

**FY2017
Results Briefing
Fact Data**

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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 Full year	FY2018 Target
Net sales	Million yen	232,610	231,448	241,893	283,812	291,897	301,300
Cost of sales	Million yen	135,080	133,293	138,371	159,624	162,497	—
Selling, general and administrative expenses	Million yen	87,942	89,468	92,746	111,875	113,112	—
Operating profit	Million yen	9,589	8,686	10,775	12,312	16,288	17,000
EBITDA *1	Million yen	14,815	14,642	18,699	25,235	28,978	29,400
Ordinary profit	Million yen	10,962	10,957	12,152	13,951	17,207	18,000
Profit attributable to owners of parent	Million yen	8,792	6,971	22,632	8,683	9,353	10,000
Profit per share	Yen	83.13	67.61	220.48	84.53	91.02	97.32
ATO	Times	0.89	0.83	0.76	0.81	0.80	—
ROS	%	4.1	3.8	4.5	4.3	5.6	5.6
ROA	%	4.2	3.9	3.8	4.0	4.7	—
ROE	%	4.3	3.3	10.1	3.7	3.8	—
Annual dividends per share *2	Yen	35	30	30	32	38	40
Payout ratio	%	42.1	44.4	13.6	37.9	41.7	41.1
Total assets	Million yen	273,368	286,149	349,427	353,888	380,003	—
Net assets	Million yen	210,097	221,456	260,329	266,615	283,719	—
Shareholders' equity	Million yen	208,801	219,927	228,812	235,246	251,814	—
Equity ratio	%	76.4	76.9	65.5	66.5	66.3	—
Net assets per share	Yen	1,974.31	2,140.27	2,231.86	2,289.43	2,450.71	—
Cash flows from operating activities	Million yen	8,818	8,428	12,518	21,298	23,608	—
Cash flows from investing activities	Million yen	-7,471	-4,679	-8,308	-2,169	-13,739	—
Cash flows from financing activities	Million yen	-68	-10,588	-3,743	-7,388	-5,317	—

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

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

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

		FY2015 Full year	FY2016 Full year	FY2017 Full year	FY2018 Target
Operating profit	Million yen	12,030	17,330	21,306	22,018
ROS	%	5.0	6.1	7.3	7.3

(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 Full year	FY2018 Target
Profit attributable to owners of parent	Million yen	9,635	10,795	12,859	13,420
ROE	%	4.3	4.7	5.3	—

(Reference) Payout ratio based on profit distribution policy

		FY2015	FY2016	FY2017	FY2018
Payout ratio *3	%	32.0	30.4	30.4	30.6

*3 Profit distribution policy: Dividend payout ratio of at least 30% on a consolidated basis excluding the effects of extraordinary income/losses 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)

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 Full year	FY2017 Full year	FY2018 Target
122,680	120,018	132,059	139,937	144,000
37,212	34,523	33,281	31,599	31,500
17,797	18,577	20,111	22,855	26,800
6,711	18,312	51,375	51,974	53,100
58,613	62,718	62,123	61,024	61,700
-11,565	-12,256	-15,138	-15,492	-15,800

>> 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)

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 Full year	FY2017 Full year	FY2018 Target
6,660	7,924	9,885	12,081	12,200
717	1,398	1,334	907	1,000
1,000	1,381	1,681	2,847	3,400
-72	44	-424	-406	-300
-780	101	719	1,865	2,000
1,160	-73	-883	-1,008	-1,300

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

Restaurant Business	Million yen
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1,299	4,594	4,612	4,718
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3. Net Sales by Geographical Area

Japan	Million yen
East Asia	Million yen
Southeast Asia	Million yen
United States	Million yen
Other	Million yen

FY2014 Full year	FY2015 Full year	FY2016 Full year	FY2017 Full year
206,759	215,688	254,188	257,218
10,046	11,253	12,114	14,202
2,177	1,896	3,782	5,469
12,061	12,599	13,192	13,977
405	457	536	1,031

4. Content of Business Segments (As of March 31, 2018)

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 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 Full year	FY2018 Target
Spice / Seasoning / Processed Food Business							
House Foods Corporation	*1 Million yen	66,411	124,630	122,172	125,902	129,615	132,500
Curry roux	Million yen	37,727	37,275	37,271	38,008	37,051	36,600
Stew roux	Million yen	13,592	12,755	13,001	12,583	13,105	13,300
Hashed beef sauce roux	Million yen	4,046	4,196	4,220	4,425	4,307	4,100
Spice	Million yen	16,931	16,467	16,876	17,827	18,656	19,800
Retort pouched curry	Million yen	14,016	12,903	11,561	13,823	15,259	16,800
Packaged noodles	Million yen	6,128	6,320	6,411	6,318	6,430	6,100
Snack	Million yen	7,557	6,659	5,363	5,523	6,782	6,200
Dessert	Million yen	3,514	3,375	3,210	3,138	3,265	3,200
Food service products	Million yen	15,963	16,312	16,397	16,838	17,373	17,900
Health Food Business							
Ukon No Chikara	Million yen	12,974	12,775	12,141	11,482	10,355	9,700
Mega Shaki	Million yen	2,646	2,302	2,259	2,465	2,230	2,100
C1000	*2 Million yen	15,864	13,546	11,845	10,762	10,209	9,300
Ichinichibun No Vitamin	*2 Million yen	—	—	1,981	2,952	3,725	4,200
International Food Business							
Business in the United States	Million yen	8,320	10,354	10,705	10,926	11,315	12,000
Business in China	Million yen	2,202	3,444	4,049	3,918	5,035	6,500
Business in ASEAN	Million yen	824	1,442	1,081	1,838	2,640	4,100
Restaurant Business							
Ichibanya Co., Ltd. (consolidated)	Million yen	—	—	11,411	44,893	49,472	51,300
Other Food Related Business							
House Logistics Service Corporation	Million yen	23,154	23,272	23,000	23,193	21,687	20,900
Delica Chef Corporation	Million yen	14,362	14,782	16,921	16,755	17,035	17,100
Vox Trading Co., Ltd.	*3 Million yen	18,144	17,978	21,830	21,195	21,473	22,900

*1 Results of House Foods for FY2013 are results for 6 months from October 2013 to March 2014.

*2 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.

*3 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 Full year
Consolidated subsidiaries	Companies	28	28	34	36	37
Japan	Companies	13	13	14	14	14
Overseas	Companies	15	15	20	22	23
Equity-method affiliate	Companies	5	5	3	4	4
Japan	Companies	2	2	1	2	2
Overseas	Companies	3	3	2	2	2

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

Consolidated subsidiaries	Increase (2 companies) Decrease (1 company)	Increase: Malony Co., Ltd., Ichibanya UK Limited Decrease: High Net Corporation
Equity-method affiliate	Increase (0 companies) Decrease (0 companies)	Increase: Decrease:

8. Business Results of Major Subsidiaries

		FY2013 Full year	FY2014 Full year	FY2015 Full year	FY2016 Full year	FY2017 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	125,902	129,615
Operating profit	Million yen	3,885	6,774	8,398	9,399	11,059
House Wellness Foods Corporation						
Net sales	Million yen	34,168	37,238	34,558	33,281	31,599
Operating profit	Million yen	750	736	1,403	1,329	909
House Foods America Corporation (Consolidated)						
Net sales	Million yen	9,718	12,038	12,437	12,572	12,776
Operating profit	Million yen	95	805	875	1,153	1,303
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	49,472
Operating profit	Million yen	—	—	1,300	4,806	4,713

9. Number of Employees

		FY2013 Full year	FY2014 Full year	FY2015 Full year	FY2016 Full year	FY2017 Full year
Number of employees * Excluding those on leave of absence and part-time workers	People	5,276	5,416	6,376	6,248	6,273

10. Capital Investment

		FY2013 Full year	FY2014 Full year	FY2015 Full year	FY2016 Full year	FY2017 Full year	FY2018 Plan
Total	Million yen	11,510	9,874	7,260	8,178	10,699	13,000
Capital investment	Million yen	11,115	9,588	6,757	7,708	10,215	12,000
Leases	Million yen	395	286	503	470	484	1,000

11. Depreciation

		FY2013 Full year	FY2014 Full year	FY2015 Full year	FY2016 Full year	FY2017 Full year	FY2018 Plan
Total	Million yen	5,389	6,083	7,277	9,691	9,456	9,300
Depreciation	Million yen	5,056	5,789	6,908	9,345	9,126	9,000
Lease payments	Million yen	333	294	369	346	330	300

12. Selling, General and Administrative Expenses

		FY2013 Full year	FY2014 Full year	FY2015 Full year	FY2016 Full year	FY2017 Full year
Selling, general and administrative expenses	Million yen	87,942	89,468	92,746	111,875	113,112
Advertising expenses	Million yen	11,411	10,326	9,822	9,869	9,879
Transportation and warehousing expenses	Million yen	6,744	6,836	7,248	9,519	9,919
Sales commission	Million yen	3,314	2,441	2,342	2,455	2,480
Promotion expenses	Million yen	31,868	30,871	29,741	30,607	31,234
Personnel expenses	Million yen	18,570	20,301	21,987	29,278	29,694
Research and development expenses	Million yen	3,482	3,582	3,510	3,787	3,955
Amortization of goodwill	Million yen	170	167	1,016	3,578	3,564

13. Non-Operating Income (Expenses)

		FY2013 Full year	FY2014 Full year	FY2015 Full year	FY2016 Full year	FY2017 Full year
Non-operating income	Million yen	2,287	2,937	2,177	2,607	2,296
Interest income	Million yen	549	530	478	395	328
Dividend income	Million yen	599	603	609	762	656
Share of profit of entities accounted for using equity method	Million yen	458	628	584	70	99
Foreign exchange gains	Million yen	305	820	—	238	—
House rent income	Million yen	—	0	176	758	762
Other	Million yen	376	356	330	384	451
Non-operating expenses	Million yen	913	667	801	969	1,376
Interest expenses	Million yen	221	129	93	87	90
Commission fee	Million yen	141	—	—	—	—
Compensation expenses	Million yen	287	—	—	—	—
Foreign exchange losses	Million yen	—	—	174	—	380
Rent expenses	Million yen	—	—	148	631	616
Other	Million yen	265	538	385	251	291

14. Extraordinary Income (Losses)

		FY2013 Full year	FY2014 Full year	FY2015 Full year	FY2016 Full year	FY2017 Full year
Extraordinary income	Million yen	3,240	1,543	17,013	2,008	993
Gain on sales of non-current assets	Million yen	3,110	195	7	178	13
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	765
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	144
Gain on step acquisitions	Million yen	—	—	13,851	448	—
Other	Million yen	2	2	1	70	13
Extraordinary losses	Million yen	778	607	1,062	1,488	1,186
Loss on sales of non-current assets	Million yen	124	121	0	10	222
Loss on retirement of non-current assets	Million yen	240	141	273	279	19
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	5
Loss on valuation of membership	Million yen	24	1	3	11	0
Impairment loss	Million yen	129	323	718	1,138	774
Provision for loss on guarantees	Million yen	152	—	—	—	—
Loss on step acquisitions	Million yen	69	—	—	—	—
Loss on disaster	Million yen	33	—	—	—	—
Other	Million yen	7	18	51	50	166

15. Foreign Exchange Rates

		FY2013 Full year	FY2014 Full year	FY2015 Full year	FY2016 Full year	FY2017 Full year	FY2018 Plan
United States	USD	105.39	120.55	120.61	116.49	113.00	113.00
China	CNY	17.36	19.35	18.36	16.76	17.29	17.29
Taiwan	TWD	3.51	3.80	3.66	3.61	3.79	3.79
South Korea	KRW	0.1000	0.1098	0.1033	0.0968	0.1062	0.1062
Thailand	THB	3.17	3.70	3.34	3.24	3.45	3.45
Vietnam	VND	0.00488	0.00559	0.00545	0.00512	0.00498	0.00500

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

		FY2013	FY2014	FY2015	FY2016	FY2017
Curry roux	Billion yen	49.9	48.5	51.9	50.3	47.4
Stew roux	Billion yen	18.8	18.1	18.7	18.0	18.1
Hashed beef sauce roux	Billion yen	6.2	6.1	6.5	6.3	6.1
Retort pouched curry	Billion yen	51.2	50.8	51.6	53.9	55.9
Spice	Billion yen	66.9	67.4	69.1	70.3	71.5

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.