

**FY2016  
Results Briefing  
Fact Data**

**House Foods Group Inc.**

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 Full year	FY2017 Target
Net sales	Million yen	209,784	232,610	231,448	241,893	283,812	292,800
Cost of sales	Million yen	114,468	135,080	133,293	138,371	159,624	-
Selling, general and administrative expenses	Million yen	83,874	87,942	89,468	92,746	111,875	-
Operating profit	Million yen	11,441	9,589	8,686	10,775	12,312	13,500
EBITDA *1	Million yen	17,167	14,815	14,642	18,699	25,235	26,200
Ordinary profit	Million yen	13,445	10,962	10,957	12,152	13,951	14,500
Profit attributable to owners of parent	Million yen	8,254	8,792	6,971	22,632	8,683	7,700
Net income per share	Yen	77.78	83.13	67.61	220.48	84.53	74.94
ATO	Times	0.85	0.89	0.83	0.76	0.81	-
ROS	%	5.5	4.1	3.8	4.5	4.3	4.6
ROA	%	5.5	4.2	3.9	3.8	4.0	-
ROE	%	4.3	4.3	3.3	10.1	3.7	-
Annual dividends per share *2	Yen	30	35	30	30	32	34
Payout ratio	%	38.6	42.1	44.4	13.6	37.9	45.4
Total assets	Million yen	250,780	273,368	286,149	349,427	353,888	-
Net assets	Million yen	199,328	210,097	221,456	260,329	266,615	-
Shareholders' equity	Million yen	198,731	208,801	219,927	228,812	235,246	-
Equity ratio	%	79.2	76.4	76.9	65.5	66.5	-
Net assets per share	Yen	1,879.06	1,974.31	2,140.27	2,231.86	2,289.43	-
Cash flows from operating activities	Million yen	12,884	8,818	8,428	12,518	21,298	-
Cash flows from investing activities	Million yen	-1,841	-7,471	-4,679	-8,308	-2,169	-
Cash flows from financing activities	Million yen	-4,943	-68	-10,588	-3,743	-7,388	-

\*1 EBITDA = Operating profit (before amortization of goodwill, etc.) + 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.

Operating profit	Million yen
ROS	%

FY2015 Full year	FY2016 Full year	FY2017 Target
12,030	17,330	18,518
5.0	6.1	6.3

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

Profit attributable to owners of parent	Million yen
ROE	%

FY2015 Full year	FY2016 Full year	FY2017 Target
9,635	10,795	11,262
4.3	4.7	-

(Reference) Payout ratio based on profit distribution policy

Payout ratio *3	%

32.0%	30.4%	31.0%
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\*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 Profit 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)

		FY2014 Full year	FY2015 Full year	FY2016 Full year	FY2017 Target
Spice / Seasoning / Processed Food Business	Million yen	122,680	120,018	132,059	137,400
Health Food Business	Million yen	37,212	34,523	33,281	34,600
International Food Business	Million yen	17,797	18,577	20,111	22,200
Restaurant Business	Million yen	6,711	18,312	51,375	52,000
Other Food Related Business	Million yen	58,613	62,718	62,123	61,700
Adjustment	Million yen	-11,565	-12,256	-15,138	-15,100

### >> Operating profit

		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)

		FY2014 Full year	FY2015 Full year	FY2016 Full year	FY2017 Target
Spice / Seasoning / Processed Food Business	Million yen	6,660	7,924	9,885	10,300
Health Food Business	Million yen	717	1,398	1,334	1,500
International Food Business	Million yen	1,000	1,381	1,681	2,000
Restaurant Business	Million yen	-72	44	-424	-200
Other Food Related Business	Million yen	-780	101	719	1,100
Adjustment	Million yen	1,160	-73	-883	-1,200

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

Restaurant Business	Million yen	1,299	4,594	4,818
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## 3. Net Sales by Geographical Area

		FY2014 Full year	FY2015 Full year	FY2016 Full year
Japan	Million yen	206,759	215,688	254,188
East Asia	Million yen	10,046	11,253	12,114
Southeast Asia	Million yen	2,177	1,896	3,782
United States	Million yen	12,061	12,599	13,192
Other	Million yen	405	457	536

4. Content of Business Segments (As of March 31, 2017)

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

5. Trends in Net Sales by Business Segment

		FY2012 Full year	FY2013 Full year	FY2014 Full year	FY2015 Full year	FY2016 Full year	FY2017 Target
<b>Spice / Seasoning / Processed Food Business</b>							
Curry roux	Million yen	37,142	37,727	37,275	37,271	38,008	38,200
Stew roux	Million yen	13,390	13,592	12,755	13,001	12,583	13,100
Hashed beef sauce roux	Million yen	4,016	4,046	4,196	4,220	4,425	4,300
Spice	Million yen	16,359	16,931	16,467	16,876	17,827	18,800
Retort pouched curry	Million yen	13,074	14,016	12,903	11,561	13,823	13,900
Packaged noodles	Million yen	6,671	6,128	6,320	6,411	6,318	6,300
Snack	Million yen	7,721	7,557	6,659	5,363	5,523	5,900
Dessert	Million yen	3,729	3,514	3,375	3,210	3,138	3,200
Food service products	Million yen	15,820	15,963	16,312	16,397	16,838	17,600
<b>Health Food Business</b>							
<i>Ukon No Chikara</i>	Million yen	15,164	12,974	12,775	12,141	11,482	11,700
<i>Mega Shaki</i>	Million yen	2,170	2,646	2,302	2,259	2,465	2,300
<i>C1000</i> *1	Million yen	17,031	15,864	13,546	11,845	10,762	10,400
<i>Perfect Vitamin</i> *1	Million yen	-	-	-	1,981	2,952	4,100
<b>International Food Business</b>							
Business in the United States	Million yen	6,370	8,320	10,354	10,705	10,926	11,400
Business in China	Million yen	1,331	2,202	3,444	4,049	3,918	4,800
Businesses in Southeast Asia	Million yen	393	824	1,442	1,081	1,838	2,200
<b>Restaurant Business</b>							
Ichibanya Co., Ltd. (consolidated)	Million yen	-	-	-	11,411	44,893	49,200
<b>Other Food Related Business</b>							
House Logistics Service Corporation	Million yen	23,337	23,154	23,272	23,000	23,193	21,900
Delica Chef Corporation	Million yen	13,840	14,362	14,782	16,921	16,755	16,500
Vox Trading Co., Ltd. *2	Million yen	-	18,144	17,978	21,830	21,195	22,500

\*1 *Ichinichibun No Vitamin*, which was included in the *C1000* brand, is a separate item, *Perfect Vitamin*, from FY2016. The figures for FY2015 have been replaced in accordance with the new segments from FY2016.

\*2 Vox Trading Co., Ltd. merged with Horie Yamatoya Co., Ltd. on April 1, 2016. The performance in FY2015 includes the performance of Horie Yamatoya Co., Ltd.

## 6. Number of Group Companies

		FY2012 Full year	FY2013 Full year	FY2014 Full year	FY2015 Full year	FY2016 Full year
Consolidated subsidiaries	Companies	22	28	28	34	36
	Japan	11	13	13	14	14
	Overseas	11	15	15	20	22
Equity-method affiliate	Companies	6	5	5	3	4
	Japan	3	2	2	1	2
	Overseas	3	3	3	2	2

## 7. Change in Number of Consolidated Subsidiaries (FY2015 -> FY2016)

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 (1 company)	Increase: F-LINE
	Decrease (0 companies)	Decrease:

## 8. Business Results of Major Subsidiaries

		FY2012 Full year	FY2013 Full year	FY2014 Full year	FY2015 Full year	FY2016 Full year
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
	Operating profit	Million yen	-	3,885	6,774	8,398
House Wellness Foods Corporation						
	Net sales	Million yen	29,822	34,168	37,238	34,558
	Operating profit	Million yen	616	750	736	1,403
House Foods America Corporation (Consolidated)						
	Net sales	Million yen	7,495	9,718	12,038	12,437
	Operating profit	Million yen	232	95	805	875
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
	Operating profit	Million yen	-	-	-	1,300

## 9. Number of Employees

		FY2012 Full year	FY2013 Full year	FY2014 Full year	FY2015 Full year	FY2016 Full year
Number of employees* Excluding those on leave of absence and part-time workers	People	4,968	5,276	5,416	6,376	6,248

## 10. Capital Investment

		FY2012 Full year	FY2013 Full year	FY2014 Full year	FY2015 Full year	FY2016 Full year	FY2017 Plan
Total	Million yen	6,117	11,510	9,874	7,260	8,178	12,000
	Capital investment	Million yen	5,684	11,115	9,588	7,708	11,700
	Leases	Million yen	433	395	286	470	300

## 11. Depreciation

		FY2012 Full year	FY2013 Full year	FY2014 Full year	FY2015 Full year	FY2016 Full year	FY2017 Plan
Total	Million yen	5,402	5,389	6,083	7,277	9,691	9,700
	Depreciation	Million yen	5,020	5,056	5,789	6,908	9,200
	Lease payments	Million yen	382	333	294	346	500

## 12. Selling, General and Administrative Expenses

		FY2012 Full year	FY2013 Full year	FY2014 Full year	FY2015 Full year	FY2016 Full year
Selling, general and administrative expenses	Million yen	83,874	87,942	89,468	92,746	111,875
	Advertising expenses	Million yen	11,242	11,411	10,326	9,822
	Transportation and warehousing expenses	Million yen	5,975	6,744	6,836	7,248
	Sales commission	Million yen	4,064	3,314	2,441	2,342
	Promotion expenses	Million yen	29,838	31,868	30,871	29,741
	Personnel expenses	Million yen	17,641	18,570	20,301	21,987
	Research and development expenses	Million yen	3,810	3,482	3,582	3,510
	Amortization of goodwill	Million yen	706	170	167	1,016

### 13. Non-Operating Income (Expenses)

		FY2012 Full year	FY2013 Full year	FY2014 Full year	FY2015 Full year	FY2016 Full year
Non-operating income	Million yen	2,096	2,287	2,937	2,177	2,607
Interest income	Million yen	486	549	530	478	395
Dividend income	Million yen	559	599	603	609	762
Share of profit of entities accounted for using equity method	Million yen	415	458	628	584	70
Foreign exchange gains	Million yen	360	305	820	–	238
House rent income	Million yen	–	–	0	176	758
Other	Million yen	277	376	356	330	384
Non-operating expenses	Million yen	92	913	667	801	969
Interest expenses	Million yen	44	221	129	93	87
Commission fee	Million yen	–	141	–	–	–
Compensation expenses	Million yen	–	287	–	–	–
Foreign exchange losses	Million yen	–	–	–	174	–
Rent expenses	Million yen	–	–	–	148	631
Other	Million yen	48	265	538	385	251

### 14. Extraordinary Income (Losses)

		FY2012 Full year	FY2013 Full year	FY2014 Full year	FY2015 Full year	FY2016 Full year
Extraordinary income	Million yen	49	3,240	1,543	17,013	2,008
Gain on sales of non-current assets	Million yen	25	3,110	195	7	178
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	147
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	147
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	1,488
Loss on sales of non-current assets	Million yen	11	124	121	0	10
Loss on retirement of non-current assets	Million yen	189	240	141	273	279
Loss on sales of membership	Million yen	–	–	–	2	–
Loss on valuation of investment securities	Million yen	–	1	4	16	0
Loss on valuation of membership	Million yen	29	24	1	3	11
Impairment loss	Million yen	–	129	323	718	1,138
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

### 15. Foreign Exchange Rates

		FY2012 Full year	FY2013 Full year	FY2014 Full year	FY2015 Full year	FY2016 Full year	FY2017 Plan
United States	USD	86.58	105.39	120.55	120.61	116.49	116.00
China	CNY	13.91	17.36	19.35	18.36	16.76	17.00
Taiwan	TWD	2.98	3.51	3.80	3.66	3.61	3.60
South Korea	KRW	0.0810	0.1000	0.1098	0.1033	0.0968	0.0970
Thailand	THB	3.20	3.17	3.70	3.34	3.24	3.20
Vietnam	VND	0.00449	0.00488	0.00559	0.00545	0.00512	0.00500

Reference 1: Domestic Market Size (survey by House Foods Corporation)

		2012	2013	2014	2015	2016
Curry roux	Billion yen	49.4	49.9	48.5	51.9	50.3
Stew roux	Billion yen	19.2	18.8	18.1	18.7	18.0
Hashed beef sauce roux	Billion yen	6.6	6.2	6.1	6.5	6.3
Retort pouched curry	Billion yen	45.8	51.2	50.8	51.6	53.9
Spice	Billion yen	66.7	66.9	67.4	69.1	70.3

Reference 2: 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)	FY2020 (million yen)
Total amortization of goodwill, etc.	–	72,744	1,254	5,018	5,018	5,018	5,018	4,164
Goodwill	5 years	17,083	854	3,417	3,417	3,417	3,417	2,562
Trademark right	42 years	26,666	159	635	635	635	635	635
Contract-related intangible assets	30 years	28,995	242	967	967	967	967	967

\* Amortization began in the fourth quarter of FY2015.