

FY2020 Financial Results

April 1, 2019–March 31, 2020

May 13, 2020



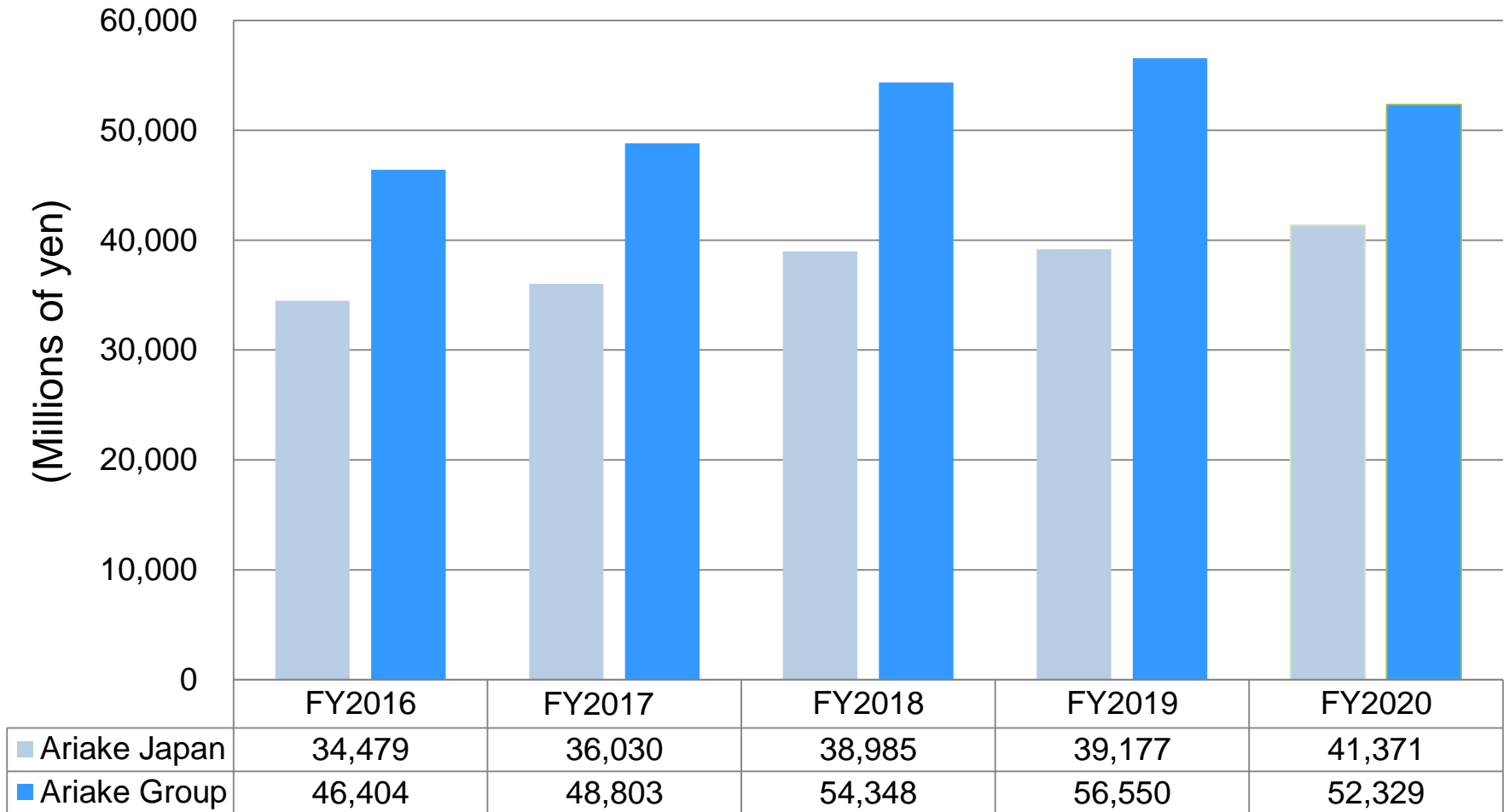
ARIAKE JAPAN Co., Ltd.

Code number: 2815

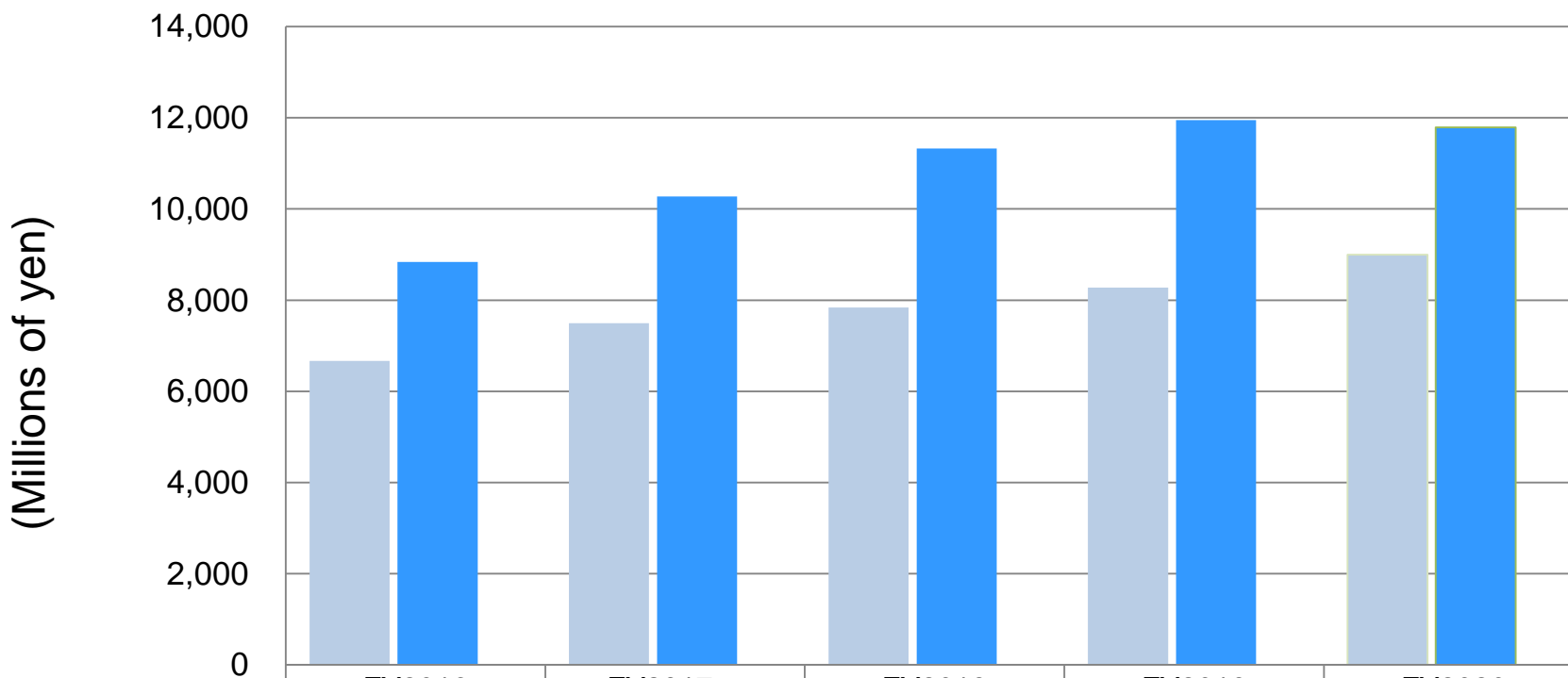
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Consolidated and Non-consolidated Net Sales

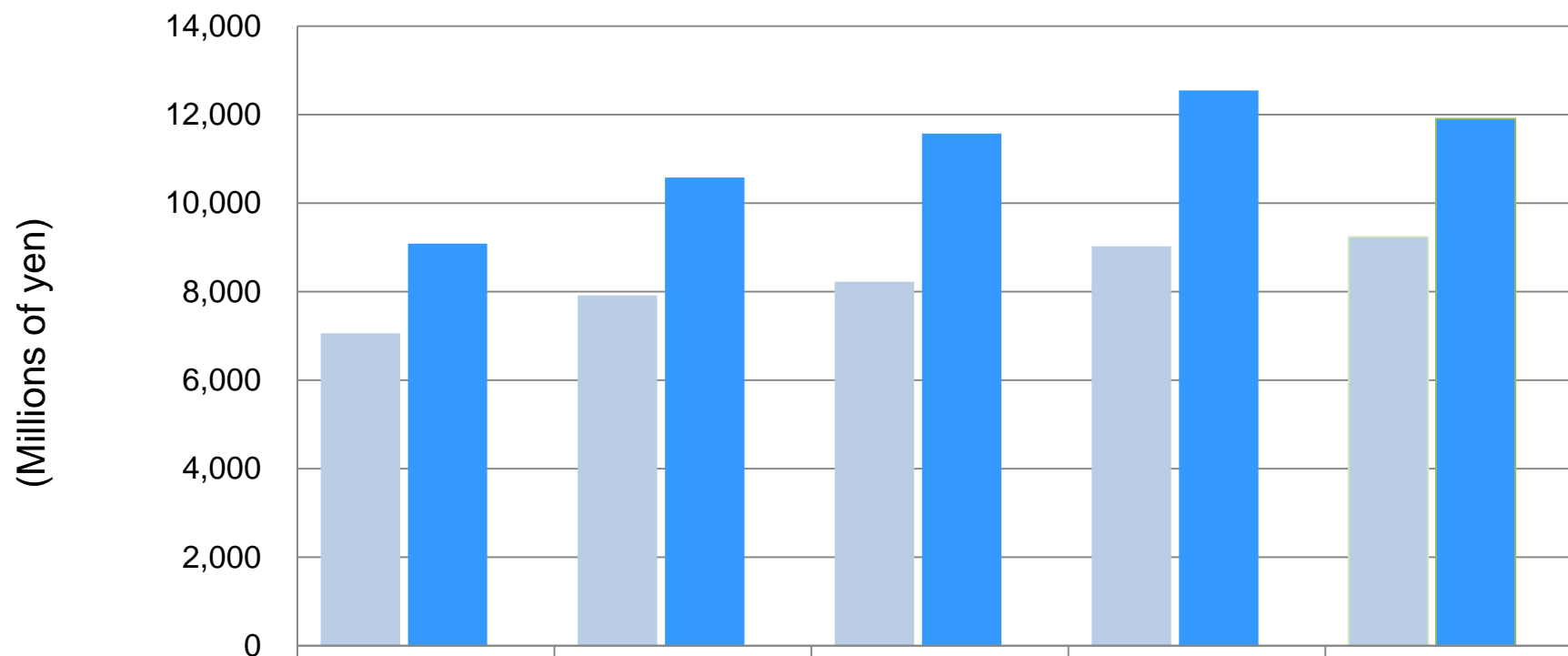


Consolidated and Non-consolidated Operating Income



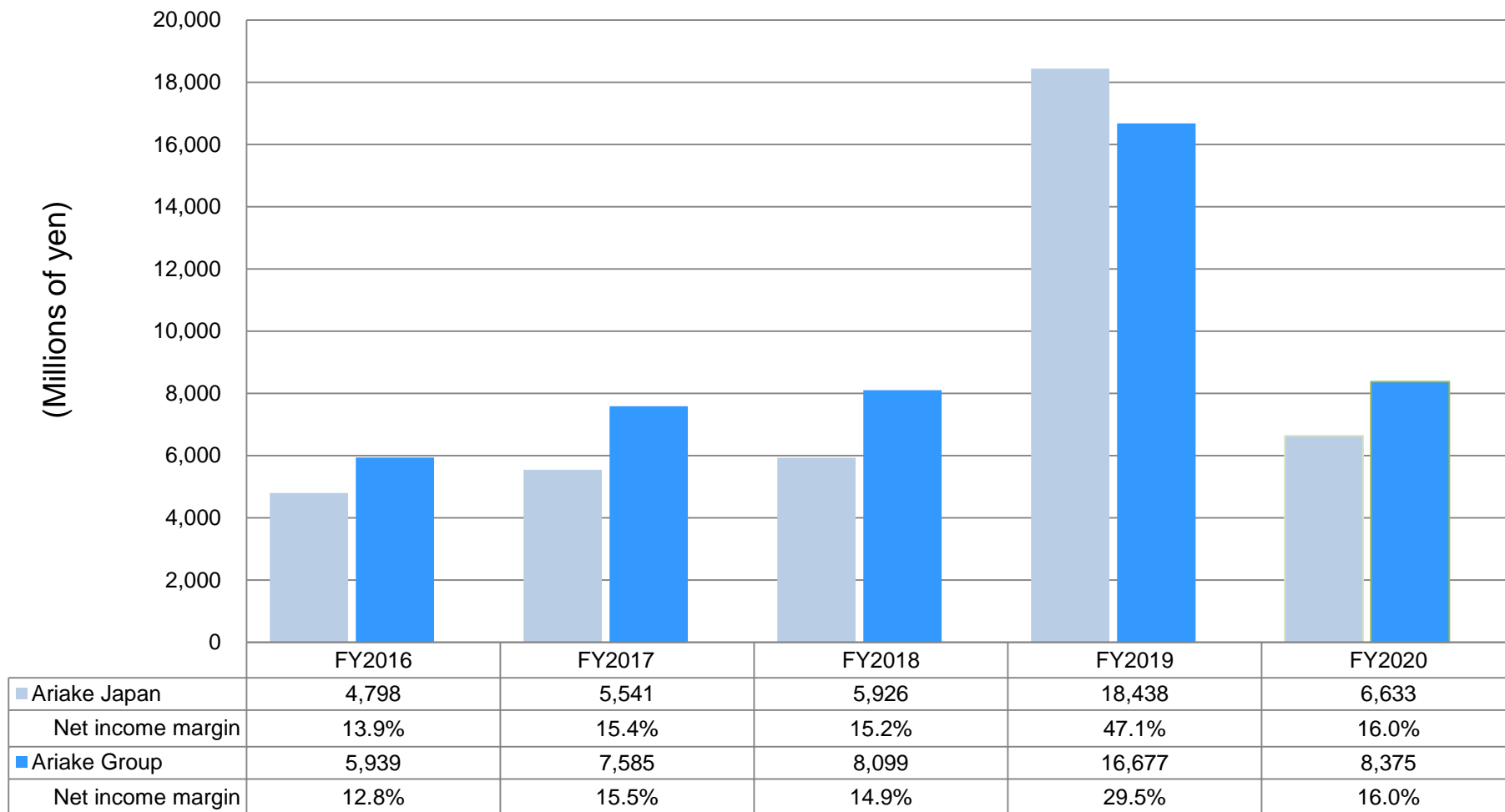
	FY2016	FY2017	FY2018	FY2019	FY2020
■ Ariake Japan	6,669	7,495	7,838	8,275	8,998
Operating income margin	19.3%	20.8%	20.1%	21.1%	21.7%
■ Ariake Group	8,836	10,273	11,329	11,949	11,789
Operating income margin	19.0%	21.1%	20.8%	21.1%	22.5%

Consolidated and Non-consolidated Ordinary Income



	FY2016	FY2017	FY2018	FY2019	FY2020
■ Ariake Japan	7,060	7,912	8,224	9,027	9,233
Ordinary income margin	20.5%	22.0%	21.1%	23.0%	22.3%
■ Ariake Group	9,081	10,579	11,570	12,546	11,908
Ordinary income margin	19.6%	21.7%	21.3%	22.2%	22.8%

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

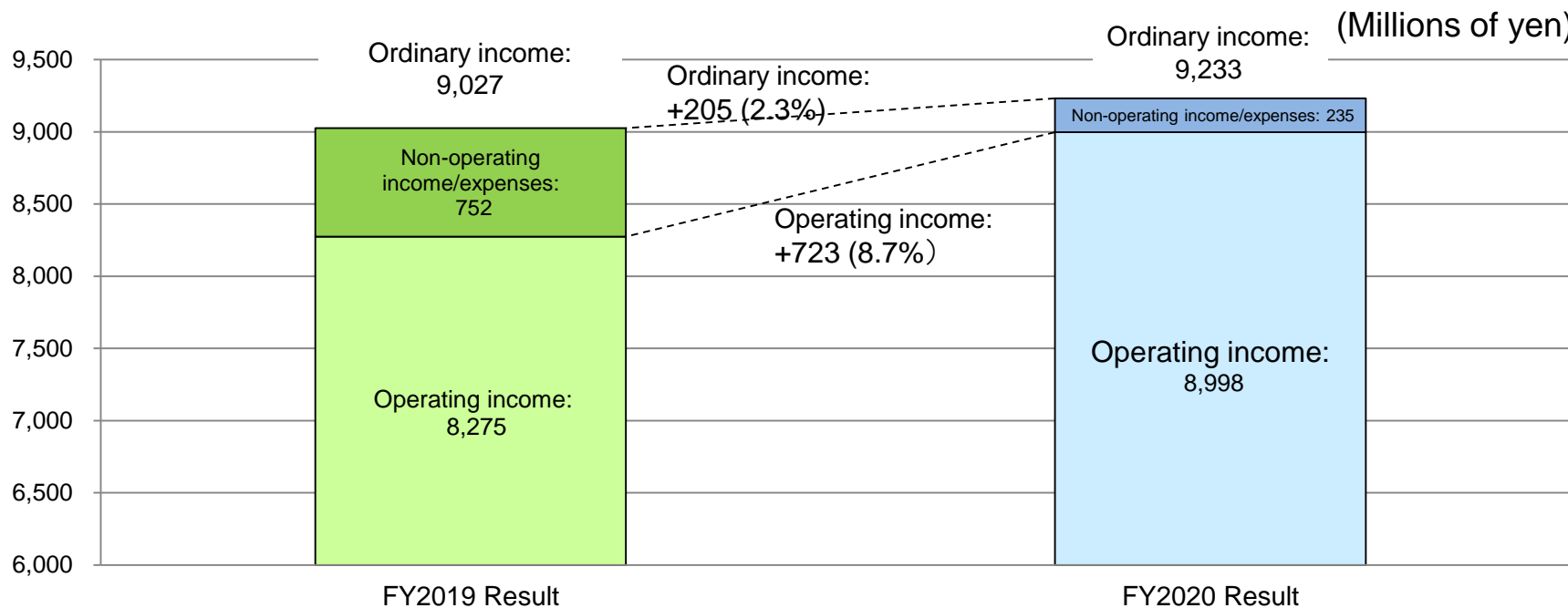


[Comparison with FY2019 Results] Non-consolidated Business Summary

■ Net sales

Non-consolidated net sales increased by ¥2,194 million (5.6%) year-on-year, to ¥41,371 million.

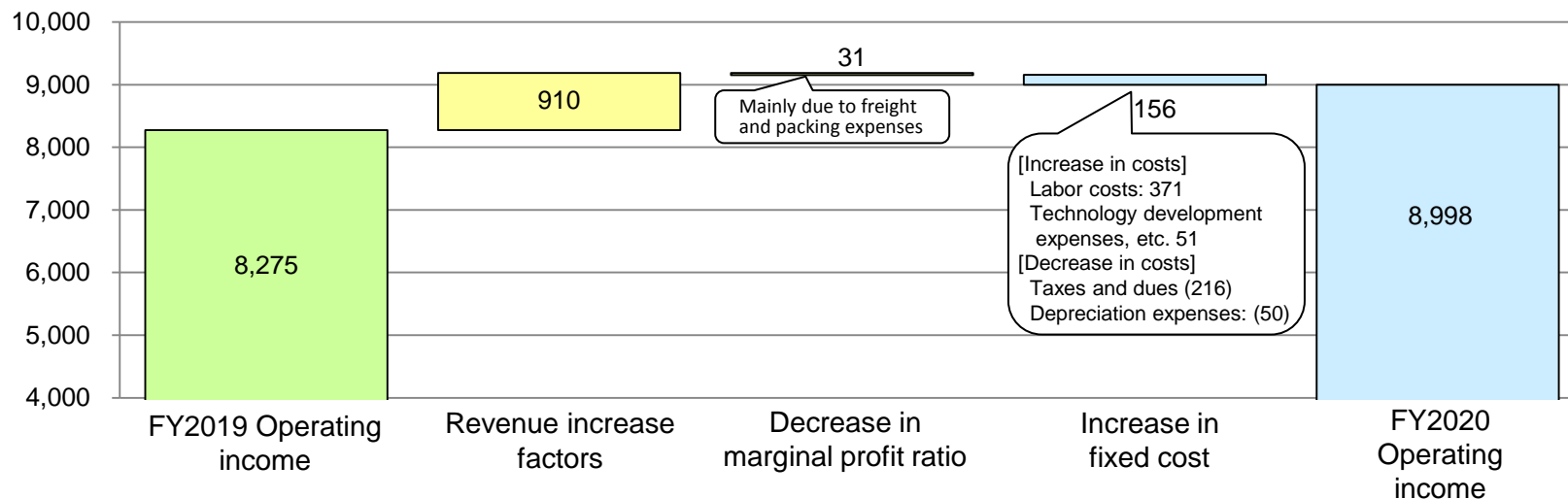
■ Income



[Comparison with FY2019 Results] Non-consolidated Business Summary (Income Change Factors)

■ **Operating income: ¥8,998 million** Year-on-year increase of ¥723 million (8.7%)

(Millions of yen)



■ **Ordinary income: ¥9,233 million** Year-on-year increase of ¥205 million (2.3%)

(Millions of yen)

Increase factors	Increase in operating income	723
	Interest income, etc.	5
Decrease factors	Gain on valuation of derivatives	(350)
	Foreign exchange losses (gains)	(158)
	Interest income, etc.	(15)
Total		205

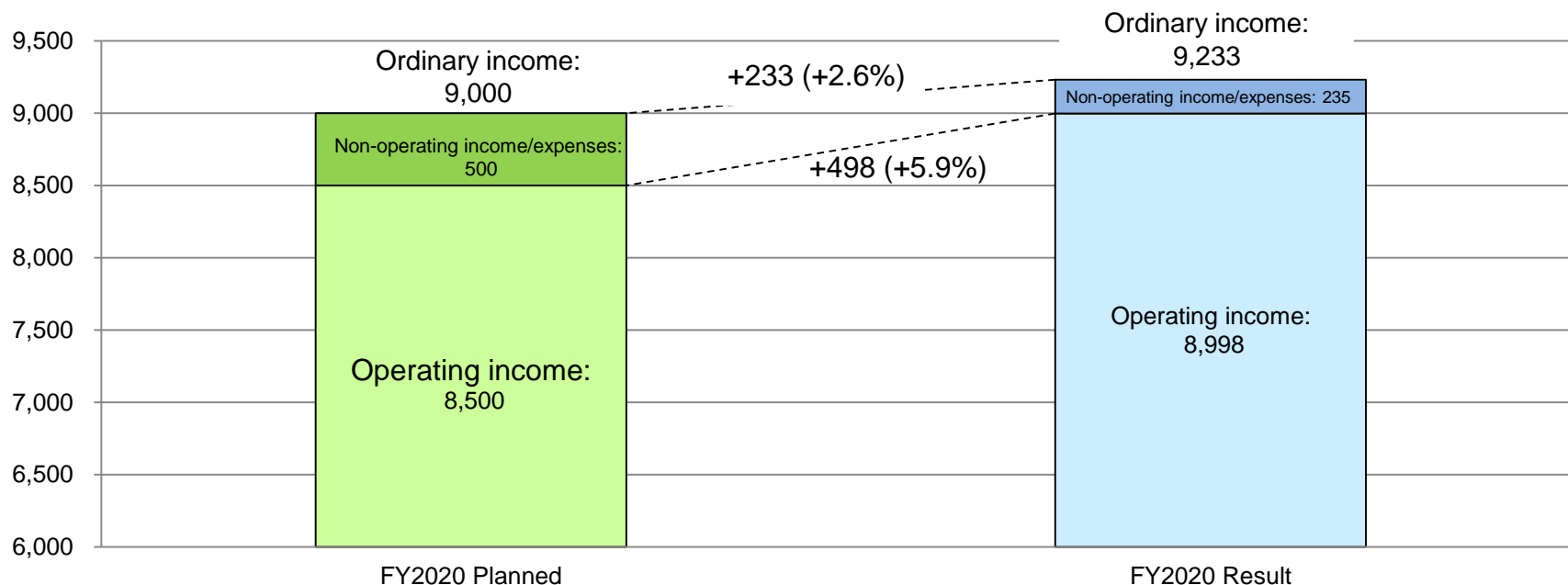
[Comparison with FY2020 Plan] Non-consolidated Business Summary

■ Net sales

Non-consolidated net sales amounted to ¥41,371 million, exceeding the plan by ¥1,172 million (2.9%).

■ Income

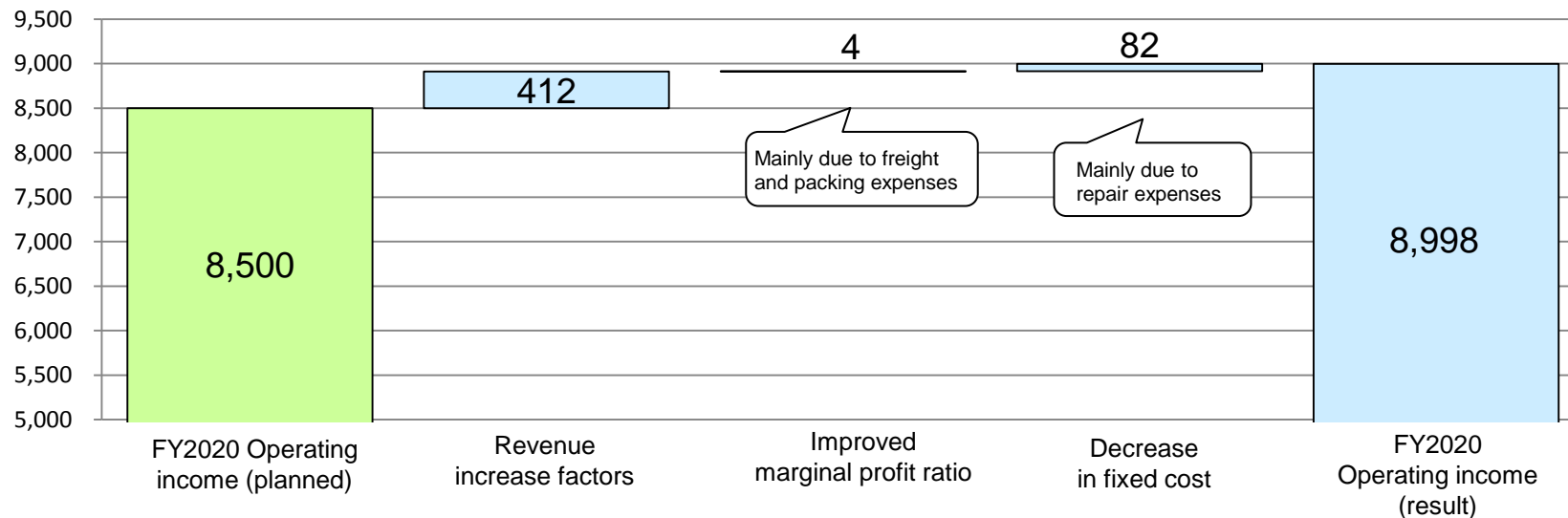
(Millions of yen)



[Comparison with FY2020 Plan]
 Non-consolidated Business Summary (Income Change Factors)

■ **Operating income: ¥8,998 million** Exceeded the plan by ¥498 million (5.9%)

(Millions of yen)



■ **Ordinary income: ¥9,233 million** Exceeded the plan by ¥233 million (2.6%)

(Millions of yen)

Increase factors	Increase in operating income	498
	Dividend income, etc.	21
Decrease factors	Foreign exchange losses (gains)	(224)
	Interest income, etc.	(62)
Total		233

Net Sales [Comparison with FY2019 Results and FY2020 Plan]

* Subsidiaries' figures are after consolidation adjustments

(Billions of yen)

	FY2020 (A)	FY2019 (B)	Change (A-B)	Planned	
				FY2020 (C)	Change (A-C)
Ariake Japan	41.37	39.18	2.19	40.20	1.17
Subsidiaries total*	10.96	17.37	(6.42)	11.80	(0.84)
U.S.	0.00	6.85	(6.85)	0.00	0.00
Asia	6.96	6.71	0.25	7.80	(0.84)
Europe	3.67	3.50	0.18	3.70	(0.03)
Japan	0.33	0.32	0.00	0.30	0.03
Ariake Group	52.33	56.55	(4.22)	52.00	0.33
Ariake Group (Excluding the U.S.)	52.33	49.70	2.63		
USD	109.56	110.99	-1.43	110.00	
EUR	122.54	127.00	-4.46	125.00	
RMB	15.67	16.16	-0.49	16.50	
TWD	3.64	3.60	0.04	3.66	
IDR	0.0079	0.0077	0.00	0.0078	

Operating Income [Comparison with FY2019 Results and FY2020 Plan]

* Subsidiaries' figures are after consolidation adjustments

	FY2020 (A)	FY2019 (B)	Change (A-B)	%	Currency neutral	(Billions of yen)	
						Planned FY2020 (C)	Change (A-C)
Ariake Japan	9.00	8.28	0.72	8.7%	-	8.50	0.50
Subsidiaries total*	2.79	3.67	(0.88)	-24.0%	-22.2%	2.60	0.19
U.S.	0.10	1.47	(1.37)	-93.1%	-93.0%	0.00	0.10
Asia	1.78	1.65	0.13	7.9%	10.0%	1.90	(0.12)
Europe	0.89	0.53	0.36	67.1%	73.1%	0.70	0.19
Japan	0.02	0.03	(0.00)	-15.1%	-	0.00	0.02
Ariake Group	11.79	11.95	(0.16)	-1.3%	-0.8%	11.10	0.69
Ariake Group (Excluding the U.S.)	11.69	10.48	1.21	11.5%	12.1%		

Business Summary by Geographical Area

Asia

In China, net sales and profits grew despite an economic slowdown driven by U.S.-China trade tensions.

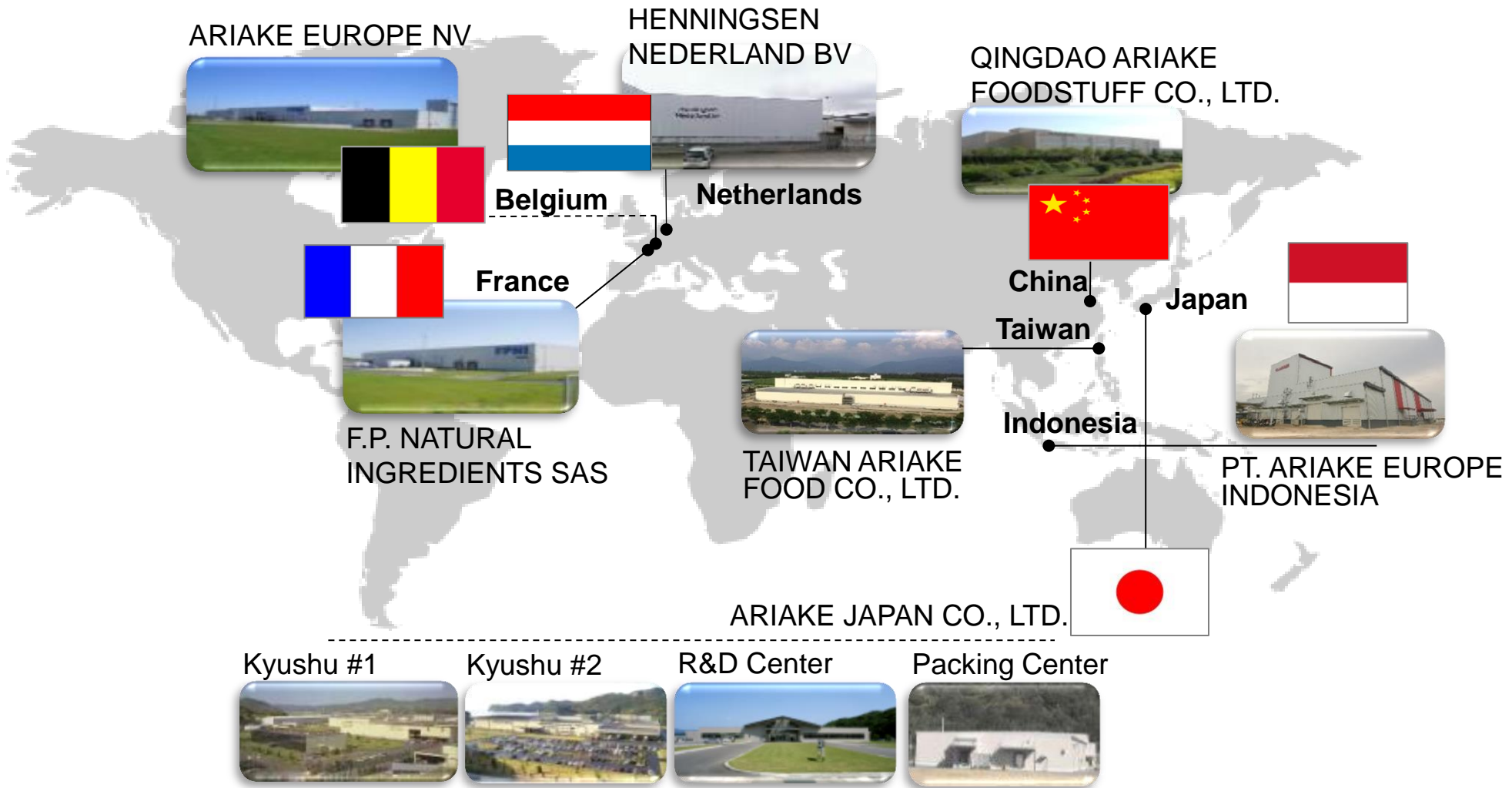
Both net sales and profits in Taiwan increased due to an increase in orders from existing clients.

In Indonesia, production for and exports to Japan got off the ground.

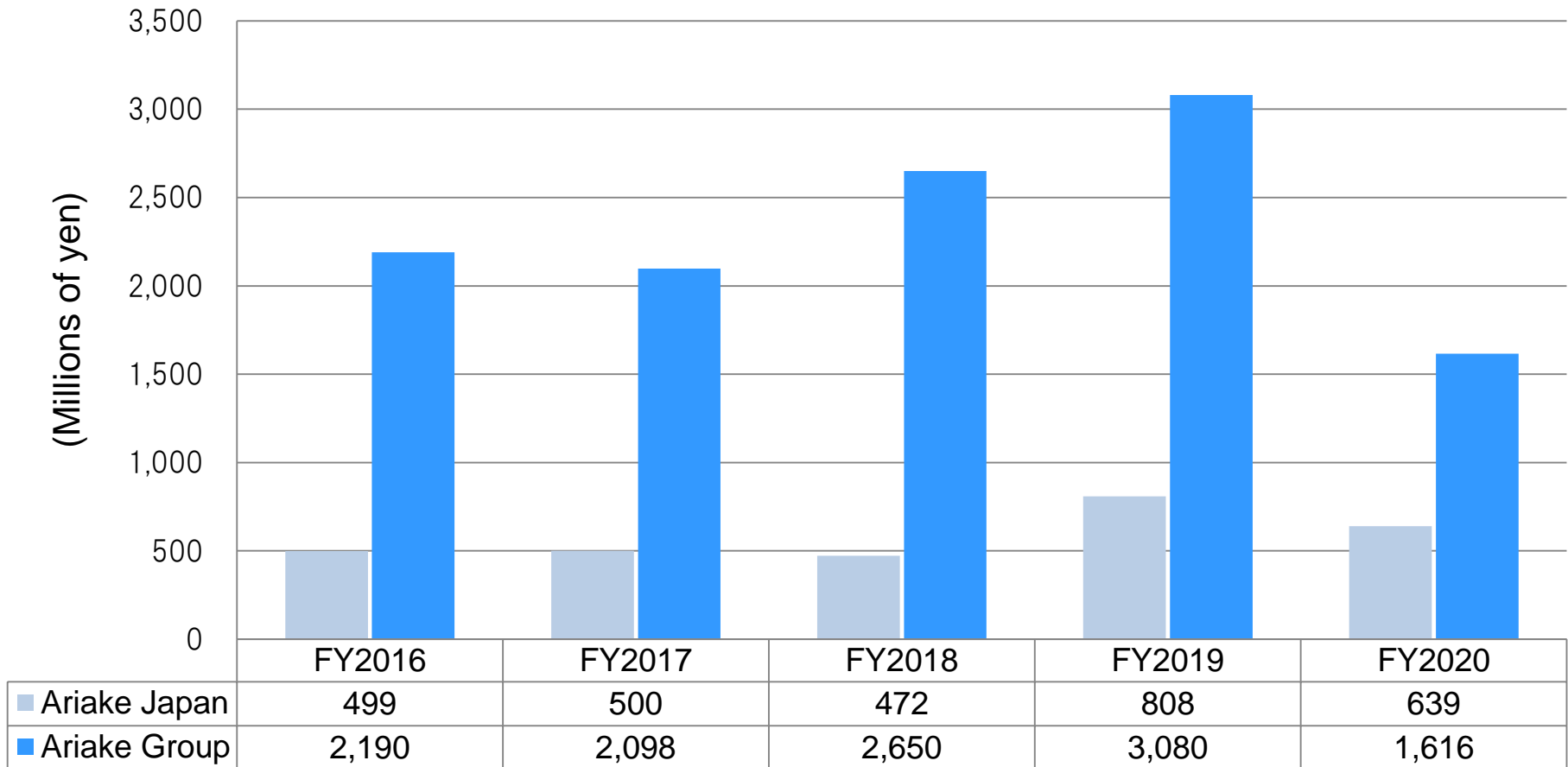
Europe

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.

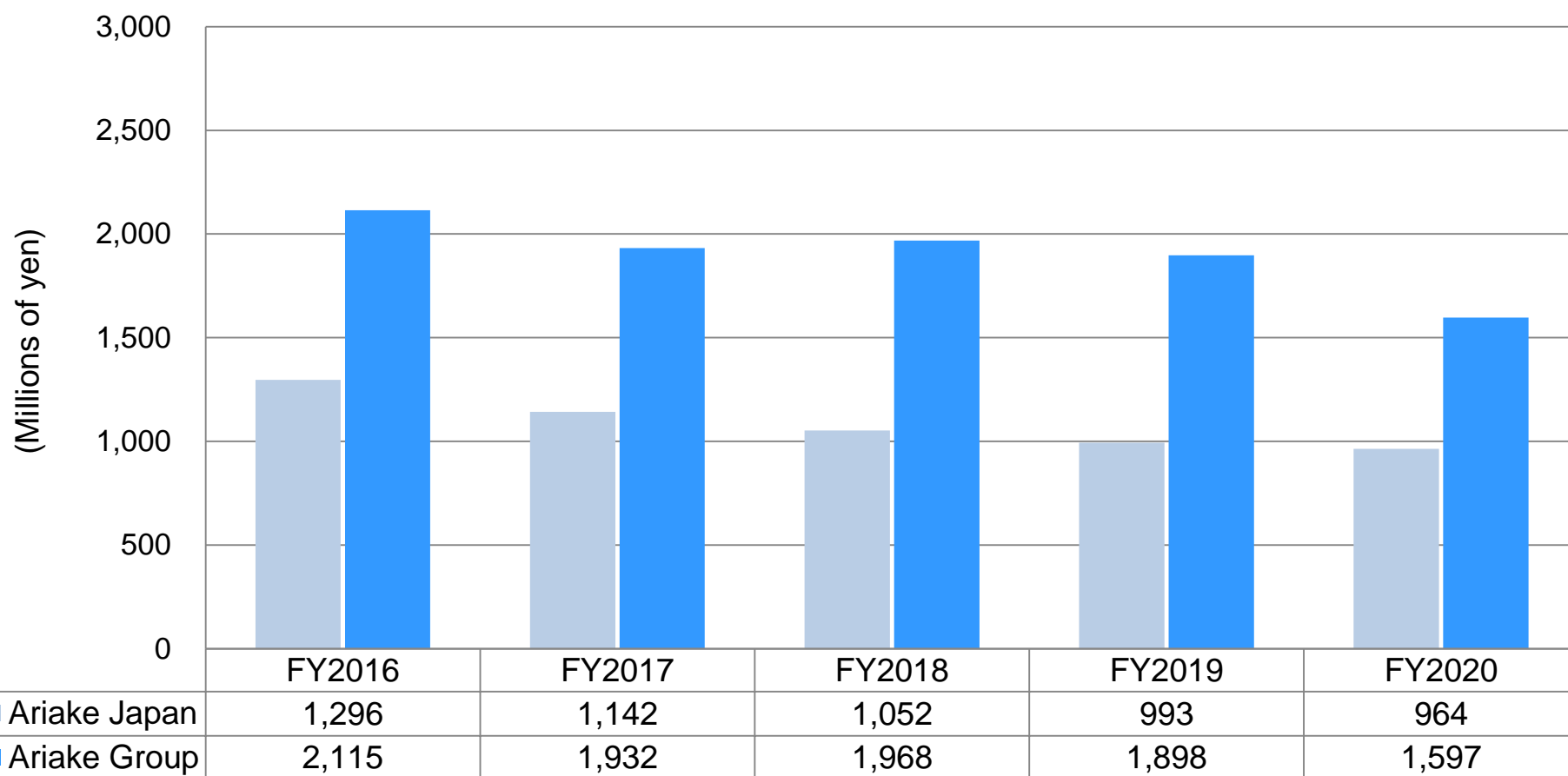
Ariake Group's Global Seven-Pillar System



Consolidated and Non-consolidated Capital Expenditures



Consolidated and Non-consolidated Depreciation Expenses



Financial Forecasts for FY2021

- We plan to develop new products and markets while identifying changes in consumer tastes in the domestic market, aiming at gaining greater market share.
- We will work to enhance sales in the Chinese and Taiwanese markets, where sales are expected to expand further, and bolster the raw material supply from Indonesia to Japan as well as sales in Indonesia.
- In Europe, we will strive to enhance sales by launching newly developed products and increase supplies of raw materials to Japan.
- We are committed to executing these initiatives to pursue further growth in FY2021. However, the COVID-19 pandemic makes it difficult to provide reasonable financial forecasts at the moment. We will carefully assess the impact on our business and release reasonable forecasts once they become available.

Impact of COVID-19

Non-consolidated business

Ariake Japan

- ◆ The Kyushu plant, 6 sales offices, and the headquarters continue their production, development and sales activities as usual while ensuring measures to prevent the spread of the coronavirus based on guidance from the national and local governments and the BCP.
- ◆ Domestic and overseas business trips are suspended and audio/video conferences are actively used.

Overseas

China, Taiwan,
Indonesia, Belgium,
France,
Netherlands

- ◆ In China, operation has resumed since February 10, 2020. (Suspended from January 24 to February 9, 2020)
- ◆ Except in China, we have been operating as usual since the beginning of the year.
- ◆ No specific issues are identified in procuring raw materials.
- ◆ Some customers are affected by the coronavirus, whereas others increased orders. (Under review)

We are committed to playing a role in the development of a sustainable society.

Towards sustainable growth

Coexist with society as a partner

Synergy of our strengths

- Produce 2,500 varieties of high-quality, safe and secure natural seasonings
- Stable distribution across the world

Innovation contributing to the social good

- Provide new value
- Construct new business models

Develop business by leveraging our core strengths

Strength 1

Sophisticated production and technological capabilities

- Computerized production system
- Tasty, healthy, high-quality and safe food products
- Mass production
- Stable distribution

Strength 2

Advanced quality control and hygiene management capabilities

- Accredited for advanced, international certifications for quality control and hygiene management

Strength 3

Global production network

- Production in 7 countries
- Global procurement, production and stable distribution

Promote coexistence with environment and society

Effective use of resources and creating a recycling-oriented society

- Environmentally conscious in all production processes
- Effective use of livestock carcasses in main products
- Effective use of soup stock residue
- Effective use of energy
- Reducing greenhouse gas emissions
- Reducing waste and emissions

Build a sustainable business foundation

- Promote community development
- Human resource development through educational support

Ongoing social issues

- Restaurant and food industry: Increased demand for natural seasonings (due to aging and declining population, growing interest in healthy diet and labor shortages)

Unexpected events

- Risks to stable food supply (due to diseases and natural disasters)

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.