Consolidated Financial Results for the Fiscal Year 2010

May 13, 2010

Listed company name: Ariake Japan Co., Ltd.
Code number: 2815 URL: http://www.ariakejapan.com Listing exchange: Tokyo, 1st Section
Representative: Tomoki Tagawa, President (COO)
Contact: Akio Miyakawa, Corporate Officer, General Manager of the Management Coordination Department
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Date of annual general meeting of shareholders: June 18, 2010
Date to submit the annual securities report: June 18, 2010
Date to start dividends distribution: June 21, 2010

(Figures shown are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the Year Ended March 31, 2010 (April 1, 2009 to March 31, 2010)

(1) Consolidated Business Results

(Percentage figures represent changes from the previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2010	22,893	5.3	2,902	0.4	2,967	62.1	1,293	63.9
FY2009	21,736	(5.3)	2,890	(29.0)	1,830	(47.6)	789	(57.4)

	Net income per share	Diluted net income per share	Return on shareholders' equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
FY2010	40.65	—	3.1	5.8	12.7
FY2009	24.80	—	1.9	3.6	13.3

Reference: Investment profit/ loss on equity method: FY2010: ¥— million FY2009: ¥— million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2010	52,561	42,088	79.6	1,314.97
FY2009	49,247	41,308	83.4	1,290.55

Reference: Equity capital: FY2010: ¥41,854 million FY2009: ¥41,077 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of term
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2010	4,756	(3,171)	(107)	9,513
FY2009	4,122	(6,098)	(1,291)	8,209

2. Dividends

	Dividends per share					Total dividends (Annual)	Dividends payout ratio (Consolidated)	Dividends on shareholders' equity ratio (Consolidated)
(Record date)	1Q-end	2Q-end	3Q-end	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2009	—	20.00	—	20.00	40.00	1,273	161.3	3.0
FY2010	—	20.00	—	20.00	40.00	1,273	98.4	3.1
FY2011 (projection)	—	20.00	—	20.00	40.00		—	

3. Forecast of the Consolidated Financial Results for the Year Ending March 31, 2011 (April 1, 2010 to March 31, 2011)

(Full year percentage figures indicate the rates of changes from the preceding fiscal year, and first half figures indicate the rates of changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	12,272	15.5	1,756	42.7	1,742	57.8	838	111.4	26.33
Full year	27,600	20.6	4,130	42.3	4,100	38.2	2,060	59.2	64.72

4. Other Information

(1) Significant changes in subsidiaries during the year under review (changes in specific subsidiaries involving changes in scope of consolidation): None

(2) Changes in accounting principles, procedures, and methods of presentation associated with preparation of the Consolidated Financial Statements (matters to be included in the section, “Change in Basic Important Conditions to Prepare the Consolidated Financial Statements”)

1) Changes associated with revisions of accounting standards or the like: Yes
2) Change other than those included in 1): None
Note: For more details, please refer to Page 20, “Change in Basic Important Conditions to Prepare the Consolidated Financial Statements.”

(3) Number of shares outstanding (common stock)

1) Number of shares outstanding at fiscal year-end (including treasury stock):
FY2010 32,808,683 shares FY2009 32,808,683 shares
2) Number of treasury stock at fiscal year-end:
FY2010 979,644 shares FY2009 979,122 shares
Note: For the number of shares that is the basis for the calculation of consolidated net income per share; please see Page 34, “Per share information.”

(Reference)

1. Financial Results for the Year Ended March 31, 2010 (April 1, 2009 - March 31, 2010)

(1) Non-Consolidated Financial Results

(Percentage figures represent changes from the previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2010	20,183	4.8	3,837	17.9	3,935	57.9	2,255	57.9
FY2009	19,258	(3.7)	3,254	(13.4)	2.491	(34.3)	1,428	(35.2)

	Net income per share	Diluted net income per share
	Yen	Yen
FY2010	70.88	–
FY2009	44.89	–

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2010	50,086	44,296	88.4	1,391.70
FY2009	47,332	42,749	90.3	1,343.07

Reference: Equity capital: FY2010: ¥44,296 million FY2009: ¥42,749 million

2. Forecast of the Non-Consolidated Financial Results for the Year Ending March 31, 2011 (April 1, 2010 - March 31, 2011)

(Full year percentage figures indicate the rates of changes from the preceding fiscal year, and first half figures indicate the rates of changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	10,005	5.4	2,062	17.8	2,067	26.2	1,179	26.3	37.04
Full year	22,500	11.5	4,638	20.9	4,650	18.2	2,652	17.6	83.32

* Explanation regarding the appropriate use of forecast of financial results and other special instructions

Descriptions regarding the future, including the financial forecast 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 reasonable, and actual business results may significantly vary due to various factors.

1. Business Results

(1) Analysis of Business Results

1. Business conditions for the Fiscal Year 2010

(Consolidated business results) (Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
FY2010	22,893	2,902	2,967	1,293	40.65
FY2009	21,736	2,890	1,830	789	24.80
Growth Rate	5.3%	0.4%	62.1%	63.9%	—

(Non-consolidated business results) (Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
FY2010	20,183	3,837	3,935	2,255	70.88
FY2009	19,258	3,254	2,491	1,428	44.89
Growth Rate	4.8%	17.9%	57.9%	57.9%	—

1) Overall performance for the Fiscal Year 2010

During the consolidated fiscal year under review, the Japanese economy, despite signs of improvement brought about by stimulus measures, largely reflected the global recession that began two years ago. Weakness remained in terms of employment and incomes and there were no tangible indications of a recovery.

In the food industry, as well, demand leaned toward economically priced items as consumers focused on saving money, and difficult conditions, characterized in part by heating price competition, prevailed.

Against that background, the Ariake Group, as a leading manufacturer in the field of natural seasonings, has built its “global six-pillar system,” with production and sales bases in Japan, the U.S., China, Taiwan, France, and Belgium. Based on this system, the Group strives to maintain and improve the quality of its products which can deliver better taste, good health, and food safety, while also further developing its markets in order to ensure its earnings.

The Group began moving ahead with its “top sales” approach last year to more accurately grasp customer needs and has located its R&D functions in the Tokyo head office in order to respond to these needs in a more timely manner.

As a result of these efforts, the Group and the Company were able to record the following earnings for the fiscal year under review.

Net Sales

Reflecting the unified efforts of the entire Company (Ariake Japan Co., Ltd.), net sales increased by 4.8% (¥924 million) year on year, to ¥20,183 million. By segment, sales from instant noodles seasonings declined by 1.2%, while sales from processed foods seasonings and food service industry seasonings increased by 5.4% and 6.1%, respectively.

Net sales at consolidated subsidiaries increased 9.4% year on year mainly due to the increased sales in European subsidiary.

Therefore, consolidated net sales for the fiscal year under review increased 5.3% (¥1,156 million) year on year to ¥22,893 million.

Operating Income

Operating income for the Company rose 17.9% (¥582 million) year on year to ¥3,837 million not only because of higher net sales but also factors like lower depreciation (¥221 million decrease) and lower fuel costs (¥169 million decrease).

In addition, consolidated operating income came in at ¥2,902 million, nearly the same as the result for the previous fiscal year (¥2,890 million).

Ordinary Income

Ordinary income for the Company increased 57.9% (¥1,443 million) year on year to ¥3,935 million. The main reasons were the increase in operating income and the recording of ¥72 million in gain on valuation of derivatives (¥827 million in loss for the previous fiscal year).

Consolidated ordinary income increased 62.1% (¥1,137 million) year on year to ¥2,967 million.

Net income for the Company increased 57.9% (¥826 million) year on year to ¥2,255 million.

Consolidated net income increased 63.9% (¥504 million) to ¥1,293 million.

2. Outlook for the Fiscal Year 2011

(Forecast for consolidated financial results) (Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
FY2011	27,600	4,130	4,100	2,060	64.72
FY2010	22,893	2,902	2,967	1,293	40.65
Growth Rate	20.6%	42.3%	38.2%	59.2%	-

(Forecast for non-consolidated financial results) (Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
FY2011	22,500	4,638	4,650	2,652	83.32
FY2010	20,183	3,837	3,935	2,255	70.88
Growth Rate	11.5%	20.9%	18.2%	17.6%	-

1) Outlook for financial results for the Fiscal Year 2011

Recently released economic indicators include some signs of an economic recovery, but nothing that would support expectations of stable economic growth. Difficult conditions, therefore, are expected to continue through the coming fiscal year.

In the food industry, as well, there have been no developments to allay concerns about the future and it is anticipated that personal consumption will remain weak.

In this environment, the Group, trusting in its strengths, will move ahead with efforts to maintain and expand existing markets and develop a new market to strive to increase sales.

The Company has the following three competitive advantages:

1) It is a global enterprise which has five production bases in overseas countries, including the U.S. and Europe. This makes it possible to procure high-quality, reasonably priced raw materials.

2) The Company has established highly automated large-scale production facilities. The product cost of manufacture decreases in proportion to the scale of the facilities.

3) Having been in operation for 45 years, the Company has benefited from the experience curve effect and skills and processes have undergone repeated rounds of improvement.

With these advantages, we have created a production system that turns out high-quality products at low cost.

Over the past several years, the Company has completed upwards of ¥20 billion in capital investments throughout the world. In the coming fiscal year, the Company will spend all its energy to steadily increase its earnings, by making the most of its facilities it has developed and the above-mentioned characteristics.

Therefore, for the full fiscal year, consolidated net sales are projected to increase 20.6% year on year to ¥27,600 million and consolidated ordinary income to grow 38.2% year on year to ¥4,100 million.

As for non-consolidated earnings, net sales are expected to increase 11.5% year on year to ¥22,500 million and ordinary income to increase 18.2% year on year to ¥4,650 million.

(2) Analysis of Financial Position

1) Overview of the Fiscal Year 2010

(Millions of yen)

	FY2009	FY2010	Difference
Cash flows from operating activities	4,122	4,756	633
Cash flows from investing activities	(6,098)	(3,171)	2,926
Cash flows from financing activities	(1,291)	(107)	1,184
Increase (decrease) in cash and cash equivalents	(3,410)	1,304	4,714
Cash and cash equivalents at beginning of term	11,620	8,209	(3,410)
Cash and cash equivalents at end of term	8,209	9,513	1,304

－Regarding the financial position at the end of the current fiscal year, as a result of an increase of ¥2,506 million in cash and time deposits and an increase of ¥863 million in fixed assets compared to the end of the previous fiscal year, total assets were ¥52,561 million. Shareholders' equity was ¥41,932 million mainly due to a ¥20 million increase in retained earnings.

－Cash flows from operating activities were ¥4,756 million (year on year increase of ¥633 million).

－Cash flows from investing activities
For the current fiscal year under review, there was a net outflow of ¥3,171 million (year on year decrease in outflow of ¥2,926 million) as a result of payments of ¥1,202 million into time deposits and outlay of ¥1,476 million for capital expenditures.

－Cash flows from financing activities
For the current fiscal year, there was a net outflow of ¥107 million (year on year decrease in outflow of ¥1,184 million) as a result of an outflow of ¥1,274 million for dividend payment, and an increase in short-term loans payable of ¥1,167 million.

2) Outlook for the Fiscal Year 2011

－Cash flows from operating activities
Despite the harsh business environment, we expect to achieve target sales and profits for the next fiscal year, and to see an increase in income as well.

－Cash flows from investing activities
With regard to capital investments, expenses of approximately ¥560 million would be used for constructions in the U.S., etc.

－Cash flows from financing activities
To improve capital efficiency and provide return to stockholders, we will continue flexible operation.

In addition, since it appears to meet earnings targets, we will continue to pay the present common dividends of 40 per share annually.

Therefore, we expect the ending balance of cash and cash equivalents for the next fiscal year to increase over the ending balance for this fiscal year.

3) Cash Flow Indicators

	FY2006	FY2007	FY2008	FY2009	FY2010
Equity ratio (%)	88.6	85.4	84.1	83.4	79.6
Equity ratio based on market value (%)	245.3	153.9	84.5	84.2	82.6
Cash flows interest-bearing debts ratio (years)	0.0	0.4	0.6	0.6	0.8
Interest coverage ratio	304.0	186.6	30.8	47.4	109.6

Equity ratio: equity capital / total assets
Equity ratio based on market value: total market value / total assets
Cash flows interest-bearing liabilities ratio: interest-bearing debts / cash flows
Interest coverage ratio: cash flows / interest payments

* All indicators are calculated using financial figures on a consolidated basis.
* Total market value is calculated based on Final stock price at term end × Number of shares outstanding at term end (after deduction of treasury stock).
* The "Cash flows from operating activities" on the Consolidated Statements of Cash Flows and all interest-bearing debts on the Consolidated Balance Sheets were used as cash flows and interest-bearing debts, respectively.

(3) Basic Policy Regarding Distribution of Earnings for FY2010 and FY2011

The Company considers that appropriate distribution of earnings to the shareholders is one of the most important management policies. Therefore, the Company has been based on the principle of paying dividends consistent with its business performance. The Company has pursued a policy of paying substantial stable dividends by considering various indicators in proportion to the growth of the business results. At the same time, the Company has paid attention to the anticipated business environment and long-term business development and maintained ample internal reserves to strengthen the business quality.

Specifically, with the objective of achieving a stable distribution of profits, the Company has been paying dividends based on Dividend on Equity (DOE) for shareholders' capital investments.

We consider that DOE is an effective method to ensure directly a high dividend rate for our shareholders. Our present target is a DOE of 2.5%, and we are striving to continue to pay greater dividends.

Internal reserves are used for investments and loans to develop the natural seasoning business based on the Company's global strategy, to generate profits, and to expand the scope of business by preparing for situations such as stock price increases through the flexible and agile operation of treasury stock.

Although we did not achieve the consolidated results we had planned to, we managed to report higher income than the previous fiscal year. To show our appreciation for the ongoing support of our shareholders and with hope for their continued support, we intend to propose at the shareholders' meeting to be held in June, 2010 that we pay a year-end dividend of ¥20 per share, the same as that for the previous fiscal year.

Therefore, annual dividends will be ¥40 per share, the same amount paid for the previous fiscal year.

Regarding the dividends for FY2011, the Company will strive to continue to pay the present common dividend of ¥40 per share, expecting that we will continue to record healthy profits in the long term.

2. Outline of the Business Group

Outline of the Business Group

The Ariake Group (Ariake Japan and its consolidated subsidiaries) is comprised of the Company, seven consolidated subsidiaries, and two non-consolidated subsidiaries. Its main business is the manufacture and sale of natural seasoning products. The Company and three of its subsidiaries are located in Japan, and the remaining six subsidiaries, overseas. The following is an outline of the business operations of the various group companies.

Ariake Japan Co., Ltd. (The Company filing the Consolidated Financial Statements)

The Company manufactures natural seasonings and mainly sells them to domestic customers.

Domestic Subsidiaries

Dear. SOUP Co., Ltd. manufactures natural soups and sells them to domestic customers.
A.C.C. Co., Ltd. leases portions of the headquarters building from the parent company and operates convenience stores.

Overseas Subsidiaries

ARIAKE U.S.A., Inc. manufactures natural seasonings and sells them to customers in the U.S. and other countries. It also supplies these seasonings to the parent company.

Qingdao Ariake Foodstuff Co., Ltd. manufactures natural seasonings and sells them to customers in China and other countries. It also supplies these seasonings to the parent company.

Taiwan Ariake Foods Co., Ltd. manufactures natural seasonings and sells them mainly to customers in Taiwan, China, and Southeast Asia. It also supplies these seasonings to the parent company.

F. P. Natural Ingredients S.A.S. manufactures natural seasonings and sells them mainly to customers in Europe. It also supplies these seasonings to the parent company.

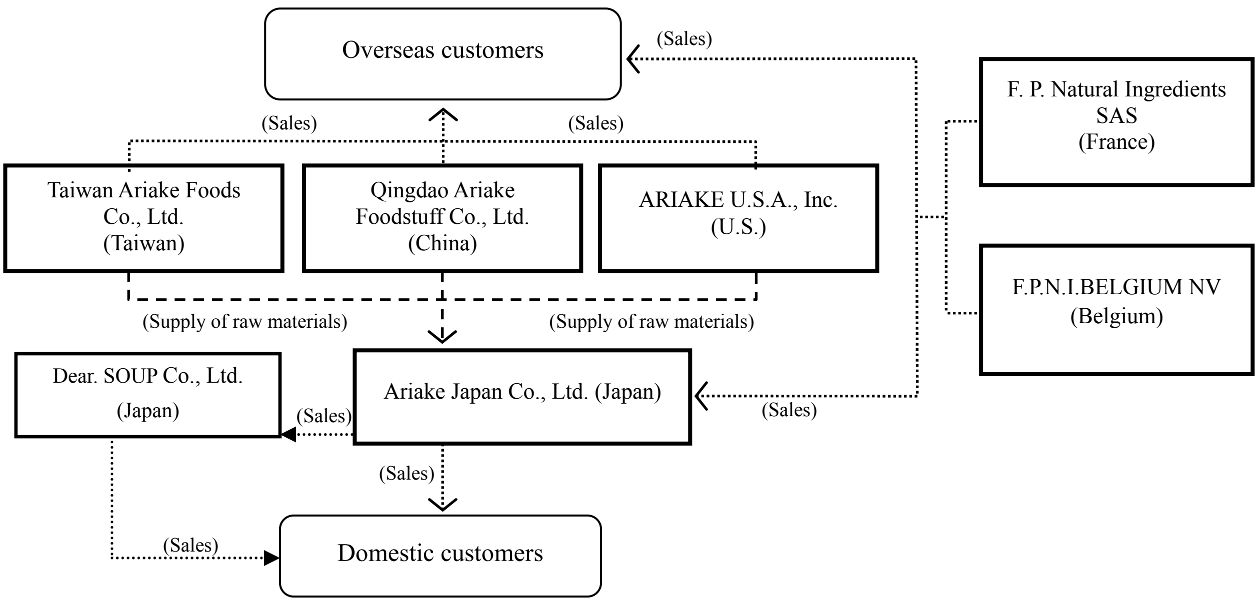
F.P.N.I. BELGIUM N.V. manufactures natural seasonings and sells them mainly to customers in Europe. It also supplies these seasonings to the parent company.

Non-consolidated Domestic Subsidiaries

We established Ariake Farm Co., Ltd. capitalized at ¥15 million (9.9% of which was held by the Company) in August 9, 2005 to be engaged in the agricultural business of Ariake Japan Co., Ltd.

The Company became the sole holder of shares in GLOBEAT USA, Inc. as of March 15, 2010. GLOBEAT USA, Inc. is engaged in the food service industry in the U.S.

The major companies of the Group and their relationships as of filing date of the Consolidated Financial Results (May 13, 2010) are shown in the diagram below.



3. Management Policy

(1) Basic Management Policy

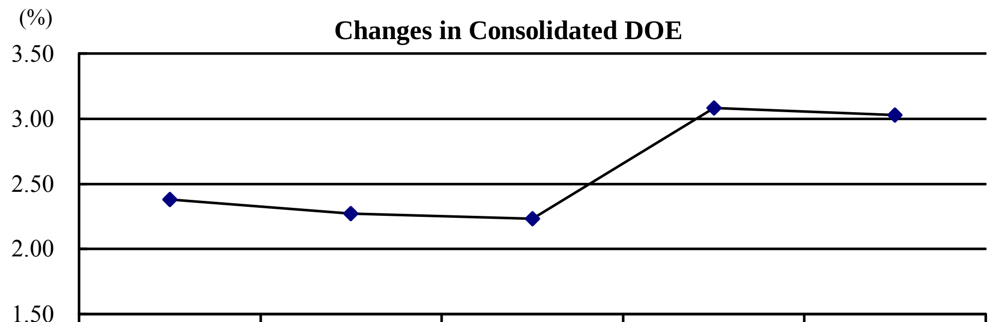
As a leading company in the field of natural seasonings, the Group bases its activities on the following three management concepts:

1. The Group will contribute to the world by supporting healthy and enjoyable food culture through the production of natural seasonings.
2. The Group will quickly and precisely develop businesses that meet the needs of the times, based on the concept of the customer creed.
3. The Group will aim to maximize shareholders' value through businesses to be always attractive to shareholders.

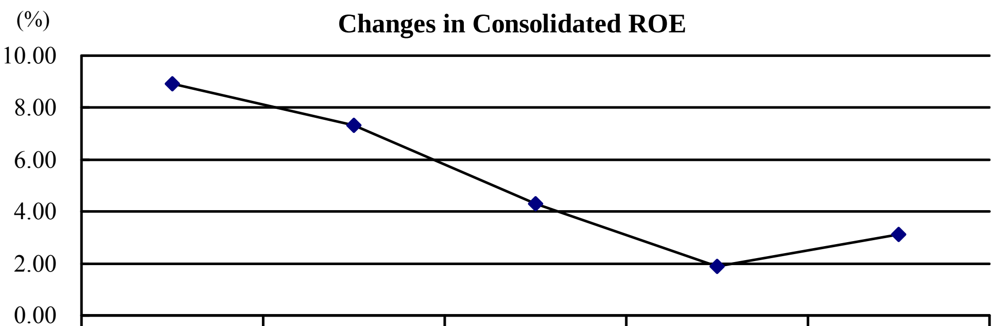
The Group will endeavor to develop and foster the growth of products that take full advantage of the characteristics of natural seasonings, "tasty, healthy and user-friendly" and try hard to improve quality of products by achieving technological reform while ensuring food safety through safety and hygiene control. In this way, the Group will pursue the goal of increasing profitability.

(2) Key Management Indicator

In order to ensure corporate management that is attractive to shareholders by maximizing return on capital investments, the Company uses return on equity (ROE) and Dividend on Equity (DOE) as its main management indicator for the mid-term. For this reason, the Group will execute stable management based on the long term management plan and has set a long-term target of 2.5% for DOE and 12.0% for ROE.



	FY2006	FY2007	FY2008	FY2009	FY2010
DOE	2.38	2.27	2.23	3.08	3.03



	FY2006	FY2007	FY2008	FY2009	FY2010
ROE	8.91	7.32	4.30	1.88	3.11

(3) Mid- and Long-term Management Plan

The Group continues to operate on the basis of a mid- and long-term management plan. While the food industry in Japan is a matured market, we have based our management plan on; 1) the anticipation for the expansion of demand for natural seasonings through various measures taken by the Company, 2) the short supply of domestic raw materials relative to anticipated market expansion, and 3) the great potential to develop this business on a global scale.

Based on this plan, the Group added new facilities to the No. 2 Kyushu Plant, and started its operation from April 2007.

The Group has both factories and subsidiaries in the U.S. (Ariake U.S.A., Inc.), China (Qingdao Ariake Foodstuff Co., Ltd.), Taiwan (Taiwan Ariake Foods Co., Ltd.), France (F.P. Natural Ingredients S.A.S.), and Belgium (F.P.N.I. BELGIUM N.V.), and established an optimal regional production system by creating a "global six-pillar system."

In order to manufacture and sell natural soups, sales of which are rapidly growing not only in Japan but throughout the world, the Group founded Dear. SOUP Co., Ltd., and is working to expand sales to customers within Japan and overseas.

The main points of the mid- and long-term management plan are as follows:

1. Extend our operations from a natural seasonings-specialized manufacturer to a comprehensive seasonings manufacturer in order to increase corporate value.
2. Expand demand by thoroughly pursuing the domestic market and developing the global market.
3. Grow into a world class leading company through technical innovation.

Specifically, this plan involves the following four items.

1) Stimulate domestic demand as a comprehensive seasonings manufacturer in the contracting food market with a declining birthrate and a growing proportion of elderly people.
2) Actively make capital investments through technical innovation, and provide low-cost, high-quality products.
3) Actively promote our overseas strategy.
4) Implement effective capital policies which increased corporate value.

We believe that our responsibility to the investors that have invested in the Company is to increase shareholders' value through the steady accumulation of results in annual plans based on these long-term visions and the establishment of a profit foundation. This approach represents the essence of our ultimate management policies.

(4) Issues which the Company Needs to Address

Recognizing that the natural seasoning industry will largely grow both in Japan and overseas in the future, the Group has made capital investments worth ¥20 billion throughout the world. The Group meets its capital needs with shareholder's equity and external loans. We believe that success in the natural seasonings business will contribute broadly to the food market and help to secure steady growth in the Group's revenue base.

To increase corporate value and conduct stable business operations through these measures, we intend to develop and pursue capital policies that allow us to continuously build a friendly shareholder base.

(5) Other Important Matters Relating to the Company Business

There is nothing to report.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of yen)

	FY 2009 (As of March 31, 2009)	FY 2010 (As of March 31, 2010)
Assets		
Current assets		
Cash and time deposits	12,209,823	14,716,688
Notes and accounts receivable	4,551,662	4,839,007
Securities	87,470	—
Merchandise and finished goods	1,439,447	1,466,383
Work in process	442,564	477,646
Raw materials and supplies	1,889,528	1,523,951
Deferred tax assets	105,499	160,229
Others	169,686	153,733
Allowance for doubtful accounts	(10,022)	(1,747)
Total current assets	20,885,660	23,335,892
Fixed assets		
Tangible fixed assets		
Buildings and structures	17,695,650	19,618,002
Accumulated depreciation	(6,569,131)	(7,330,835)
Buildings and structures (net)	11,126,518	12,287,166
Machines, devices, and delivery equipment	19,373,308	20,105,024
Accumulated depreciation	(12,762,939)	(13,789,819)
Machines, devices, and delivery equipment (net)	6,610,368	6,315,205
Land	4,499,335	4,507,186
Leased assets	—	6,100
Accumulated depreciation	—	(84)
Leased assets (net)	—	6,015
Construction in progress	2,365,977	1,099,246
Others	806,823	818,326
Accumulated depreciation	(693,056)	(710,677)
Others (net)	113,767	107,648
Total tangible fixed assets	24,715,967	24,322,469
Intangible fixed assets	88,427	125,598
Investments and other assets		
Investment securities	*1 2,035,486	*1 3,265,645
Long-term loans receivable	90,009	388,245
Investments in real estates (net)	*2 557,386	*2 551,318
Deferred tax assets	291,678	—
Others	583,382	572,664
Allowance for doubtful accounts	(265)	(86)
Total investments and other assets	3,557,678	4,777,787
Total fixed assets	28,362,072	29,225,855
Total assets	49,247,733	52,561,748

(Thousands of yen)

	FY 2009 (As of March 31, 2009)	FY 2010 (As of March 31, 2010)
Liabilities		
Current liabilities		
Notes and accounts payable	1,799,221	2,293,803
Short-term loans payable	2,447,666	3,654,718
Lease liabilities	—	977
Income taxes payable	231,125	1,258,123
Allowance for employee bonuses	146,800	152,517
Allowance for directors' bonuses	59,700	52,700
Others	1,916,545	1,688,315
Total current liabilities	6,601,059	9,101,156
Fixed liabilities		
Allowance for employee retirement benefits	584,751	570,552
Allowance for directors' retirement benefits	280,355	281,474
Lease liabilities	—	5,386
Deferred tax liabilities	98,796	175,488
Others	374,535	339,454
Total fixed liabilities	1,338,438	1,372,356
Total liabilities	7,939,498	10,473,513
Net assets		
Shareholders' equity		
Common stock	7,095,096	7,095,096
Capital surplus	7,833,869	7,833,869
Retained earnings	29,041,642	29,062,185
Treasury stock	(2,057,727)	(2,058,368)
Total shareholders' equity	41,912,879	41,932,782
Unrealized gains and adjustments		
Unrealized gains (losses) on other securities	70,337	635,334
Deferred gains (losses) on hedges	—	—
Adjustment account for foreign currency exchange	(905,512)	(713,897)
Total unrealized gains (losses) and adjustments	(835,175)	(78,563)
Minority interests	230,531	234,015
Total net assets	41,308,234	42,088,234
Total liabilities and net assets	49,247,733	52,561,748

(2) Consolidated Statements of Income

(Thousands of yen)

	FY2009 (from April 1, 2008 to March 31, 2009)	FY2010 (from April 1, 2009 to March 31, 2010)
Net sales	21,736,641	22,893,078
Cost of sales	*1 14,781,415	*1 15,711,386
Gross profit	6,955,225	7,181,691
Selling, general and administrative expenses	*2, *3 4,064,603	*2, *3 4,278,901
Operating income	2,890,622	2,902,790
Non-operating income		
Interest and dividends income	99,629	100,550
Foreign exchange gains	15,077	—
Rent received	26,732	26,406
Gain on valuation of derivatives	—	72,693
Gain on sales of securities	18,542	14,803
Others	119,201	170,694
Total non-operating income	279,184	385,148
Non-operating expenses		
Interest paid	86,937	43,404
Loss on valuation of derivatives	827,718	—
Expenses for new overseas businesses	296,550	52,818
Foreign exchange losses	—	142,790
Others	128,360	81,459
Total non-operating expenses	1,339,566	320,472
Ordinary income	1,830,239	2,967,465
Extraordinary income		
Gain on sale of fixed assets	*4 1,898	—
Total extraordinary income	1,898	—
Extraordinary losses		
Loss on retirement of fixed assets	*5 15,411	—
Loss on valuation of investment securities	44,098	—
Total extraordinary losses	59,509	—
Income before income taxes	1,772,628	2,967,465
Income taxes–current	1,005,839	1,732,042
Income taxes–deferred	(17,763)	(59,895)
Total income taxes	988,076	1,672,146
Minority interests (losses)	(4,833)	1,600
Net income	789,385	1,293,718

(3) Consolidated Statements of Changes in Shareholders' Equity

(Thousands of yen)

	FY2009 (from April 1, 2008 to March 31, 2009)	FY2010 (from April 1, 2009 to March 31, 2010)
Shareholders' equity		
Common stock		
Balance at the end of previous fiscal year	7,095,096	7,095,096
Amount of fluctuation during the year		
Total amount of fluctuation during the year	—	—
Balance at the end of current fiscal year	7,095,096	7,095,096
Capital surplus		
Balance at the end of previous fiscal year	7,833,869	7,833,869
Amount of fluctuation during the year		
Total amount of fluctuation during the year	—	—
Balance at the end of current fiscal year	7,833,869	7,833,869
Retained earnings		
Balance at the end of previous fiscal year	29,366,388	29,041,642
Amount of fluctuation during the year		
Dividend from retained earnings	(1,114,062)	(1,273,174)
Net income	789,385	1,293,718
Disposal of treasury stock	(69)	—
Total amount of fluctuation during the year	(324,746)	20,543
Balance at the end of current fiscal year	29,041,642	29,062,185
Treasury stock		
Balance at the end of previous fiscal year	(2,055,864)	(2,057,727)
Amount of fluctuation during the year		
Acquisition of treasury stock	(2,083)	(861)
Disposal of treasury stock	220	220
Total amount of fluctuation during the year	(1,862)	(640)
Balance at the end of current fiscal year	(2,057,727)	(2,058,368)
Total shareholders' equity		
Balance at the end of previous fiscal year	42,239,489	41,912,879
Amount of fluctuation during the year		
Dividend from retained earnings	(1,114,062)	(1,273,174)
Net income	789,385	1,293,718
Acquisition of treasury stock	(2,083)	(861)
Disposal of treasury stock	151	220
Total amount of fluctuation during the year	(326,609)	19,902
Balance at the end of current fiscal year	41,912,879	41,932,782

(Thousands of yen)

	FY2009 (from April 1, 2008 to March 31, 2009)	FY2010 (from April 1, 2009 to March 31, 2010)
Unrealized gains and adjustments		
Unrealized gains on other securities		
Balance at the end of previous fiscal year	(9,228)	70,337
Amount of fluctuation during the year		
Amount of fluctuation of items other than shareholders' equity during the year (net)	79,565	564,997
Total amount of fluctuation during the year	79,565	564,997
Balance at the end of current fiscal year	70,337	635,334
Deferred gains on hedges		
Balance at the end of previous fiscal year	(224,189)	—
Amount of fluctuation during the year		
Amount of fluctuation of items other than shareholders' equity during the year (net)	224,189	—
Total amount of fluctuation during the year	224,189	—
Balance at the end of current fiscal year	—	—
Adjustment account for foreign currency exchange		
Balance at the end of previous fiscal year	963,503	(905,512)
Amount of fluctuation during the year		
Amount of fluctuation of items other than shareholders' equity during the year (net)	(1,869,015)	191,615
Total amount of fluctuation during the year	(1,869,015)	191,615
Balance at the end of current fiscal year	(905,512)	(713,897)
Total unrealized gains and adjustments		
Balance at the end of previous fiscal year	730,085	(835,175)
Amount of fluctuation during the year		
Amount of fluctuation of items other than shareholders' equity during the year (net)	(1,565,260)	756,612
Total amount of fluctuation during the year	(1,565,260)	756,612
Balance at the end of current fiscal year	(835,175)	(78,563)
Minority interests		
Balance at the end of previous fiscal year	282,342	230,531
Amount of fluctuation during the year		
Amount of fluctuation of items other than shareholders' equity during the year (net)	(51,811)	3,484
Total amount of fluctuation during the year	(51,811)	3,484
Balance at the end of current fiscal year	230,531	234,015
Total net assets		
Balance at the end of previous fiscal year	43,251,917	41,308,234
Amount of fluctuation during the year		
Dividend from retained earnings	(1,114,062)	(1,273,174)
Net income	789,385	1,293,718
Acquisition of treasury stock	(2,083)	(861)
Disposal of treasury stock	151	220
Amount of fluctuation of items other than shareholders' equity during the year (net)	(1,617,072)	760,097
Total amount of fluctuation during the year	(1,943,682)	779,999
Balance at the end of current fiscal year	41,308,234	42,088,234

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	FY2009 (from April 1, 2008 to March 31, 2009)	FY2010 (from April 1, 2009 to March 31, 2010)
Cash flows from operating activities		
Income before income taxes	1,772,628	2,967,465
Depreciation and amortization	2,049,797	1,979,106
Amortization of goodwill	19,662	19,662
Increase (decrease) in allowance for doubtful accounts	1,783	(8,453)
Increase (decrease) in allowance for employee retirement benefits	(19,619)	(14,198)
Increase (decrease) in allowance for directors' retirement benefits	17,336	1,119
Increase (decrease) in allowance for employee bonuses	3,102	5,717
Increase (decrease) in allowance for directors' bonuses	—	(7,000)
Interest and dividends received	(99,629)	(100,550)
Interest paid	86,937	43,404
Loss (gain) on foreign exchange	47,481	183,447
Loss (gain) on sales of securities	(12,863)	(14,803)
Loss (gain) on valuation of securities	73,271	—
Loss (gain) on sales of fixed assets	(1,898)	—
Loss on retirement of fixed assets	15,411	—
Loss (gain) on valuation of investment securities	44,098	—
Decrease (increase) in accounts receivable	7,502	(280,824)
Decrease (increase) in inventories	(466,278)	310,961
Increase (decrease) in accounts payable	(75,933)	518,558
Increase (decrease) in consumption taxes payable	358,782	(257,145)
Decrease (increase) in other assets	1,003,885	(7,265)
Increase (decrease) in other liabilities	718,289	72,213
Subtotal	5,543,747	5,411,416
Interest and dividend income received	99,629	100,550
Interest expenses paid	(86,937)	(43,404)
Income and other taxes paid	(1,433,598)	(712,544)
Cash provided by operating activities	4,122,841	4,756,017
Cash flows from investing activities		
Payment into time deposits	(4,000,000)	(1,202,816)
Payments for acquisition of securities	(540,969)	—
Proceeds from sale of securities	312,934	102,273
Payments for purchase of tangible fixed assets	(1,724,554)	(1,476,434)
Proceeds from sale of tangible fixed assets	2,048	—
Payments for acquisition of intangible fixed assets	(5,007)	(5,431)
Payments for acquisition of investment securities	(148,231)	(264,922)
Payment for loans receivable	(2,921)	(355,210)
Proceeds from collection of loans receivable	8,650	31,265
Others	(150)	—
Cash used in investing activities	(6,098,200)	(3,171,275)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(176,488)	1,167,463
Proceeds from sales of treasury stock	151	145
Payments for acquisition of treasury stock	(2,083)	(861)
Dividends paid	(1,113,057)	(1,274,082)
Cash used in financing activities	(1,291,477)	(107,334)
Exchange difference of cash and cash equivalents	(143,616)	(173,358)
Increase (decrease) in cash and cash equivalents	(3,410,453)	1,304,049
Cash and cash equivalents at beginning of term	11,620,276	8,209,823
Cash and cash equivalents at end of term	*[1] 8,209,823	*[1] 9,513,872

Notes on the Going Concern Assumption

There is nothing to report.

Basic Important Conditions to Prepare the Consolidated Financial Statements

Term	FY2009 (from April 1, 2008 to March 31, 2009)	FY2010 (from April 1, 2009 to March 31, 2010)
1. Matters relating to the scope of consolidation	(1) Consolidated subsidiary companies are the following seven: Dear. SOUP Co., Ltd. A.C.C. Co., Ltd. ARIAKE U.S.A., Inc. Qingdao Ariake Foodstuff Co., Ltd. Taiwan Ariake Foods Co., Ltd. F. P. Natural Ingredients S.A.S. F. P. N.I. BELGIUM N.V. (2) Major non-consolidated subsidiaries: Ariake Farm Co., Ltd. Reason to exclude from the scope of consolidation: The non-consolidated subsidiary Ariake Farm Co., Ltd. is a small company, and their total assets, sales, net income or loss and retained earnings (corresponding to equity) did not have a significant influence on the Consolidated Financial Statements.	(1) Consolidated subsidiary companies are the following seven: Dear. SOUP Co., Ltd. A.C.C. Co., Ltd. ARIAKE U.S.A., Inc. Qingdao Ariake Foodstuff Co., Ltd. Taiwan Ariake Foods Co., Ltd. F. P. Natural Ingredients S.A.S. F. P. N.I. BELGIUM N.V. (2) Major non-consolidated subsidiaries: Ariake Farm Co., Ltd. GLOBEAT USA, INC. Reason to exclude from the scope of consolidation: The non-consolidated subsidiary Ariake Farm Co., Ltd. and GLOBEAT USA, INC. are small companies, and their total assets, sales, net income or loss and retained earnings (corresponding to equity) did not have a significant influence on the Consolidated Financial Statements.
2. Matters relating to subsidiaries and affiliates adopting the equity method	(1) Number and names of companies adopting equity method Non-consolidated subsidiaries: None Affiliated companies: None (2) Non-consolidated subsidiaries that are not using the equity method: Considering the net income or loss (corresponding to equity) and retained earnings (corresponding to equity), Ariake Farm Co., Ltd. had an insignificant influence on the Consolidated Financial Statements. Since it was not financially important overall, it was excluded from the scope of application of the equity method.	(1) Number and names of companies adopting equity method Non-consolidated subsidiaries: None Affiliated companies: None (2) Non-consolidated subsidiaries that are not using the equity method: Considering the net income or loss (corresponding to equity) and retained earnings (corresponding to equity), Ariake Farm Co., Ltd. and GLOBEAT USA, INC. had an insignificant influence on the Consolidated Financial Statements. Since they were not financially important overall, they were excluded from the scope of application of the equity method.
3. Matters relating to business year of consolidated subsidiaries	The closing day of ARIAKE U.S.A., Inc., Qingdao Ariake Foodstuff Co., Ltd., F. P. Natural Ingredients S.A.S., F. P. N. I.BELGIUM N.V. and Taiwan Ariake Foods Co., Ltd. was December 31. Although the Company used all the subsidiaries' financial statements as of December 31 to prepare the Consolidated Financial Statements, any significant transactions accrued in the period from that date to the consolidated book closing day were adjusted according to consolidation requirements.	Same as on the left
4. Matters relating to accounting standards	(1) Valuation standards and methods for important assets (i) Securities 1) Securities for sale Mark-to-market method (costs for sale were computed with the moving average method). Securities purchased on margin were accounted as securities for sale.	(1) Valuation standards and methods for important assets (i) Securities 1) Securities for sale Same as on the left

Term	FY2009 (from April 1, 2008 to March 31, 2009)	FY2010 (from April 1, 2009 to March 31, 2010)
	2) Other securities (a) Securities with market price Mark-to-market method based on the market price as of the closing day of accounts (All the valuation differences were incorporated directly into the net assets and costs for sale were computed with the moving average method.) (b) Securities without market price Cost method under the moving average method (ii) Derivatives Mark-to-market method (iii) Major inventories (a) Products Mainly, identified cost method (b) Raw materials Mainly, cost method under the moving average method (c) Work in process Mainly, identified cost method (Amounts on the balance sheets were calculated by the method of writing down the book value in accordance with a decline in profitability.) (2) Depreciation method for important depreciable assets (i) Tangible fixed assets (except for leased assets) (a) Domestic corporations: Declining balance method However, a straight-line method was used for buildings (except attached equipment) acquired or put into business use after April 1, 1998. Small-amount depreciable assets of which the acquisition price was ¥100,000 or more and less than ¥200,000 were and will be depreciated evenly over 3 years. Useful lives of major assets were as follows: Buildings and structures: 7-50 years Machines, devices and delivery equipment: 4-10 years (Additional information) The useful life of machinery, which had been 9 years, was changed to 10 years starting from the current consolidated fiscal year. The change was made in response to revisions to the "Ordinance on the Useful Life of Depreciable Assets." As a result, operating income, ordinary income and income before income taxes increased by ¥82,282,000 respectively. Note that this had just a minor impact on segment information. (b) Overseas subsidiaries: Straight-line method based on the estimated useful life	2) Other securities (a) Securities with market price Same as on the left (b) Securities without market price Same as on the left (ii) Derivatives Same as on the left (iii) Major inventories (a) Products Same as on the left (b) Raw materials Same as on the left (c) Work in process Same as on the left Same as on the left (2) Depreciation method for important depreciable assets (i) Tangible fixed assets (except for leased assets) (a) Domestic corporations: Declining balance method Same as on the left (b) Overseas subsidiaries: Same as on the left

Term	FY2009 (from April 1, 2008 to March 31, 2009)	FY2010 (from April 1, 2009 to March 31, 2010)
	(ii) Intangible fixed assets (except for leased assets): Straight-line method As for software for our company use, the straight-line method for internally available period (5 years) was applied.	(ii) Intangible fixed assets Same as on the left
	(iii) Investments in real estates: Declining balance method	(iii) Investments in real estates: Same as on the left
	(3) Standards for significant allowances	(3) Standards for significant allowance
	(i) Allowance for doubtful accounts To prepare against losses from bad debts, the amount estimated based on the actual loss ratio was reserved for ordinary receivables, and the amount of possible losses is included in the reserve considering the collectibility of individual doubtful accounts.	(i) Allowance for doubtful accounts Same as on the left
	(ii) Allowance for employee bonuses Except for the overseas subsidiaries, the Company has reserved and recorded the estimated amount of the bonuses to prepare for payment to employees.	(ii) Allowance for employee bonuses Same as on the left
	(iii) Reserve for directors' bonuses The Company has reserved and recorded as this fiscal year's Company's contribution a part of the estimated amount of directors' bonuses to prepare for payment to directors.	(iii) Reserve for directors' bonuses Same as on the left
	(iv) Allowance for employee retirement benefits To prepare for payment of benefits to retired employees, the amount of actual payment is reserved based on estimation of retirement benefit liabilities and pension assets regarded as existing at the end of the consolidated fiscal year. For the difference in actuarial calculation, the five-year proportionally-divided amount using the straight-line method based on a fixed number of years (5 years) within the average remaining service period of employees at the time of accrual in each fiscal year shall be reported as expense from the following fiscal year. Past employment obligations are treated as expense, using the straight-line method based on a fixed number of years (5 years) within the average remaining service period of employees at the time of accrual.	(iv) Allowance for employee retirement benefits Same as on the left
	(v) Allowance for directors' retirement benefits To prepare for payment of directors' retirement benefits, the Company has reserved and recorded the required amounts as of the end of the term based on the internal regulations regarding directors' retirement benefits.	(v) Allowance for directors' retirement benefits Same as on the left

	(4) Standards for converting significant foreign currency denominated assets and liabilities into Japanese yen which was applied to prepare the Consolidated Financial Statements Receivables and payables denominated in foreign currencies were converted to Japanese yen using the spot exchange rate for the closing day of the consolidated period, and differences were recorded as gains or losses. The assets and liabilities, as well as income and expenses, of overseas subsidiaries were converted to Japanese yen using the spot exchange rate for the closing day of the consolidated period and differences were included in the adjustment account for foreign currency exchange or minority interest under net assets. (5) Other important matters to prepare the Consolidated Financial Statements (i) Accounting of the consumption tax The Company applied the tax-exclusion accounting method.	(4) Standards for converting significant foreign currency denominated assets and liabilities into Japanese yen which was applied to prepare the Consolidated Financial Statements Same as on the left (5) Other important matters to prepare the Consolidated Financial Statements (i) Accounting of the consumption tax Same as on the left
5. Matters relating to the assessment of assets and liabilities of consolidated subsidiaries	With regard to the assessment of the assets and liabilities of consolidated subsidiaries, the Company adopted the overall market value assessment method.	Same as on the left
6. Matters relating to the amortization of goodwill and negative goodwill	A five-year straight-line method was used for amortization of negative goodwill. As for goodwill with no significant value, the entire amount was amortized at the time of accrual.	Same as on the left
7. Scope of cash in the Consolidated Statements of Cash Flows	Cash (cash and cash equivalents) in the Consolidated Statements of Cash Flows consist of cash on hand, deposits withdrawable at any time and short-term investments convertible easily into cash and repayable within 3 months after acquisition, with little risk for price fluctuation.	Same as on the left

Change in Basic Important Conditions to Prepare the Consolidated Financial Statements

FY2009 (from April 1, 2008 to March 31, 2009)	FY2010 (from April 1, 2009 to March 31, 2010)
(Inventories) Since the current consolidated fiscal year, the Company has adopted the "Accounting Standard for Valuation of Inventory Assets" (ASBJ Statement No. 9, July 5, 2006). As a result, operating income, ordinary income and income before income taxes decreased by ¥28,788 thousand respectively. For the impact on segment information, please see relevant data.	――――――
(Application of the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements") The "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ PITF No. 18, May 17, 2006) is applied from the current consolidated fiscal year to make modifications required for consolidated accounting. Please note that this had just a minor impact on operating income, ordinary income and income before income taxes.	――――――
(Accounting standard for lease transactions) Although the Company previously used lease transaction methods to account for finance leases without ownership transfer, it has elected to use accounting procedures for normal sales transactions to account for these transactions starting from the current consolidated fiscal year by applying the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13, originally issued on June 17, 1993, by the First Committee of the Business Accounting Council and revised on March 30, 2007) and the "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16, originally issued on January 18, 1994, by the Accounting System Committee of the Japanese Institute of Certified Public Accountants and revised on March 30, 2007). For finance leases without ownership transfer for which the lease transaction had started before March 31, 2008 when this accounting standard was introduced, the conventional method was applied. Note that this application had just a minor impact on operating income, ordinary income and income before income taxes.	――――――
(Important hedge accounting method) With respect to trading in foreign exchange contracts pertaining to foreign currency denominated receivables and payables meeting the requirements of hedge accounting, deferred hedge processing was used for foreign exchange contracts pertaining to forecasted transactions and designated processing was used for forward foreign exchange contracts meeting the requirements of designated processing. However, considering the financial management system, the method has changed from the current consolidated fiscal year to fundamental processing pursuant to the "Accounting Standard for Financial Products" in order to more properly reflect the current state of derivative transactions and foreign currency denominated receivables and payables in the Consolidated Financial Statements. As a result, ordinary income and income before income taxes decreased by ¥827,718 thousand respectively.	――――――
――――――	(Allowance for retirement benefits) Since the current consolidated fiscal year, the Company has adopted the Revision to the Accounting Standard for Retirement Benefits (Part 3) (ASBJ Statement No. 19, revised on July 31, 2008). Note that this adoption had no impact on operating income, ordinary income or income before income taxes.

Changes in Method of Presentation

FY2009 (from April 1, 2008 to March 31, 2009)	FY2010 (from April 1, 2009 to March 31, 2010)
(Consolidated Balance Sheets) Following the adoption of the “Cabinet Office Ordinance Revising the Regulation for Terminology, Forms and Preparation of Financial Statements” (Cabinet Office Ordinance No. 50, August 7, 2008), items that had been listed as “inventories” were broken down into “merchandise and finished goods,” “work in process,” and “raw materials and supplies” starting from this fiscal year. “Merchandise and finished goods,” “work in process,” and “raw materials and supplies” included under “inventories” for the previous fiscal year were ¥1,639,644 thousand, ¥485,944 thousand, and ¥1,293,974 thousand, respectively.	

Notes

(On the Consolidated Balance Sheets)

FY2009 (from April 1, 2008 to March 31, 2009)	FY2010 (from April 1, 2009 to March 31, 2010)
*1. Items accounted in non-consolidated subsidiaries and affiliated companies are as follows: Investment securities (stocks) ¥1,500 thousand *2. Accumulated depreciation of investments in real estates ¥102,396 thousand *3. Contingent Liabilities (1) Loan guarantee The Company guaranteed the following affiliated company's loan from a financial institution.	*1. Items accounted in non-consolidated subsidiaries and affiliated companies are as follows: Investment securities (stocks) ¥28,202 thousand *2. Accumulated depreciation of investments in real estates ¥108,464 thousand *3. Contingent Liabilities (1) Loan guarantee The Company guaranteed the following affiliated company's loan from a financial institution.

FY2009:

Guaranteed Company	Amount	Details
Ariake Farm Co., Ltd.	¥244,000 thousand	Loan liability
Total	¥244,000 thousand	―

FY2010:

Guaranteed Company	Amount	Details
Ariake Farm Co., Ltd.	¥510,000 thousand	Loan liability
Total	¥510,000 thousand	―

(On the Consolidated Statements of Income)

FY2009 (from April 1, 2008 to March 31, 2009)	FY2010 (from April 1, 2009 to March 31, 2010)
*1. Ending inventories were calculated by the method of writing down the book value in accordance with a decline in profitability and the following loss on valuation of inventories was included in cost of sales. Cost of sales ¥28,788 thousand	*1. Ending inventories were calculated by the method of writing down the book value in accordance with a decline in profitability and the following loss on valuation of inventories was included in cost of sales. Cost of sales ¥37,652 thousand
*2. Major items accounted in selling, general and administrative expenses are as follows:	*2. Major items accounted in selling, general and administrative expenses are as follows:

(Thousands of yen)

Item	FY2009	FY2010
Salary, benefits and bonuses	731,391	829,536
Packing and transportation expenses	1,199,193	1,262,887
Depreciation expenses	107,042	128,167
Provision for employee bonuses	42,327	46,085
Provision for directors' bonuses	59,700	52,700
Retirement benefits expenses	13,602	13,007
Provision for directors' retirement benefits	17,336	16,169

FY2009	FY2010
*3. Research and development expenses included in general and administrative expenses ¥288,740 thousand	*3. Research and development expenses included in general and administrative expenses ¥299,930 thousand
*4. Gain on sale of fixed assets are as follows: Machines, devices and delivery equipment ¥1,898 thousand	―――――
*5. Loss on retirement of fixed assets are as follows: Buildings ¥13,614 thousand Machines, devices and delivery equipment ¥589 thousand Others ¥1,206 thousand	―――――

(On the Consolidated Statements of Changes in Shareholders' Equity)

FY2009 (from April 1, 2008 to March 31, 2009)

1. Items regarding the type and number of shares outstanding and shares of treasury stock

(Thousands of shares)

	Previous number of shares (As of March 31, 2008)	Increased number of shares (April 1, 2008 to March 31, 2009)	Decreased number of shares (April 1, 2008 to March 31, 2009)	Current number of shares (As of March 31, 2009)
Outstanding shares				
Common stock	32,808	—	—	32,808
Total	32,808	—	—	32,808
Treasury stock				
Common stock (Note)	977	1	0	979
Total	977	1	0	979

Note: The 1,000-share increase in common stock for treasury stock was through purchase of odd-lot shares while the decrease in the stock was due to the sales of odd-lot shares.

2. Matters regarding subscription rights to shares and treasury subscription rights to shares

There is nothing to report.

3. Items regarding dividends

(1) Amount of dividends paid

Resolution	Type of stock	Total amount of dividends (thousand yen)	Dividends per share (yen)	Record date	Effective date
June 19, 2008 Annual meeting of shareholders	Common stock	477,460	15.0	March 31, 2008	June 20, 2008
November 11, 2008 Board of Directors Meeting	Common stock	636,601	20.0	September 30, 2008	December 10, 2008

(2) Dividends for which the record date fell in this consolidated fiscal year and the effective date fell in the following year

Resolution	Type of stock	Total amount of dividends (thousand yen)	Fiscal resources of dividends	Dividends per share (yen)	Record date	Effective date
June 19, 2009 Annual meeting of shareholders	Common stock	636,591	Retained earnings	20.0	March 31, 2009	June 22, 2009

FY2010 (from April 1, 2009 to March 31, 2010)

1. Items regarding the type and number of shares outstanding and shares of treasury stock

(Thousands of shares)

	Previous number of shares (As of March 31, 2009)	Increased number of shares (April 1, 2009 to March 31, 2010)	Decreased number of shares (April 1, 2009 to March 31, 2010)	Current number of shares (As of March 31, 2010)
Outstanding shares				
Common stock	32,808	—	—	32,808
Total	32,808	—	—	32,808
Treasury stock				
Common stock (Note)	979	0	0	979
Total	979	0	0	979

Note: The share increase in common stock for treasury stock was through purchase of odd-lot shares while the decrease in the stock was due to the sales of odd-lot shares.

2. Matters regarding subscription rights to shares and treasury subscription rights to shares

There is nothing to report.

3. Items regarding dividends

(1) Amount of dividends paid

Resolution	Type of stock	Total amount of dividends (thousand yen)	Dividends per share (yen)	Record date	Effective date
June 19, 2009 Annual meeting of shareholders	Common stock	636,591	20.0	March 31, 2009	June 22, 2009
November 9, 2009 Board of Directors Meeting	Common stock	636,583	20.0	September 30, 2009	December 10, 2009

(2) Dividends for which the record date fell in this consolidated fiscal year and the effective date will fall in the following year

Resolution	Type of stock	Total amount of dividends (thousand yen)	Fiscal resources of dividends	Dividends per share (yen)	Record date	Effective date
June 19, 2010 Annual meeting of shareholders	Common stock	636,580	Retained earnings	20.0	March 31, 2010	June 21, 2010

(On the Statements of Consolidated Cash Flows)

FY2009 (from April 1, 2008 to March 31, 2009)	FY2010 (from April 1, 2009 to March 31, 2010)
*1 Relation between the ending balance of cash and cash equivalents and the accounts on the Consolidated Balance Sheets	*1 Relation between the ending balance of cash and cash equivalents and the accounts on the Consolidated Balance Sheets
(As of March 31, 2009) (Thousands of yen)	(As of March 31, 2010) (Thousands of yen)
Cash and time deposits 12,209,823	Cash and time deposits 14,716,688
Time deposits with a deposit term exceeding 3 months (4,000,000)	Time deposits with a deposit term exceeding 3 months (5,202,816)
Cash and cash equivalents 8,209,823	Cash and cash equivalents 9,513,872

(On the Lease Transactions)

FY2009
(from April 1, 2008 to March 31, 2009)

1. Finance lease transactions except those transactions where ownership of the leased property may be transferred to the lessee
For finance leases for which the lease transaction had started before March 31, 2008, the conventional method was applied.

(1) Amounts equal to purchase price, accumulated depreciation, impairment losses and ending balance of leases

(Thousands of yen)

	Amount equal to purchase price	Amount equal to accumulated depreciation	Amount equal to ending balance
Other tangible fixed assets	76,128	52,698	23,429
Total	76,128	52,698	23,429

(2) Amount equal to balance of unexpired lease charges at end of term

	(Thousands of yen)
Within 1 year	14,752
More than 1 year	9,649
Total	24,401

(3) Lease charges paid, reversal of impairment loss on leased assets, impairment losses, amounts equal to depreciation expense and interest expense

	(Thousands of yen)
Lease charges paid	16,141
Amount equal to depreciation expense	15,062
Amount equal to interest expense	860

(4) Calculation of the amount equal to depreciation expense
The straight-line method that assumes the lease period as the useful life and sets the residual value to 0 was applied.

(5) Calculation of the amount equal to interest expense
The difference between the total of lease charges and the amount equal to the purchase price of leases was regarded as the amount equal to interest expense, and the interest method was applied to allocation to each term.

2. Operating lease transactions
Unexpired lease charges for non-cancelable operating lease transactions

	(Thousands of yen)
Within 1 year	4,096
More than 1 year	7,236
Total	11,333

(Impairment losses)
There were no impairment losses attributed to leased assets.

FY2010
(from April 1, 2009 to March 31, 2010)

1. Finance lease transactions except those transactions where ownership of the leased property may be transferred to the lessee
For finance leases for which the lease transaction had started before March 31, 2008, the conventional method was applied.

(1) Amounts equal to purchase price, accumulated depreciation, impairment losses and ending balance of leases

(Thousands of yen)

	Amount equal to purchase price	Amount equal to accumulated depreciation	Amount equal to ending balance
Other tangible fixed assets	40,576	31,049	9,526
Total	40,576	31,049	9,526

(2) Amount equal to balance of unexpired lease charges at end of term

	(Thousands of yen)
Within 1 year	6,686
More than 1 year	3,021
Total	9,708

(3) Lease charges paid, reversal of impairment loss on leased assets, impairment losses, amounts equal to depreciation expense and interest expense

	(Thousands of yen)
Lease charges paid	11,715
Amount equal to depreciation expense	11,591
Amount equal to interest expense	138

(4) Calculation of the amount equal to depreciation expense
Same as on the left

(5) Calculation of the amount equal to interest expense
Same as on the left

2. Operating lease transactions
Unexpired lease charges for non-cancelable operating lease transactions

	(Thousands of yen)
Within 1 year	4,186
More than 1 year	3,209
Total	7,396

(Impairment losses)
Same as on the left

(On the Financial Products)
Notes on the financial products are omitted because there is little need to disclose on the Consolidated Financial Results.

(On the Securities)

1. Securities for sale

(Thousands of yen)

FY2009 (As of March 31, 2009)		FY2010 (As of March 31, 2010)	
Amount Recorded on Consolidated Balance Sheets	Valuation difference included in profit and loss for the current consolidated fiscal year	Amount Recorded on Consolidated Balance Sheets	Valuation difference included in profit and loss for the current consolidated fiscal year
87,470	(73,271)	–	–

2. Other securities with market price

(Thousands of yen)

	Type	FY2009 (As of March 31, 2009)			FY2010 (As of March 31, 2010)		
		Acquisition prices	Amount recorded on Consolidated Balance Sheets	Difference	Acquisition prices	Amount recorded on Consolidated Balance Sheets	Difference
Securities of which the amounts recorded on the Consolidated Balance Sheets exceed acquisition costs	(1) Stocks	1,678,160	1,839,001	160,841	1,749,185	2,864,446	1,115,261
	(2) Bonds	–	–	–	–	–	–
	(3) Others	–	–	–	–	–	–
	Subtotal	1,678,160	1,839,001	160,841	1,749,185	2,864,446	1,115,261
Securities of which the amounts recorded on the Consolidated Balance Sheets are less than acquisition costs	(1) Stocks	230,652	143,735	(86,917)	186,689	137,735	(48,953)
	(2) Bonds	–	–	–	–	–	–
	(3) Others	–	–	–	90,000	79,065	(10,934)
	Subtotal	230,652	143,735	(86,917)	276,689	216,800	(59,888)
Total		1,908,813	1,982,736	73,923	2,025,874	3,081,247	1,055,372

3. Securities without market price

(Thousands of yen)

	FY2009 (As of March 31, 2009)	FY2010 (As of March 31, 2010)
	Amount Recorded on Consolidated Balance Sheets	Amount Recorded on Consolidated Balance Sheets
Other securities		
Unlisted stocks	51,250	156,195

(On the Derivative Transactions)

1. Matters relating to the status of transactions

FY2009 (from April 1, 2008 to March 31, 2009)	FY2010 (from April 1, 2009 to March 31, 2010)
1. Transaction details Currency options and swaps were undertaken.	1. Transaction details Same as on the left
2. Transaction policy The Company has introduced derivative transaction to efficiently carry out risk management while hedging the interest rate and foreign exchange risks that arise financially.	2. Transaction policy Same as on the left
3. Objective of transaction The Company utilizes derivative transaction with the objective to stabilize raw material costs and to improve the yield on financial assets. Derivative transaction is not used for speculative purposes.	3. Objective of transaction Same as on the left
4. Nature of risks relating to transaction In order to avoid credit risks to the greatest extent possible, the Company only trades with financial institutions that have high credit ratings. There is a market risk relating to future exchange fluctuations with regard to the currency options and swaps utilized by the Company. However, all of these transactions aim to hedge risks and the Company did not have any transactions which had a major impact on the Company's business.	4. Nature of risks relating to transaction Same as on the left
5. Risk management system relating to transaction The Company has internal rules relating to decision making and reporting on derivative transactions. Operations were strictly undertaken in accordance with these rules.	5. Risk management system relating to transaction Same as on the left
6. Supplemental explanation concerning trading market value As the contract price did not necessarily reflect the derivative transaction risk, the notional principle in currency option and swap transactions did not express the market risk or credit risk.	6. Supplemental explanation concerning trading market value Same as on the left

2. Matters relating to the trading market value

(1) Relating to currency

(Thousands of yen)

Category	Type	FY2009 (As of March 31, 2009)				FY2010 (As of March 31, 2010)			
		Contract price	Contract price (over 1 year)	Market value	Gain/loss on valuation	Contract price	Contract price (over 1 year)	Market value	Gain/loss on valuation
Non-market transactions	Forward exchange contracts Short positions								
	€	5,661,900	4,823,100	(549,396)	(549,396)	4,823,100	3,774,600	(440,304)	(440,304)
	$	4,731,120	3,032,400	(278,322)	(278,322)	3,032,400	1,333,680	(314,720)	(314,720)
Total		10,393,020	7,855,500	(827,718)	(827,718)	7,855,500	5,108,280	(755,024)	(755,024)

Note: Method for calculating market value

Forward rates are used to calculate market value as of the end of the fiscal year.

(On the Retirement Benefits)

1. Outline of the retirement benefits system employed by the Company

The company uses a lump sum retirement system in combination with a defined benefits pension system.

Note that from the third year the Company adopted a qualified pension plan applicable only to retirees with more than 3 years of continuous employment, but it replaced the plan with a defined benefits pension system in September 2006.

2. Retirement benefit obligations and their breakdown

(Thousands of yen)

		FY2009 (As of March 31, 2009)	FY2010 (As of March 31, 2010)
(1)	Retirement benefit obligations	(1,104,480)	(1,176,041)
(2)	Pension assets	625,156	662,126
(3)	Unfunded retirement benefit obligations (1)+(2)	(479,324)	(513,914)
(4)	Unrecognized actuarial gains or losses	(95,246)	(50,669)
(5)	Unrecognized past employment obligations (obligation write down)	(10,179)	(5,967)
(6)	Net amount reported in Consolidated Balance Sheets (3)+(4)+(5)	(584,751)	(570,552)
(7)	Prepaid pension expenses	—	—
(8)	Allowance for employee retirement benefits (6)-(7)	(584,751)	(570,552)

3. Breakdown of retirement benefits expenses

(Thousands of yen)

		FY2009 (As of March 31, 2009)	FY2010 (As of March 31, 2010)
(1)	Employment expenses	78,645	78,311
(2)	Interest expenses	20,551	22,089
(3)	Expected return on plan assets	(8,789)	(9,377)
(4)	Amortization of net actuarial gains or losses	(36,674)	(32,666)
(5)	Amortization of past employment obligations	(4,212)	(4,212)
(6)	Retirement benefits expenses (1)+(2)+(3)+(4)+(5)	49,520	54,143

4. Matters relating to the accounting foundations of retirement benefit obligations

		FY2009 (As of March 31, 2009)	FY2010 (As of March 31, 2010)
(1)	Discount rate (%)	2.0	2.0
(2)	Expected return on plan assets (%)	1.5	1.5
(3)	Distribution method and fixed amount standard of anticipated retirement benefits	Periodically fixed amount	Periodically fixed amount
(4)	Amortization of past employment obligations (years)	5	5
(5)	Amortization of actuarial gains or losses (years)	5	5

(On the Stock Options)

There is nothing to report.

(On the Tax Effect Accounting)

FY2009 (As of March 31, 2009)		FY2010 (As of March 31, 2010)	
1. Breakdown of main causes for deferred tax assets and liabilities		1. Breakdown of the main causes for deferred tax assets and liabilities	
Deferred tax assets (current)	(Thousands of yen)	Deferred tax assets (current)	(Thousands of yen)
Disallowed accrued enterprise tax	21,859	Disallowed accrued enterprise tax	94,476
Excess allowance for employee bonuses	79,524	Excess allowance for employee bonuses	57,341
Other	18,024	Other	20,779
	119,407		172,597
Deferred tax assets (fixed)		Deferred tax assets (fixed)	
Loss carried forward	610,254	Loss carried forward	1,212,305
Excess allowance for employee retirement benefits	232,730	Excess allowance for employee retirement benefits	227,079
Allowance for directors' retirement benefits	111,581	Allowance for directors' retirement benefits	112,026
Impairment loss	25,982	Impairment loss	25,982
Other	9,468	Other	9,048
Subtotal	990,017	Subtotal	1,586,443
Valuation allowance	(610,254)	Valuation allowance	(1,212,305)
	379,763		374,138
Deferred tax liabilities (current)		Deferred tax liabilities (current)	
Reserve for special depreciation	(13,908)	Reserve for special depreciation	(12,367)
	(13,908)		(12,367)
Deferred tax liabilities (fixed)		Deferred tax liabilities (fixed)	
Reserve for special depreciation	(40,930)	Reserve for special depreciation	(30,138)
Unrealized gains (losses) on other securities	(46,502)	Unrealized gains (losses) on other securities	(420,038)
Valuation reserve for land	(99,449)	Valuation reserve for land	(99,449)
	(186,881)		(549,626)
Net deferred tax assets (current)	105,499	Net deferred tax assets (current)	160,229
Net deferred tax assets (fixed)	192,881	Net deferred tax liabilities (fixed)	175,488
2. Breakdown of main items which caused the difference between income tax payable at effective statutory tax rate and that after the application of tax effect accounting	(%)	2. Breakdown of main items which caused the difference between income tax payable at effective statutory tax rate and that after the application of tax effect accounting	(%)
Effective statutory tax rate (Adjustments)	39.8	Effective statutory tax rate (Adjustments)	39.8
Non-tax deductible expenses	3.7	Non-tax deductible expenses	1.7
Unrecognized tax effects related to losses carried forward	14.6	Directors' bonuses	0.8
Tax credit for tests and research	(1.3)	Flat-rate inhabitant tax	0.7
Difference in tax rate of overseas subsidiaries	(0.7)	Unrecognized tax effects related to losses carried forward	14.2
Dividend-received non-taxable	(0.5)	Tax credit for tests and research	(0.8)
Other	0.1	Difference in tax rate of overseas subsidiaries	(0.7)
		Dividend-received non-taxable	(0.5)
		Other	1.1
Actual effective tax rate	55.7	Actual effective tax rate	56.3

(On the Real Estates) _

Notes on the real estates are omitted because there is little need to disclose on the Consolidated Financial Results.

(On the Business Combinations)

FY2009 (from April 1, 2008 to March 31, 2009)

There is nothing to report.

FY2010 (from April 1, 2009 to March 31, 2010)

There is nothing to report.

(Information by Segment)

a. Information by business segment

FY2009 (from April 1, 2008 to March 31, 2009) and FY2010 (from April 1, 2009 to March 31, 2010)

Business segment information is omitted because net sales, operating income and assets from the manufacturing and sales of natural seasonings account for more than 90% of total net sales, operating income and assets of all segments.

b. Information by geographic segment

FY2009 (from April 1, 2008 to March 31, 2009)

(Thousands of yen)

	Japan	Other areas	Total	Elimination or entire company	Consolidation
I. Net sales and operating income and losses					
Net sales					
(1) Sales to external customers	19,676,439	2,060,201	21,736,641	–	21,736,641
(2) Internal sales or transfers between segments	16,432	1,435,586	1,452,018	(1,452,018)	–
Total	19,692,872	3,495,787	23,188,660	(1,452,018)	21,736,641
Operating expenses	16,327,947	3,991,698	20,319,645	(1,473,626)	18,846,019
Operating income (losses)	3,364,925	(495,910)	2,869,014	21,607	2,890,622
II. Assets	38,113,817	11,270,233	49,384,051	(136,318)	49,247,733

Notes: 1. Countries and regions are categorized based on the similarity of economic activities.

2. Main countries and regions other than Japan

Other areas: the U.S., China, Taiwan, France and Belgium

3. Change in accounting policy

As stated in the "Change in the Basis for the Preparation of the Consolidated Financial Statements"), the Accounting Standard for Inventory Valuation (ASBJ Statement No. 9, July 5, 2006) is applied from this consolidated fiscal year. As a result, operating income of "Japan" decreased by ¥28,788 thousand as compared to the previous method.

FY2010 (from April 1, 2009 to March 31, 2010)

(Thousands of yen)

	Japan	Other areas	Total	Elimination or entire company	Consolidation
I. Net sales and operating income and losses					
Net sales					
(1) Sales to external customers	20,574,835	2,318,243	22,893,078	—	22,893,078
(2) Internal sales or transfers between segments	2,796	853,072	855,869	(855,869)	—
Total	20,577,632	3,171,315	23,748,948	(855,869)	22,893,078
Operating expenses	16,610,555	4,168,734	20,779,289	(789,001)	19,990,288
Operating income (losses)	3,967,077	(997,418)	2,969,658	(66,868)	2,902,790
II. Assets	40,855,590	12,079,615	52,935,205	(373,457)	52,561,748

Notes: 1. Countries and regions are categorized based on the similarity of economic activities.

2. Main countries and regions other than Japan

Other areas: the U.S., China, Taiwan, France and Belgium.

c. Overseas sales

FY2009 (from April 1, 2008 to March 31, 2009)

Overseas sales are omitted because they only account for less than 10% of consolidated net sales.

FY2010 (from April 1, 2009 to March 31, 2010)

	Asia	Others	Total
I. Overseas sales (thousand yen)	1,531,452	932,910	2,464,362
II. Consolidated net sales (thousand yen)	—	—	22,893,078
III. Overseas sales / Consolidated net sales (%)	6.7	4.1	10.8

Notes: 1. Countries and regions are categorized based on geographical proximity.

2. The followings are the breakdown of each region.

(1) Asia: China (including Hong Kong), Taiwan, and South Korea

(2) Others: the U.S., Europe

3. Overseas sales represent the sales of the Company and consolidated subsidiaries in the countries and regions other than Japan.

(Information on the Related Parties)

FY2009 (from April 1, 2008 to March 31, 2009)

(Additional information)
The Accounting Standard for Related Party Disclosures (ASBJ Statement No. 11, October 17, 2006) and Guidance on Accounting Standard for Related Party Disclosures (ASBJ Guidance No. 13; October 17, 2006) have been applied form this consolidated fiscal year. This has no effect on the scope of disclosure.

Transactions with related parties

Transactions with companies issuing the Consolidated Financial Statements and related parties

a) Non-consolidated subsidiaries and related companies, etc.

Position	Name	Address	Capital or investment (thousand yen)	Type of business or job role	Voting rights (Company stake) (%)	Relationship with related parties	Nature of business transaction	Transaction value (thousand yen)	Item	Ending balance of debts and credits (thousand yen)
Subsidiary	Ariake Farm Co., Ltd.	Sasebo City, Nagasaki	15,100	Farming	9.9	Purchaser of materials	Loan guarantee	244,000	Guaranteed loan	–

Note: The loan guarantee for Ariake Farm Co., Ltd., which is for bank loans, is provided by the Company.

b) Directors, major shareholders, etc.

Position	Name	Address	Capital or investment (million yen)	Type of business or job role	Voting rights (Company stake) (%)	Relationship with related parties	Nature of business transaction	Transaction value (thousand yen)	Item	Ending balance of debts and credits (thousand yen)
Companies in which directors or close relatives hold more than 50% of voting rights (including company subsidiaries)	Hill Top Food System Co., Ltd.	Fukuoka City, Fukuoka	300	Operation of restaurants	None	Supply of materials	Sales of commodities	272,065	Accounts receivable-trade	15,293
						Renting facilities	Receiving of rents	3,600	Advances receivable-trade	315
	Japan Food Business Co., Ltd.	Shibuya-ku, Tokyo	20	Asset management	(Company stake) 16.27	Supply of materials	Sales of commodities	2,211	Accounts receivable-trade	229
						Renting facilities	Receiving of rents	2,400	Advances receivable-trade	210

Notes: 1. With regard to the amounts above, the ending balances of debts and credits include consumption taxes while the transaction values do not include them.

2. The same terms and conditions as those for general clients are applied.

(Information on the Related Parties)

FY2010 (from April 1, 2009 to March 31, 2010)

Transaction with related parties

Transactions with companies issuing the Consolidated Financial Statements and related parties

a) Non-consolidated subsidiaries and related companies, etc.

Position	Name	Address	Capital or investment (thousand yen)	Type of business or job role	Voting rights (Company stake) (%)	Relationship with related parties	Nature of business transaction	Transaction value (thousand yen)	Item	Ending balance of debts and credits (thousand yen)
Subsidiary	Ariake Farm Co., Ltd.	Sasebo City, Nagasaki	15,100	Farming	9.9	–	Loan guarantee	510,000	Guaranteed loan	–
						Purchaser of materials	Purchase of raw materials	30,400	Accounts payable	7,317

Note: The loan guarantee for Ariake Farm Co., Ltd., which is for bank loans, is provided by the Company.

b) Directors, major shareholders, etc.

Position	Name	Address	Capital or investment (million yen)	Type of business or job role	Voting rights (Company stake) (%)	Relationship with related parties	Nature of business transaction	Transaction value (thousand yen)	Item	Ending balance of debts and credits (thousand yen)
Companies in which directors or close relatives hold more than 50% of voting rights (including company subsidiaries)	Hill Top Food System Co., Ltd.	Fukuoka City, Fukuoka	300	Operation of restaurants	None	Supply of materials	Sales of commodities	244,491	Accounts receivable-trade	13,880
						Leasing of facilities	Receiving of rents	3,600	Advances receivable-trade	315
	Japan Food Business Co., Ltd.	Shibuya-ku, Tokyo	20	Operation of restaurants	(Company stake) 16.27	Supply of materials	Sales of commodities	1,477	Accounts receivable-trade	90
						Leasing of facilities	Receiving of rents	2,400	Advances receivable-trade	210
						Purchase of fixed assets	Purchasing o f machinery equipment	27,431	–	–

Notes: 1. With regard to the amounts above, the ending balances of debts and credits include consumption taxes while the transaction values do not include them.

2. The same terms and conditions as those for general clients are applied.

(Per Share Information)

(Yen)

FY2009 (from April 1, 2008 to March 31, 2009)	FY2010 (from April 1, 2009 to March 31, 2010)
Net assets per share 1,290.55 Net income per share 24.80 Due to absence of residual shares with dilution effects, the net income per share after residual share adjustment is not reported.	Net assets per share 1,314.97 Net income per share 40.65 Due to absence of residual shares with dilution effects, the net income per share after residual share adjustment is not reported.

Note: Bases for calculation of net income per share are as follows:

(Thousands of yen)

	FY2009 (from April 1, 2008 to March 31, 2009)	FY2010 (from April 1, 2009 to March 31, 2010)
Net income	789,385	1,293,718
Amount not attributed to common shareholders	—	—
Net income related to common stocks	789,385	1,293,718
Average number of shares outstanding during the fiscal years (thousand shares)	31,830	31,829

(Important Subsequent Events)

There is nothing to report.

5. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Thousands of yen)

	FY2009 (As of March 31, 2009)	FY2010 (As of March 31, 2010)
Assets		
Current assets		
Cash and time deposits	11,373,097	13,982,899
Notes receivable	518,274	457,515
Accounts receivable	*2 3,425,266	*2 3,792,874
Securities	87,470	―
Merchandise and finished goods	1,056,648	1,137,748
Work in process	373,635	386,879
Raw materials and supplies	1,744,229	1,387,524
Advance payments	84,238	80,955
Prepaid expenses	34,385	36,232
Deferred tax assets	105,499	160,229
Short-term loan to affiliated companies	400,000	329,086
Other	76,728	64,740
Allowance for doubtful accounts	(7,523)	(909)
Total current assets	19,271,952	21,815,777
Fixed assets		
Tangible fixed assets		
Buildings	12,418,290	12,426,057
Accumulated depreciation	(5,304,442)	(5,726,801)
Buildings (net)	7,113,848	6,699,256
Structures	888,913	888,913
Accumulated depreciation	(616,901)	(652,514)
Structures (net)	272,011	236,398
Machines and devices	14,417,476	14,489,086
Accumulated depreciation	(10,611,150)	(11,398,427)
Machines and devices (net)	3,806,326	3,090,658
Ships and vessels	17,344	17,344
Accumulated depreciation	(16,667)	(16,879)
Ships and vessels (net)	676	465
Vehicles and delivery equipment	181,136	170,219
Accumulated depreciation	(156,013)	(139,276)
Vehicles and delivery equipment (net)	25,123	30,943
Tools, furniture and fixtures	667,187	673,235
Accumulated depreciation	(608,176)	(625,700)
Tools, furniture and fixtures (net)	59,011	47,535
Land	3,914,970	3,914,970
Leased assets	―	6,100
Accumulated depreciation	―	(84)
Leased assets (net)	―	6,015
Construction in progress	13,331	73,691
Total tangible fixed assets	15,205,299	14,099,933
Intangible fixed assets		
Software	12,314	12,385
Telephone subscription rights	7,139	7,139
Total intangible fixed assets	19,453	19,524

(Thousands of yen)

	FY2009 (As of March 31, 2009)	FY2010 (As of March 31, 2010)
Investments and other assets		
Investment securities	2,033,986	3,237,442
Stocks of affiliated companies	8,873,745	8,900,448
Investments in affiliated companies	413,095	413,095
Long-term loans receivable	44,174	350,000
Long-term loans to employees	45,835	38,245
Long-term loans to affiliated companies	63,849	210,476
Long-term prepaid expenses	60,532	29,505
Investments in real estates (net)	*1 557,386	*1 551,318
Insurance reserve	405,663	429,788
Deferred tax assets	291,678	—
Other	46,121	43,661
Allowance for doubtful accounts	(265)	(53,086)
Total investments and other assets	12,835,803	14,150,894
Total fixed assets	28,060,556	28,270,352
Total assets	47,332,508	50,086,130
Liabilities		
Current liabilities		
Notes payable	601,944	696,810
Accounts payable	*2 978,458	*2 1,241,539
Lease liabilities	—	977
Other accounts payable	366,714	447,938
Accrued expenses	115,105	127,069
Income taxes payable	222,445	1,229,789
Consumption tax payable	365,016	109,190
Deposits payable	26,427	30,589
Allowance for employee bonuses	140,109	144,073
Allowance for directors' bonuses	59,700	52,700
Derivative liabilities	827,718	755,024
Other	14,384	41,380
Total current liabilities	3,718,024	4,877,083
Fixed liabilities		
Lease liabilities	—	5,386
Deferred tax liabilities	—	55,178
Allowance for employee retirement benefits	584,751	570,552
Allowance for directors' retirement benefits	280,355	281,474
Other	60	60
Total fixed liabilities	865,166	912,651
Total liabilities	4,583,191	5,789,735

(Thousands of yen)

	FY2009 (As of March 31, 2009)	FY2010 (As of March 31, 2010)
Net assets		
Shareholders' equity		
Common stock	7,095,096	7,095,096
Capital surplus		
Capital reserve	7,833,869	7,833,869
Total capital surplus	7,833,869	7,833,869
Retained earnings		
Legal reserve of retained earnings	441,000	441,000
Other retained earnings		
Reserve for special depreciation	82,946	64,294
Special reserve fund	7,820,000	7,820,000
Retained earnings carried forward	21,463,797	22,465,169
Total retained earnings	29,807,743	30,790,464
Treasury stock	(2,057,727)	(2,058,368)
Total shareholders' equity	42,678,980	43,661,060
Unrealized gains and adjustments		
Unrealized gains (losses) on other securities	70,337	635,334
Deferred gains (losses) on hedges	—	—
Total unrealized gains (losses) and adjustments	70,337	635,334
Total net assets	42,749,317	44,296,395
Total liabilities and net assets	47,332,508	50,086,130

(2) Non-Consolidated Statements of Income

(Thousands of yen)

	FY2009 (from April 1, 2008 to March 31, 2009)	FY2010 (from April 1, 2009 to March 31, 2010)
Net sales		
Product sales	18,246,174	19,206,324
Merchandise sales	1,012,825	977,444
Total net sales	19,258,999	20,183,769
Cost of sales		
Product inventory at beginning of term	1,184,631	1,020,672
Merchandise inventory at beginning of term	39,027	35,976
Product cost of manufacture of the current term	*1 11,872,457	*1 12,351,411
Cost of merchandise of the current term	802,048	788,436
Total	13,898,163	14,196,496
Product inventory at end of term	1,020,672	1,094,020
Merchandise inventory at end of term	35,976	43,728
Total cost of sales	*1 12,841,515	*1 13,058,747
Gross profit	6,417,484	7,125,021
Selling, general and administrative expenses	*2, *3 3,163,159	*2, *3 3,287,784
Operating income	3,254,324	3,837,237
Non-operating income		
Interest income	51,647	47,485
Interest on securities	—	1,338
Dividend income	47,796	67,616
Gain on sale of securities	5,770	14,803
Exchange gain on foreign currency	15,077	—
Rent received	37,740	35,934
Gain on valuation of derivatives	—	72,693
Other	79,825	95,924
Total non-operating income	237,858	335,796
Non-operating expenses		
Interest paid	—	20
Exchange loss on foreign currency	—	142,790
Loss on valuation of derivatives	827,718	—
Expenses for new overseas businesses	61,268	52,818
Cost of rental revenue	13,914	19,092
Other	97,291	22,825
Total non-operating expenses	1,000,193	237,547
Ordinary income	2,491,989	3,935,486
Extraordinary losses		
Provision of allowance for doubtful accounts	—	53,000
Loss on retirement of fixed assets	*4 1,547	—
Loss on valuation of investment securities	84,098	—
Total extraordinary losses	85,645	53,000
Income before income taxes	2,406,344	3,882,486
Income taxes–current	995,000	1,708,000
Income taxes–deferred	(17,641)	(81,409)
Total income taxes	977,358	1,626,590
Net income	1,428,985	2,255,895

Breakdown of the Product Cost of Manufacture

(Thousands of yen)

		FY2009 (from April 1, 2008 to March 31, 2009)		FY2010 (from April 1, 2009 to March 31, 2010)	
Account	Notes	Amount	Ratio (%)	Amount	Ratio (%)
I. Material costs		6,249,202	52.7	6,971,885	56.0
II. Labor costs		1,689,166	14.2	1,731,166	13.9
(of which are provision for employee bonuses)		(93,505)		(94,778)	
(of which are retirement benefits expenses)		(35,528)		(36,772)	
III. Expenses		3,927,403	33.1	3,738,705	30.1
(of which are depreciation expenses)		(1,446,306)		(1,229,316)	
(of which are sub contractor expenses)		(26,774)		(31,911)	
Total manufacturing cost of the current term		11,865,772	100.0	12,441,757	100.0
Work in process inventory at beginning of term		431,399		373,635	
Total		12,297,171		12,815,393	
Subtract: Work in process inventory at end of term		373,635		386,879	
Subtract: Transfers to other accounts	*1	51,078		77,103	
Product cost of manufacture of the current term		11,872,457		12,351,411	

Note:

FY2009 (from April 1, 2008 to March 31, 2009)	FY2010 (from April 1, 2009 to March 31, 2010)
(Cost Accounting Method) Separate cost accounting per individual lots based on actual cost. *1 (Transfers to other accounts) Of the transfers to other accounts, main ones are recorded in selling, general and administrative expenses (advertising expenses, etc.).	(Cost Accounting Method) Same as on the left *1 (Transfers to other accounts) Same as on the left

(3) Non-Consolidated Statements of Changes in Shareholders' Equity

(Thousands of yen)

	FY2009 (from April 1, 2008 to March 31, 2009)	FY2010 (from April 1, 2009 to March 31, 2010)
Shareholders' equity		
Common stock		
Balance at the end of previous fiscal year	7,095,096	7,095,096
Amount of fluctuation during the year		
Total amount of fluctuation during the year	―	―
Balance at the end of current fiscal year	7,095,096	7,095,096
Capital surplus		
Capital reserve		
Balance at the end of previous fiscal year	7,833,869	7,833,869
Amount of fluctuation during the year		
Total amount of fluctuation during the year	―	―
Balance at the end of current fiscal year	7,833,869	7,833,869
Total capital surplus		
Balance at the end of previous fiscal year	7,833,869	7,833,869
Amount of fluctuation during the year		
Total amount of fluctuation during the year	―	―
Balance at the end of current fiscal year	7,833,869	7,833,869
Retained earnings		
Legal reserve of retained earnings		
Balance at the end of previous fiscal year	441,000	441,000
Amount of fluctuation during the year		
Total amount of fluctuation during the year	―	―
Balance at the end of current fiscal year	441,000	441,000
Other retained earnings		
Reserve for special depreciation		
Balance at the end of previous fiscal year	98,971	82,946
Amount of fluctuation during the year		
Provision of reserve for special depreciation	5,011	3,100
Withdrawal of reserve for special depreciation	(21,036)	(21,752)
Total amount of fluctuation during the year	(16,025)	(18,651)
Balance at the end of current fiscal year	82,946	64,294
Special reserve fund		
Balance at the end of previous fiscal year	7,820,000	7,820,000
Amount of fluctuation during the year		
Total amount of fluctuation during the year	―	―
Balance at the end of current fiscal year	7,820,000	7,820,000
Retained earnings carried forward		
Balance at the end of previous fiscal year	21,132,918	21,463,797
Amount of fluctuation during the year		
Provision of reserve for special depreciation	(5,011)	(3,100)
Withdrawal of reserve for special depreciation	21,036	21,752
Dividend from retained earnings	(1,114,062)	(1,273,174)
Net income	1,428,985	2,255,895
Disposal of treasury stock	(69)	―
Total amount of fluctuation during the year	330,878	1,001,372
Balance at the end of current fiscal year	21,463,797	22,465,169

(Thousands of yen)

	FY2009 (from April 1, 2008 to March 31, 2009)	FY2010 (from April 1, 2009 to March 31, 2010)
Total retained earnings		
Balance at the end of previous fiscal year	29,492,890	29,807,743
Amount of fluctuation during the year		
Provision of reserve for special depreciation	—	—
Withdrawal of reserve for special depreciation	—	—
Dividend from retained earnings	(1,114,062)	(1,273,174)
Net income	1,428,985	2,255,895
Disposal of treasury stock	(69)	—
Total amount of fluctuation during the year	314,853	982,720
Balance at the end of current fiscal year	29,807,743	30,790,464
Treasury stock		
Balance at the end of previous fiscal year	(2,055,864)	(2,057,727)
Amount of fluctuation during the year		
Acquisition of treasury stock	(2,083)	(861)
Disposal of treasury stock	220	220
Total amount of fluctuation during the year	(1,862)	(640)
Balance at the end of current fiscal year	(2,057,727)	(2,058,368)
Total shareholders' equity		
Balance at the end of previous fiscal year	42,365,990	42,678,980
Amount of fluctuation during the year		
Dividend from retained earnings	(1,114,062)	(1,273,174)
Net income	1,428,985	2,255,895
Acquisition of treasury stock	(2,083)	(861)
Disposal of treasury stock	151	220
Total amount of fluctuation during the year	312,990	982,080
Balance at the end of current fiscal year	42,678,980	43,661,060

(Thousands of yen)

	FY2009 (from April 1, 2008 to March 31, 2009)	FY2010 (from April 1, 2009 to March 31, 2010)
Unrealized gains and adjustments		
Unrealized gains on other securities		
Balance at the end of previous fiscal year	(9,228)	70,337
Amount of fluctuation during the year		
Amount of fluctuation of items other than shareholders' equity during the year (net)	79,565	564,997
Total amount of fluctuation during the year	79,565	564,997
Balance at the end of current fiscal year	70,337	635,334
Deferred gains on hedges		
Balance at the end of previous fiscal year	(224,189)	—
Amount of fluctuation during the year		
Amount of fluctuation of items other than shareholders' equity during the year (net)	224,189	—
Total amount of fluctuation during the year	224,189	—
Balance at the end of current fiscal year	—	—
Total unrealized gains and adjustments		
Balance at the end of previous fiscal year	(233,417)	70,337
Amount of fluctuation during the year		
Amount of fluctuation of items other than shareholders' equity during the year (net)	303,755	564,997
Total amount of fluctuation during the year	303,755	564,997
Balance at the end of current fiscal year	70,337	635,334
Total net assets		
Balance at the end of previous fiscal year	42,132,572	42,749,317
Amount of fluctuation during the year		
Dividend from retained earnings	(1,114,062)	(1,273,174)
Net income	1,428,985	2,255,895
Acquisition of treasury stock	(2,083)	(861)
Disposal of treasury stock	151	220
Amount of fluctuation of items other than shareholders' equity during the year (net)	303,755	564,997
Total amount of fluctuation during the year	616,745	1,547,077
Balance at the end of current fiscal year	42,749,317	44,296,395

Notes on the Going Concern Assumption

There is no related information.

Important Accounting Policy

Term	FY2009 (from April 1, 2008 to March 31, 2009)	FY2010 (from April 1, 2009 to March 31, 2010)
1. Valuation standard and method for securities	(1) Securities for sale Mark-to-market method (costs for sale were computed with the moving average method.) Securities purchased on margin were accounted as securities for sale. (2) Stocks of subsidiaries and affiliated companies Cost method under the moving average method (3) Other securities Securities with market price Mark-to-market method based on the market price as of the closing day of accounts (All the valuation differences were incorporated directly into the net assets and costs for sale were computed with the moving average method.) Securities without any market price Cost method under the moving average method	(1) Securities for sale Same as on the left (2) Stocks of subsidiaries and affiliated companies Same as on the left (3) Other securities Securities with market price Same as on the left Securities without market price Same as on the left
2. Valuation standard and method for derivatives	(1) Derivatives: Mark-to-market method	(1) Derivatives: Same as on the left
3. Valuation standard and method for inventories	(1) Merchandise: Identified cost method (2) Products: Identified cost method (3) Raw materials: Cost method under the moving average method (4) Work in process: Identified cost method (5) Supplies: Last cost method (Amounts on the balance sheets were calculated by the method of writing down the book value in accordance with a decline in profitability.)	(1) Merchandise: Same as on the left (2) Products: Same as on the left (3) Raw materials: Same as on the left (4) Work in process: Same as on the left (5) Supplies: Same as on the left Same as on the left
4. Depreciation method for fixed assets	(1) Tangible fixed assets (except for leased assets) Declining balance method However, a straight-line method was used for buildings (except attached equipment) acquired or put into business use after April 1, 1998. Small-amount depreciable assets of which the acquisition price was ¥100,000 or more and less than ¥200,000 were and will be depreciated evenly over 3 years. Useful lives of major assets were as follows: Buildings: 15 – 50 years Machines and devices: 10 years (Additional information) The useful life of machinery, which had been 9 years, was changed to 10 years starting from the current consolidated fiscal year. The change was made in response to revisions to the “Ordinance on the Useful Life of Depreciable Assets.” As a result, operating income, ordinary income and income before income taxes increased by ¥82,282 thousand respectively.	(1) Tangible fixed assets (except for leased assets) Same as on the left ―――――――――

Term	FY2009 (from April 1, 2008 to March 31, 2009)	FY2010 (from April 1, 2009 to March 31, 2010)
	(2) Intangible fixed assets (except for leased assets) Straight-line method As for software for our company use, a straight-line method for internally available period (5 years) was applied. (3) ________________ (4) Long-term prepaid expenses Straight-line method (4) Investments in real estates Declining balance method	(2) Intangible fixed assets (except for leased assets) Same as on the left (3) Leased assets The straight-line method that assumes the lease period as the useful life and sets the residual value to 0 was applied. For finance leases without ownership transfer for which the lease transaction had started before March 31, 2008, the conventional method was applied. (4) Long-term prepaid expenses Same as on the left (4) Investments in real estates Same as on the left
5. Standards for converting foreign currency denominated assets and liabilities into Japanese yen	Receivables and payables denominated in foreign currencies were converted to Japanese yen using the spot exchange rate for the closing day of the consolidated period, and differences were recorded as gains or losses.	Same as on the left
6. Standards for allowances	(1) Allowance for doubtful accounts	(1) Allowance for doubtful accounts
	To prepare against losses from bad debts, the amount estimated based on the actual loss ratio was reserved for ordinary receivables, and the amount of possible losses was included in the reserve considering the collectibility of individual doubtful accounts.	Same as on the left
	(2) Allowance for employee bonuses	(2) Allowance for employee bonus
	The Company reserved and recorded the estimated amount of the bonuses to prepare for payment to employees.	Same as on the left
	(3) Allowance for directors' bonuses	(3) Allowance for directors' bonuses
	The Company reserved and recorded as this fiscal year's company's contribution a part of the estimated amount of directors' bonuses to prepare for payment to directors.	Same as on the left
	(4) Allowance for employee retirement benefits To prepare for payment of benefits to retired employees, the amount of actual payment was reserved based on estimation of retirement benefit obligations and pension assets regarded as existing at the end of the consolidated fiscal year. For the difference in actuarial calculation, the five-year proportionally-divided amount using the straight-line method based on a fixed number of years (5 years) within the average remaining service period of employees at the time of accrual in each fiscal year shall be reported as expense from the following fiscal year. Past employment obligations were treated as expense, using the straight-line method based on a fixed number of years (5 years) within average remaining service period of employees at the time of accrual.	(4) Allowance for employee retirement benefits Same as on the left

Term	FY2009 (from April 1, 2008 to March 31, 2009)	FY2010 (from April 1, 2009 to March 31, 2010)
	(5) Allowance for directors' retirement benefits To prepare for payment of directors' retirement benefits, the Company reserved and recorded the required amounts as of the end of the term based on the internal regulations regarding directors' retirement benefits.	(5) Allowance for directors' retirement benefits Same as on the left
7. Other important matters to prepare Financial Statements	(1) Accounting of the consumption tax The Company applied the tax-exclusion accounting method.	(1) Accounting of the consumption tax Same as on the left

Change in Accounting Method

FY2009 (from April 1, 2008 to March 31, 2009)	FY2010 (from April 1, 2009 to March 31, 2010)
(Inventories) The Company has adopted the "Accounting Standard for Valuation of Inventory Assets" (ASBJ Statement No. 9, July 5, 2006) from the current fiscal year. As a result, operating income, ordinary income and income before income taxes decreased by ¥28,788 thousand respectively.	(Inventories) ―――――――――
(Accounting standard for lease transactions) Although the Company previously used lease transaction methods to account for finance lease without ownership transfer, it has elected to use accounting procedures for normal sales transactions to account for these transactions starting from the current consolidated fiscal year by applying the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13, originally issued on June 17, 1993, by the First Committee of the Business Accounting Council and revised on March 30, 2007) and the "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16, originally issued on January 18, 1994, by the Accounting System Committee of the Japanese Institute of Certified Public Accountants and revised on March 30, 2007). For finance leases without ownership transfer for which the lease transaction had started before March 31, 2008 when this accounting standard was introduced, the conventional lease transaction method was applied. Note that this had no impact on operating income, ordinary income or income before income taxes.	(Accounting standard for lease transactions) ―――――――――
(Hedge accounting method) With respect to trading in foreign exchange contracts pertaining to foreign currency denominated receivables and payables meeting the requirements of hedge accounting, deferred hedge processing was used for foreign exchange contracts pertaining to forecasted transactions and designated processing was used for forward foreign exchange contracts meeting the requirements of designated processing. However, considering the financial management system, the method has changed from the current consolidated fiscal year to fundamental processing pursuant to the "Accounting Standard for Financial Products" in order to more properly reflect the current state of derivative transactions and foreign currency denominated receivables and payables in the Consolidated Financial Statements. As a result, ordinary income and income before income taxes decreased by ¥827,718 thousand respectively.	(Hedge accounting method) ―――――――――
(Allowance for employee retirement benefits) ―――――――――	(Allowance for employee retirement benefits) The Company has adopted the Accounting Standard for Retirement Benefits (Part 3) (ASBJ Statement No. 19, revised on July 31, 2008) from the current consolidated fiscal year. Note that this application had no impact on operating income, ordinary income or income before income taxes.

Change in Method of Presentation

FY2009 (from April 1, 2008 to March 31, 2009)	FY2010 (from April 1, 2009 to March 31, 2010)
(On the Statements of Income) "Expenses for industrial waste processing," (¥7,928 thousand for FY2009) which were listed separately for the previous fiscal year, were included in "other" under non-operating expenses since they accounted for less than 10% of total non-operating expenses.	(On the Statements of Income) ―――――――――

Notes

(On the Non-Consolidated Balance Sheets)

<table>
<tr><th>FY2009
(from April 1, 2008 to March 31, 2009)</th><th>FY2010
(from April 1, 2009 to March 31, 2010)</th></tr>
<tr><td>*1. Accumulated depreciation of investments in real estates
¥102,396 thousand
*2. Major assets in and liabilities to affiliated companies are as follows. Accounts independently posted on the Balance Sheets were excluded.
Accounts receivable ¥13,374 thousand
Accounts payable ¥2,271 thousand

*3. Contingent liabilities
(1) Loan guarantee
The Company guaranteed the following affiliated companies' loans from a financial institution.</td><td>*1. Accumulated depreciation of investments in real estates
¥108,464 thousand
*2. Major assets in and liabilities to affiliated companies are as follows. Accounts independently posted on the Balance Sheets were excluded.
Accounts receivable ¥11,478 thousand
Accounts payable ¥17,798 thousand

*3. Contingent liabilities
(1) Loan guarantee
The Company guaranteed the following affiliated companies' loans from a financial institution.</td></tr>
</table>

FY2009:

Guaranteed Company	Amount	Details
F.P.N.I. BELGIUM N.V.	¥454,440 thousand (€3,500 thousand)	Loan liability
F.P. Natural Ingredients S.A.S.	¥71,412 thousand (€550 thousand)	Loan liability
Qingdao Ariake Foodstuff Co., Ltd.	¥823,405 thousand (57,260 thousand yuan)	Loan liability
Ariake Farm Co., Ltd.	¥244,000 thousand	Loan liability
Total	¥1,593,257 thousand	—

FY2010:

Guaranteed Company	Amount	Details
F.P.N.I. BELGIUM N.V.	¥961,884 thousand (€7,700 thousand)	Loan liability
F.P. Natural Ingredients S.A.S.	¥218,610 thousand (€1,750 thousand)	Loan liability
Qingdao Ariake Foodstuff Co., Ltd.	¥487,848 thousand (35,792 thousand yuan)	Loan liability
Ariake Farm Co., Ltd.	¥510,000 thousand	Loan liability
Total	¥2,178,342 thousand	—

(On the Non-Consolidated Statements of Income)

<table>
<tr><th>FY2009
(from April 1, 2008 to March 31, 2009)</th><th>FY2010
(from April 1, 2009 to March 31, 2010)</th></tr>
<tr><td>*1. Ending inventories were calculated by the method of writing down the book value in accordance with a decline in profitability and the following loss on valuation of inventories was included in cost of sales.
Total cost of sales ¥28,788 thousand
*2. Major items accounted in selling, general and administrative expenses are as follows:
(Thousands of yen)
Packing and transportation expenses 1,067,062
Warehousing costs 146,416
Salary, benefits and bonuses 390,600
Depreciation expenses 70,965
Provision for employee bonuses 39,933
Provision for directors' bonuses 59,700
Retirement benefits expenses 13,602
Provision for directors' retirement benefits 17,336
Expenses included in selling expenses 39%
Expenses included in general and administrative expenses 61%

*3.Rresearch and development expenses included in general and administrative expenses ¥280,555 thousand

*4. Losses on retirement of fixed assets are as follows:
Machinery and equipment ¥337 thousand
Automobiles and transportation equipment ¥252 thousand
Tools, furniture and fixtures ¥957 thousand</td><td>*1. Ending inventories were calculated by the method of writing down the book value in accordance with a decline in profitability and the following loss on valuation of inventories was included in cost of sales.
Total cost of sales ¥24,506 thousand
*2. Major items accounted in selling, general and administrative expenses are as follows:
(Thousands of yen)
Packing and transportation expenses 1,155,666
Warehousing costs 128,252
Salary, benefits and bonuses 408,854
Depreciation expenses 66,715
Provision for employee bonuses 41,961
Provision for directors' bonuses 52,700
Retirement benefits expenses 13,007
Provision for directors' retirement benefits 16,169
Expenses included in selling expenses 40%
Expenses included in general and administrative expenses 60%

*3.Rresearch and development expenses included in general and administrative expenses ¥286,267 thousand

―――――――――――――</td></tr>
</table>

(On the Non-Consolidated Statements of Changes in Shareholders' Equity)

FY2009 (from April 1, 2008 to March 31, 2009)

Items regarding the type and number of shares of treasury stock

(Thousands of yen)

	Number of Shares at the previous year-end	Increased number of Shares during the year	Decreased number of Shares during the year	Number of Shares at the year-end
Common Stock (Note)	977	1	0	979
Total	977	1	0	979

Note: The 1,000-share increase in common stock for treasury stock was through purchase of odd-lot shares while the decrease in the stock was due to the sales of odd-lot shares.

FY2010 (from April 1, 2009 to March 31, 2010)

Items regarding the type and number of shares of treasury stock

(Thousands of yen)

	Number of Shares at the previous year-end	Increased number of Shares during the year	Decreased number of Shares during the year	Number of Shares at the year-end
Common Stock (Note)	979	0	0	979
Total	977	0	0	979

Note: The increase in common stock for treasury stock was through purchase of odd-lot shares while the decrease in the stock was due to the sales of odd-lot shares.

(On the Lease Transactions)

FY2009 (from April 1, 2008 to March 31, 2009)	FY2010 (from April 1, 2009 to March 31, 2010)
1. Finance lease transactions except those transactions where ownership of the leased property may be transferred to the lessee For finance leases for which the lease transaction had started before March 31, 2008, the conventional lease transaction method was applied. (1) Amounts equal to purchase price, accumulated depreciation, impairment losses and ending balance of leases (Thousands of yen) Tools, furniture and fixtures: Amount equal to purchase price 76,128; Amount equal to accumulated depreciation 52,698; Amount equal to ending balance 23,429 Total: 76,128; 52,698; 23,429	1. Finance lease transactions except those transactions where ownership of the leased property may be transferred to the lessee For finance leases for which the lease transaction had started before March 31, 2008, the conventional lease transaction method was applied. (1) Amounts equal to purchase price, accumulated depreciation, impairment losses and ending balance of leases (Thousands of yen) Tools, furniture and fixtures: Amount equal to purchase price 40,576; Amount equal to accumulated depreciation 31,049; Amount equal to ending balance 9,526 Total: 40,576; 31,049; 9,526
(2) Amount equal to balance of unexpired lease charges at end of term (Thousands of yen) Within 1 year 14,752 More than 1 year 9,649 Total 24,401	(2) Amount equal to balance of unexpired lease charges at end of term (Thousands of yen) Within 1 year 6,686 More than 1 year 3,021 Total 9,708
(3) Lease charges paid, reversal of impairment loss on leased assets, impairment losses, amounts equal to depreciation expense and interest expense (Thousands of yen) Lease charges paid 16,141 Amount equal to depreciation expense 15,062 Amount equal to interest expense 860	(3) Lease charges paid, reversal of impairment loss on leased assets, impairment losses, amounts equal to depreciation expense and interest expense (Thousands of yen) Lease charges paid 11,715 Amount equal to depreciation expense 11,591 Amount equal to interest expense 138
(4) Calculation of the amount equal to depreciation expense The straight-line method that assumes the lease period as the useful life and sets the residual value to 0 was applied.	(4) Calculation of the amount equal to depreciation expense Same as on the left
(5) Calculation of the amount equal to interest expense The difference between the total of lease charges and the amount equal to the purchase price was regarded as the amount equal to interest expense, and the interest method was applied to allocation to each term.	(5) Calculation of the amount equal to interest expense Same as on the left
2. Operating lease transactions Unexpired lease charges (Thousands of yen) Within 1 year 4,096 More than 1 year 7,236 Total 11,333	2. Operating lease transactions Unexpired lease charges (Thousands of yen) Within 1 year 4,186 More than 1 year 3,209 Total 7,396
(Impairment losses) There were no impairment losses attributed to leased assets.	(Impairment losses) Same as on the left

(On the Securities)

There were no subsidiaries' stocks with market value for FY2009 (from April 1, 2008 to March 31, 2009) and FY2010 (from April 1, 2009 to March 31, 2010)

(On the Tax Effect Accounting)

FY2009 (As of March 31, 2009)

1. Breakdown of main causes for deferred tax assets and liabilities

	(Thousands of yen)
Deferred tax assets	
Disapproval of accrued enterprise tax	21,859
Excess allowance for employee bonuses	55,763
Allowance for directors' bonuses	23,760
Excess allowance for employee retirement benefits	232,730
Allowance for directors' retirement benefits	111,581
Impairment loss	25,982
Disapproval of loss on evaluation of golf-club memberships	8,815
Loss on valuation of inventories	11,457
Other	6,566
Total deferred tax assets	498,518
Deferred tax liabilities	
Reserve for special depreciation	(54,838)
Unrealized gains on other securities	(46,502)
Total deferred tax liabilities	(101,340)
Net deferred tax assets	397,178

2. Breakdown of main items which caused the difference between income tax payable at effective statutory tax rate and that after the application of tax effect accounting

The breakdown is omitted because the difference between income tax payable at effective statutory tax rate and that after the application of tax effect accounting was less than 5% of the normal effective statutory tax rate.

FY2010 (As of March 31, 2010)

1. Breakdown of main causes for deferred tax assets and liabilities

	(Thousands of yen)
Deferred tax assets	
Disapproval of accrued enterprise tax	94,476
Excess allowance for employee bonuses	57,341
Excess allowance for employee retirement benefits	227,079
Allowance for directors' retirement benefits	112,026
Allowance for doubtful accounts	21,094
Impairment loss	25,982
Disapproval of loss on evaluation of golf-club memberships	8,815
Loss on valuation of inventories	—
Other	20,779
Total deferred tax assets	567,596
Deferred tax liabilities	
Reserve for special depreciation	(42,506)
Unrealized gains on other securities	(420,038)
Total deferred tax liabilities	(462,545)
Net deferred tax assets	105,051

2. Breakdown of main items which caused the difference between income tax payable at effective statutory tax rate and that after the application of tax effect accounting

Effective statutory tax rate	39.8%
(Adjustments)	
Non-tax deductible expense	1.3
Directors' bonuses	0.6
Flat-rate inhabitant tax	0.5
Tax credit for tests and research	(0.6)
Dividend-received not taxable	(0.3)
Other	0.6
Actual effective tax rate	41.9

(On the Business Combinations)

FY2009 (from April 1, 2008 to March 31, 2009)

There is nothing to report.

FY2010 (from April 1, 2009 to March 31, 2010)

There is nothing to report.

(Per Share Information)

(Yen)

FY2009 (from April 1, 2008 to March 31, 2009)		FY2010 (from April 1, 2009 to March 31, 2010)	
Net assets per share	1,343.07	Net assets per share	1,391.70
Net income per share	44.89	Net income per share	70.88
Due to absence of residual shares with dilution effects, net income per share after residual share adjustment was not reported.		Due to absence of residual shares with dilution effects, net income per share after residual share adjustment is not reported.	

Note: Bases for calculation of net income per share are as follows:

(Thousands of yen)

	FY2009 (from April 1, 2008 to March 31, 2009)	FY2010 (from April 1, 2009 to March 31, 2010)
Net income	1,428,985	2,255,895
Amount not attributed to common shareholders	—	—
Net income related to common stocks	1,428,985	2,255,895
Average number of shares outstanding during the fiscal years (thousand shares)	31,830	31,829

(Important Subsequent Events)

There is nothing to report.

6. Others

(1) Changes in Directors

1) Changes in Representative Director

There is nothing to report.

2) Changes in other directors

There is nothing to report.

(2) Others

There is nothing to report.