

Consolidated Financial Results

for the First Quarter of FY2012 ending March 31, 2012

(J-GAAP)

August 5, 2011

Listed company name: Ariake Japan Co., Ltd.
 Code number: 2815 URL: <http://www.ariakejapan.com> Listing exchange: Tokyo, 1st Section
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 Filing of quarterly financial report: August 5, 2011
 Start of cash dividend payments: –
 Supplementary quarterly materials prepared: No
 Quarterly results information meeting held: No

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

1. Consolidated Financial Results for the First Quarter of FY2012 Ending March 31, 2012 (April 1, 2011 – June 30, 2011)

(1) Consolidated Operating Results (cumulative)

(Percentage figures represent changes compared with the same period in the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First Quarter of FY2012	7,289	20.7	982	29.5	968	273.9	481	3,423.3
First Quarter of FY2011	6,039	20.6	758	32.0	259	(63.7)	13	(95.5)

(Note) Comprehensive Income: First Quarter of FY2012: ¥810 million (– %) First Quarter of FY2011: ¥(303) million (– %)

	Net income per share	Fully diluted net income per share
	Yen	Yen
First Quarter of FY2012	15.13	–
First Quarter of FY2011	0.43	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2011	49,743	41,351	82.7
As of March 31, 2011	50,793	41,177	80.6

(Reference) Equity capital: As of June 30, 2011: ¥41,117 million As of March 31, 2011: ¥40,956 million

2. Dividends

	Annual Dividends (Yen)				
	First Quarter	Second Quarter	Third Quarter	Year-end	Annual
Year ended March 31, 2011	–	20.00	–	20.00	40.00
Year ending March 31, 2012	–				
Year ending March 31, 2012 (Forecast)		20.00	–	20.00	40.00

(Note) Revisions since the most recently announced dividend forecast: None

3. Forecast of the Consolidated Financial Results for FY2012 Ending March 31, 2012 (April 1, 2011 – March 31, 2012)

(Percentage figures represent changes compared with the same period in the previous fiscal 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
Half Year	14,464	16.2	1,815	11.4	1,879	56.0	977	102.3	30.70
Full Year	31,360	15.9	4,248	12.3	4,366	25.3	2,350	36.9	73.83

(Note) Revisions since the most recently announced forecast of the consolidated financial results: None

4. Other Information

(1) Significant Changes in Subsidiaries during the Period (Changes in specified subsidiaries resulting in change of scope of consolidation during the quarter): None

(2) Application of Specified Accounting Methods for Preparation of Quarterly Consolidated Financial Statements: Yes

(3) Changes in Accounting Policies, Accounting Estimates, and Restatement of Revisions

1. Changes in accounting policies associated with revisions of accounting standards, etc.: None
2. Changes other than those included in 1: None
3. Changes in accounting estimates: None
4. Restatement of revisions: None

(4) Number of Shares Outstanding (common stock)

1) Number of shares outstanding as of the period-end (including treasury stock)	As of June 30, 2011:	32,808,683 shares	As of March 31, 2011:	32,808,683 shares
2) Number of treasury stock as of the period-end	As of June 30, 2011:	980,283 shares	As of March 31, 2011:	980,283 shares
3) Average number of shares outstanding (quarterly consolidated cumulative period)	First three months of FY2012:	31,828,400 shares	First three months of FY2011:	31,829,024 shares

* Presentation of implementation status for quarterly review procedures

The quarterly review procedure based on the Financial Instruments and Exchange Act does not apply to these Consolidated Financial Results and the procedure based on this Act had been completed. The quarterly review report was received as of August 4, 2011.

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

Descriptions regarding the future, including the financial outlook 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.

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1. Qualitative Information on Quarterly Consolidated Financial Results

(1) Qualitative Information on Consolidated Operating Results

During the first quarter of the fiscal year ending March 31, 2012 (April 1, 2011 – June 30, 2011), the Japanese economy suffered two major blows – the Great East Japan Earthquake, which struck on March 11, and the resulting electric power supply restrictions. Both have had severe negative impacts on business activity. These events gave rise to restraint throughout the economy, and reduced spending by consumers, in particular, have made for very difficult conditions for the food industry.

Amid those conditions, the Ariake Group, conscious of its position as a leading manufacturer in the field of natural seasonings, has moved ahead with its global business development plans in order to fulfill its ideal of delivering food safety, good health, and better taste to customers throughout the world.

As a result of these efforts, the Group and the Company (Ariake Japan Co., Ltd.) succeeded in achieving the business results discussed below.

The Company's net sales increased by ¥783 million, or 15.1% year on year to ¥5,961 million as a result of vigorous efforts, continuing from last year, to expand sales by correctly anticipating customer needs.

Consolidated net sales increased by ¥1,249 million, or 20.7% year on year to ¥7,289 million with the help of a 54.2% rise in sales at consolidated subsidiaries.

The Company's operating income increased on higher net sales and other factors, climbing by ¥50 million, or 4.9% year on year to ¥1,067 million.

Consolidated operating income increased by ¥223 million, or 29.5% year on year to ¥982 million mainly on the strength of better sales by U.S. and Asian subsidiaries.

The Company's ordinary income benefited from a significant improvement in the situation concerning derivative transactions undertaken to hedge foreign-exchange risk related to import transactions. Here, a ¥111 million gain on valuation of derivatives, versus a ¥404 million loss on valuation of derivatives for the first quarter of last year, absorbed higher non-derivative-related loss on foreign exchange (¥211 million in losses for the most recent quarter versus ¥181 million in losses for the first quarter of last year), helping to boost ordinary income by an amount 2.1 times the previous year's figure (increase of ¥546 million) to ¥1,055 million. Consolidated ordinary income also increased, by an amount 3.7 times the previous year's figure (increase of ¥709 million) to ¥968 million.

Net income of the Company for the first quarter increased by ¥316 million year on year to ¥606 million. Consolidated net income for the first quarter increased by ¥467 million year on year to ¥481 million.

Results of business results of the Company and its consolidated subsidiaries by region were described below.

• Net sales (Billions of yen)

	First three months of FY2012	First three months of FY2011	Difference
Ariake Japan Co., Ltd.	5.96	5.18	0.78
U.S.	0.38	0.23	0.15
Asia	0.47	0.41	0.06
Europe	0.37	0.14	0.23
Japan	0.11	0.08	0.03
Subsidiaries and affiliates	1.33	0.86	0.47
Total	7.29	6.04	1.25

• Ordinary income (loss) (Billions of yen)

	First three months of FY2012	First three months of FY2011	Difference
Ariake Japan Co., Ltd.	1.05	0.51	0.54
U.S.	0.02	(0.06)	0.08
Asia	0.10	0.05	0.05
Europe	(0.20)	(0.24)	0.04
Japan	0.00	0.00	0.00
Subsidiaries and affiliates	(0.08)	(0.25)	0.17
Total	0.97	0.26	0.71

(2) Qualitative Information on Consolidated Financial Position

Total assets at the end of the current first quarter decreased by ¥1,050 million from the end of the previous fiscal year to ¥49,743 million.

Total liabilities declined by ¥1,224 million from the end of the previous fiscal year to ¥8,391 million, mainly because of decreases in short-term loans payable and income taxes payable. Net assets increased by ¥174 million from the end of the previous fiscal year to ¥41,351 million.

(3) Qualitative Information on Forecast of the Consolidated Financial Results

We have not revised our forecast of the consolidated financial results which were announced on May 12, 2011.

2. Summary (Other) Information

(1) Significant Changes in Subsidiaries during the Period

There is no related information.

(2) Application of Specified Accounting Methods for Preparation of Quarterly Consolidated Financial Statements

Calculation of tax expenses

With respect to tax expenses, the effective tax rate after the application of tax effect accounting on income before income taxes and minority interests of the fiscal year, including the first quarter under review were rationally estimated and tax expenses were calculated multiplying quarterly income before income taxes and minority interests by said estimated effective tax rate.

Adjustments for income and other taxes are included in income taxes.

(3) Changes in Accounting Policies, Procedures and Accounting Estimates, and Restatement of Revisions

There is no related information.

(4) Additional Information

Effective April 1, 2011, the Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No. 24 released on December 4, 2009) and the Guidance on Accounting Standard for Accounting Changes and Error Corrections (ASBJ Guidance No. 24 released on December 4, 2009) are being applied to implement an accounting change and correct for past errors.

3. Significant Events Regarding Going Concern Assumption

There is no related information.

4. Quarterly Consolidated Financial Statements**(1) Quarterly Consolidated Balance Sheets**

(Thousands of yen)

	FY 2011 (As of March 31, 2011)	First Quarter of FY 2012 (As of June 30, 2011)
Assets		
Current assets		
Cash and time deposits	10,669,131	9,767,113
Notes and accounts receivable	5,557,621	5,678,093
Securities	1,003,890	—
Merchandise and finished goods	1,870,095	2,183,240
Work in process	575,966	610,292
Raw materials and supplies	1,540,186	1,630,761
Deferred tax assets	149,519	149,580
Others	249,032	306,689
Allowance for doubtful accounts	(2,180)	(2,817)
Total current assets	21,613,265	20,322,954
Fixed assets		
Tangible fixed assets		
Buildings and structures	19,142,482	19,467,617
Accumulated depreciation	(7,866,374)	(8,074,428)
Buildings and structures, net	11,276,107	11,393,189
Machines, devices, and delivery equipment	20,106,904	20,465,767
Accumulated depreciation	(14,443,995)	(14,800,554)
Machines, devices, and delivery equipment, net	5,662,909	5,665,212
Land	4,406,829	4,425,507
Leased assets	6,100	27,160
Accumulated depreciation	(1,101)	(1,706)
Leased assets, net	4,998	25,454
Construction in progress	356,820	505,740
Others	798,523	809,106
Accumulated depreciation	(715,495)	(727,041)
Others, net	83,027	82,065
Total tangible fixed assets	21,790,693	22,097,168
Intangible fixed assets	101,096	102,143
Investments and other assets		
Investment securities	5,842,185	5,783,872
Long-term loans receivable	229,570	206,778
Investments in real estates, net	545,430	543,998
Deferred tax assets	137,309	153,922
Others	534,185	532,506
Allowance for doubtful accounts	(75)	(75)
Total investments and other assets	7,288,606	7,221,003
Total fixed assets	29,180,396	29,420,314
Total assets	50,793,661	49,743,269

(Thousands of yen)

	FY 2011 (As of March 31, 2011)	First Quarter of FY 2012 (As of June 30, 2011)
Liabilities		
Current liabilities		
Notes and accounts payable	2,764,302	2,825,480
Short-term loans payable	2,286,280	1,161,714
Lease liabilities	929	5,495
Income taxes payable	926,314	532,398
Allowance for employees' bonuses	165,441	53,778
Allowance for directors' bonuses	56,000	—
Others	1,851,440	2,223,582
Total current liabilities	8,050,709	6,802,449
Long-term liabilities		
Long-term loans payable	407,450	415,750
Lease liabilities	4,456	21,831
Deferred tax liabilities	41,796	42,397
Allowance for employees' retirement benefits	569,054	563,449
Allowance for directors' retirement benefits	297,906	292,469
Others	245,150	253,393
Total long-term liabilities	1,565,814	1,589,291
Total liabilities	9,616,523	8,391,741
Net assets		
Shareholders' equity		
Common stock	7,095,096	7,095,096
Capital surplus	7,833,869	7,833,869
Retained earnings	29,505,058	29,350,015
Treasury stock	(2,059,110)	(2,059,110)
Total shareholders' equity	42,374,913	42,219,870
Accumulated other comprehensive income		
Unrealized gains (losses) on other securities	327,657	295,030
Adjustment account for foreign currency exchange	(1,746,043)	(1,397,760)
Total accumulated other comprehensive income	(1418,385)	(1,102,729)
Minority interests	220,611	234,386
Total net assets	41,177,138	41,351,527
Total liabilities and net assets	50,793,661	49,743,269

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income
(Quarterly Consolidated Statements of Income)

(Thousands of yen)

	First Quarter of FY2011 (April 1, 2010 to June 30, 2010)	Fist Quarter of FY2012 (April 1, 2011 to June 30, 2011)
Net sales	6,039,722	7,289,287
Cost of sales	4,182,986	5,054,742
Gross profit	1,856,735	2,234,544
Selling, general and administrative expenses	1,098,168	1,252,228
Operating income	758,566	982,316
Non-operating income		
Interest income	8,108	16,322
Dividend income	30,754	44,747
Rent received	7,636	7,899
Gain on valuation of derivatives	—	111,686
Others	67,358	26,537
Total non-operating income	113,857	207,192
Non-operating expenses		
Interest paid	15,776	10,571
Loss on foreign exchange	181,084	203,321
Loss on valuation of derivatives	404,023	—
Others	12,448	6,756
Total non-operating expenses	613,333	220,650
Ordinary income	259,091	968,858
Extraordinary loss		
Loss on valuation of investment securities	524	10,344
Total extraordinary loss	524	10,344
Quarterly income before income taxes and minority interests	258,566	958,514
Income taxes	242,174	470,867
Income before minority interests	16,392	487,646
Minority interests	2,725	6,120
Net income	13,666	481,525

(Quarterly Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	First Quarter of FY2011 (April 1, 2010 to June 30, 2010)	First Quarter of FY2012 (April 1, 2011 to June 30, 2011)
Quarterly income before minority interests	16,392	487,646
Other comprehensive income		
Unrealized gains (losses) on other securities	(109,984)	(32,627)
Adjustment account for foreign currency exchange	(209,546)	355,937
Total accumulated other comprehensive income	(319,531)	323,310
Total other comprehensive income	(303,138)	810,956
(Breakdown of comprehensive income)		
Parent company portion of comprehensive income	(308,223)	797,181
Minority interest portion of comprehensive income	5,084	13,775

(3) Notes on the Going Concern Assumption

There is no related information.

(4) Segment Information

I First Quarter of FY2011 (April 1, 2010 – June 30, 2010)

Segment information is omitted because natural seasoning business is our only segment.

II First Quarter of FY2012 (April 1, 2011 – June 30, 2011)

Segment information is omitted because natural seasoning business is our only segment

(5) Notes to Significant Changes in the Amount of Shareholders' Equity

There is no related information.

(6) Subsequent Events

There is no related information.