

# FY2019 Interim Financial Results

April 1, 2018–September 30, 2018

November 8, 2018



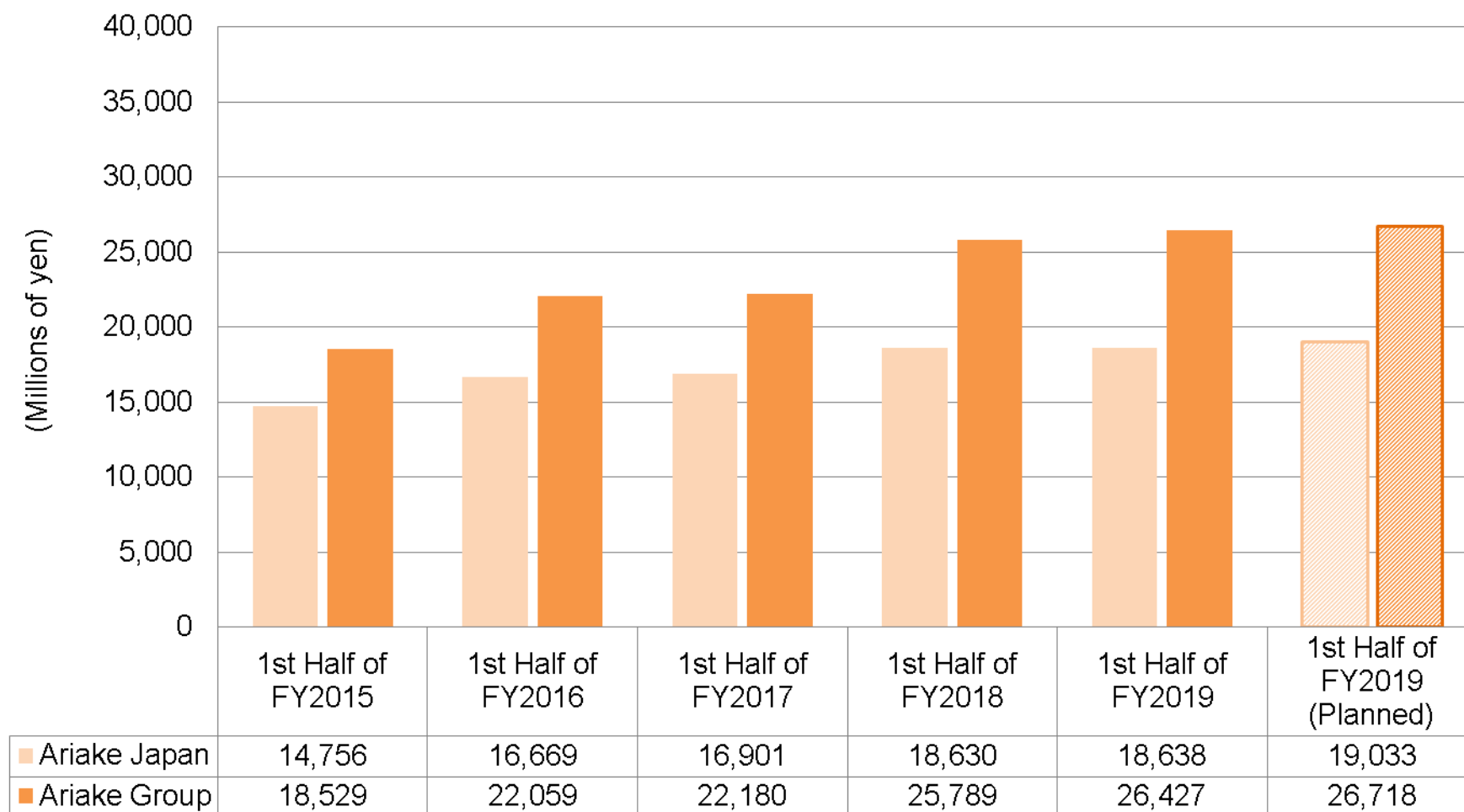
**ARIAKE JAPAN Co., Ltd.**

Code number: 2815

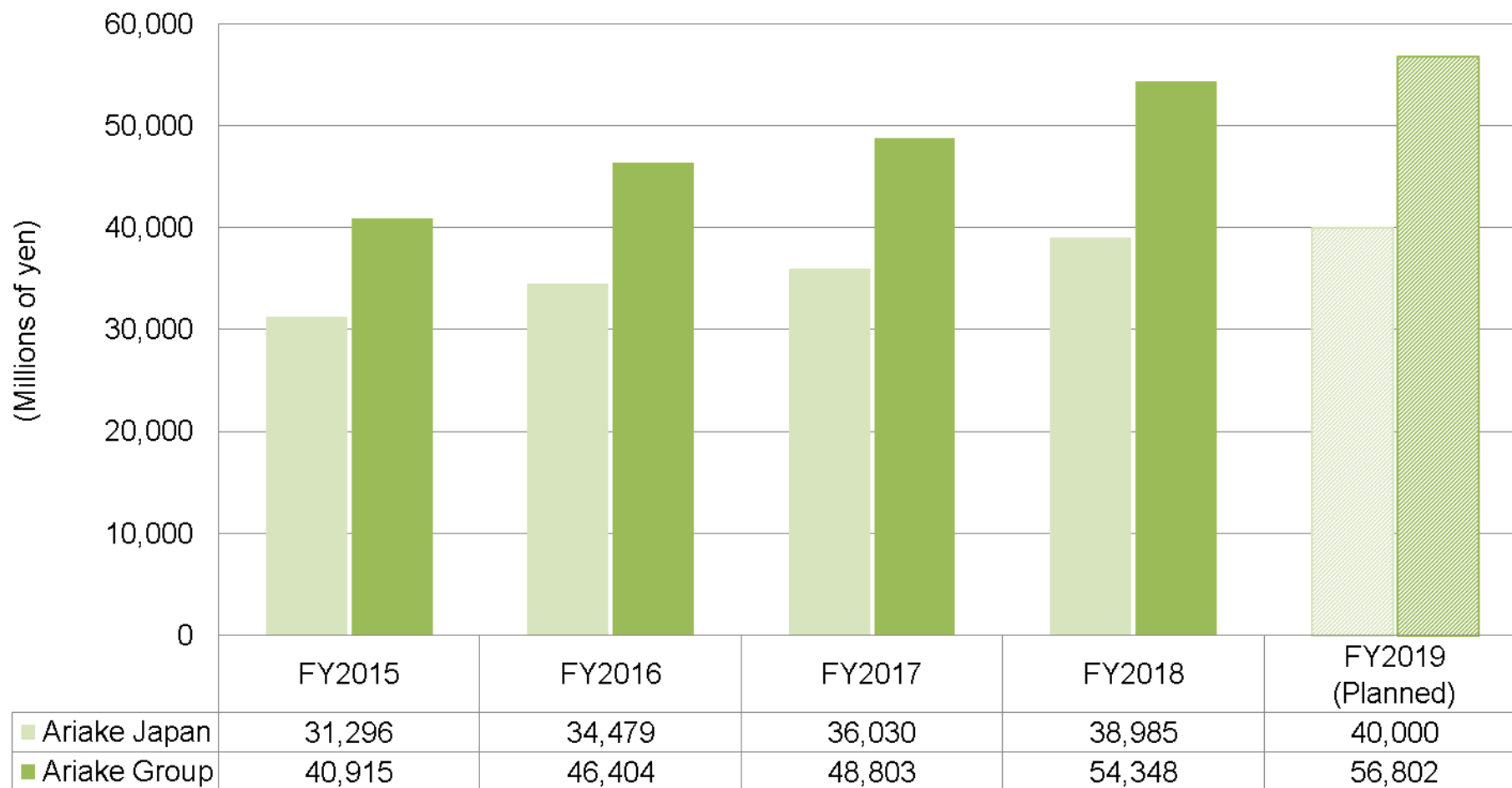
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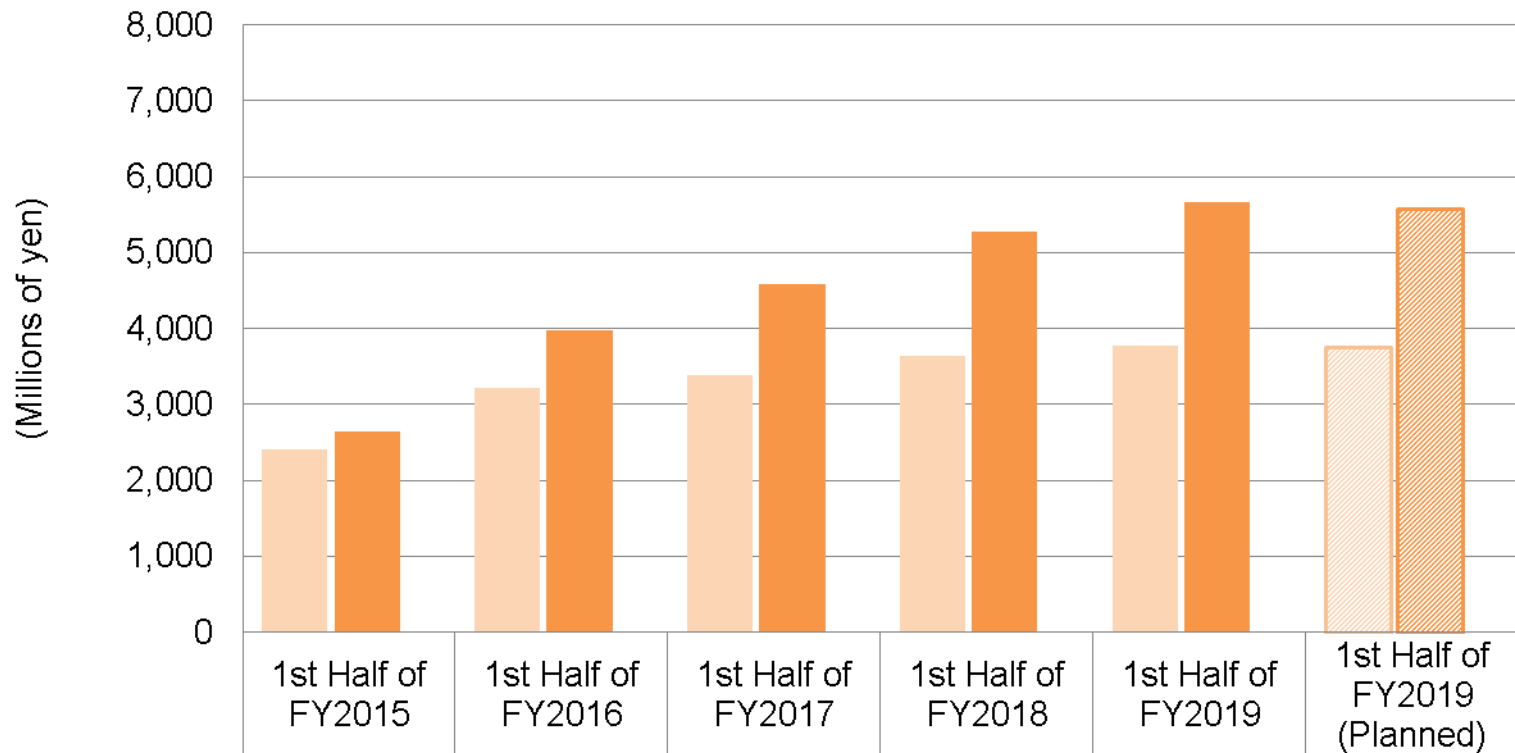
## Consolidated and Non-consolidated Net Sales for the First Half Periods



## Consolidated and Non-consolidated Net Sales for the Fiscal Years

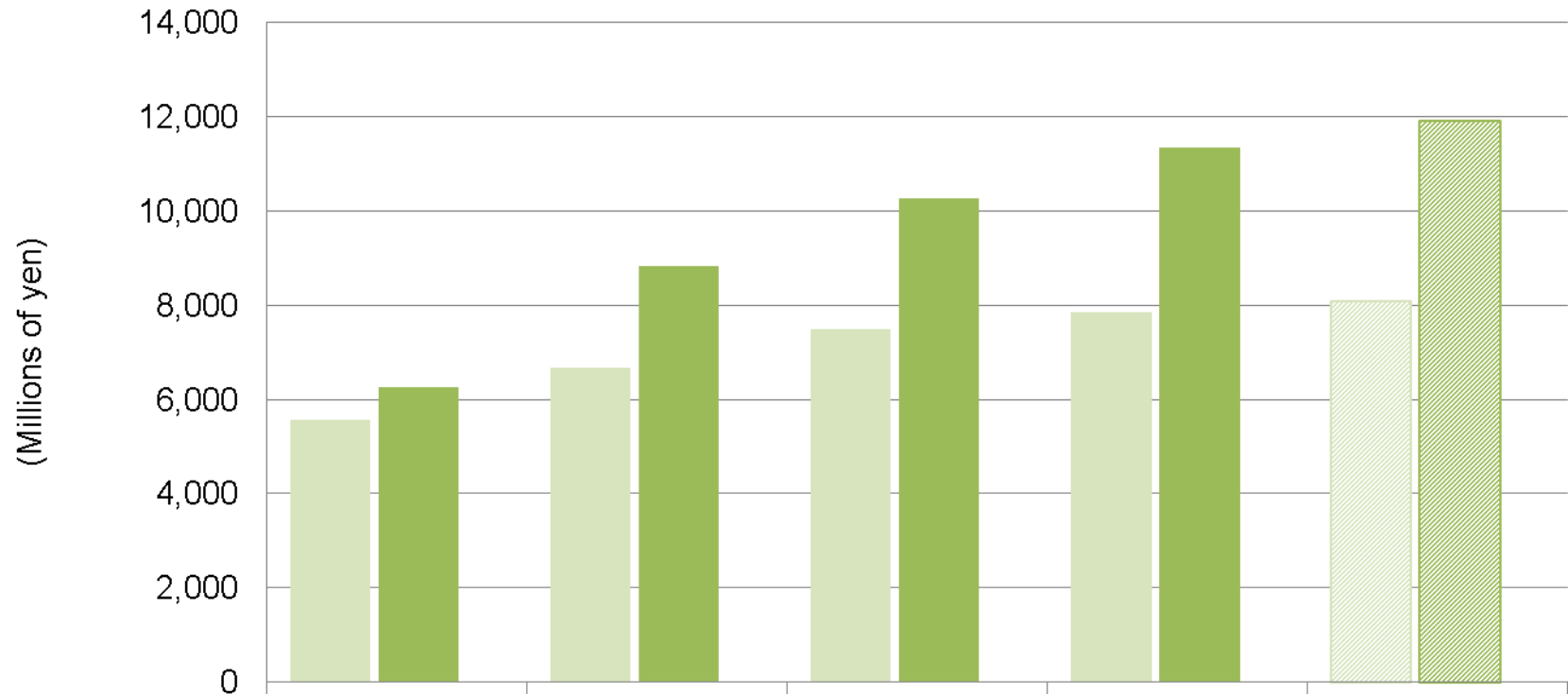


# Consolidated and Non-consolidated Operating Income for the First Half Periods



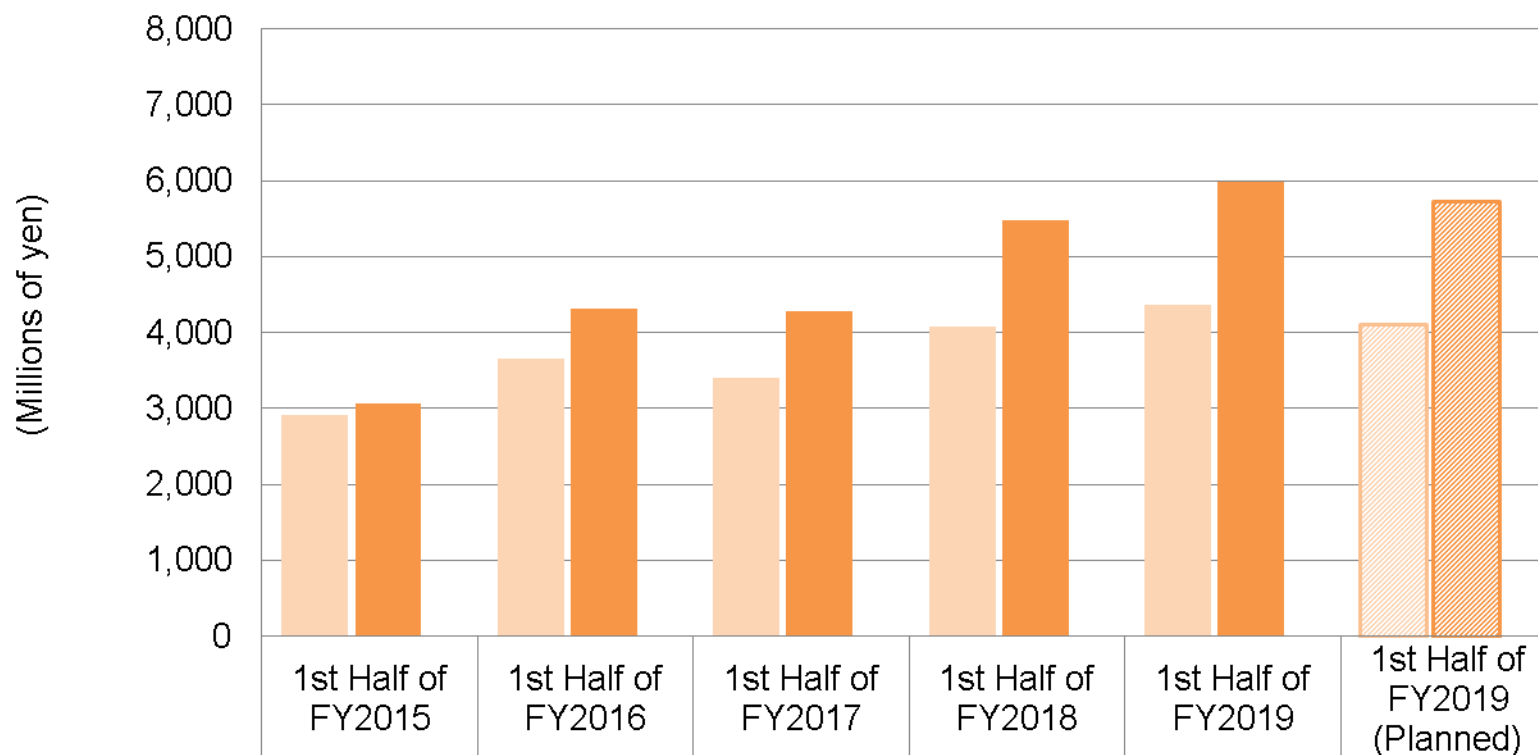
■ Ariake Japan	2,402	3,214	3,389	3,645	3,776	3,758
Operating income margin	16.3%	19.3%	20.1%	19.6%	20.3%	19.7%
■ Ariake Group	2,651	3,984	4,578	5,270	5,661	5,576
Operating income margin	14.3%	18.1%	20.6%	20.4%	21.4%	20.9%

# Consolidated and Non-consolidated Operating Income for the Fiscal Years



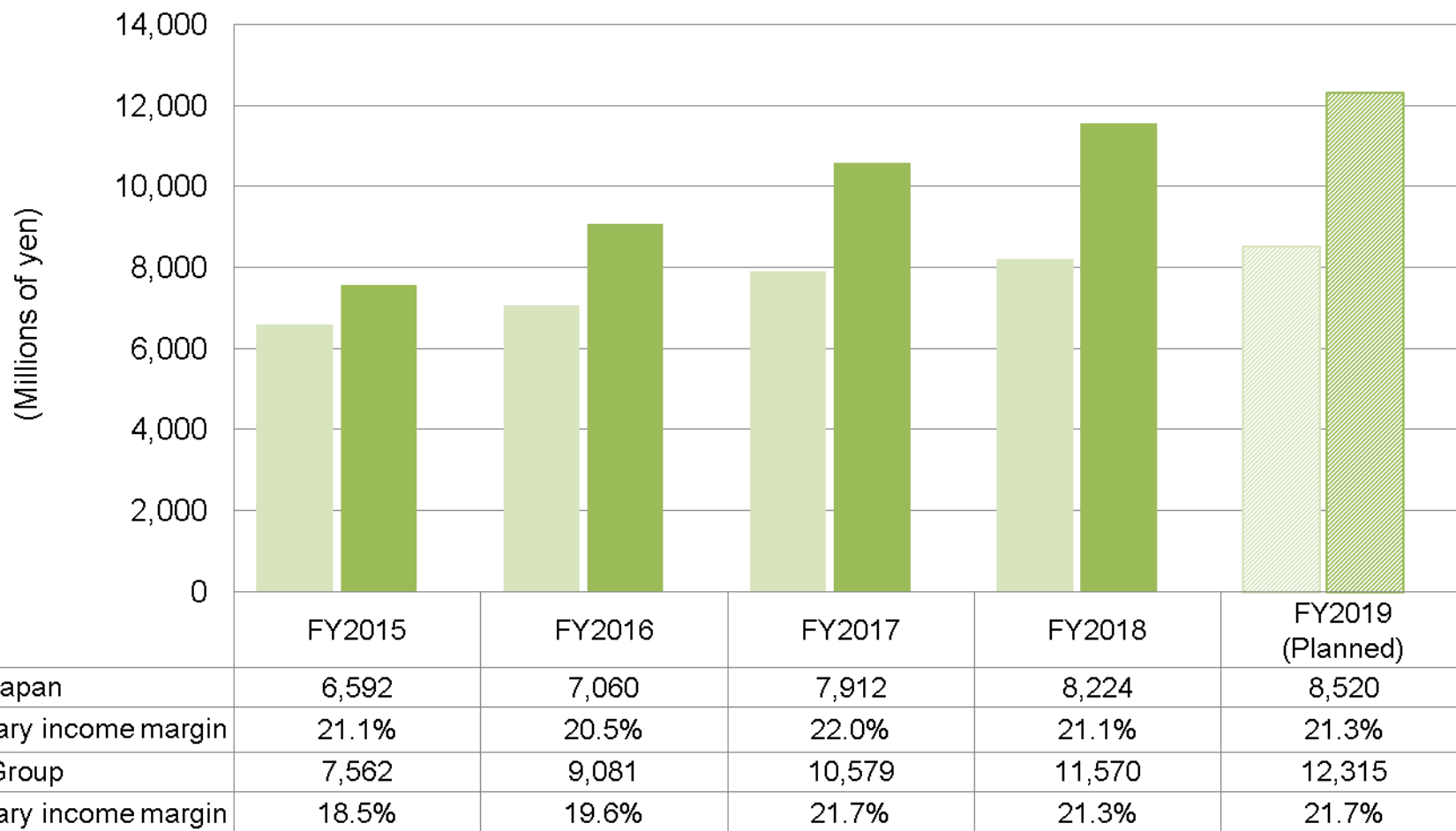
■ Ariake Japan	5,556	6,669	7,495	7,838	8,080
Operating income margin	17.8%	19.3%	20.8%	20.1%	20.2%
■ Ariake Group	6,251	8,836	10,273	11,329	11,922
Operating income margin	15.3%	19.0%	21.1%	20.8%	21.0%

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



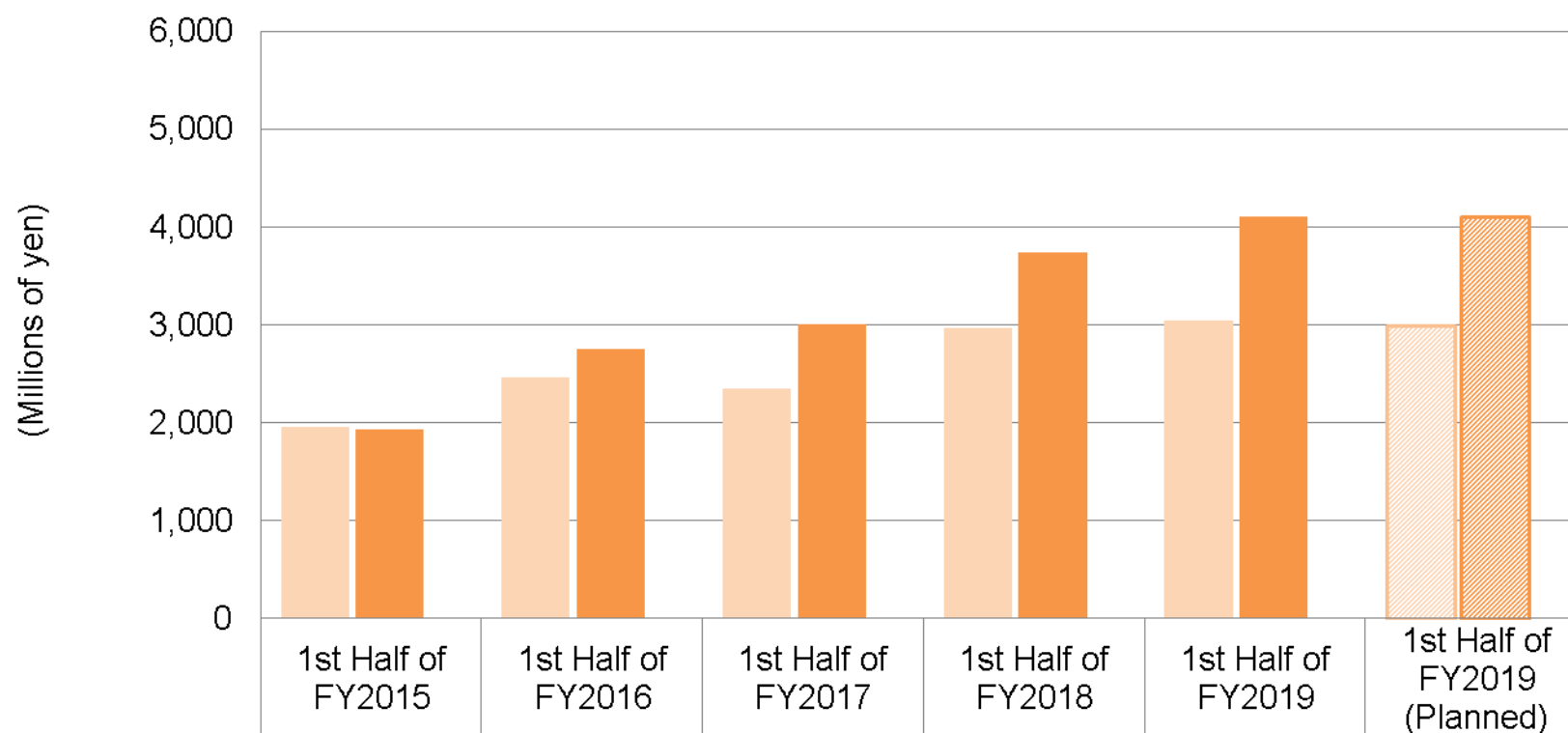
■ Ariake Japan	2,916	3,648	3,399	4,074	4,357	4,111
Ordinary income margin	19.8%	21.9%	20.1%	21.9%	23.4%	21.6%
■ Ariake Group	3,065	4,322	4,284	5,471	5,991	5,728
Ordinary income margin	16.5%	19.6%	19.3%	21.2%	22.7%	21.4%

# Consolidated and Non-consolidated Ordinary Income for the Fiscal Years



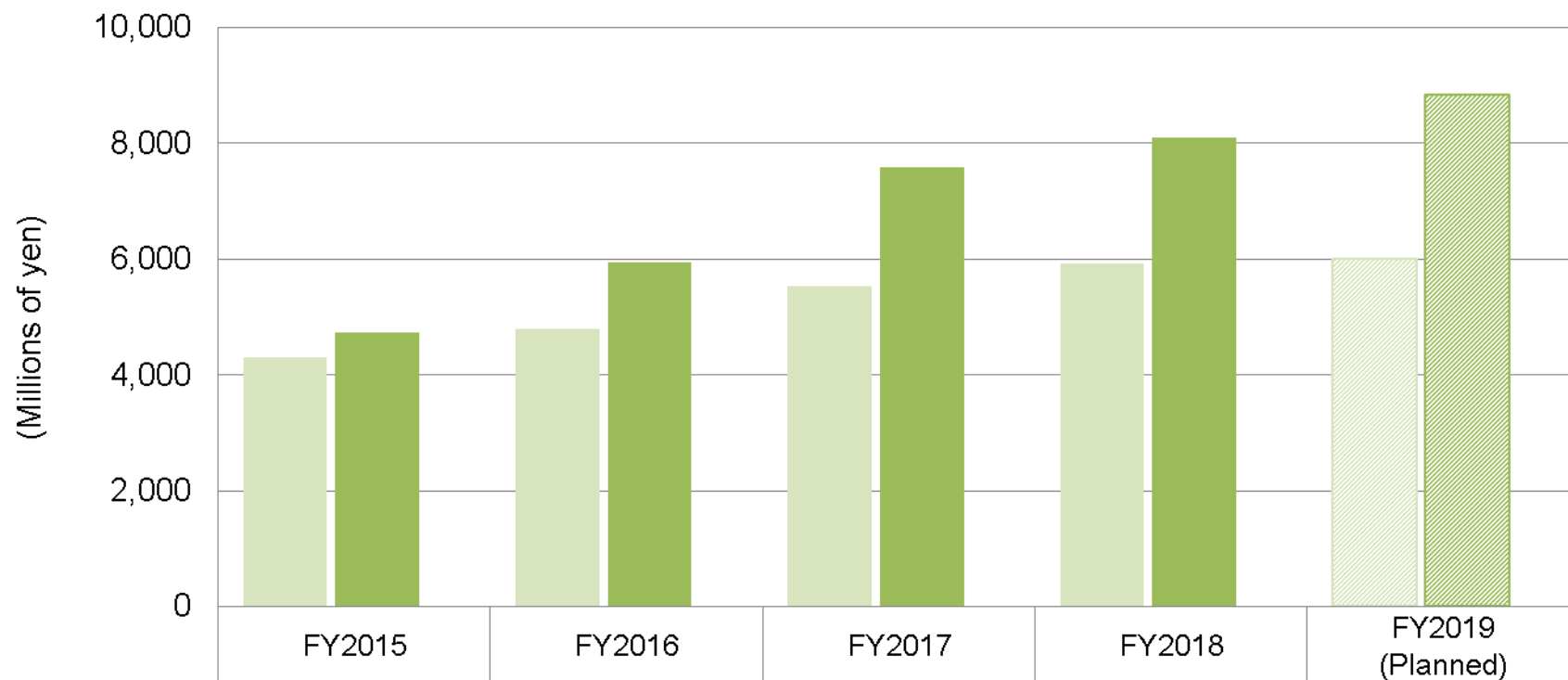


## Consolidated and Non-consolidated Net Income Attributable to Shareholders of Parent Company for the First Half Periods



■ Ariake Japan	1,961	2,468	2,355	2,971	3,043	2,988
Net income margin	13.3%	14.8%	13.9%	15.9%	16.3%	15.7%
■ Ariake Group	1,931	2,754	3,009	3,745	4,104	4,102
Net income margin	10.4%	12.5%	13.6%	14.5%	15.5%	15.4%

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



■ Ariake Japan	4,299	4,798	5,541	5,926	6,000
Net income margin	13.7%	13.9%	15.4%	15.2%	15.0%
■ Ariake Group	4,725	5,939	7,585	8,099	8,828
Net income margin	11.5%	12.8%	15.5%	14.9%	15.5%

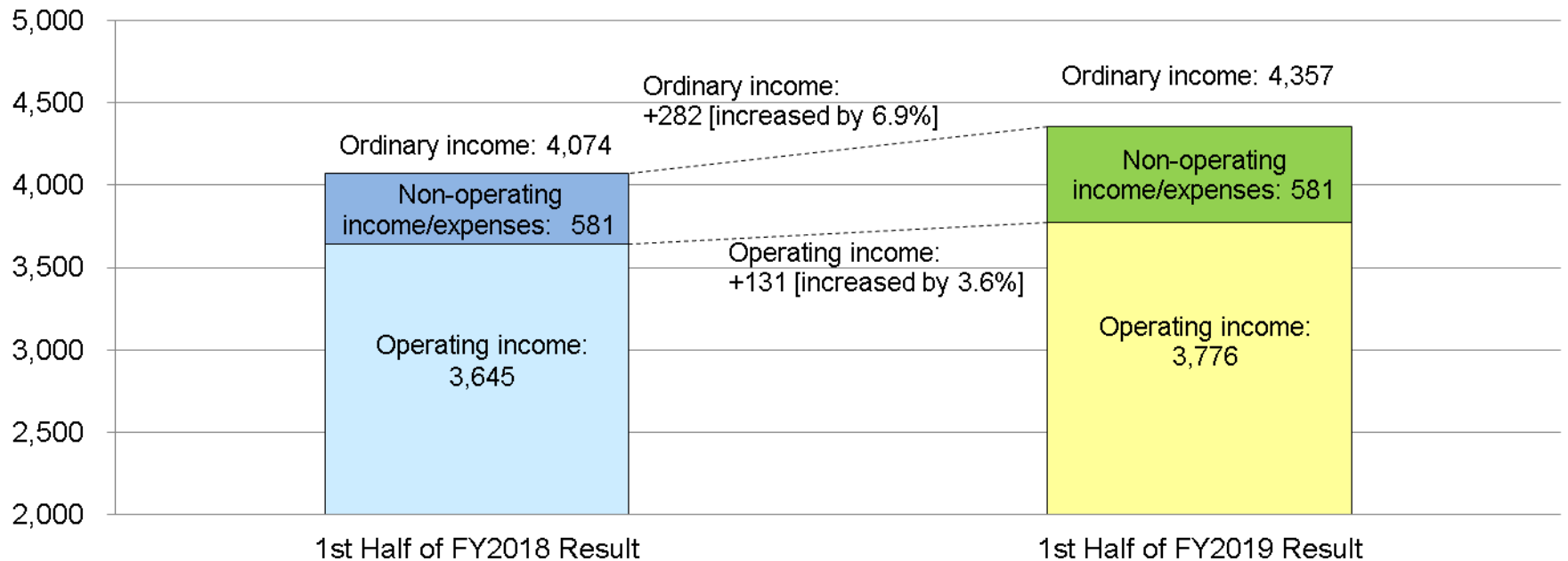
[Comparison with FY2018 Results]  
 Non-consolidated Business Summary for the First Half of FY2019

■ **Net sales**

Non-consolidated net sales increased by ¥7 million year-on-year, to ¥18,638 million.

■ **Income**

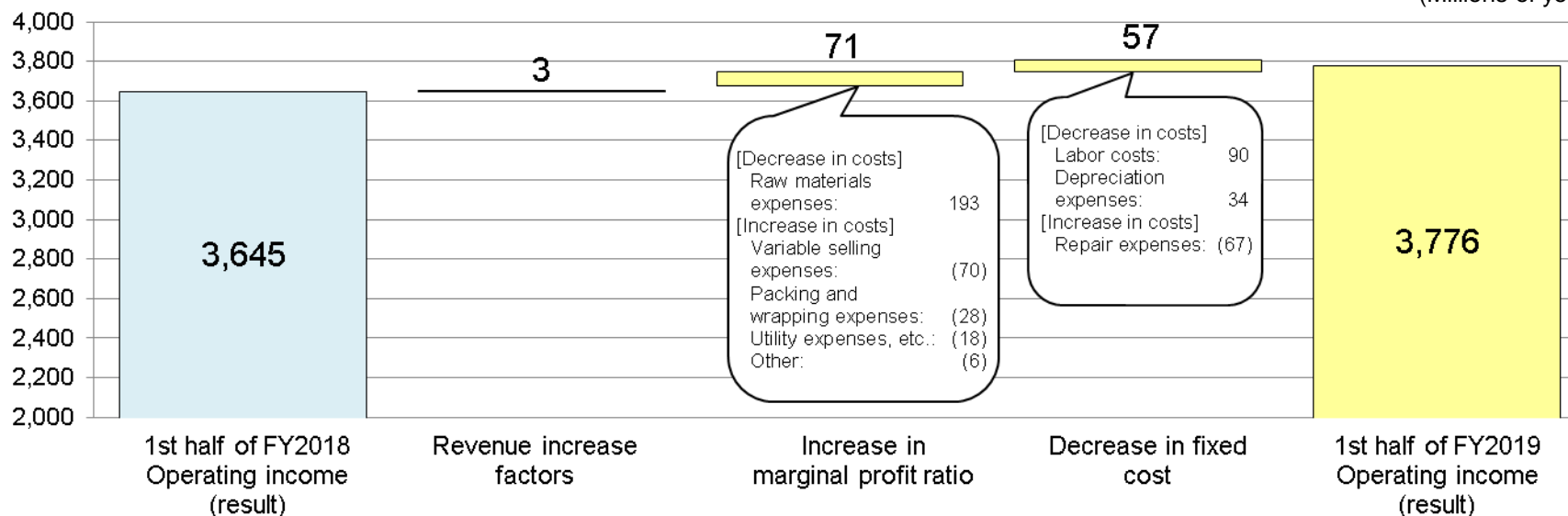
(Millions of yen)



# [Comparison with FY2018 Results] Non-consolidated Business Summary for the First Half of FY2019 (Income Change Factors)

■ **Operating income: ¥3,776 million** Year-on-year increase of ¥131 million (3.6%)

(Millions of yen)



■ **Ordinary income: ¥4,357 million** Year-on-year increase of ¥282 million (6.9%)

(Millions of yen)

Increase factors	Gain on valuation of derivatives	133
	Increase in operating income	131
	Foreign exchange gains	85
	Interest income, etc.	48
Decrease factors	Dividend income	(115)
Total		282

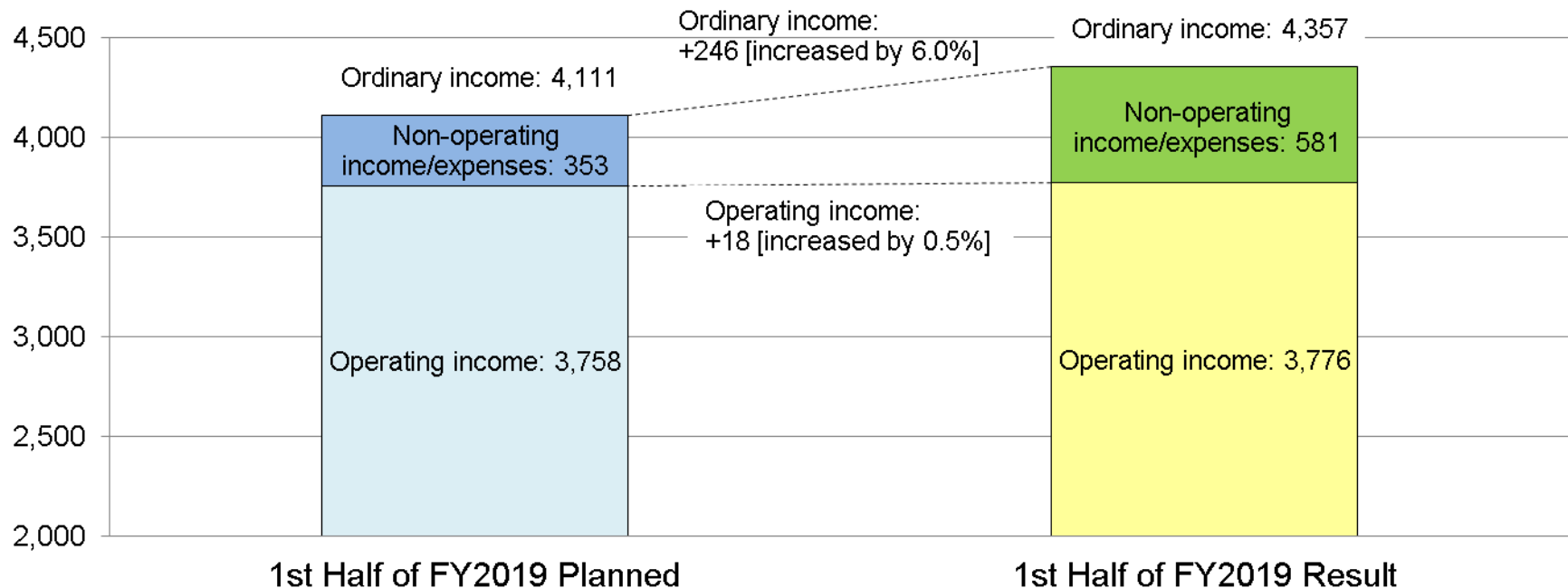
[Comparison with FY2019 Plan]  
 Non-consolidated Business Summary for the First Half of FY2019

■ **Net sales**

Non-consolidated net sales fell short of the plan by ¥394 million.

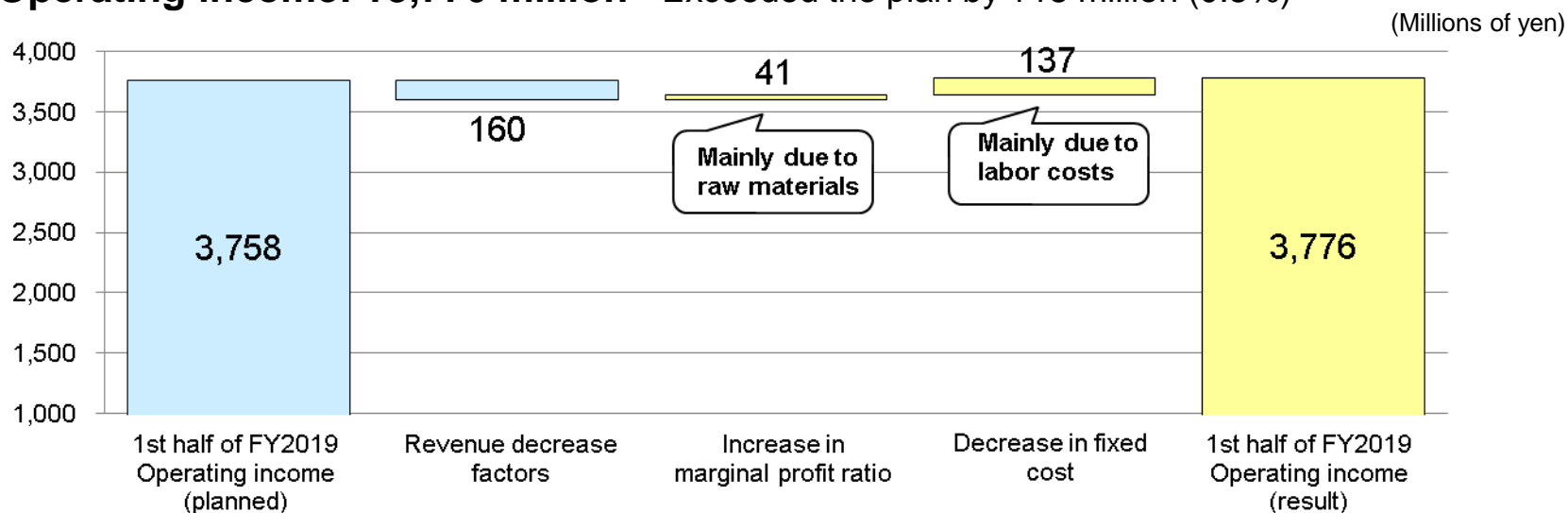
■ **Income**

(Millions of yen)



[Comparison with FY2019 Plan]  
 Non-consolidated Business Summary for the First Half of FY2019  
 (Income Change Factors)

■ **Operating income: ¥3,776 million** Exceeded the plan by ¥18 million (0.5%)



■ **Ordinary income: ¥4,357 million** Exceeded the plan by ¥246 million (6.0%)

(Millions of yen)

Increase factors	Gain on valuation of derivatives	96
	Foreign exchange gains	80
	Dividend income, etc.	51
	Increase in operating income	19
Decrease factors	—	—
Total		246

# Ariake Group's Global Eight-Pillar System



# Consolidated Financial Results by Geographical Area for the First Half of FY2019

\* Subsidiaries' figures are after consolidation adjustments

(Billions of yen)

	1st Half of FY2019 Results (A)	1st Half of FY2018 Results (B)	Change	
			(A-B)=C	%
<b>Net sales</b>	<b>26.43</b>	<b>25.79</b>	<b>0.64</b>	<b>2.5</b>
Ariake Japan	18.64	18.63	0.01	0.1
Subsidiaries total*	7.79	7.16	0.63	8.8
U.S.	2.71	2.73	(0.02)	-0.7
Asia	3.31	2.68	0.63	23.5
Europe	1.61	1.59	0.02	1.3
Japan	0.16	0.16	0.00	0.0
<b>Operating income</b>	<b>5.66</b>	<b>5.27</b>	<b>0.39</b>	<b>7.4</b>
Ariake Japan	3.78	3.65	0.13	3.6
Subsidiaries total*	1.88	1.62	0.26	16.0
U.S.	0.76	0.78	(0.02)	-2.6
Asia	0.86	0.69	0.17	24.6
Europe	0.25	0.14	0.11	78.6
Japan	0.01	0.01	0.00	0.0

USD	110.54	112.00	-1.46	1.3%
EUR	127.91	127.97	-0.06	0.0%
RMB	16.66	16.49	0.17	-1.0%
TWD	3.62	3.69	-0.07	1.9%



# Business Summary of Major Subsidiaries for the First Half of FY2019

- Major subsidiaries

Local currency (adjustments after consolidation)

- ◆ U.S.

Net sales were sluggish despite a growth in sales in the restaurant industry, owing to a decline in sales to some processed food manufacturers. Profits fell due to an increase in storage expenses reflecting an increase in frozen products and to increases in expenses such as transport expenses and repair expenses.

- ◆ Asia

Both net sales and profits in China and Taiwan increased due to an increase in orders from existing clients. In Indonesia, production for and exports to Japan are scheduled to commence.

- ◆ 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.

# Consolidated Financial Plan by Geographical Area for FY2019

\* Subsidiaries' figures are after consolidation adjustments

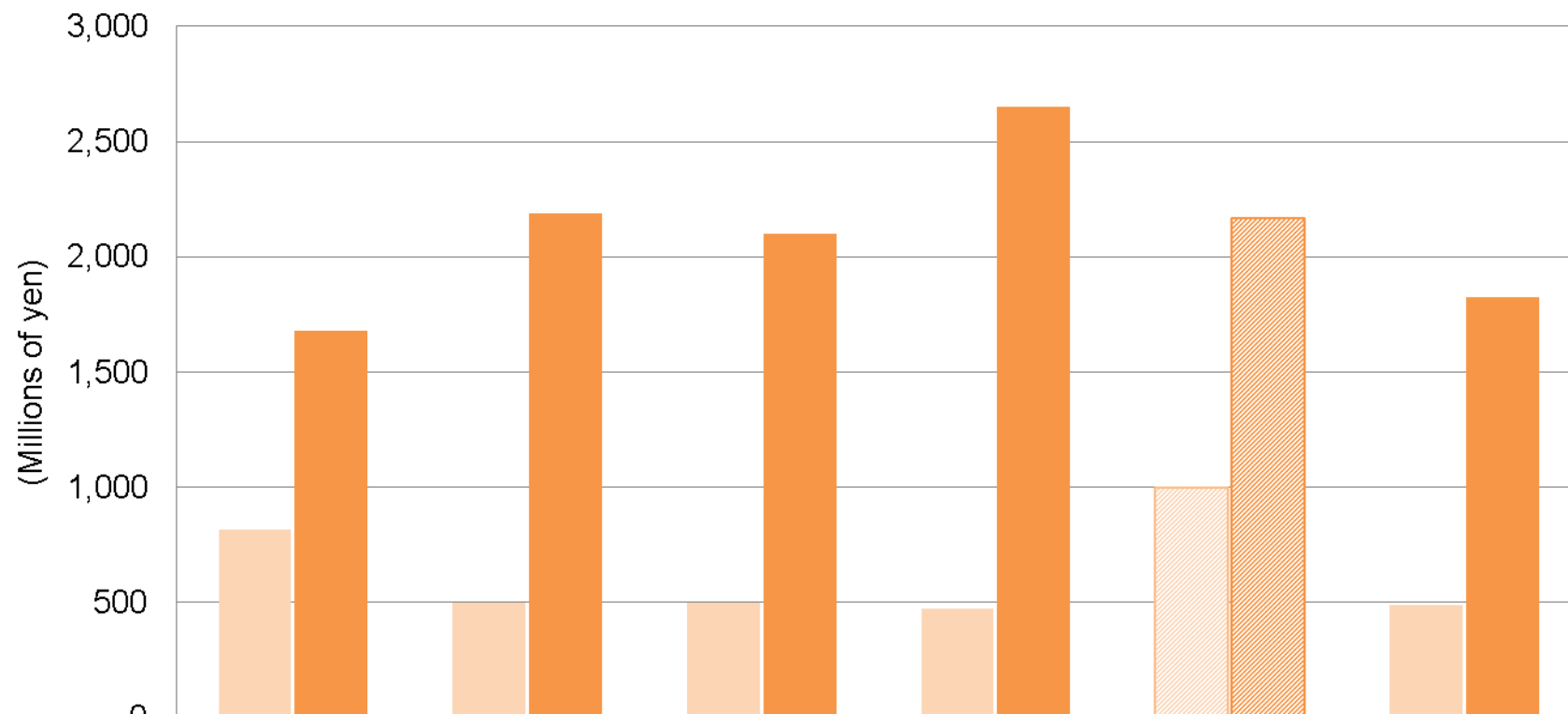
(Billions of yen)

	Net sales			Operating income (loss)		
	FY2019 Planned (A)	FY2018 Results (B)	Difference (A-B)	FY2019 Planned (A)	FY2018 Results (B)	Difference (A-B)
Ariake Japan	40.00	38.99	1.01	8.08	7.84	0.24
Subsidiaries total*	16.80	15.36	1.44	3.84	3.49	0.35
U.S.	5.76	5.41	0.35	1.49	1.49	0.00
Asia	7.31	6.22	1.09	1.83	1.63	0.20
Europe	3.41	3.42	(0.01)	0.51	0.33	0.18
Japan	0.32	0.31	0.01	0.01	0.04	(0.03)
<b>Total</b>	<b>56.80</b>	<b>54.35</b>	<b>2.45</b>	<b>11.92</b>	<b>11.33</b>	<b>0.59</b>

USD            108.0            113.0

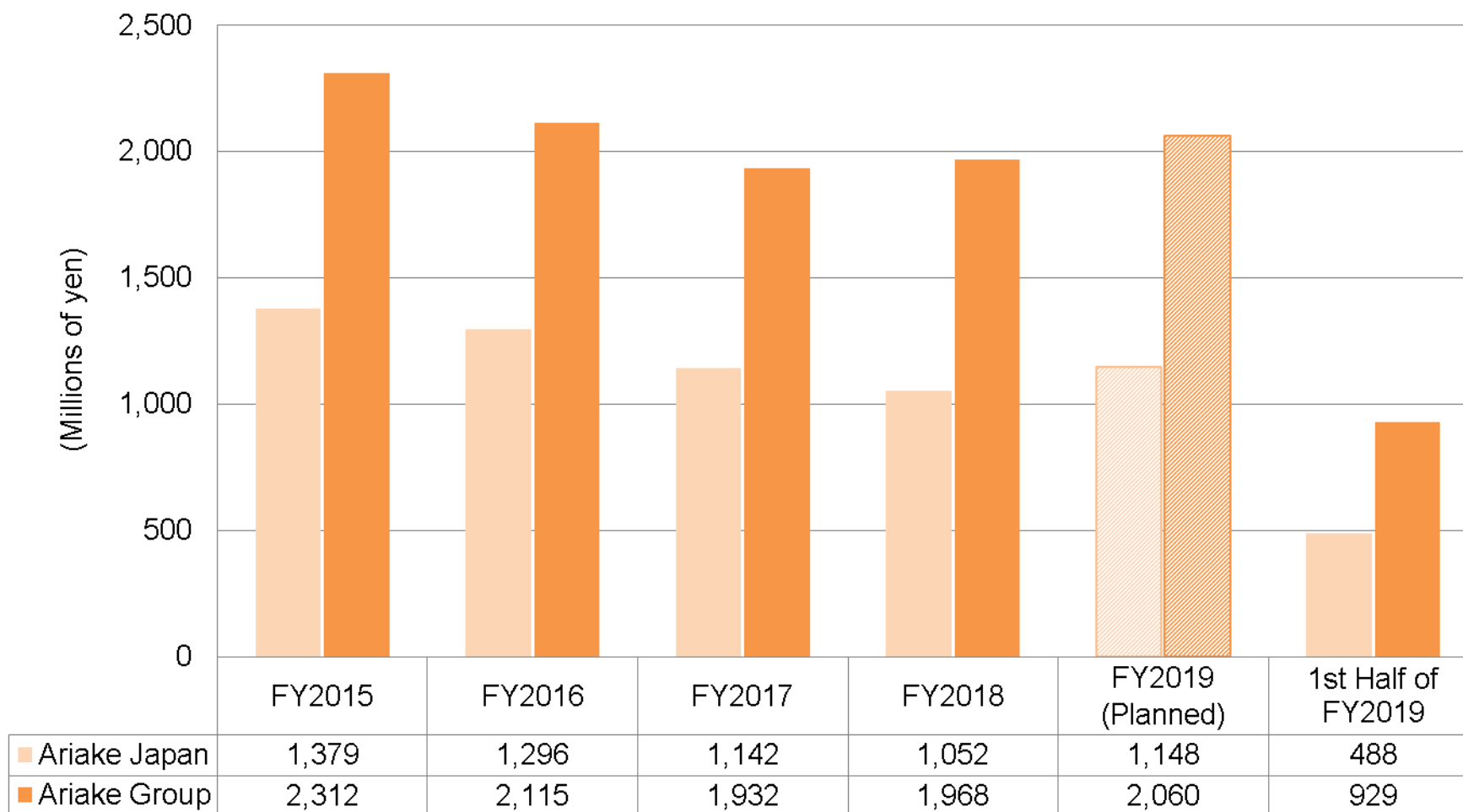
EUR            132.0            134.9

# Consolidated and Non-consolidated Capital Expenditures



	FY2015	FY2016	FY2017	FY2018	FY2019 (Planned)	1st Half of FY2019
■ Ariake Japan	815	499	500	472	1,000	490
■ Ariake Group	1,678	2,190	2,098	2,650	2,170	1,824

## Consolidated and Non-consolidated Depreciation Expenses



# Memo



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.