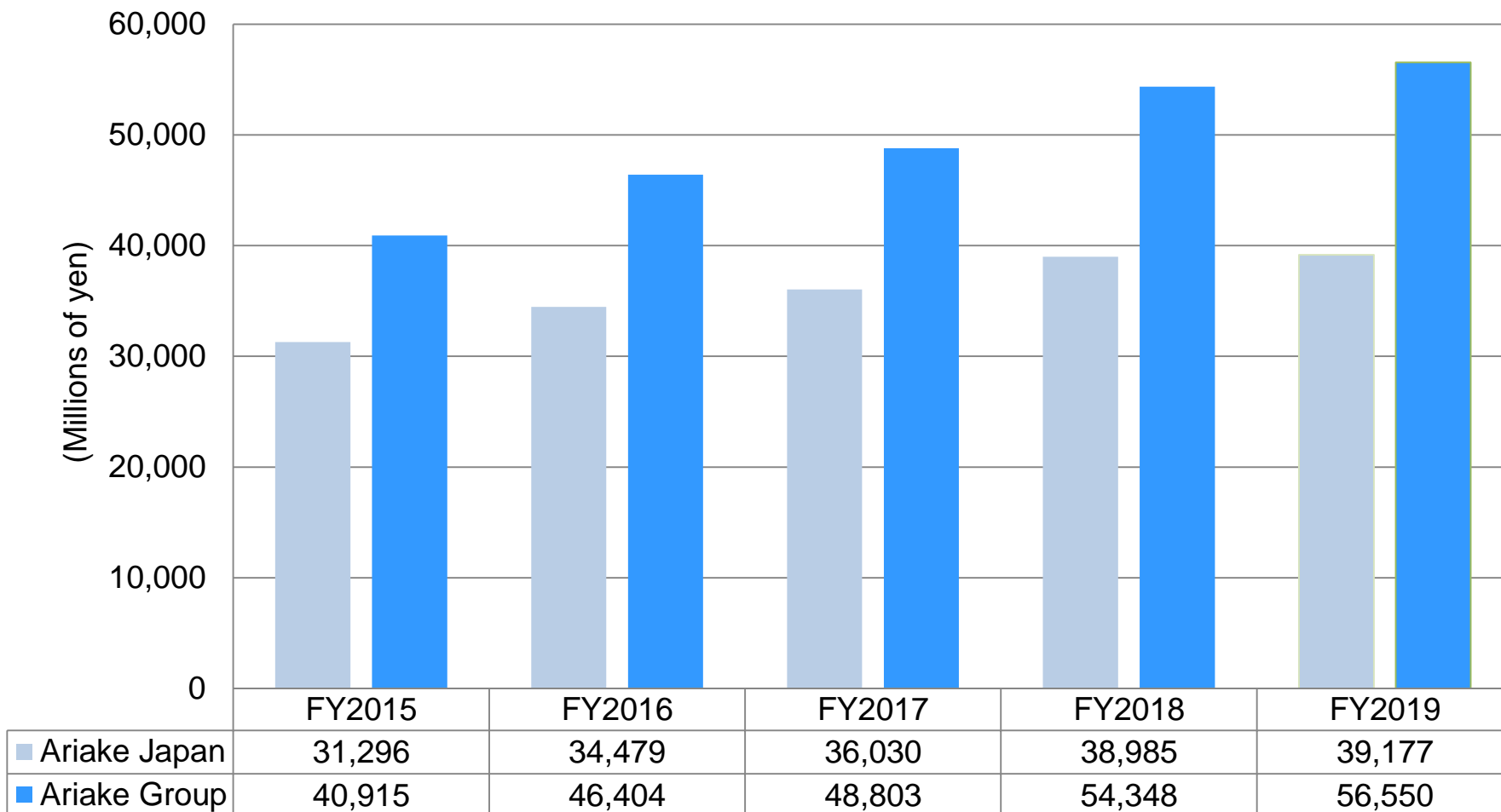
**ARIAKE JAPAN Co., Ltd.**

Code number: 2815

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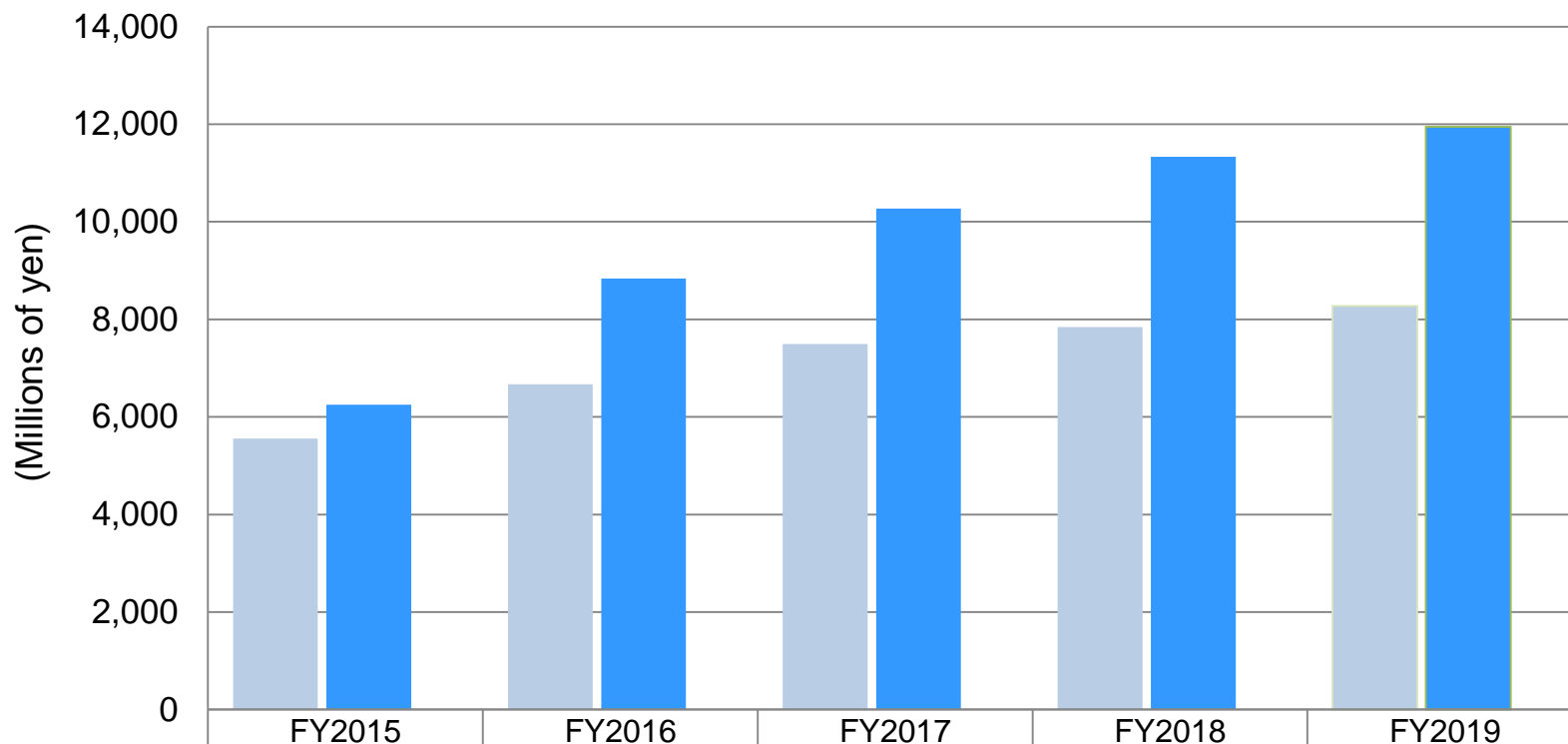
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# Consolidated and Non-consolidated Net Sales



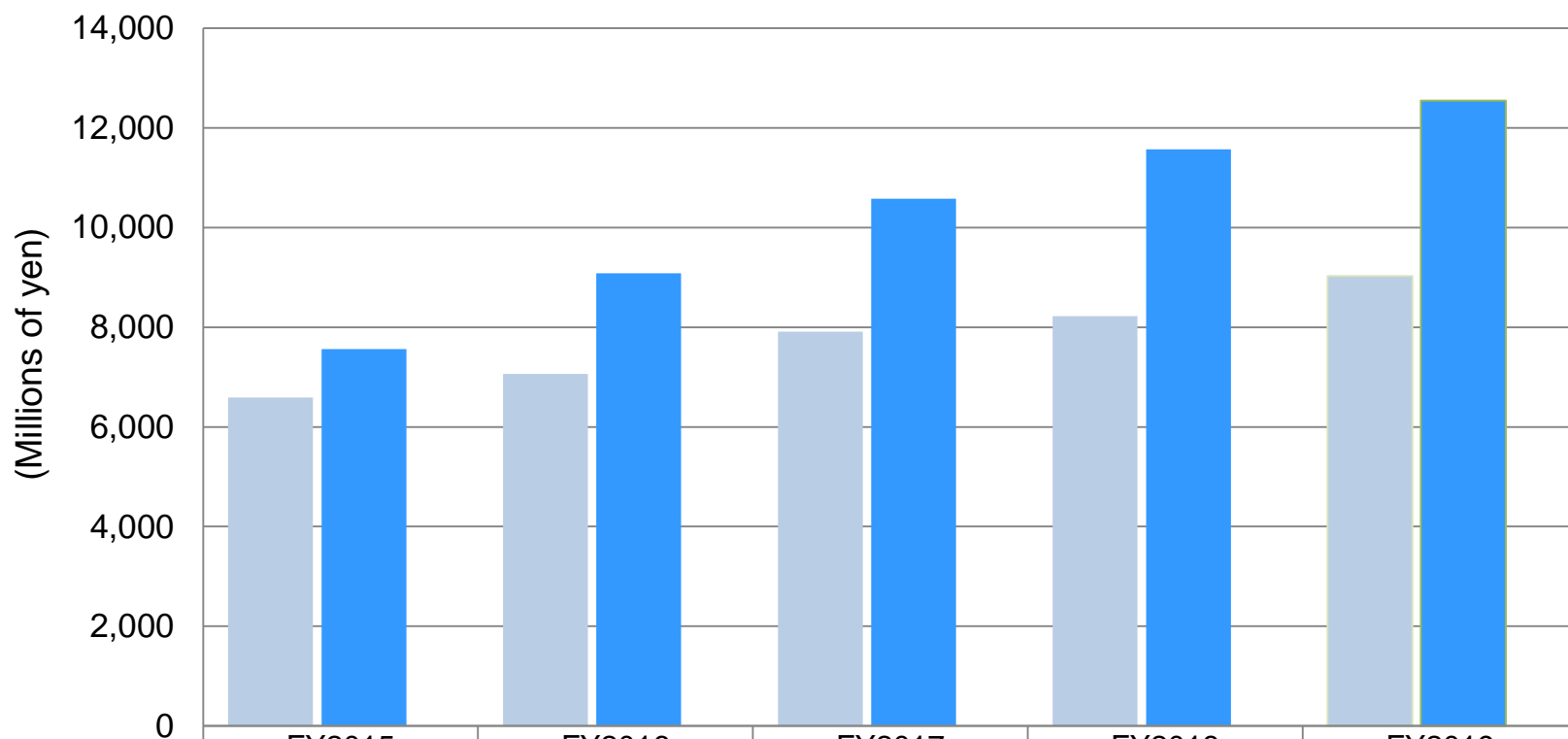
Reflecting the completion of ARIAKE U.S.A., Inc.'s share transfer on March 29, 2019, the accounting period of 15 months from January 2018 to March 2019 is included in the scope of consolidation for the said company.

# Consolidated and Non-consolidated Operating Income



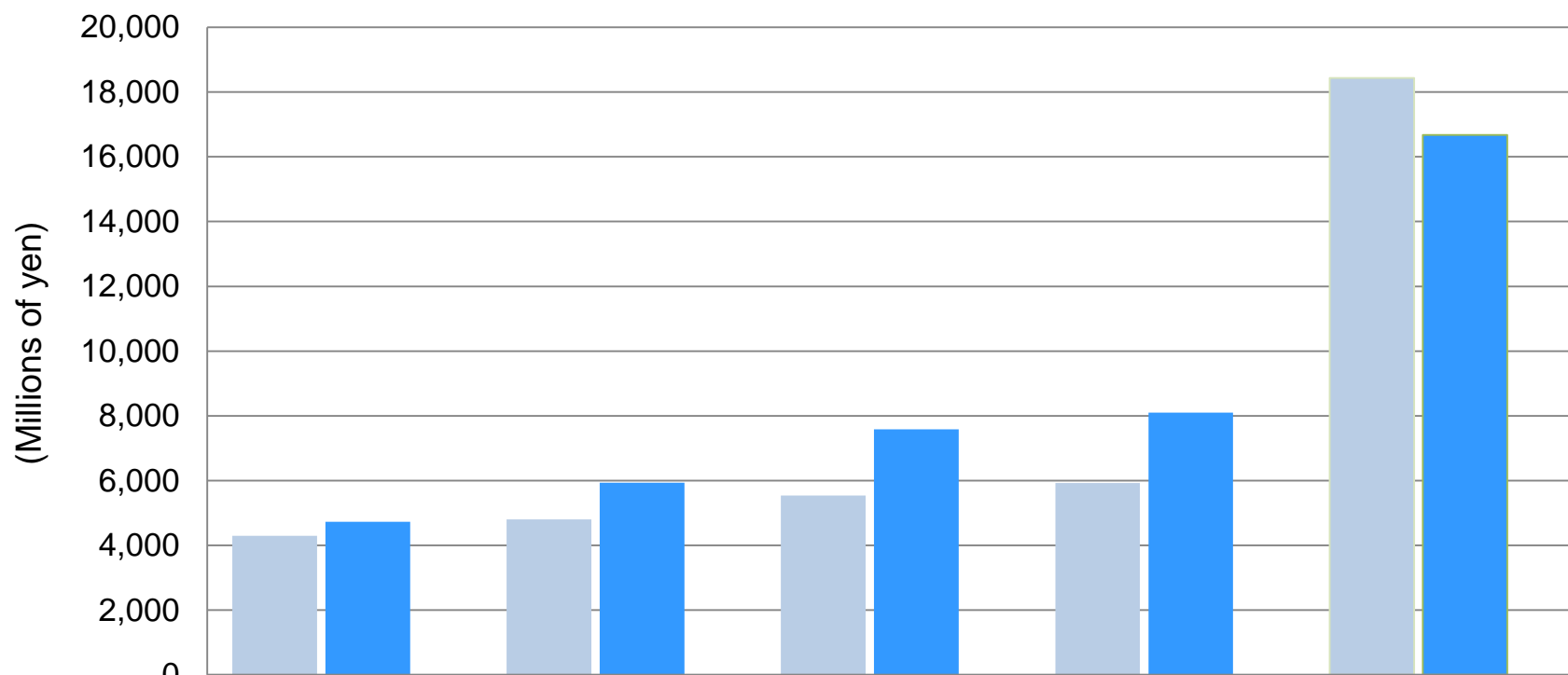
■ Ariake Japan	5,556	6,669	7,495	7,838	8,275
Operating income margin	17.8%	19.3%	20.8%	20.1%	21.1%
■ Ariake Group	6,251	8,836	10,273	11,329	11,949
Operating income margin	15.3%	19.0%	21.1%	20.8%	21.1%

# Consolidated and Non-consolidated Ordinary Income



	FY2015	FY2016	FY2017	FY2018	FY2019
■ Ariake Japan	6,592	7,060	7,912	8,224	9,027
Ordinary income margin	21.1%	20.5%	22.0%	21.1%	23.0%
■ Ariake Group	7,562	9,081	10,579	11,570	12,546
Ordinary income margin	18.5%	19.6%	21.7%	21.3%	22.2%

# Consolidated and Non-consolidated Net Income Attributable to Shareholders of Parent Company



	FY2015	FY2016	FY2017	FY2018	FY2019
■ Ariake Japan	4,299	4,798	5,541	5,926	18,438
Net income margin	13.7%	13.9%	15.4%	15.2%	47.1%
■ Ariake Group	4,725	5,939	7,585	8,099	16,677
Net income margin	11.5%	12.8%	15.5%	14.9%	29.5%

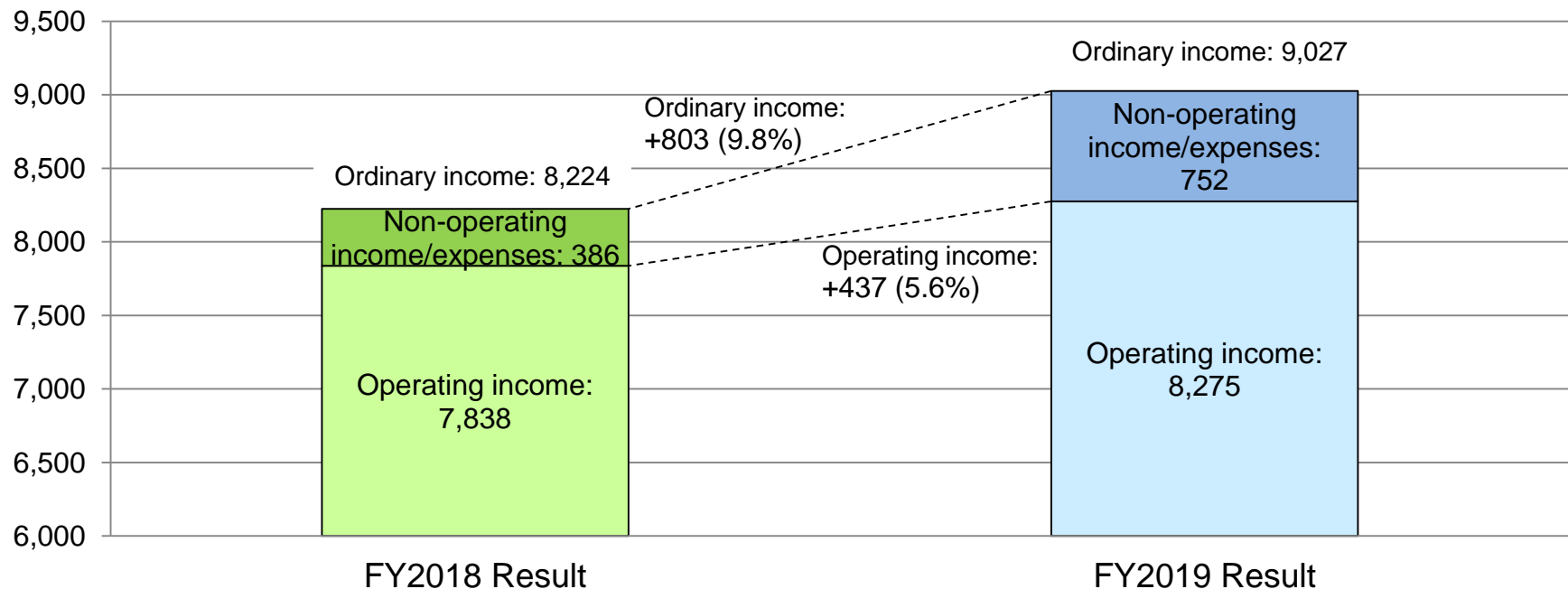
# [Comparison with FY2018 Results] Non-consolidated Business Summary

## ■ Net sales

Non-consolidated net sales increased by ¥191 million (0.5%) year-on-year, to ¥39,177 million.

## ■ Income

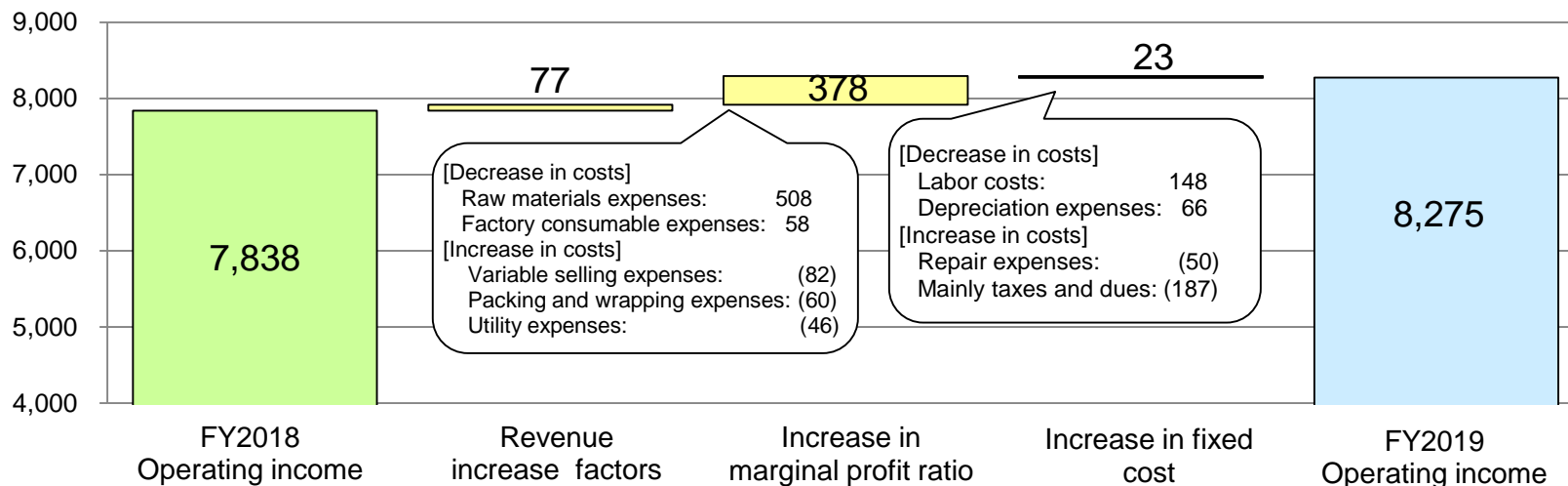
(Millions of yen)



# [Comparison with FY2018 Results] Non-consolidated Business Summary (Income Change Factors)

■ **Operating income: ¥8,275 million** Year-on-year increase of ¥437 million (5.6%)

(Millions of yen)



■ **Ordinary income: ¥9,027 million** Year-on-year increase of ¥803 million (9.8%)

(Millions of yen)

Increase factors	Increase in operating income	437
	Gain on valuation of derivatives	241
	Foreign exchange gains	156
	Interest income, etc.	84
Decrease factors	Dividend income	(115)
Total		803



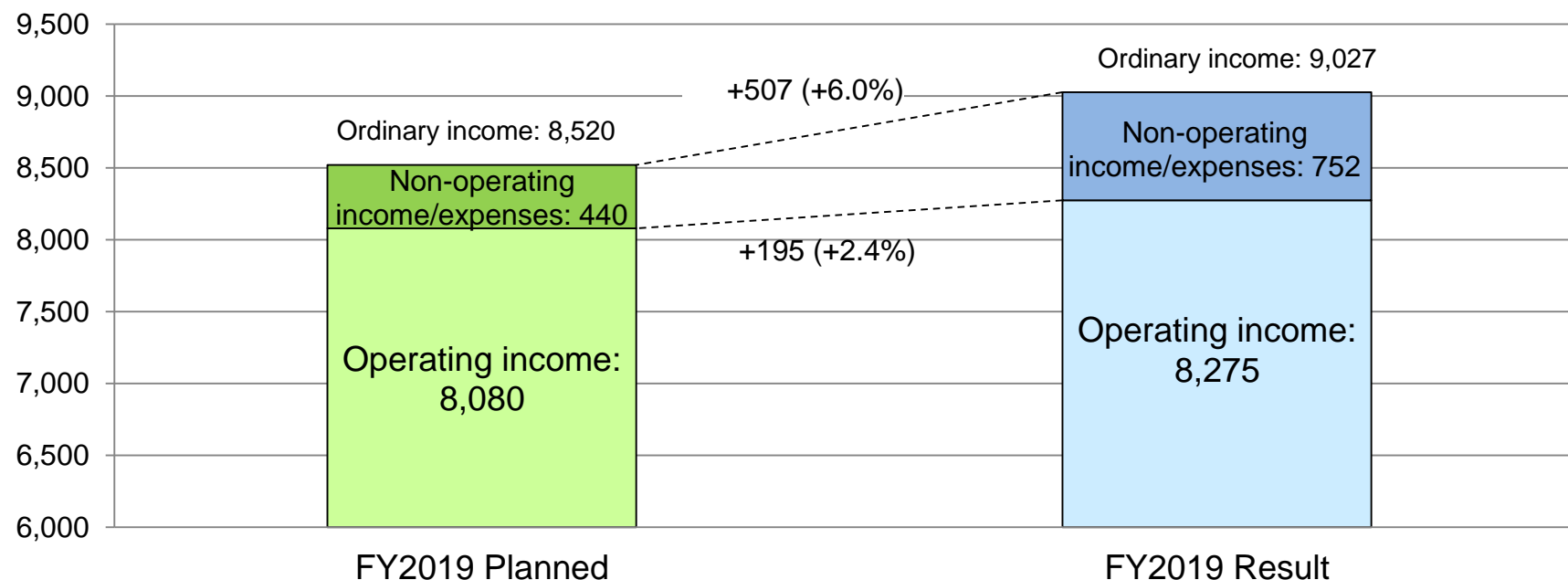
# [Comparison with FY2019 Plan] Non-consolidated Business Summary

## ■ Net sales

Non-consolidated net sales amounted to ¥39,177 million, falling short of the plan by ¥822 million (2.1%).

## ■ Income

(Millions of yen)

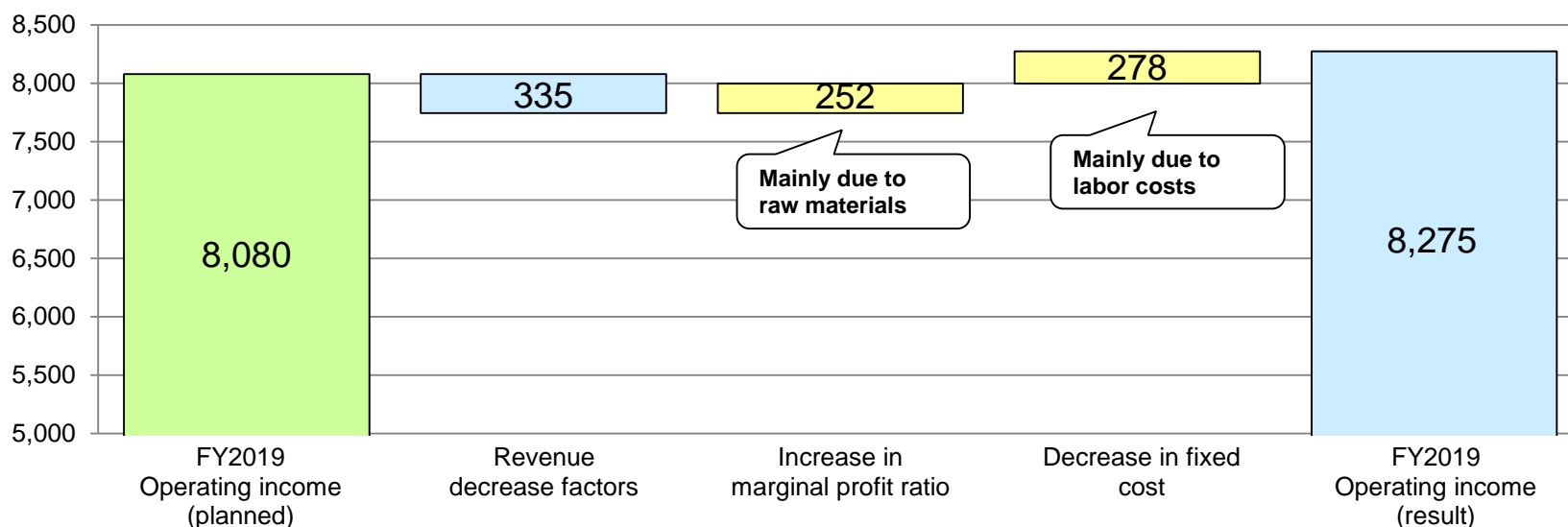


# [Comparison with FY2019 Plan]

## Non-consolidated Business Summary (Income Change Factors)

■ **Operating income: ¥8,275 million** Exceeded the plan by ¥195 million (2.4%)

(Millions of yen)



■ **Ordinary income: ¥9,027 million** Exceeded the plan by ¥507 million (6.0%)

(Millions of yen)

Increase factors	Increase in operating income	195
	Foreign exchange gains	127
	Gain on valuation of derivatives	116
	Dividend income, etc.	69
Decrease factors		-
	Total	507

# Consolidated Financial Results and Comparison with FY2018 Results and FY2019 Plan by Geographical Area

\* Subsidiaries' figures are after consolidation adjustments.

(Billions of yen)

\* Figures in parentheses represent figures for the regular U.S. accounting period of January–December 2018.

	Net sales					Operating income (loss)				
	FY2019 Results (A)	FY2018 Results (B)	Difference (A-B)	FY2019 Planned (C)	Difference (A-C)	FY2019 Results (A)	FY2018 Results (B)	Difference (A-B)	FY2019 Planned (C)	Difference (A-C)
Ariake Japan	39.18	38.99	0.19	40.00	(0.82)	8.28	7.84	0.44	8.08	0.20
Subsidiaries total*	17.37	15.36	2.01	16.80	0.57	3.67	3.49	0.18	3.84	(0.17)
U.S.	6.85 (5.44)	5.41	1.44	5.76	1.09	1.47 (1.31)	1.49	(0.02)	1.49	(0.02)
Asia	6.71	6.22	0.49	7.31	(0.60)	1.64	1.63	0.01	1.83	(0.19)
Europe	3.50	3.42	0.08	3.41	0.09	0.53	0.33	0.20	0.51	0.02
Japan	0.31	0.31	0.00	0.32	(0.01)	0.03	0.04	(0.01)	0.01	0.02
Total	56.55 (55.14)	54.35	2.20	56.80	(0.25)	11.95 (11.79)	11.33	0.62	11.92	0.03

USD            110.99    113.00

EUR            127.00    134.94

RMB            16.16    17.29

TWD            3.60    3.79

# Business Summary by Geographical Area

## U.S.

Even on a regular 12 month basis (January–December 2018), net sales increased only slightly, reflecting a decrease in orders from leading customers, and profits decreased mainly due to an increase in costs such as repair expenses and labor costs.

## Asia

Both net sales and profits in China increased due to an increase in orders mainly from food service companies.

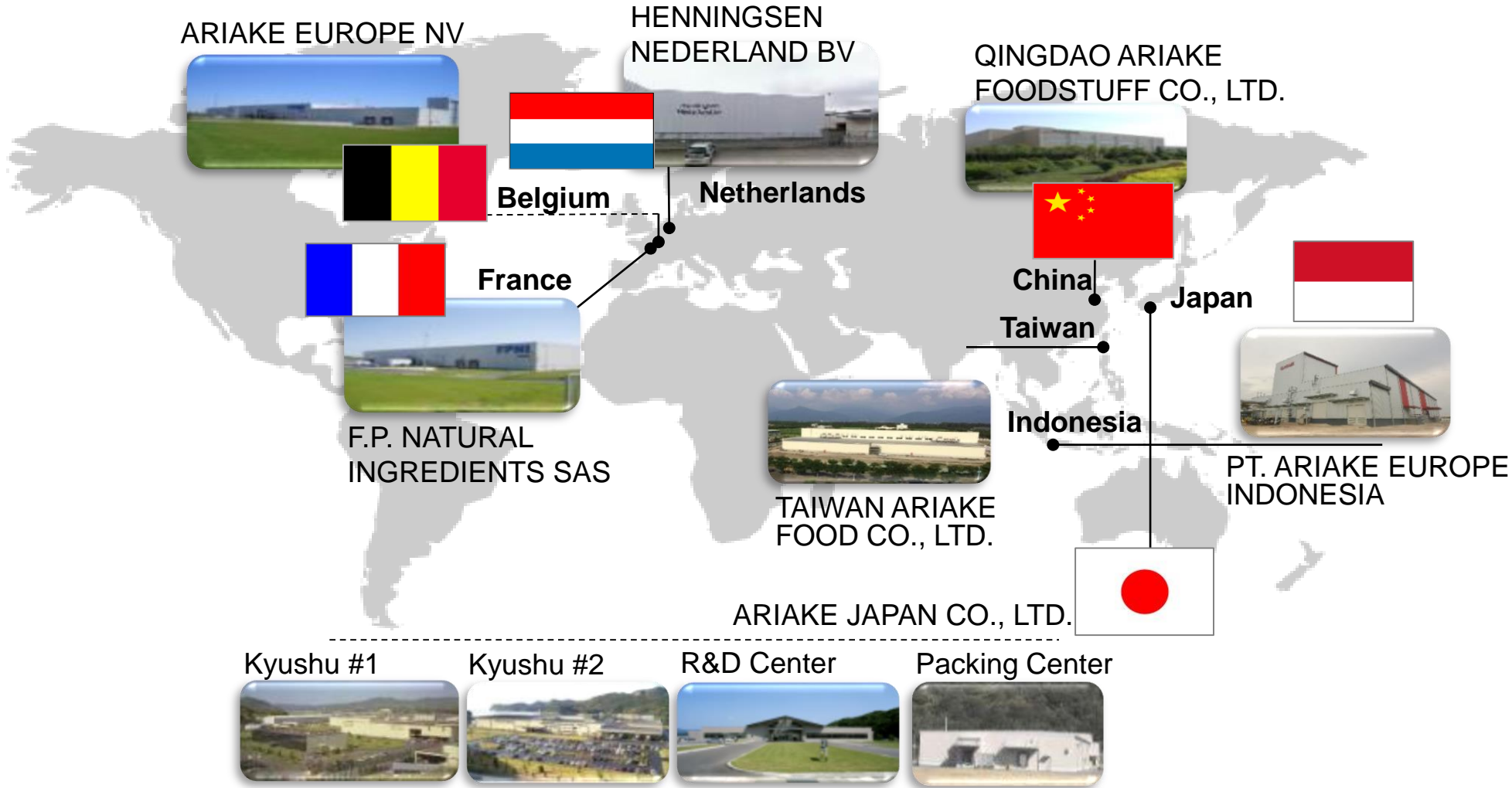
Both net sales and profits increased in Taiwan due to an increase in exports to Japan, while sales in Taiwan were around the previous year's level.

In Indonesia, production for and exports to Japan commenced.

## Europe

Both net sales and profits increased as cooperation between three locations in Belgium, France and the Netherlands contributed to an increase in sales in Europe.

# Ariake Group's Global Seven-Pillar System



# Consolidated Financial Plan by Geographical Area for FY2020

\* Subsidiaries' figures are after consolidation adjustments.

(Billions of yen)

	Net sales					Operating income (loss)				
	FY2020 Planned (A)	FY2019		Difference		FY2020 Planned (A)	FY2019		Difference	
		Results (B)	Excluding the U.S. (C)	A-B	A-C		Results (B)	Excluding the U.S. (C)	A-B	A-C
Ariake Japan	40.20	39.20	39.20	1.00	1.00	8.50	8.30	8.30	0.20	0.20
Subsidiaries total*	11.80	17.40	10.50	(5.60)	1.30	2.60	3.60	2.10	(1.10)	0.40
U.S.	–	6.90	–	(6.90)	–	–	1.50	–	(1.50)	–
Asia	7.80	6.70	6.70	1.10	1.10	1.90	1.60	1.60	0.30	0.30
Europe	3.70	3.50	3.50	0.20	0.20	0.70	0.50	0.50	0.20	0.20
Japan	0.30	0.30	0.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>52.00</b>	<b>56.60</b>	<b>49.70</b>	<b>(4.60)</b>	<b>2.30</b>	<b>11.10</b>	<b>11.90</b>	<b>10.40</b>	<b>(0.90)</b>	<b>0.60</b>

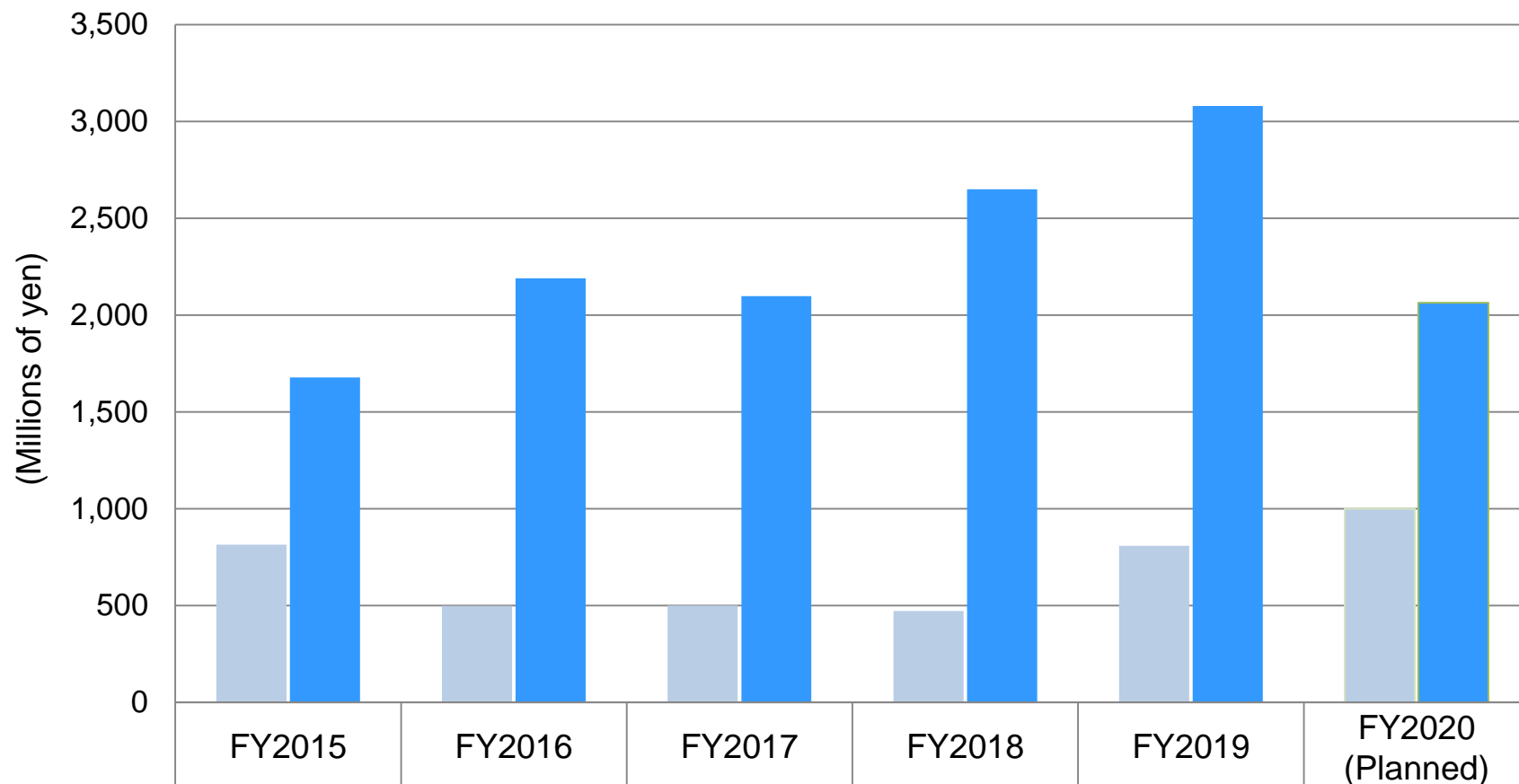
USD 110.00 110.99

EUR 125.00 127.00

RMB 16.50 16.16

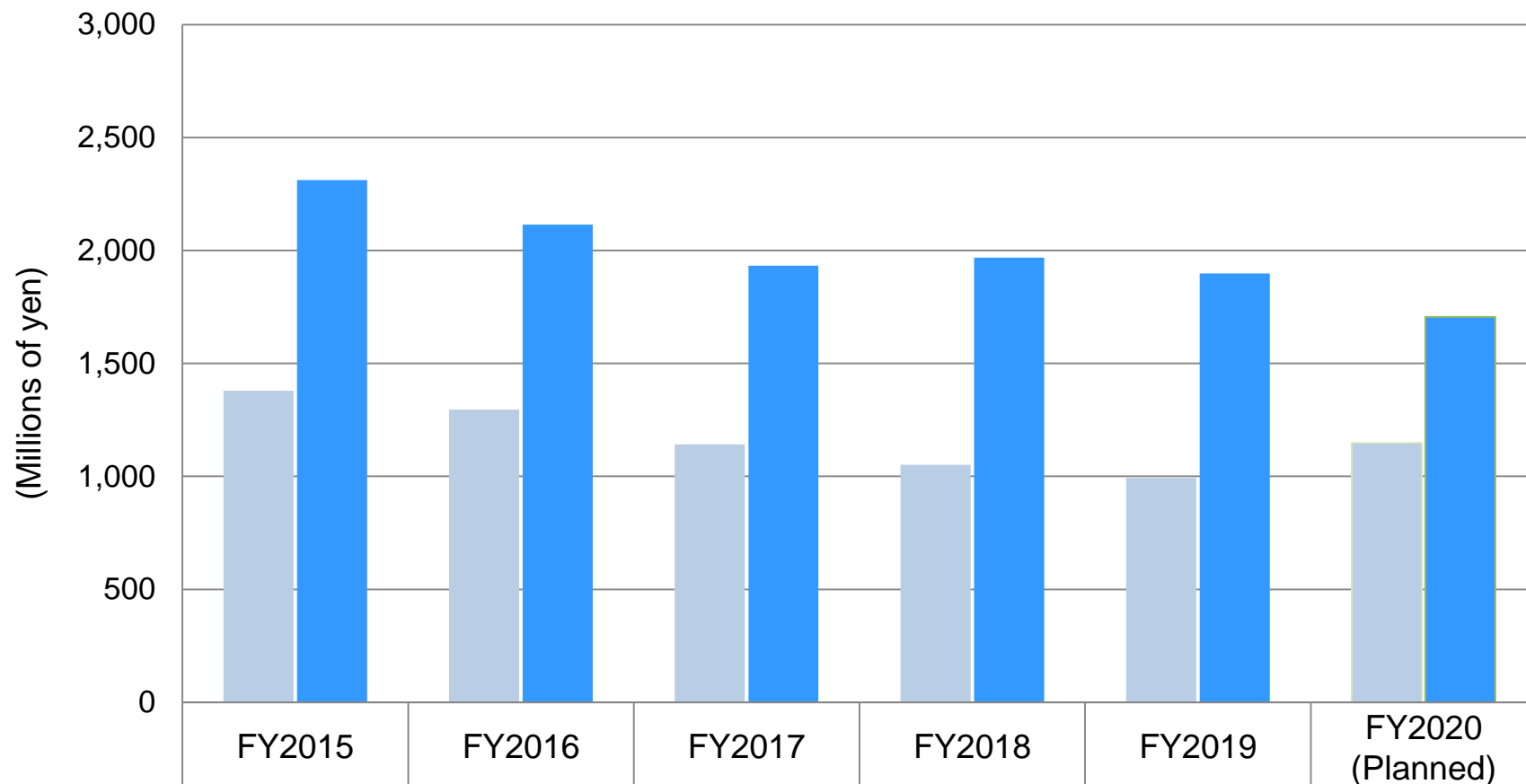
TWD 3.60 3.60

# Consolidated and Non-consolidated Capital Expenditures



■ Ariake Japan	815	499	500	472	808	1,000
■ Ariake Group	1,678	2,190	2,098	2,650	3,080	2,063

# Consolidated and Non-consolidated Depreciation Expenses



■ Ariake Japan	1,379	1,296	1,142	1,052	993	1,148
■ Ariake Group	2,312	2,115	1,932	1,968	1,898	1,706



# Business Plan

(Billions of yen)

		Result				Planned		
		FY2017	FY2018	FY2019	FY2019 (Excluding the U.S.)	FY2020	FY2021	FY2022
Net sales	Ariake Japan	36.0	39.0	39.2	39.2	40.2	41.2	42.2
	Consolidated subsidiaries	15.3	18.0	19.5	13.7	14.0	15.4	16.6
	Consolidation adjustments	(2.5)	(2.7)	(2.2)	(3.1)	(2.2)	(2.3)	(2.5)
	Consolidated net sales	48.8	54.3	56.6	49.8	52.0	54.3	56.2
Operating income	Ariake Japan	7.5	7.8	8.3	8.3	8.5	8.7	8.9
	Consolidated subsidiaries	2.8	3.5	3.7	2.0	2.6	2.9	3.2
	Consolidated operating income	10.3	11.3	11.9	10.3	11.1	11.6	12.1

# Business Plan

In FY2022, 3 years from now, we aim to achieve an operating income margin of over 21% toward our goal of consolidated net sales of over ¥56 billion. We will further concentrate management resources in markets where we will be able to achieve sustainable growth.

## Non-consolidated business

### Ariake Japan

- Gain greater market share in existing markets, launch newly developed products and develop new markets

## Asia

- Bolster sales in the Chinese and Taiwanese markets, where sales are expected to expand further
- Bolster raw material supply from Indonesia to Japan and sales in Indonesia  
Over the medium term, enter and develop the ASEAN markets

## Europe

- Enhance sales in Europe by launching newly developed products and increase supplies of raw materials to Japan

## Other

- Enter into regions into which the Company has not expanded

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.