

**FY2017 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

| | | FY2013 Full year | FY2014 Full year | FY2015 Full year | FY2016 Full year | FY2017 H1 | FY2017 Revised target |
|--|-------------|---------------------|---------------------|---------------------|---------------------|--------------|--------------------------|
| Net sales | Million yen | 232,610 | 231,448 | 241,893 | 283,812 | 143,434 | 291,600 |
| Cost of sales | Million yen | 135,080 | 133,293 | 138,371 | 159,624 | 80,039 | – |
| Selling, general and administrative expenses | Million yen | 87,942 | 89,468 | 92,746 | 111,875 | 55,939 | – |
| Operating profit | Million yen | 9,589 | 8,686 | 10,775 | 12,312 | 7,456 | 15,000 |
| EBITDA *1 | Million yen | 14,815 | 14,642 | 18,699 | 25,235 | 13,687 | 27,700 |
| Ordinary profit | Million yen | 10,962 | 10,957 | 12,152 | 13,951 | 8,010 | 16,100 |
| Profit attributable to owners of parent | Million yen | 8,792 | 6,971 | 22,632 | 8,683 | 4,328 | 8,600 |
| Profit per share | Yen | 83.13 | 67.61 | 220.48 | 84.53 | 42.12 | 83.70 |
| ATO | Times | 0.89 | 0.83 | 0.76 | 0.81 | – | – |
| ROS *2 | % | 4.1 | 3.8 | 4.5 | 4.3 | 5.2 | 5.1 |
| ROA | % | 4.2 | 3.9 | 3.8 | 4.0 | – | – |
| ROE | % | 4.3 | 3.3 | 10.1 | 3.7 | – | – |
| Annual dividends per share *3 | Yen | 35 | 30 | 30 | 32 | 18 | 36 |
| Payout ratio | % | 42.1 | 44.4 | 13.6 | 37.9 | 42.7 | 43.0 |
| Total assets | Million yen | 273,368 | 286,149 | 349,427 | 353,888 | 364,018 | – |
| Net assets | Million yen | 210,097 | 221,456 | 260,329 | 266,615 | 272,453 | – |
| Shareholders' equity | Million yen | 208,801 | 219,927 | 228,812 | 235,246 | 240,721 | – |
| Equity ratio | % | 76.4 | 76.9 | 65.5 | 66.5 | 66.1 | – |
| Net assets per share | Yen | 1,974.31 | 2,140.27 | 2,231.86 | 2,289.43 | 2,342.72 | – |
| Cash flows from operating activities | Million yen | 8,818 | 8,428 | 12,518 | 21,298 | 9,017 | – |
| Cash flows from investing activities | Million yen | -7,471 | -4,679 | -8,308 | -2,169 | -2,456 | – |
| Cash flows from financing activities | Million yen | -68 | -10,588 | -3,743 | -7,388 | -2,175 | – |

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

*2 ROS = Ratio of operating profit to net sales

*3 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 Full year | FY2017 H1 | FY2017 Revised target |
|------------------|-------------|---------------------|---------------------|--------------|--------------------------|
| Operating profit | Million yen | 12,030 | 17,330 | 9,965 | 20,018 |
| ROS | % | 5.0 | 6.1 | 6.9 | 6.9 |

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

| | | FY2015 Full year | FY2016 Full year | FY2017 H1 | FY2017 Revised target |
|---|-------------|---------------------|---------------------|--------------|--------------------------|
| Profit attributable to owners of parent | Million yen | 9,635 | 10,795 | 6,060 | 12,106 |
| ROE | % | 4.3 | 4.7 | – | – |

(Reference) Payout ratio based on profit distribution policy

| Payout ratio *3 | % | 32.0% | 30.4% | 30.5% | 30.6% |
|-----------------|---|-------|-------|-------|-------|
|-----------------|---|-------|-------|-------|-------|

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

2. Net Sales and Operating Profit by Business Segment

>> Net sales

| | | FY2013 Full year | FY2014 Full year |
|---|-------------|---------------------|---------------------|
| Spice / Seasoning / Processed Food Business | Million yen | 125,518 | 122,121 |
| Health Food Business | Million yen | 39,532 | 36,641 |
| International Business | Million yen | 19,733 | 24,689 |
| Other Food Related Business | Million yen | 47,827 | 47,954 |
| Adjustment | Million yen | - | 42 |

(Based on segments applied from FY2015)

| | | FY2014 Full year | FY2015 Full year | FY2016 Full year | FY2017 H1 | FY2017 Revised target |
|---|-------------|---------------------|---------------------|---------------------|--------------|--------------------------|
| Spice / Seasoning / Processed Food Business | Million yen | 122,680 | 120,018 | 132,059 | 66,906 | 140,000 |
| Health Food Business | Million yen | 37,212 | 34,523 | 33,281 | 17,127 | 33,000 |
| International Food Business | Million yen | 17,797 | 18,577 | 20,111 | 10,727 | 22,400 |
| Restaurant Business | Million yen | 6,711 | 18,312 | 51,375 | 25,808 | 51,500 |
| Other Food Related Business | Million yen | 58,613 | 62,718 | 62,123 | 30,576 | 60,000 |
| Adjustment | Million yen | -11,565 | -12,256 | -15,138 | -7,710 | -15,300 |

>> Operating profit

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

(Based on segments applied from FY2015)

| | | FY2014 Full year | FY2015 Full year | FY2016 Full year | FY2017 H1 | FY2017 Revised target |
|---|-------------|---------------------|---------------------|---------------------|--------------|--------------------------|
| Spice / Seasoning / Processed Food Business | Million yen | 6,660 | 7,924 | 9,885 | 4,770 | 11,200 |
| Health Food Business | Million yen | 717 | 1,398 | 1,334 | 840 | 1,000 |
| International Food Business | Million yen | 1,000 | 1,381 | 1,681 | 1,416 | 2,600 |
| Restaurant Business | Million yen | -72 | 44 | -424 | -39 | -200 |
| Other Food Related Business | Million yen | -780 | 101 | 719 | 966 | 1,700 |
| Adjustment | Million yen | 1,160 | -73 | -883 | -497 | -1,300 |

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

| | | | | | |
|---------------------|-------------|-------|-------|-------|-------|
| Restaurant Business | Million yen | 1,299 | 4,594 | 2,470 | 4,818 |
|---------------------|-------------|-------|-------|-------|-------|

3. Net Sales by Geographical Area

| | | FY2014 Full year | FY2015 Full year | FY2016 Full year | FY2017 H1 |
|----------------|-------------|---------------------|---------------------|---------------------|--------------|
| Japan | Million yen | 206,759 | 215,688 | 254,188 | 127,188 |
| East Asia | Million yen | 10,046 | 11,253 | 12,114 | 6,587 |
| Southeast Asia | Million yen | 2,177 | 1,896 | 3,782 | 2,466 |
| United States | Million yen | 12,061 | 12,599 | 13,192 | 6,702 |
| Other | Million yen | 405 | 457 | 536 | 491 |

4. Content of Business Segments (As of September 30, 2017)

| Business segments | Group company name |
|---|---|
| Spice / Seasoning / Processed Food Business | House Foods Corporation Gaban Co., Ltd./Gaban Spice Manufacturing (M) SDN. BHD. Malony Co., Ltd. Sun House Foods Corporation / Sun Supply Corporation House Ai-Factory Corporation Asaoka Spice K.K. |
| 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. Ichibanya Restaurant Management (China) Co., Ltd. / House Restaurant Management (Beijing) Co., Ltd. / House Restaurant Management (Guangzhou) Co., Ltd. Taiwan Ichibanya Inc. / Curry House Korea Corporation Ichibanya International Hong Kong Limited / Ichibanya Hong Kong Limited Ichibanya UK 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

| | | FY2013 Full year | FY2014 Full year | FY2015 Full year | FY2016 Full year | FY2017 H1 | FY2017 Revised target |
|--|-------------|---------------------|---------------------|---------------------|---------------------|--------------|--------------------------|
| Spice / Seasoning / Processed Food Business | | | | | | | |
| Curry roux | Million yen | 37,727 | 37,275 | 37,271 | 38,008 | 18,428 | 37,100 |
| Stew roux | Million yen | 13,592 | 12,755 | 13,001 | 12,583 | 4,688 | 13,300 |
| Hashed beef sauce roux | Million yen | 4,046 | 4,196 | 4,220 | 4,425 | 2,182 | 4,200 |
| Spice | Million yen | 16,931 | 16,467 | 16,876 | 17,827 | 9,582 | 19,100 |
| Retort pouched curry | Million yen | 14,016 | 12,903 | 11,561 | 13,823 | 7,759 | 15,200 |
| Packaged noodles | Million yen | 6,128 | 6,320 | 6,411 | 6,318 | 2,861 | 6,100 |
| Snack | Million yen | 7,557 | 6,659 | 5,363 | 5,523 | 3,439 | 6,500 |
| Dessert | Million yen | 3,514 | 3,375 | 3,210 | 3,138 | 1,613 | 3,200 |
| Food service products | Million yen | 15,963 | 16,312 | 16,397 | 16,838 | 8,691 | 17,500 |
| Health Food Business | | | | | | | |
| <i>Ukon No Chikara</i> | Million yen | 12,974 | 12,775 | 12,141 | 11,482 | 4,956 | 10,700 |
| <i>Mega Shaki</i> | Million yen | 2,646 | 2,302 | 2,259 | 2,465 | 1,259 | 2,300 |
| <i>C1000</i> *1 | Million yen | 15,864 | 13,546 | 11,845 | 10,762 | 6,307 | 10,900 |
| <i>Ichinichibun No Vitamin</i> *1 | Million yen | - | - | 1,981 | 2,952 | 1,944 | 4,100 |
| International Food Business | | | | | | | |
| Business in the United States | Million yen | 8,320 | 10,354 | 10,705 | 10,926 | 5,512 | 11,100 |
| Business in China | Million yen | 2,202 | 3,444 | 4,049 | 3,918 | 2,371 | 5,100 |
| Businesses in Southeast Asia | Million yen | 824 | 1,442 | 1,081 | 1,838 | 1,156 | 2,300 |
| Restaurant Business | | | | | | | |
| Ichibanya Co., Ltd. (consolidated) | Million yen | - | - | 11,411 | 44,893 | 24,708 | 49,300 |
| Other Food Related Business | | | | | | | |
| House Logistics Service Corporation | Million yen | 23,154 | 23,272 | 23,000 | 23,193 | 11,276 | 21,900 |
| Delica Chef Corporation | Million yen | 14,362 | 14,782 | 16,921 | 16,755 | 8,354 | 16,600 |
| Vox Trading Co., Ltd. *2 | Million yen | 18,144 | 17,978 | 21,830 | 21,195 | 10,539 | 20,800 |

*1 *Ichinichibun No Vitamin*, which was included in the *C1000* brand, is a separate item, 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

| | | FY2013 Full year | FY2014 Full year | FY2015 Full year | FY2016 Full year | FY2017 H1 |
|---------------------------|-----------|---------------------|---------------------|---------------------|---------------------|--------------|
| Consolidated subsidiaries | Companies | 28 | 28 | 34 | 36 | 38 |
| | Japan | 13 | 13 | 14 | 14 | 15 |
| | Overseas | 15 | 15 | 20 | 22 | 23 |
| Equity-method affiliate | Companies | 5 | 5 | 3 | 4 | 4 |
| | Japan | 2 | 2 | 1 | 2 | 2 |
| | Overseas | 3 | 3 | 2 | 2 | 2 |

7. Change in Number of Consolidated Subsidiaries (FY2016 -> FY2017 H1)

| | | |
|---------------------------|------------------------|--|
| Consolidated subsidiaries | Increase (2 companies) | Increase: Malony Co., Ltd., Ichibanya UK Limited |
| | Decrease (0 companies) | Decrease: |
| Equity-method affiliate | Increase (0 companies) | Increase: |
| | Decrease (0 companies) | Decrease: |

8. Business Results of Major Subsidiaries

| | | FY2013 Full year | FY2014 Full year | FY2015 Full year | FY2016 Full year | FY2017 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 | 125,902 |
| | Operating profit | Million yen | 3,885 | 6,774 | 8,398 | 9,399 |
| House Wellness Foods Corporation | | | | | | |
| | Net sales | Million yen | 34,168 | 37,238 | 34,558 | 33,281 |
| | Operating profit | Million yen | 750 | 736 | 1,403 | 1,329 |
| House Foods America Corporation (Consolidated) | | | | | | |
| | Net sales | Million yen | 9,718 | 12,038 | 12,437 | 12,572 |
| | Operating profit | Million yen | 95 | 805 | 875 | 1,153 |
| 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 | 44,893 |
| | Operating profit | Million yen | - | - | 1,300 | 4,806 |

9. Number of Employees

| | | FY2013 Full year | FY2014 Full year | FY2015 Full year | FY2016 Full year | FY2017 H1 |
|---|--------|---------------------|---------------------|---------------------|---------------------|--------------|
| Number of employees * Excluding those on leave of absence and part-time workers | People | 5,276 | 5,416 | 6,376 | 6,248 | 6,446 |

10. Capital Investment

| | | FY2013 Full year | FY2014 Full year | FY2015 Full year | FY2016 Full year | FY2017 H1 | FY2017 Plan |
|-------|--------------------|---------------------|---------------------|---------------------|---------------------|--------------|----------------|
| Total | Million yen | 11,510 | 9,874 | 7,260 | 8,178 | 3,572 | 12,000 |
| | Capital investment | Million yen | 11,115 | 9,588 | 6,757 | 7,708 | 3,210 |
| | Leases | Million yen | 395 | 286 | 503 | 470 | 362 |

11. Depreciation

| | | FY2013 Full year | FY2014 Full year | FY2015 Full year | FY2016 Full year | FY2017 H1 | FY2017 Plan |
|-------|----------------|---------------------|---------------------|---------------------|---------------------|--------------|----------------|
| Total | Million yen | 5,389 | 6,083 | 7,277 | 9,691 | 4,602 | 9,700 |
| | Depreciation | Million yen | 5,056 | 5,789 | 6,908 | 9,345 | 4,442 |
| | Lease payments | Million yen | 333 | 294 | 369 | 346 | 500 |

12. Selling, General and Administrative Expenses

| | | FY2013 Full year | FY2014 Full year | FY2015 Full year | FY2016 Full year | FY2017 H1 |
|--|---|---------------------|---------------------|---------------------|---------------------|--------------|
| Selling, general and administrative expenses | Million yen | 87,942 | 89,468 | 92,746 | 111,875 | 55,939 |
| | Advertising expenses | Million yen | 11,411 | 10,326 | 9,822 | 9,869 |
| | Transportation and warehousing expenses | Million yen | 6,744 | 6,836 | 7,248 | 9,519 |
| | Sales commission | Million yen | 3,314 | 2,441 | 2,342 | 2,455 |
| | Promotion expenses | Million yen | 31,868 | 30,871 | 29,741 | 30,607 |
| | Personnel expenses | Million yen | 18,570 | 20,301 | 21,987 | 29,278 |
| | Research and development expenses | Million yen | 3,482 | 3,582 | 3,510 | 3,787 |
| | Amortization of goodwill | Million yen | 170 | 167 | 1,016 | 3,578 |

13. Non-Operating Income (Expenses)

| | | FY2013 Full year | FY2014 Full year | FY2015 Full year | FY2016 Full year | FY2017 H1 |
|---|-------------|---------------------|---------------------|---------------------|---------------------|--------------|
| Non-operating income | Million yen | 2,287 | 2,937 | 2,177 | 2,607 | 1,043 |
| Interest income | Million yen | 549 | 530 | 478 | 395 | 172 |
| Dividend income | Million yen | 599 | 603 | 609 | 762 | 350 |
| Share of profit of entities accounted for using equity method | Million yen | 458 | 628 | 584 | 70 | 35 |
| Foreign exchange gains | Million yen | 305 | 820 | – | 238 | – |
| House rent income | Million yen | – | 0 | 176 | 758 | 386 |
| Other | Million yen | 376 | 356 | 330 | 384 | 100 |
| Non-operating expenses | Million yen | 913 | 667 | 801 | 969 | 489 |
| Interest expenses | Million yen | 221 | 129 | 93 | 87 | 43 |
| Commission fee | Million yen | 141 | – | – | – | – |
| Compensation expenses | Million yen | 287 | – | – | – | – |
| Foreign exchange losses | Million yen | – | – | 174 | – | 74 |
| Rent expenses | Million yen | – | – | 148 | 631 | 317 |
| Other | Million yen | 265 | 538 | 385 | 251 | 54 |

14. Extraordinary Income (Losses)

| | | FY2013 Full year | FY2014 Full year | FY2015 Full year | FY2016 Full year | FY2017 H1 |
|---|-------------|---------------------|---------------------|---------------------|---------------------|--------------|
| Extraordinary income | Million yen | 3,240 | 1,543 | 17,013 | 2,008 | 160 |
| Gain on sales of non-current assets | Million yen | 3,110 | 195 | 7 | 178 | 7 |
| Reversal of allowance for doubtful accounts | Million yen | 20 | 1 | 0 | – | 0 |
| Gain on sales of investment securities | Million yen | 108 | 1,311 | 3,135 | 147 | – |
| Gain on sales of investments in capital | Million yen | – | 18 | – | – | – |
| Gain on bargain purchase | Million yen | – | – | – | 1,018 | 57 |
| Gain on change in equity | Million yen | – | 3 | – | – | – |
| Compensation income | Million yen | – | 13 | – | – | – |
| Gain on sales of restaurants | Million yen | – | – | 19 | 147 | 90 |
| Gain on step acquisitions | Million yen | – | – | 13,851 | 448 | – |
| Other | Million yen | 2 | 2 | 1 | 70 | 5 |
| Extraordinary losses | Million yen | 778 | 607 | 1,062 | 1,488 | 440 |
| Loss on sales of non-current assets | Million yen | 124 | 121 | 0 | 10 | 0 |
| Loss on retirement of non-current assets | Million yen | 240 | 141 | 273 | 279 | 63 |
| Loss on sales of membership | Million yen | – | – | 2 | – | – |
| Loss on sales of investment securities | Million yen | – | – | – | – | 0 |
| Loss on valuation of investment securities | Million yen | 1 | 4 | 16 | 0 | – |
| Loss on valuation of membership | Million yen | 24 | 1 | 3 | 11 | 0 |
| Impairment loss | Million yen | 129 | 323 | 718 | 1,138 | 362 |
| 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 | 7 | 18 | 51 | 50 | 15 |

15. Foreign Exchange Rates

| | | FY2013 Full year | FY2014 Full year | FY2015 Full year | FY2016 Full year | FY2017 H1 | FY2017 Plan |
|---------------|-----|---------------------|---------------------|---------------------|---------------------|--------------|----------------|
| United States | USD | 105.39 | 120.55 | 120.61 | 116.49 | 112.00 | 112.00 |
| China | CNY | 17.36 | 19.35 | 18.36 | 16.76 | 16.49 | 16.49 |
| Taiwan | TWD | 3.51 | 3.80 | 3.66 | 3.61 | 3.69 | 3.69 |
| South Korea | KRW | 0.1000 | 0.1098 | 0.1033 | 0.0968 | 0.0981 | 0.0981 |
| Thailand | THB | 3.17 | 3.70 | 3.34 | 3.24 | 3.29 | 3.29 |
| Vietnam | VND | 0.00488 | 0.00559 | 0.00545 | 0.00512 | 0.00493 | 0.00493 |

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

| | | 2013 | 2014 | 2015 | 2016 |
|------------------------|-------------|------|------|------|------|
| Curry roux | Billion yen | 49.9 | 48.5 | 51.9 | 50.3 |
| Stew roux | Billion yen | 18.8 | 18.1 | 18.7 | 18.0 |
| Hashed beef sauce roux | Billion yen | 6.2 | 6.1 | 6.5 | 6.3 |
| Retort pouched curry | Billion yen | 51.2 | 50.8 | 51.6 | 53.9 |
| Spice | Billion yen | 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.