

ARIAKE JAPAN Co., Ltd.

Code number: 2815

FY2016 Financial Results

April 1, 2015–March 31, 2016

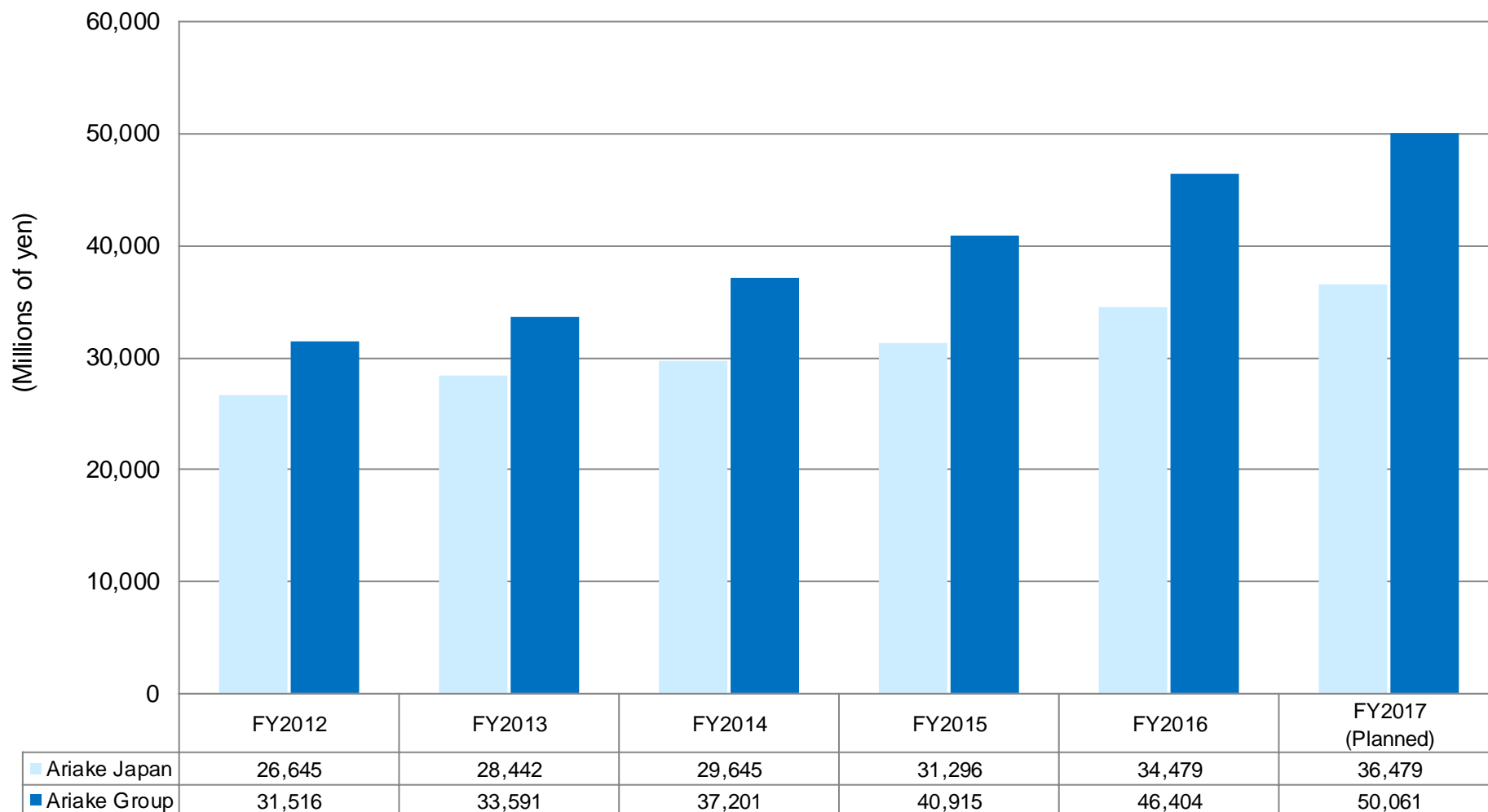
May 12, 2016



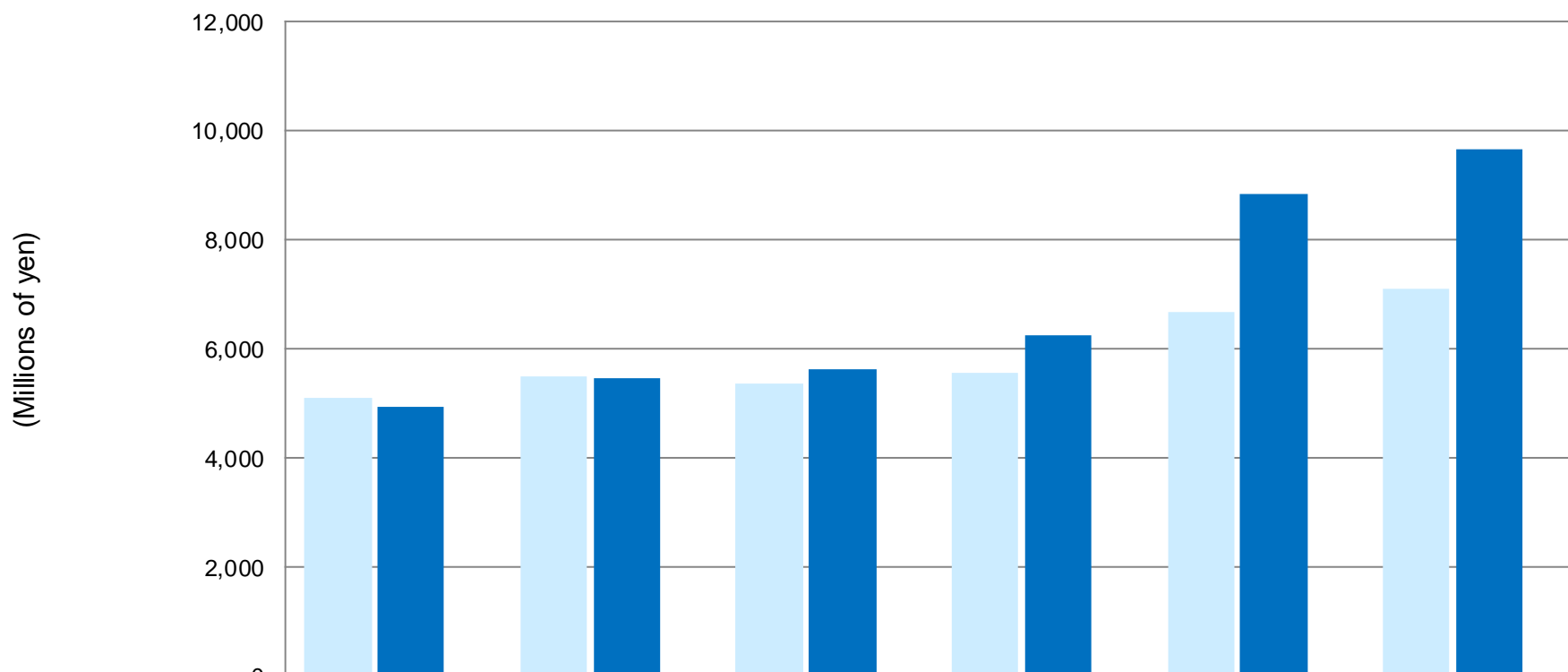
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Consolidated and Non-consolidated Net Sales

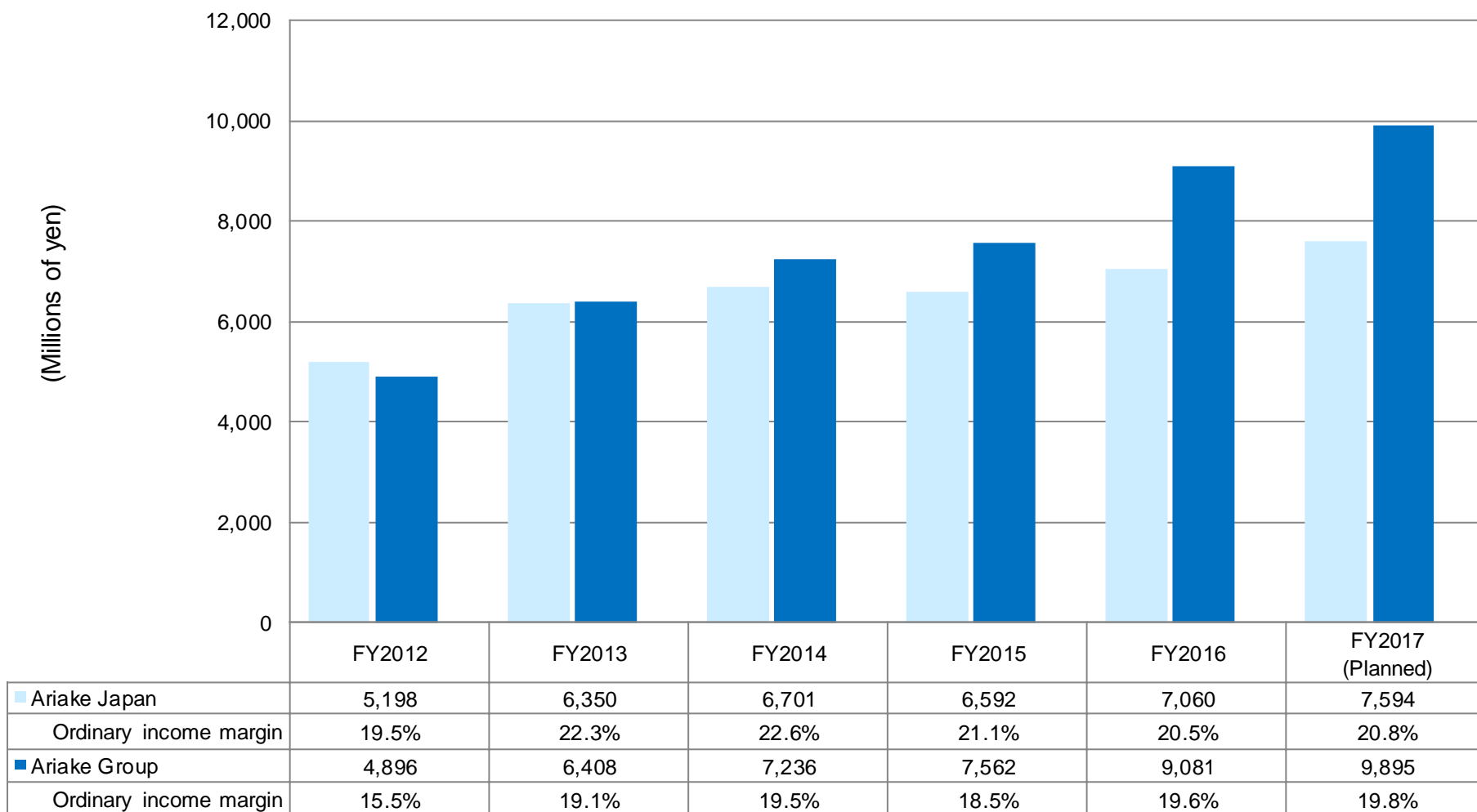


Consolidated and Non-consolidated Operating Income

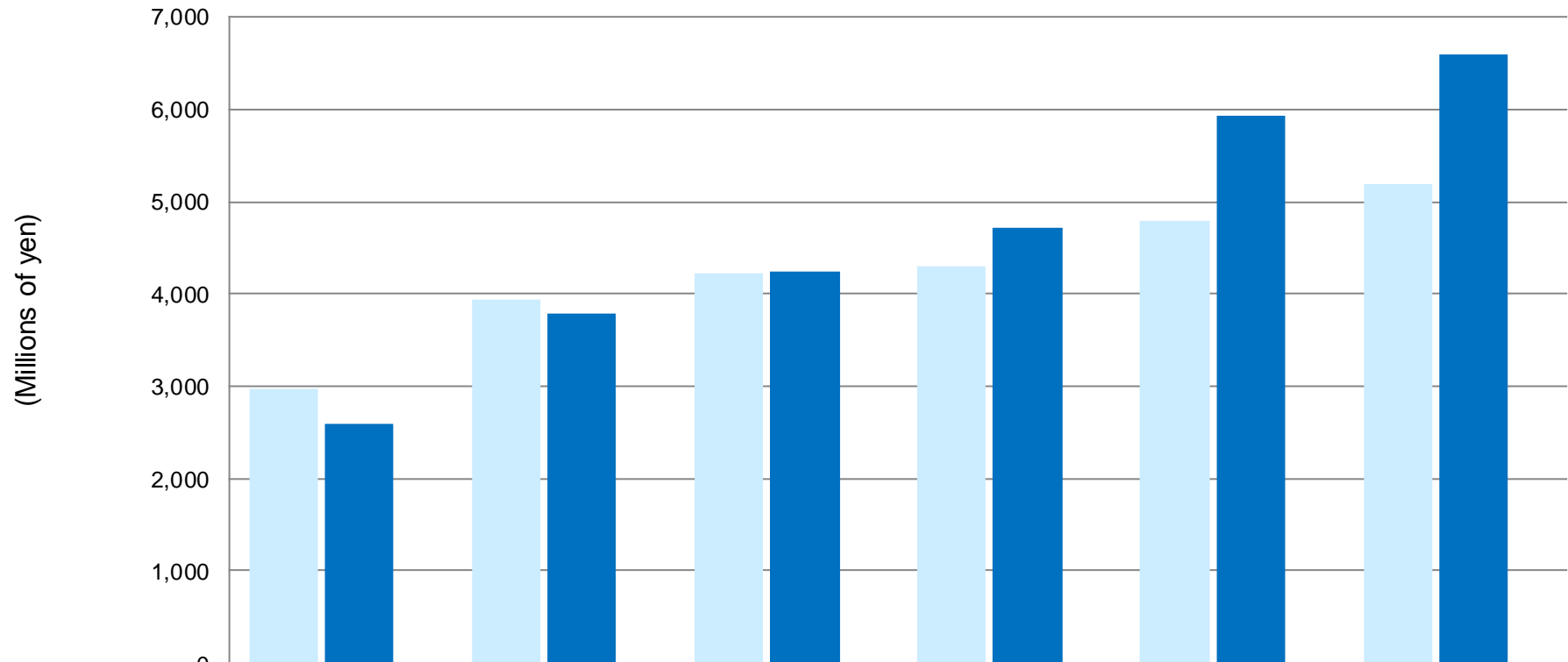


| | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 | FY2017 (Planned) |
|-------------------------|--------|--------|--------|--------|--------|------------------|
| Ariake Japan | 5,094 | 5,495 | 5,349 | 5,556 | 6,669 | 7,092 |
| Operating income margin | 19.1% | 19.3% | 18.0% | 17.8% | 19.3% | 19.4% |
| Ariake Group | 4,940 | 5,475 | 5,639 | 6,251 | 8,836 | 9,654 |
| Operating income margin | 15.7% | 16.3% | 15.2% | 15.3% | 19.0% | 19.3% |

Consolidated and Non-consolidated Ordinary Income



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



| | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 | FY2017 (Planned) |
|-------------------|--------|--------|--------|--------|--------|------------------|
| ■ 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% | 11.6% | 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 FY2015 Results]

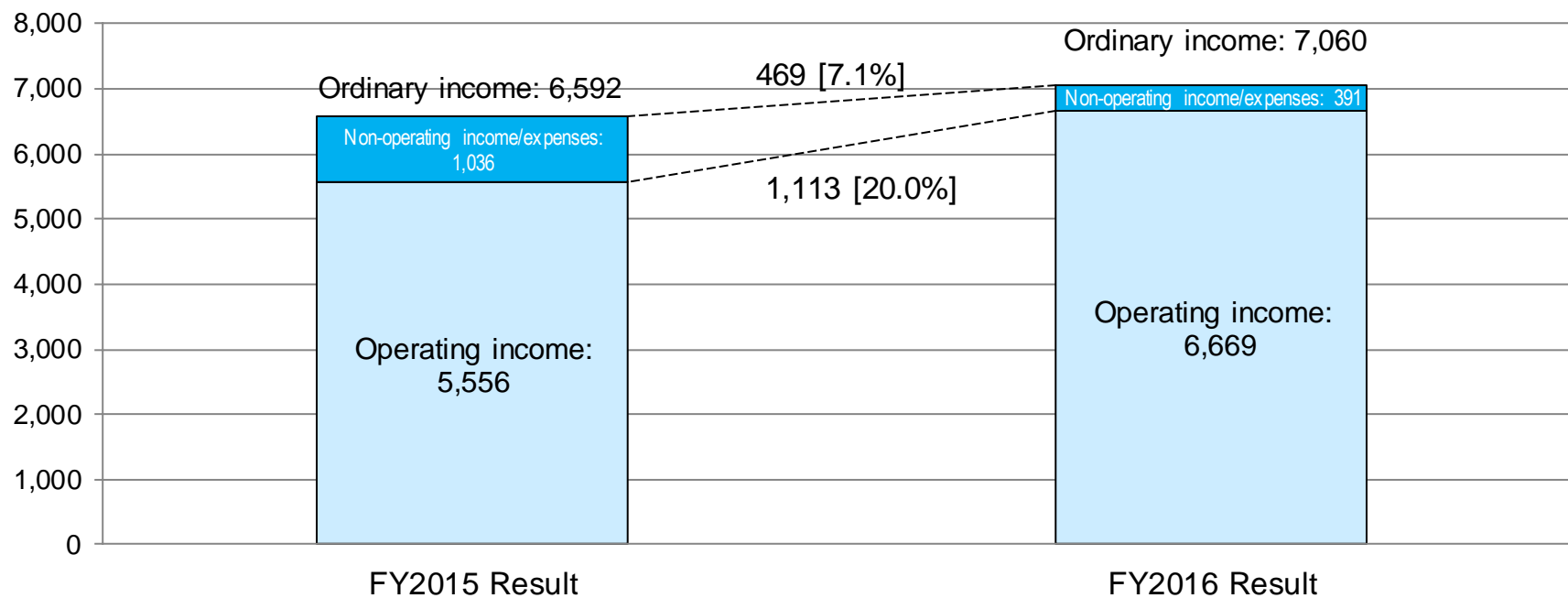
Non-consolidated Business Summary

■ Net sales

Non-consolidated net sales increased by ¥3,183 million (10.2%) year on year, to ¥34,479 million.

■ Income

(Millions of yen)

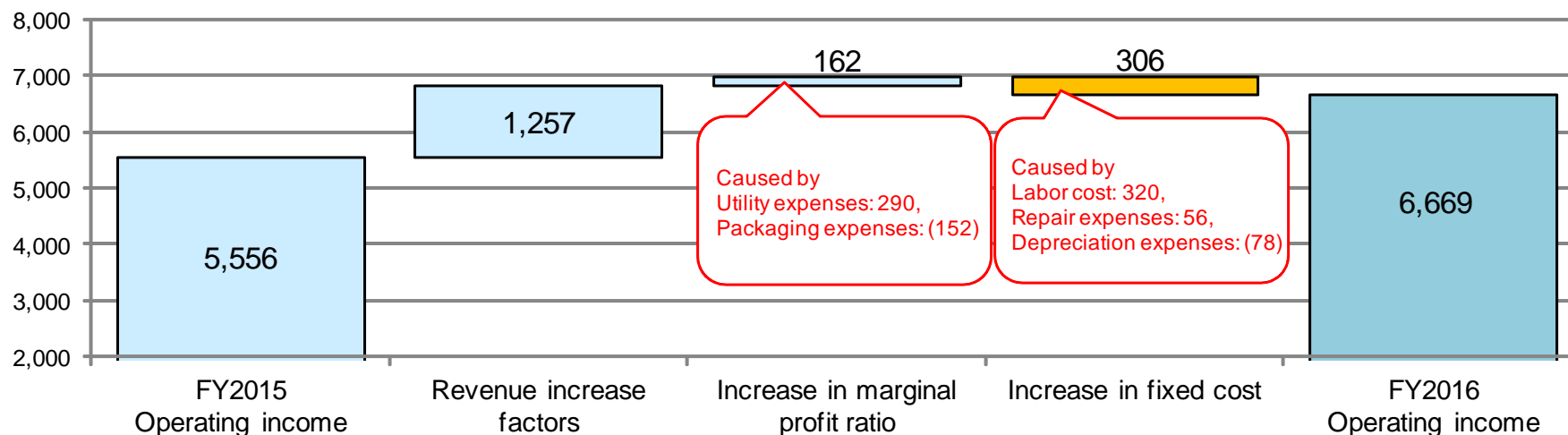


[Comparison with FY2015 Results] Non-consolidated Business Summary (Income Change Factors)

■ Operating income

Year-on-year increase of ¥1,113 million (20.0%) to ¥6,669 million

(Millions of yen)



■ Ordinary income

Year-on-year increase of ¥469 million (7.1%)

(Millions of yen)

| | | |
|------------------|-------------------------------|-------|
| Increase factors | Increase in operating income | 1,113 |
| Decrease factors | Non-operating income/expenses | (617) |
| | Financial income/expenses | (27) |
| Total | | 469 |

[Comparison with FY2016 Plan]

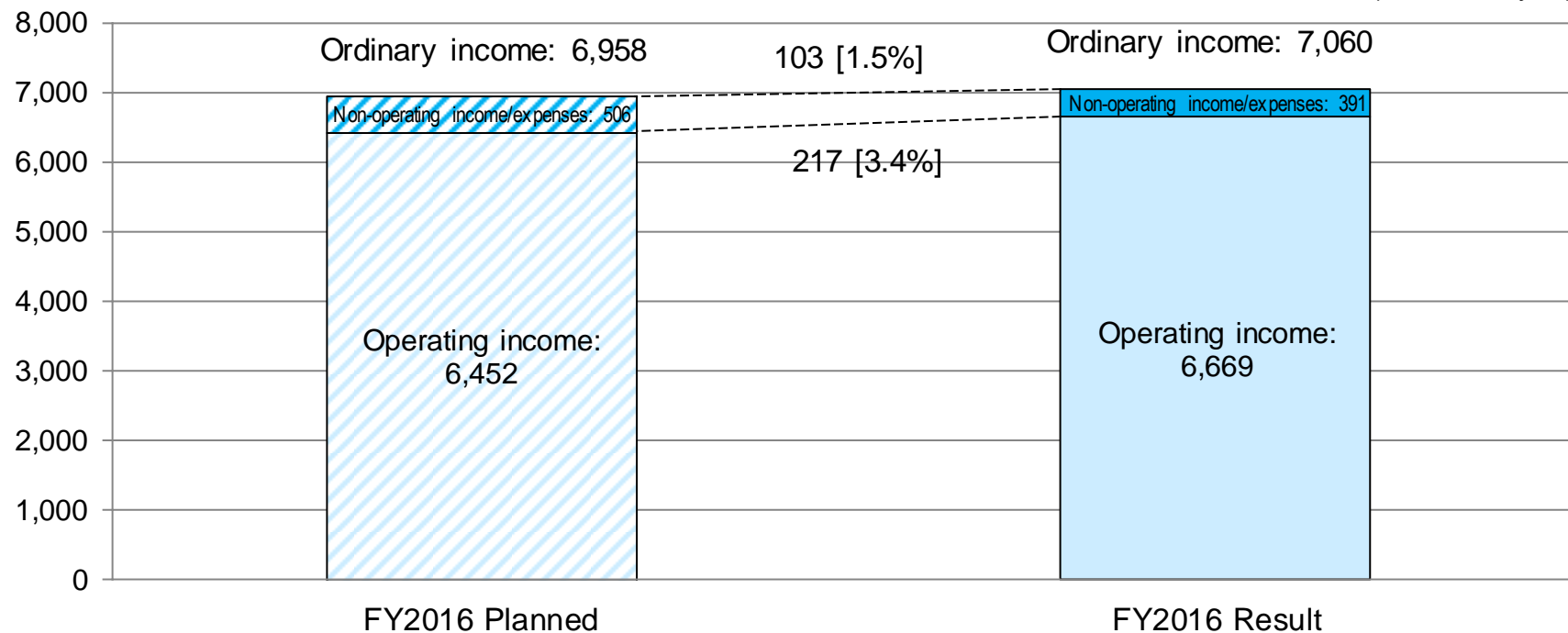
Non-consolidated Business Summary

■ Net sales

Non-consolidated net sales fell short of the plan by ¥217 million.

■ Income

(Millions of yen)



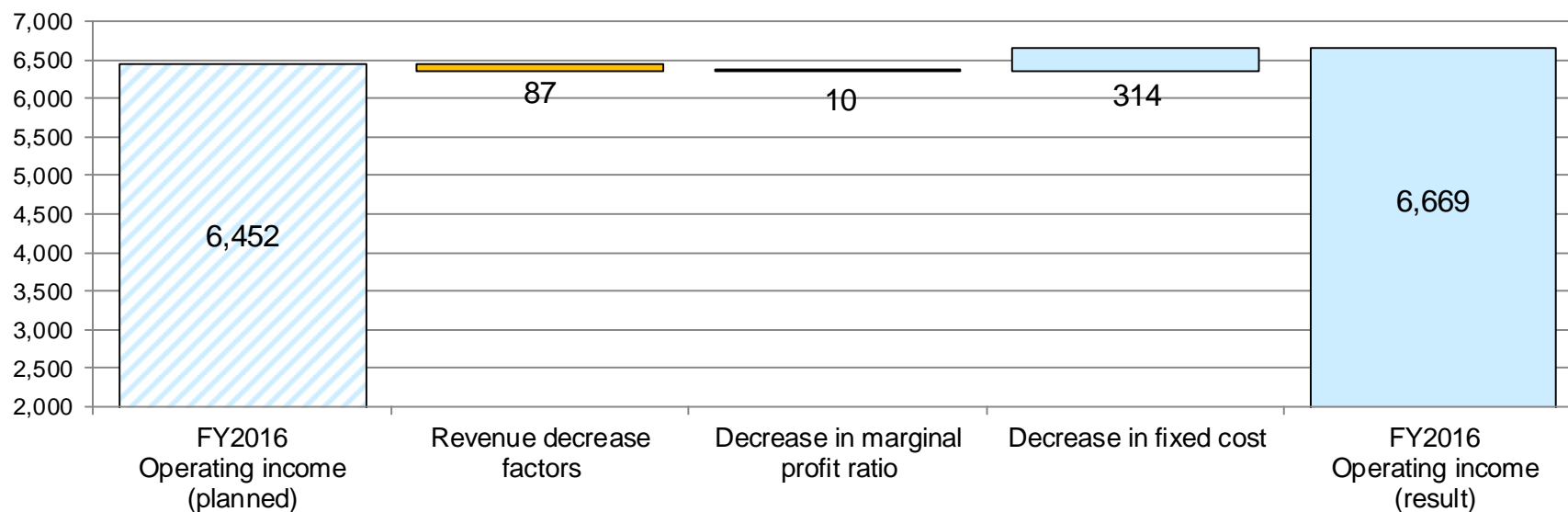
[Comparison with FY2016 Plan]

Non-consolidated Business Summary (Income Change Factors)

■ Operating income

Exceeded the plan by ¥217 million (3.4%) to ¥6,669 million

(Millions of yen)



■ Ordinary income

Exceed of the plan by ¥103 million (1.5%)

(Millions of yen)

| | | |
|------------------|-------------------------------|-------|
| Increase factors | Increase in operating income | 217 |
| Decrease factors | Non-operating income/expenses | (114) |
| Total | | 103 |

Business Summary of Major Subsidiaries for FY2016

□ Major subsidiaries

◆ U.S.

Sales increased thanks to order growth from existing food manufacturers. Fuel costs and material costs, whose increases pushed up total costs the previous year, held steady and profit improved by a wide margin.

◆ Asia

Both net sales and operating income in China increased owing to an increase in orders from existing processed food manufacturers.

Both net sales and operating income in Taiwan increased owing to an increase in orders from the country's food services market.

◆ Europe

Thanks to the sales growth in France and Netherlands and the streamlining efforts in Belgium two years earlier, net sales and operating income increased on a local currency basis (sales declined when converted into yen).

As for profit, the European operation turned to profit on a local currency basis. On the consolidated basis (converted into yen), the bottom line was a loss of 0.03 billion yen.

◆ Japan

The performances of the Japanese subsidiaries were about the same level with the previous year.

Consolidated Financial Results by Geographical Area for FY2016

(Billions of yen)

| | Net sales | | | | | Operating income (loss) | | | | |
|---------------------|--------------------|--------------------|------------------|--------------------|------------------|-------------------------|--------------------|------------------|--------------------|------------------|
| | FY2016 Results (A) | FY2015 Results (B) | Difference (A-B) | FY2016 Planned (C) | Difference (A-C) | FY2016 Results (A) | FY2015 Results (B) | Difference (A-B) | FY2016 Planned (C) | Difference (A-C) |
| Ariake Japan | 34.48 | 31.30 | 3.18 | 34.70 | (0.22) | 6.67 | 5.56 | 1.11 | 6.45 | 0.22 |
| Subsidiaries total* | 11.93 | 9.62 | 2.31 | 11.31 | 0.62 | 2.17 | 0.70 | 1.47 | 1.48 | 0.69 |
| U.S. | 4.40 | 2.70 | 1.70 | 3.62 | 0.78 | 0.96 | 0.31 | 0.65 | 0.47 | 0.49 |
| Asia | 4.30 | 3.63 | 0.67 | 4.40 | (0.10) | 1.22 | 0.82 | 0.40 | 0.89 | 0.33 |
| Europe | 2.86 | 2.93 | (0.07) | 2.91 | (0.05) | (0.03) | (0.45) | 0.42 | 0.10 | (0.13) |
| Japan | 0.36 | 0.36 | 0.00 | 0.38 | (0.02) | 0.02 | 0.02 | 0.00 | 0.02 | 0.00 |
| Total | 46.40 | 40.92 | 5.48 | 46.01 | 0.39 | 8.84 | 6.26 | 2.58 | 7.93 | 0.91 |

* Subsidiaries' figures are after consolidation adjustments

| | | | |
|-----|-------|-------|-------|
| USD | 120.6 | 120.5 | 120.0 |
| EUR | 131.8 | 146.5 | 130.0 |

Consolidated Financial Plan by Geographical Area for FY2017

(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 | Approx.(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 |

* Subsidiaries' figures are after consolidation adjustments

| | | |
|-----|-------|-------|
| USD | 110.0 | 120.6 |
| EUR | 125.0 | 131.8 |

Business Plan 1)

(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 |

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 ¥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.

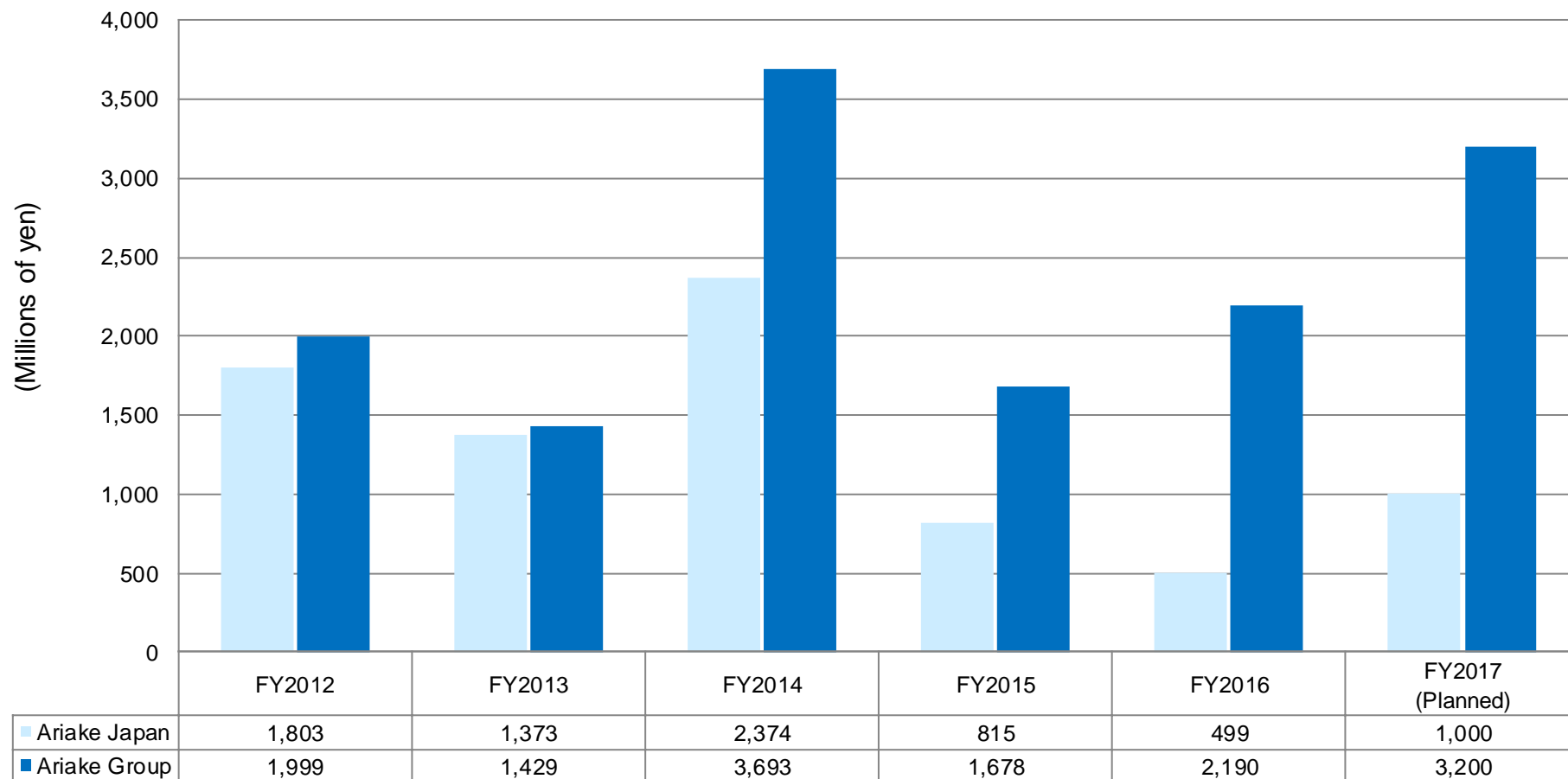
Taiwan is expected to achieve net sales of ¥2.2 billion for FY2018 and ¥2.6 billion for FY2019 by strengthening sales promotion activities in the food services market where demands are brisk.

4. Europe

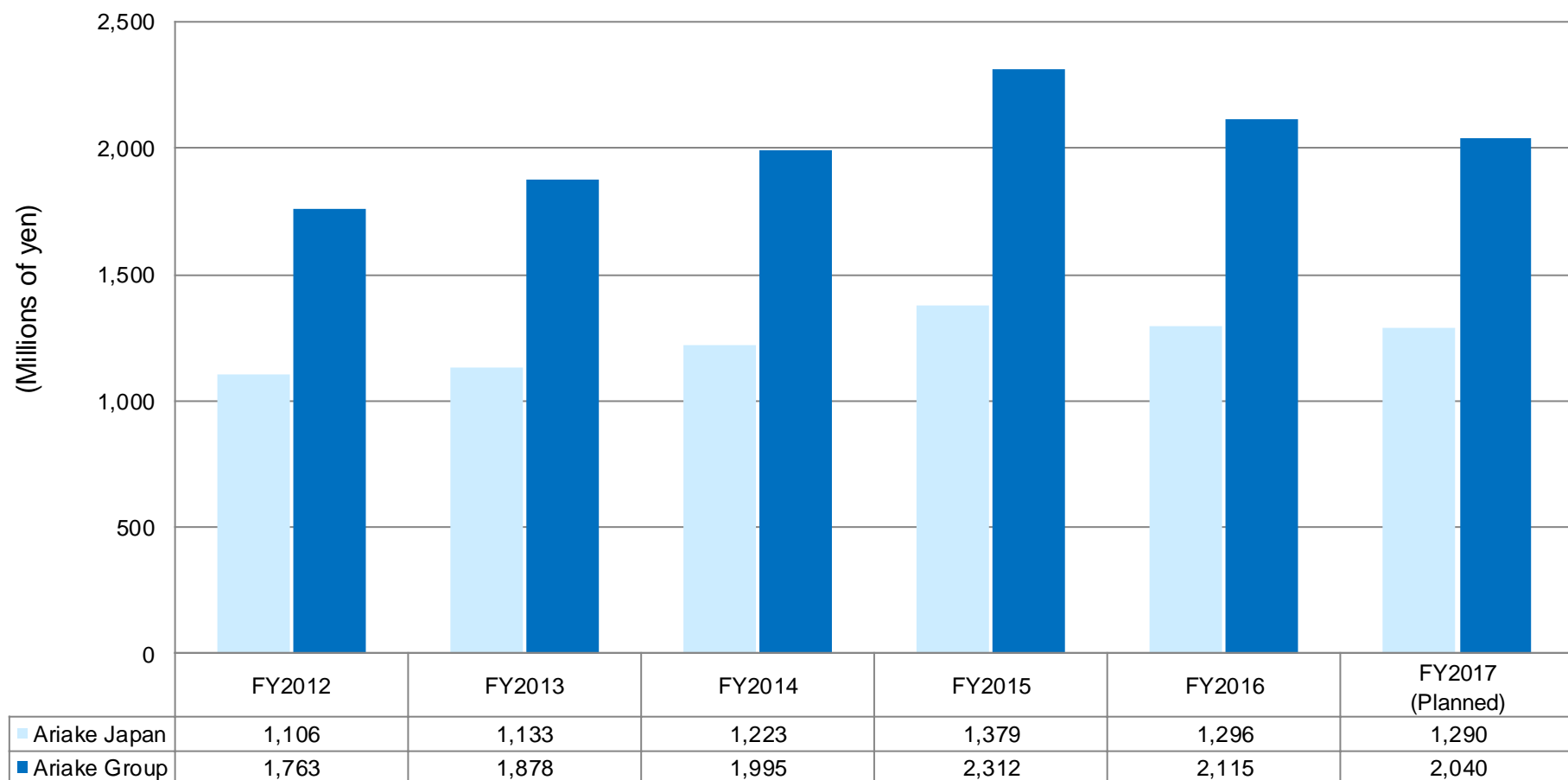
Net sales from the European region are expected to be ¥5.0 billion for FY2018 and ¥5.4 billion for FY2019. We will accelerate efforts to boost sales in Europe, and at the same time aim to increase supply of good-quality foodstuffs to Japan and start supplying to the Indonesian factory which is slated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

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Consolidated and Non-consolidated Capital Expenditures



Consolidated and Non-consolidated Depreciation Expenses



Ariake Group's Global Eight-Pillar System



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.

For further inquiries, please contact below:

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