

**FY2016 H1 Results Briefing  
Fact Data**

After making Ichibanya Co., Ltd. a consolidated subsidiary through the additional acquisition of shares in December 2015, the Company reviewed its segment categories and newly added the Restaurant Business segment.  
 With this change, the Company also changed the name of the International Business to the International Food Business, and transferred control of the restaurant business which was previously in this business segment to the Restaurant Business.  
 The Company also changed to the method of showing segment results before the elimination of inter-segment transactions.

## 1. Consolidated Performance

		FY2012 Full year	FY2013 Full year	FY2014 Full year	FY2015 Full year	FY2016 H1	FY2016 Revised target
Net sales	Million yen	209,784	232,610	231,448	241,893	136,975	285,300
Cost of sales	Million yen	114,468	135,080	133,293	138,371	77,091	–
Selling, general and administrative expenses	Million yen	83,874	87,942	89,468	92,746	54,533	–
Operating income	Million yen	11,441	9,589	8,686	10,775	5,351	11,000
EBITDA *1	Million yen	17,167	14,815	14,642	18,699	11,654	23,800
Ordinary income	Million yen	13,445	10,962	10,957	12,152	5,377	11,500
Profit attributable to owners of parent	Million yen	8,254	8,792	6,971	22,632	4,208	7,300
Net income per share	Yen	77.78	83.13	67.61	220.48	40.98	71.04
ATO	Times	0.85	0.89	0.83	0.76	–	–
ROS	%	5.5	4.1	3.8	4.5	3.9	3.9
ROA	%	5.5	4.2	3.9	3.8	–	–
ROE	%	4.3	4.3	3.3	10.1	–	–
Annual dividends per share *2	Yen	30	35	30	30	15	30
Payout ratio	%	38.6	42.1	44.4	13.6	36.6	42.2
Total assets	Million yen	250,780	273,368	286,149	349,427	346,344	–
Net assets	Million yen	199,328	210,097	221,456	260,329	258,965	–
Shareholders' equity	Million yen	198,731	208,801	219,927	228,812	227,283	–
Equity ratio	%	79.2	76.4	76.9	65.5	65.6	–
Net assets per share	Yen	1,879.06	1,974.31	2,140.27	2,231.86	2,211.91	–
Cash flows from operating activities	Million yen	12,884	8,818	8,428	12,518	5,043	–
Cash flows from investing activities	Million yen	-1,841	-7,471	-4,679	-8,308	-4,599	–
Cash flows from financing activities	Million yen	-4,943	-68	-10,588	-3,743	-2,055	–

\*1 EBITDA = Operating income (before amortization of goodwill) + Depreciation

\*2 FY2013 full-year dividend: Includes dividend of 5 yen to commemorate the Company's 100th anniversary.

(Reference) After deduction of amortization of goodwill, etc. for Ichibanya Co., Ltd.

		FY2015 Full year	FY2016 H1	FY2016 Revised target
Operating income	Million yen	12,030	7,860	16,018
ROS	%	5.0	5.7	5.6

(Reference) After deduction of the effects of extraordinary income (loss) arising from business combination and the amortization of goodwill

		FY2015 Full year	FY2016 H1
Profit attributable to owners of parent	Million yen	9,635	4,531
ROE	%	4.3	–

(Reference) Payout ratio based on profit distribution policy

		FY2015	FY2016
Payout ratio *3	%	32.0%	34.0%

\*3 Profit distribution policy: Dividend payout ratio of at least 30% on a consolidated basis excluding the effects of extraordinary income arising from business combination and the amortization of goodwill.

2. Net Sales and Operating Income by Business Segment

>> Net sales

		FY2012 Full year	FY2013 Full year	FY2014 Full year
Spice / Seasoning / Processed Food Business	Million yen	123,875	125,518	122,121
Health Food Business	Million yen	42,766	39,532	36,641
International Business	Million yen	14,700	19,733	24,689
Other Food Related Business	Million yen	28,443	47,827	47,954
Adjustment	Million yen	-	-	42

(Based on segments applied from FY2015)

Spice / Seasoning / Processed Food Business	Million yen
Health Food Business	Million yen
International Food Business	Million yen
Restaurant Business	Million yen
Other Food Related Business	Million yen
Adjustment	Million yen

FY2014 Full year	FY2015 Full year	FY2016 H1	FY2016 Revised target
122,680	120,018	62,333	133,100
37,212	34,523	17,852	34,300
17,797	18,577	8,609	18,100
6,711	18,312	25,422	51,000
58,613	62,718	30,178	63,600
-11,565	-12,256	-7,418	-14,800

>> Operating income

		FY2012 Full year	FY2013 Full year	FY2014 Full year
Spice / Seasoning / Processed Food Business	Million yen	8,157	6,936	6,618
Health Food Business	Million yen	1,903	1,585	600
International Business	Million yen	677	617	1,088
Other Food Related Business	Million yen	701	451	-780
Adjustment	Million yen	-	-	1,160

(Based on segments applied from FY2015)

Spice / Seasoning / Processed Food Business	Million yen
Health Food Business	Million yen
International Food Business	Million yen
Restaurant Business	Million yen
Other Food Related Business	Million yen
Adjustment	Million yen

FY2014 Full year	FY2015 Full year	FY2016 H1	FY2016 Revised target
6,660	7,924	3,619	8,900
717	1,398	1,130	1,600
1,000	1,381	767	1,200
-72	44	-97	-250
-780	101	434	750
1,160	-73	-503	-1,200

(Reference: Operating income before amortization of goodwill, etc. for Ichibanya Co., Ltd.)

Restaurant Business	Million yen
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1,299	2,412	4,768
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3. Content of Business Segments (As of September 30, 2016)

Business segments	Group company name
Spice / Seasoning / Processed Food Business	House Foods Corporation Gaban Co., Ltd. Sun House Foods Corporation / Sun Supply Corporation House Ai-Factory Corporation Asaoka Spice K.K. Gaban Spice Manufacturing (M) SDN. BHD.
Health Food Business	House Wellness Foods Corporation
International Food Business	House Foods Holding USA, Inc. / House Foods America Corporation / El Burrito Mexican Food Products Corporation House Foods China Inc. / Shanghai House Foods Co., Ltd. / Dalian House Foods Co., Ltd. / Zhejiang House Foods Co., Ltd. House Foods Vietnam Co., Ltd. House Osotspa Foods Co., Ltd. PT House And Vox Indonesia Taiwan House Foods Co., Ltd.
Restaurant Business	Ichibanya Co., Ltd. Ichibanya USA, Inc. House Restaurant Management (Shanghai) Co., Ltd. / House Restaurant Management (Beijing) Co., Ltd. / House Restaurant Management (Guangzhou) Co., Ltd. Taiwan Curry House Restaurant, Inc. / Curry House Korea Corporation Ichibanya International Hong Kong Limited / Ichibanya Hong Kong Limited
Other Food Related Business	Vox Trading Co., Ltd. Delica Chef Corporation House Logistics Service Corporation / High Net Corporation House Food Analytical Laboratory Inc. Tim Food Co., Ltd. / PT. Java Agritech
Other	House Foods Group Inc. / House Business Partners Corporation

4. Number of Group Companies

		FY2012 Full year	FY2013 Full year	FY2014 Full year	FY2015 Full year	FY2016 H1
Consolidated subsidiaries	Companies	22	28	28	34	36
Japan	Companies	11	13	13	14	14
Overseas	Companies	11	15	15	20	22
Equity-method affiliate	Companies	6	5	5	3	3
Japan	Companies	3	2	2	1	1
Overseas	Companies	3	3	3	2	2

5. Change in Number of Consolidated Subsidiaries (FY2015 -> FY2016 H1)

Consolidated subsidiaries	Increase (3 companies)	Increase: Gaban Co., Ltd., Zhejiang House Foods Co., Ltd., Gaban Spice Manufacturing (M) SDN. BHD.
	Decrease (1 company)	Decrease: Horie Yamatoya Co., Ltd.
Equity-method affiliate	Increase (0 companies)	Increase:
	Decrease (0 companies)	Decrease:

6. Business Results of Major Subsidiaries

		FY2012 Full year	FY2013 Full year	FY2014 Full year	FY2015 Full year	FY2016 H1
House Foods Corporation	* Full-year results for FY2013 are results for 6 months from October 2013 to March 2014.					
Net sales	Million yen	-	66,411	124,630	122,172	60,337
Operating income	Million yen	-	3,885	6,774	8,398	3,500
House Wellness Foods Corporation						
Net sales	Million yen	29,822	34,168	37,238	34,558	17,854
Operating income	Million yen	616	750	736	1,403	1,132
House Foods America Corporation (Consolidated)						
Net sales	Million yen	7,495	9,718	12,038	12,437	5,502
Operating income	Million yen	232	95	805	875	526
Ichibanya Co., Ltd. (Consolidated)	* Full-year results for FY2015 are results for 3 months from December 2015 to February 2016.					
Net sales	Million yen	-	-	-	11,411	22,515
Operating income	Million yen	-	-	-	1,300	2,471

7. Net Sales of Major Products in Japan

		FY2012 Full year	FY2013 Full year	FY2014 Full year	FY2015 Full year	FY2016 H1
<b>Spice / Seasoning / Processed Food Business</b>						
Curry roux	Million yen	37,142	37,727	37,275	37,271	18,946
Stew roux	Million yen	13,390	13,592	12,755	13,001	4,371
Hashed beef sauce roux	Million yen	4,016	4,046	4,196	4,220	2,310
Spice	Million yen	16,359	16,931	16,467	16,876	9,043
Retort pouched curry	Million yen	13,074	14,016	12,903	11,561	6,675
Packaged noodles	Million yen	6,671	6,128	6,320	6,411	2,913
Snack	Million yen	7,721	7,557	6,659	5,363	2,651
Dessert	Million yen	3,729	3,514	3,375	3,210	1,524
Food service products	Million yen	15,820	15,963	16,312	16,397	8,380
<b>Health Food Business</b>						
<i>Ukon No Chikara</i>	Million yen	15,164	12,974	12,775	12,141	5,440
<i>Mega Shaki</i>	Million yen	2,170	2,646	2,302	2,259	1,428
<i>C1000</i>	Million yen	17,031	15,864	13,546	13,826	7,853

8. Foreign Exchange Rates

		FY2012 Full year	FY2013 Full year	FY2014 Full year	FY2015 Full year	FY2016 H1	FY2016 Plan
United States	USD	86.58	105.39	120.55	120.61	102.91	102.91
China	CNY	13.91	17.36	19.35	18.36	15.46	15.46
Taiwan	TWD	2.98	3.51	3.80	3.66	3.19	3.19
South Korea	KRW	0.0810	0.1000	0.1098	0.1033	0.0896	0.0896
Thailand	THB	3.20	3.17	3.70	3.34	2.93	2.93
Vietnam	VND	0.00449	0.00488	0.00559	0.00545	0.00462	0.00462

9. Number of Employees

		FY2012 Full year	FY2013 Full year	FY2014 Full year	FY2015 Full year	FY2016 H1
Number of employees * Excluding those on leave of absence and temporary and part-time	People	4,968	5,276	5,416	6,376	6,783

10. Capital Investment

		FY2012 Full year	FY2013 Full year	FY2014 Full year	FY2015 Full year	FY2016 H1	FY2016 Plan
Total	Million yen	6,117	11,510	9,874	7,260	2,830	10,500
Capital investment	Million yen	5,684	11,115	9,588	6,757	2,551	10,100
Leases	Million yen	433	395	286	503	280	400

11. Depreciation

		FY2012 Full year	FY2013 Full year	FY2014 Full year	FY2015 Full year	FY2016 H1	FY2016 Plan
Total	Million yen	5,402	5,389	6,083	7,277	4,676	9,900
Depreciation	Million yen	5,020	5,056	5,789	6,908	4,514	9,300
Lease payments	Million yen	382	333	294	369	162	600

12. Selling, General and Administrative Expenses

		FY2012 Full year	FY2013 Full year	FY2014 Full year	FY2015 Full year	FY2016 H1
Selling, general and administrative expenses	Million yen	83,874	87,942	89,468	92,746	54,533
Advertising expenses	Million yen	11,242	11,411	10,326	9,822	4,763
Transportation and warehousing expenses	Million yen	5,975	6,744	6,836	7,248	4,539
Sales commission	Million yen	4,064	3,314	2,441	2,342	1,198
Promotion expenses	Million yen	29,838	31,868	30,871	29,741	15,020
Personnel expenses	Million yen	17,641	18,570	20,301	21,987	14,235
Experiment and research expenses	Million yen	3,810	3,482	3,582	3,510	1,847
Amortization of goodwill	Million yen	706	170	167	1,016	1,789

13. Non-Operating Income (Expenses)

		FY2012 Full year	FY2013 Full year	FY2014 Full year	FY2015 Full year	FY2016 H1
Non-operating income	Million yen	2,096	2,287	2,937	2,177	1,043
Interest income	Million yen	486	549	530	478	193
Dividend income	Million yen	559	599	603	609	336
Share of profit of entities accounted for using equity method	Million yen	415	458	628	584	24
Foreign exchange gains	Million yen	360	305	820	–	–
House rent income	Million yen	–	–	0	176	370
Other	Million yen	277	376	356	330	119
Non-operating expenses	Million yen	92	913	667	801	1,017
Interest expenses	Million yen	44	221	129	93	41
Commission fee	Million yen	–	141	–	–	–
Compensation expenses	Million yen	–	287	–	–	–
Foreign exchange losses	Million yen	–	–	–	174	503
Rent expenses	Million yen	–	–	–	148	316
Other	Million yen	48	265	538	385	157

14. Extraordinary Income (Losses)

		FY2012 Full year	FY2013 Full year	FY2014 Full year	FY2015 Full year	FY2016 H1
Extraordinary income	Million yen	49	3,240	1,543	17,013	1,636
Gain on sales of non-current assets	Million yen	25	3,110	195	7	2
Reversal of allowance for doubtful accounts	Million yen	0	20	1	0	–
Gain on sales of investment securities	Million yen	10	108	1,311	3,135	6
Gain on sales of investments in capital	Million yen	–	–	18	–	–
Gain on bargain purchase	Million yen	–	–	–	–	1,018
Gain on change in equity	Million yen	–	–	3	–	–
Compensation income	Million yen	–	–	13	–	–
Gain on sales of restaurants	Million yen	–	–	–	19	92
Gain on step acquisitions	Million yen	–	–	–	13,851	448
Other	Million yen	13	2	2	1	70
Extraordinary losses	Million yen	256	778	607	1,062	705
Loss on sales of non-current assets	Million yen	11	124	121	0	4
Loss on retirement of non-current assets	Million yen	189	240	141	273	117
Loss on sales of membership	Million yen	–	–	–	2	–
Loss on valuation of investment securities	Million yen	–	1	4	16	–
Loss on valuation of membership	Million yen	29	24	1	3	–
Impairment loss	Million yen	–	129	323	718	533
Provision for loss on guarantees	Million yen	–	152	–	–	–
Loss on step acquisitions	Million yen	–	69	–	–	–
Loss on disaster	Million yen	–	33	–	–	–
Cost of early retirement support	Million yen	–	–	–	–	–
Other	Million yen	27	7	18	51	50

Reference: Schedule of Amortization of Goodwill, etc. for Ichibanya Co., Ltd.

	Amortization period	Amount (Million yen)	FY2015* (Million yen)	FY2016 (Million yen)	FY2017 (Million yen)	FY2018 (Million yen)	FY2019 (Million yen)
Total amortization of goodwill, etc.	–	72,744	1,254	5,018	5,018	5,018	5,018
Goodwill	5 years	17,083	854	3,417	3,417	3,417	3,417
Trademark right	42 years	26,666	159	635	635	635	635
Contract-related intangible assets	30 years	28,995	242	967	967	967	967

\* Amortization began in the fourth quarter of FY2015.