

# Consolidated Financial Results for the Fiscal Year 2012 (J-GAAP)

May 11, 2012

Listed company name: Ariake Japan Co., Ltd.  
 Code number: 2815 URL: <http://www.ariakejapan.com> Listing exchange: Tokyo, 1st Section  
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Date of annual general meeting of shareholders: June 22, 2012

Date to submit the annual securities report: June 22, 2012

Date to start dividends distribution: June 25, 2012

Supplementary materials prepared: Yes

Results information meeting held: Yes (for financial analysts)

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

## 1. Consolidated Financial Results for the Year Ended March 31, 2012 (April 1, 2011 to March 31, 2012)

### (1) Consolidated Business Results

(Percentage figures represent changes from the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2012	31,516	16.5	4,940	30.6	4,896	40.5	2,586	50.7
FY2011	27,051	18.2	3,783	30.3	3,484	17.4	1,716	32.6

Note: Comprehensive income: FY2012: ¥2,442 million (+573.2%)

FY2011: ¥362 million (-82.3%)

	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	%	%	%
FY2012	81.26	—	6.2	9.6	15.7
FY2011	53.91	—	4.2	6.7	14.0

Reference: Investment profit/ loss on equity method: FY2012: ¥ — million

FY2011: ¥ — million

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2012	50,929	42,345	82.7	1,322.84
FY2011	50,793	41,177	80.6	1,286.79

Reference: Equity capital: FY2012: ¥42,103 million

FY2011: ¥40,956 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
FY2012	3,422	(5,407)	(2,742)	5,383
FY2011	2,894	426	(1,746)	10,669

## 2. Dividends

(Record date)	Dividends per share					Total dividends (Annual)	Dividends payout ratio (Consolidated)	Dividends on shareholders' equity ratio (Consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Annual			
FY2011	Yen —	Yen 20.00	Yen —	Yen 20.00	Yen 40.00	Millions of yen 1,273	% 74.2	% 3.1
FY2012	—	20.00	—	20.00	40.00	1,273	49.2	3.1
FY2013 (projection)	—	20.00	—	20.00	40.00		36.3	

## 3. Forecast of the Consolidated Financial Results for the Year Ending March 31, 2013 (April 1, 2012 to March 31, 2013)

(Full year percentage figures represent of changes from the previous fiscal year, and first half figures represent 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	16,060	5.8	2,655	27.6	2,834	67.6	1,612	90.3	50.65
Full year	35,303	12.0	5,828	18.0	6,102	24.6	3,511	35.8	110.31

## 4. Other Information

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

Newly included: (Company name: ) Removed: None (Company name: )

(2) 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

(3) Number of shares outstanding (common stock)

1) Number of shares outstanding as of the period-end (including treasury stock)	As of March 31, 2012:	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 March 31, 2012:	980,402 shares	As of March 31, 2011:	980,283 shares
3) Average number of shares outstanding for the period	FY2012:	31,828,388 shares	FY2011:	31,828,815 shares

**(Reference) Summary of Non-consolidated Financial Results**

1. Financial Results for the Year Ended March 31, 2012 (April 1, 2011 - March 31, 2012)

(1) Non-consolidated Financial Results

(Percentage figures represent changes from the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2012	26,645	16.3	5,094	17.6	5,198	26.3	2,967	24.6
FY2011	22,919	13.6	4,330	12.8	4,116	4.6	2,382	5.6

	Net income per share	Diluted net income per share
	Yen	Yen
FY2012	93.25	-
FY2011	74.84	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2012	53,600	46,948	87.6	1,475.07
FY2011	51,148	45,096	88.2	1,416.88

Reference: Equity capital: FY2012: ¥46,948 million FY2011: ¥45,096 million

2. Forecast of the Non-consolidated Financial Results for the Year Ending March 31, 2013 (April 1, 2012 - March 31, 2013)

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

	Net sales		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	13,505	7.6	2,792	48.3	1,626	49.7	51.09
Full year	29,500	10.7	5,931	14.1	3,455	16.4	108.55

\* Implementation status of audit procedures

As of the time this report was disclosed, audit of financial statements based on Financial Instruments and Exchange Act had not completed.

\* 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.

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## 1. Business Results

### (1) Analysis of Business Results

#### 1. Business conditions for the FY2012

(Consolidated business results)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
FY2012	31,516	4,940	4,896	2,586	81.26
FY2011	27,051	3,783	3,484	1,716	53.91
Growth Rate	16.5%	30.6%	40.5%	50.7%	—

(Non-consolidated business results)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
FY2012	26,645	5,094	5,198	2,967	93.25
FY2011	22,919	4,330	4,116	2,382	74.84
Growth Rate	16.3%	17.6%	26.3%	24.6%	—

#### 1) Overall performance for the FY2012

During the fiscal year ended March 31, 2012, the Japanese economy was greatly affected by the catastrophe of the Great East Japan Earthquake, which occurred on March 11, 2011, and later by external factors in the form of the European debt crisis and flagging growth in emerging economies. In general terms, the year was one shrouded in continuous uncertainty. Looking at the food industry, in particular, it too faced difficult conditions caused, for example, by stagnation in consumer spending.

Despite all of the challenges, however, monetary easing by the Bank of Japan and other factors began to take effect toward the end of the fiscal year as indicated by signs of upturns in capital expenditures and consumer spending.

Ariake Japan Co., Ltd. (the Company) and its Group companies (the Group) are global enterprise setting up a “global six-pillar system,” with production and sales bases in Japan, the U.S., China, Taiwan, France, and Belgium. Under this system, as leading manufacturers in the field of natural seasonings, the Company and the Group (collectively, the Ariake Group) grasp customer needs early on, expand their existing businesses throughout the world and actively develop new businesses, while strive to pursue their commitments to food safety, good health, and better taste.

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

Net sales of the Company (Ariake Japan Co., Ltd.) increased by 16.3% (¥3,726 million) year on year to ¥26,645 million as a result of the unified efforts of the sales, R&D, and manufacturing units.

Net sales have now risen for 27 straight months during which they exceeded the previous year’s results by double-digit percentages (a least 10%) on a month-on-month basis.

Net sales of consolidated subsidiaries increased by 17.9% year on year mainly due to the higher sales at European subsidiaries.

Therefore, consolidated net sales for the fiscal year under review increased by 16.5% (¥4,465 million) year on year to ¥31,516 million.

#### Operating Income

The higher net sales were a major factor in boosting operating income 17.6% (¥764 million) year on year to ¥5,094 million as they more than offset increases in fixed manufacturing costs (approx. ¥420 million increase) and selling expenses (approx. ¥145 million increase).

In addition, consolidated operating income increased by 30.6% (¥1,157 million) year on year to ¥4,940 million from the previous fiscal year’s ¥3,783 million.

#### Ordinary Income

Ordinary income was helped by gain on valuation of derivatives totaling ¥430 million, up ¥384 million from last year’s ¥46 million, and higher operating income. Non-operating expenses included a loss on foreign exchange of ¥632 million (¥144 million increase), but with the strong results from the Company’s principal business activities noted above, ordinary income increased by 26.3% (¥1,082 million) year on year to ¥5,198 million.

Ordinary loss at consolidated subsidiaries came to ¥302 million, a ¥330 million improvement from the previous fiscal year's ordinary loss of ¥632 million.

Consolidated ordinary income increased by 40.5% (¥1,411 million) year on year to ¥4,896 million.

Net income for the Company increased by 24.6% (¥585 million) year on year to ¥2,967 million.

Consolidated net income increased by 50.7% (¥870 million) to ¥2,586 million.

## 2. Outlook for the FY2013

(Forecast for consolidated financial results)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
FY2013	35,303	5,828	6,102	3,511	110.31
FY2012	31,516	4,940	4,896	2,586	81.26
Growth Rate	12.0%	18.0%	24.6%	35.8%	—

(Forecast for non-consolidated financial results)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
FY2013	29,500	5,607	5,931	3,455	108.55
FY2012	26,645	5,094	5,198	2,967	93.25
Growth Rate	10.7%	10.1%	14.1%	16.4%	—

### 1) Outlook for financial results for the FY2013

Though there have been some signs of an economic recovery in some sectors of the Japanese economy, uncertainty is expected to prevail during the coming fiscal year because of concerns about electricity shortages amid the decline in the number of nuclear power plants in operation, and rising crude oil prices.

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 46 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.

The Ariake Group achieved a net sales increase of 18.2% year on year for the fiscal year ended March 2011 and, despite vexing problems in various parts of the globe, another net sales increase of 16.5% year on year for the fiscal year ended March 2012. That this was possible demonstrates that appreciation of the high quality of our products has spread even further throughout the world. Since the beginning of this century, the Ariake Group has made upwards of ¥20 billion in capital expenditures across the globe and the results are steadily being realized. In the coming fiscal year, as well, we will make the most of our proprietary technologies and cutting-edge facilities, and spare no effort in fully leveraging the unique qualities discussed above to maintain steady increase of its earnings.

Therefore, for the fiscal year 2012, consolidated net sales are projected to increase 12.0% year on year to ¥35,303 million and consolidated ordinary income to grow 24.6% year on year to ¥6,102 million.

As for non-consolidated earnings, net sales are expected to increase 10.7% year on year to ¥29,500 million and ordinary income to increase 14.1% year on year to ¥5,931 million.

## (2) Analysis of Financial Position

## 1) Overview of the FY2012

(Millions of yen)

	FY2011	FY2012	Difference
Cash flows from operating activities	2,894	3,422	528
Cash flows from investing activities	426	(5,407)	(5,833)
Cash flows from financing activities	(1,746)	(2,742)	(996)
Increase (decrease) in cash and cash equivalents	1,155	(5,285)	(6,441)
Cash and cash equivalents at beginning of term	9,513	10,669	1,155
Cash and cash equivalents at end of term	10,669	5,383	(5,285)

— Regarding the financial position at the end of the current fiscal year, as a result of a decrease of ¥5,285 million in cash and time deposits and an increase of ¥1,987 million in fixed assets compared to the end of the previous fiscal year, total assets were ¥50,929 million. Shareholders' equity was ¥43,687 million mainly due to a ¥1,313 million increase in retained earnings.

— Net cash provided by operating activities was ¥3,422 million (year on year increase of ¥528 million).

## — Cash flows from investing activities

For the current fiscal year, net cash used in investing activities was ¥5,407 million (year on year increase in outflow of ¥5,833 million), as a result of ¥2,000 million in payments for acquisition of securities, ¥1,973 million in payments for expenditure for capital investment and ¥2,510 million in payments for acquisition of investment securities, etc.

## — Cash flows from financing activities

For the current fiscal year, net cash used in financing activities was ¥2,742 million (year on year increase in outflow of ¥996 million) as a result of an outflow of ¥1,273 million for dividend payment, and an increase in short-term and long-term loans payable of ¥1,467 million, etc.

## 2) Outlook for the FY2013

## — Cash flows from operating activities

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

In response to sales increases, approximately ¥2,878 million capital expenditures in total have been predetermined including planned capital expenditures of approximately ¥2,191 million by Ariake Japan Co., Ltd.

## — Cash flows from financing activities

To improve capital efficiency and provide return to stockholders, we will continue flexible operation.

## 3) Cash Flow Indicators

	FY2008	FY2009	FY2010	FY2011	FY2012
Equity ratio (%)	84.1	83.4	79.6	80.6	82.7
Equity ratio based on fair value (%)	84.5	84.2	82.6	86.0	99.7
Cash flows interest-bearing debts ratio (years)	0.6	0.6	0.8	0.9	0.3
Interest coverage ratio	30.8	47.4	109.6	53.6	88.5

Equity ratio: equity capital / total assets

Equity ratio based on fair value: total fair 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 fair 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 FY2012 and FY2013

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 2012 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 FY2013, the Company will strive to continue to pay the present common dividend of ¥40 per share, expecting that we will continue to record stable 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 sells them mainly 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 Company and operates a convenience store.

### 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 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 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 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 Company.

Ariake Europe N.V. (former 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 Company.

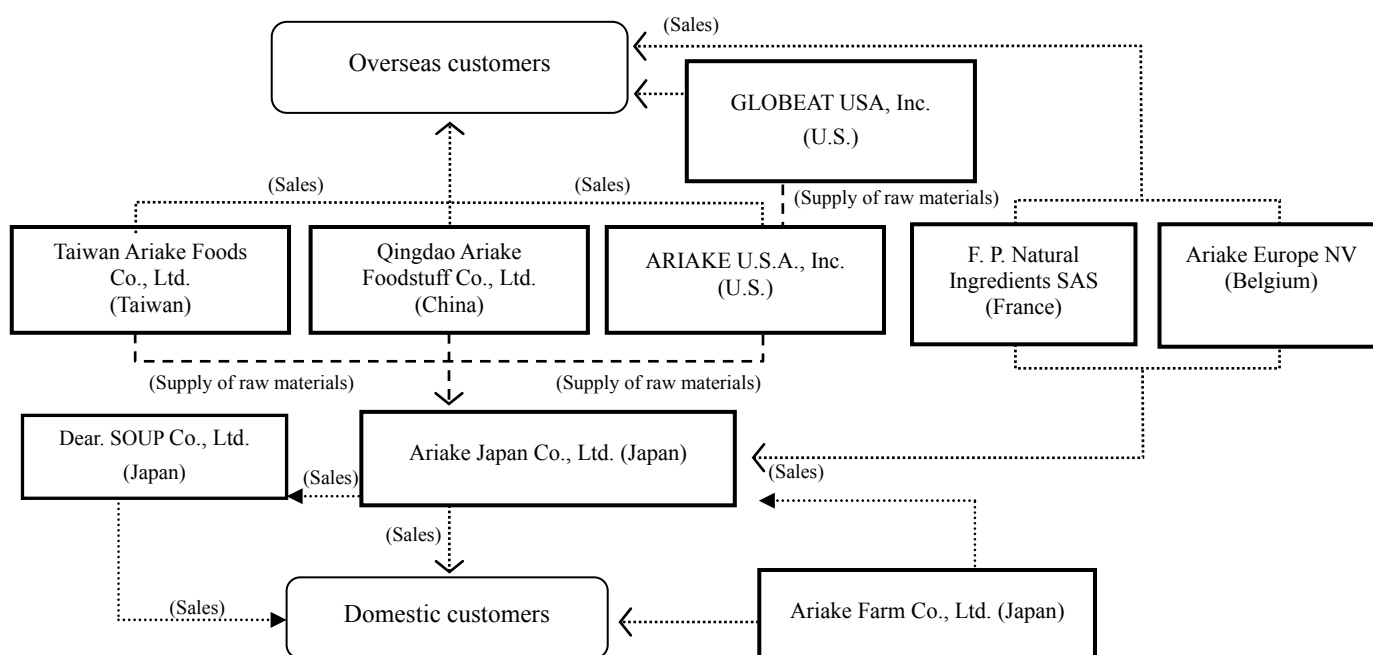
(Note) The Group changed the name of F.P.N.I. BELGIUM N.V. to Ariake Europe N.V. on April 11, 2012.

### Non-consolidated Subsidiaries

We established Ariake Farm Co., Ltd. with ¥15 million in capital (9.9% of which was held by the Company) on 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 11, 2012) are shown in the diagram below.





### 3. Management Policy

#### (1) Basic Management Policy

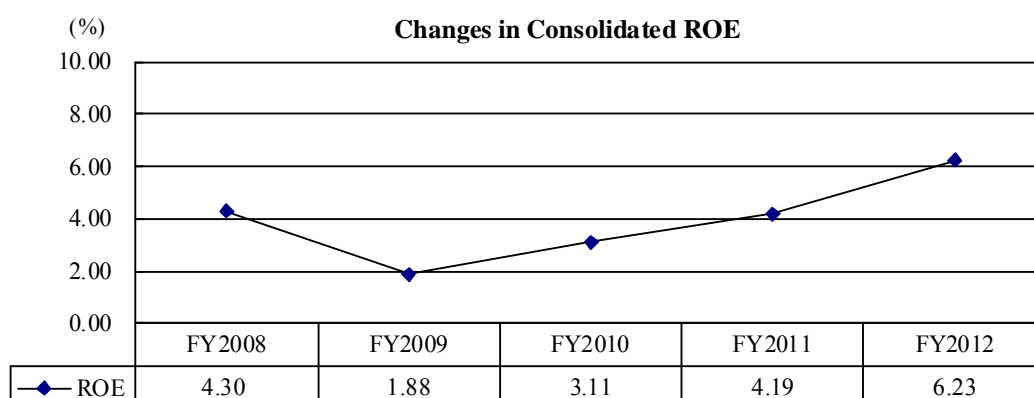
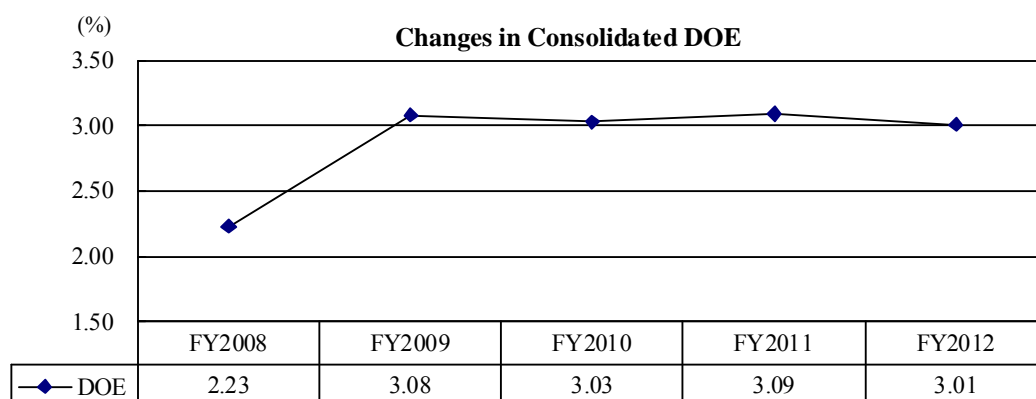
As a leading company in the field of natural seasonings, the Group bases its activities on the following three management concepts:

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.



### (3) Medium- and Long-term Management Plan

The Group continues to operate on the basis of a medium- 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 management plan, we are manufacturing, and performing R&D for, natural seasonings at our No. 1 Kyushu Plant, in Sasebo City, Nagasaki, and No. 2 Kyushu Plant, on the outskirts of Sasebo City.

The Group has both subsidiaries and factories 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 (Ariake Europe N.V. (former 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-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 Management

There is nothing to report.

## 4. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Thousands of yen)

	FY2011 (As of March 31, 2011)	FY2012 (As of March 31, 2012)
Assets		
Current assets		
Cash and time deposits	10,669,131	5,383,293
Notes and accounts receivable	5,557,621	*3 6,762,530
Securities	1,003,890	2,500,000
Merchandise and finished goods	1,870,095	2,457,591
Work in process	575,966	623,750
Raw materials and supplies	1,540,186	1,566,457
Deferred tax assets	149,519	186,520
Others	249,032	283,513
Allowance for doubtful accounts	(2,180)	(1,617)
Total current assets	21,613,265	19,762,039
Fixed assets		
Tangible fixed assets		
Buildings and structures	19,142,482	19,090,627
Accumulated depreciation	(7,866,374)	(8,445,690)
Buildings and structures (net)	11,276,107	10,644,936
Machines, devices, and delivery equipment	20,106,904	20,501,578
Accumulated depreciation	(14,443,995)	(15,247,228)
Machines, devices, and delivery equipment (net)	5,662,909	5,254,350
Land	4,406,829	4,371,883
Leased assets	6,100	44,156
Accumulated depreciation	(1,101)	(6,940)
Leased assets (net)	4,998	37,215
Construction in progress	356,820	1,291,895
Others	798,523	808,352
Accumulated depreciation	(715,495)	(730,483)
Others (net)	83,027	77,869
Total tangible fixed assets	21,790,693	21,678,150
Intangible fixed assets	101,096	133,659
Investments and other assets		
Investment securities	*1 5,842,185	*1 8,021,980
Long-term loans receivable	229,570	136,384
Investments in real estates (net)	*2 545,430	*2 539,701
Deferred tax assets	137,309	56,294
Others	534,185	601,444
Allowance for doubtful accounts	(75)	(30)
Total investments and other assets	7,288,606	9,355,776
Total fixed assets	29,180,396	31,167,586
Total assets	50,793,661	50,929,626

	(Thousands of yen)	
	FY2011	FY2012
	(As of March 31, 2011)	(As of March 31, 2012)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable	2,764,302	2,944,067
Short-term loans payable	2,286,280	723,477
Lease liabilities	929	9,032
Income taxes payable	926,314	1,427,887
Allowance for employee bonuses	165,441	180,340
Allowance for directors' bonuses	56,000	56,000
Others	1,851,440	1,704,211
Total current liabilities	8,050,709	7,045,015
Fixed liabilities		
Long-term loans payable	407,450	388,700
Lease liabilities	4,456	30,044
Deferred tax liabilities	41,796	38,639
Allowance for employee retirement benefits	569,054	583,336
Allowance for directors' retirement benefits	297,906	305,277
Others	245,150	193,309
Total fixed liabilities	1,565,814	1,539,307
Total liabilities	9,616,523	8,584,322
<b>Net assets</b>		
Shareholders' equity		
Common stock	7,095,096	7,095,096
Capital surplus	7,833,869	7,833,869
Retained earnings	29,505,058	30,818,154
Treasury stock	(2,059,110)	(2,059,169)
Total shareholders' equity	42,374,913	43,687,950
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	327,657	485,008
Foreign currency translation adjustment	(1,746,043)	(2,069,323)
Total accumulated other comprehensive income	(1,418,385)	(1,584,315)
Minority interests	220,611	241,669
Total net assets	41,177,138	42,345,304
<b>Total liabilities and net assets</b>	50,793,661	50,929,626

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

	(Thousands of yen)	
	FY2011 (from April 1, 2010 to March 31, 2011)	FY2012 (from April 1, 2011 to March 31, 2012)
Net sales	27,051,444	31,516,667
Cost of sales	*1 18,557,980	*1 21,370,086
Gross profit	8,493,464	10,146,580
Selling, general and administrative expenses	*2, *3 4,710,201	*2, *3 5,205,906
Operating income	3,783,262	4,940,674
Non-operating income		
Interest and dividends income	90,490	172,731
Rent received	26,355	26,745
Gain on valuation of derivatives	46,319	430,823
Others	164,588	131,374
Total non-operating income	327,754	761,674
Non-operating expenses		
Interest paid	53,966	38,673
Foreign exchange losses	514,850	738,496
Others	57,285	28,630
Total non-operating expenses	626,103	805,801
Ordinary income	3,484,913	4,896,547
Extraordinary income		
Gain on sale of fixed assets	*4 50	*4 504
Total extraordinary income	50	504
Extraordinary losses		
Loss on retirement of fixed assets	*5 8,009	—
Loss on valuation of investment securities	36,617	30,438
Loss on valuation of golf club membership	—	4,031
Total extraordinary losses	44,626	34,469
Income before income taxes	3,440,337	4,862,582
Income taxes—current	1,754,442	2,253,368
Income taxes—deferred	(37,332)	1,246
Income taxes	1,717,109	2,254,614
Income before minority interests	1,723,227	2,607,967
Minority interests	7,196	21,734
Net income	1,716,031	2,586,232

## (Consolidated Statements of Comprehensive Income)

	(Thousands of yen)	
	FY2011 (from April 1, 2010 to March 31, 2011)	FY2012 (from April 1, 2011 to March 31, 2012)
Income before minority interests	1,723,227	2,607,967
Other comprehensive income		
Valuation difference on available-for-sale securities	(307,676)	157,350
Foreign currency translation adjustment	(1,052,747)	(322,868)
Total other comprehensive income	(1,360,423)	(165,518)
Comprehensive income	362,804	2,442,449
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	376,208	2,420,303
Comprehensive income attributable to minority interests	(13,404)	22,145

## (3) Consolidated Statements of Changes in Shareholders' Equity

	(Thousands of yen)	
	FY2011 (from April 1, 2010 to March 31, 2011)	FY2012 (from April 1, 2011 to March 31, 2012)
Shareholders' equity		
Common stock		
Balance at the beginning of current period	7,095,096	7,095,096
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	7,095,096	7,095,096
Capital surplus		
Balance at the beginning of current period	7,833,869	7,833,869
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	7,833,869	7,833,869
Retained earnings		
Balance at the beginning of current period	29,062,185	29,505,058
Changes of items during the period		
Dividend from retained earnings	(1,273,158)	(1,273,136)
Net income	1,716,031	2,586,232
Total changes of items during the period	442,872	1,313,096
Balance at the end of current period	29,505,058	30,818,154
Treasury stock		
Balance at the beginning of current period	(2,058,368)	(2,059,110)
Changes of items during the period		
Acquisition of treasury stock	(1,084)	(584)
Disposal of treasury stock	342	525
Total changes of items during the period	(741)	(59)
Balance at the end of current period	(2,059,110)	(2,059,169)
Total shareholders' equity		
Balance at the beginning of current period	41,932,782	42,374,913
Changes of items during the period		
Dividend from retained earnings	(1,273,158)	(1,273,136)
Net income	1,716,031	2,586,232
Acquisition of treasury stock	(1,084)	(584)
Disposal of treasury stock	342	525
Total changes of items during the period	442,131	1,313,037
Balance at the end of current period	42,374,913	43,687,950

	(Thousands of yen)	
	FY2011 (from April 1, 2010 to March 31, 2011)	FY2012 (from April 1, 2011 to March 31, 2012)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	635,334	327,657
Changes of items during the period		
Amount of fluctuation of items other than shareholders' equity during the year (net)	(307,676)	157,350
Total changes of items during the period	(307,676)	157,350
Balance at the end of current period	327,657	485,008
Foreign currency translation adjustment		
Balance at the beginning of current period	(713,897)	(1,746,043)
Changes of items during the period		
Amount of fluctuation of items other than shareholders' equity during the year (net)	(1,032,145)	(323,279)
Total changes of items during the period	(1,032,145)	(323,279)
Balance at the end of current period	(1,746,043)	(2,069,323)
Total accumulated other comprehensive income		
Balance at the beginning of current period	(78,563)	(1,418,385)
Changes of items during the period		
Amount of fluctuation of items other than shareholders' equity during the year (net)	(1,339,822)	(165,929)
Total changes of items during the period	(1,339,822)	(165,929)
Balance at the end of current period	(1,418,385)	(1,584,315)
Minority interests		
Balance at the beginning of current period	234,015	220,611
Changes of items during the period		
Amount of fluctuation of items other than shareholders' equity during the year (net)	(13,404)	21,057
Total changes of items during the period	(13,404)	21,057
Balance at the end of current period	220,611	241,669
Total net assets		
Balance at the beginning of current period	42,088,234	41,177,138
Changes of items during the period		
Dividend from retained earnings	(1,273,158)	(1,273,136)
Net income	1,716,031	2,586,232
Acquisition of treasury stock	(1,084)	(584)
Disposal of treasury stock	342	525
Amount of fluctuation of items other than shareholders' equity during the year (net)	(1,353,226)	(144,871)
Total changes of items during the period	(911,095)	1,168,165
Balance at the end of current period	41,177,138	42,345,304



## (4) Consolidated Statements of Cash Flows

	(Thousands of yen)	
	FY2011 (from April 1, 2010 to March 31, 2011)	FY2012 (from April 1, 2011 to March 31, 2012)
Cash flows from operating activities		
Income before income taxes	3,440,337	4,862,582
Depreciation and amortization	1,787,705	1,763,955
Amortization of goodwill	19,662	—
Increase (decrease) in allowance for doubtful accounts	421	(607)
Increase (decrease) in allowance for employee retirement benefits	(1,497)	14,282
Increase (decrease) in allowance for directors' retirement benefits	16,431	7,370
Increase (decrease) in allowance for employee bonuses	13,106	15,583
Increase (decrease) in allowance for directors' bonuses	3,300	—
Interest and dividends received	(90,490)	(172,731)
Interest paid	53,966	38,673
Loss (gain) on foreign exchange	403,249	472,567
Loss (gain) on valuation of derivatives	(46,319)	(430,823)
Loss (gain) on valuation of investment securities	36,617	30,438
Decrease (increase) in accounts receivable	(768,452)	(1,232,051)
Decrease (increase) in inventories	(581,674)	(692,665)
Increase (decrease) in accounts payable	500,832	202,809
Increase (decrease) in consumption taxes payable	(48,607)	29,431
Decrease (increase) in other assets	86,062	(15,156)
Increase (decrease) in other liabilities	119,828	158,961
Subtotal	<u>4,944,479</u>	<u>5,052,620</u>
Interest and dividend income received	91,895	167,015
Interest expenses paid	(53,966)	(38,673)
Income and other taxes paid	<u>(2,088,251)</u>	<u>(1,758,294)</u>
Net cash provided by operating activities	<u>2,894,157</u>	<u>3,422,667</u>
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	5,162,232	—
Payments for acquisition of securities	(1,014,760)	(2,000,000)
Proceeds from sale of securities	—	1,000,000
Payments for purchase of tangible fixed assets	(646,235)	(1,973,957)
Payments for acquisition of intangible fixed assets	(12,076)	(25,709)
Payments for acquisition of investment securities	(3,120,582)	(2,510,638)
Payment for loans receivable	(17,780)	(7,600)
Proceeds from collection of loans receivable	75,396	110,656
Net cash provided by (used in) investing activities	<u>426,193</u>	<u>(5,407,249)</u>
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(879,707)	(1,467,977)
Proceeds from long-term loans payable	407,450	—
Proceeds from sales of treasury stock	280	525
Payments for acquisition of treasury stock	(1,084)	(584)
Dividends paid	(1,273,043)	(1,273,075)
Cash dividends paid to minority shareholders	—	(1,088)
Net cash used in financing activities	<u>(1,746,104)</u>	<u>(2,742,200)</u>
Exchange difference of cash and cash equivalents	<u>(418,986)</u>	<u>(559,054)</u>
Increase (decrease) in cash and cash equivalents	<u>1,155,259</u>	<u>(5,285,837)</u>
Cash and cash equivalents at beginning of term	<u>9,513,872</u>	<sup>*1</sup> 10,669,131
Cash and cash equivalents at end of term	<sup>*1</sup> 10,669,131	<sup>*1</sup> 5,383,293

## (5) Notes on the Going Concern Assumption

There is nothing to report.

## (6) Basic Important Matters to Prepare the Consolidated Financial Statements

Term	FY2012 (from April 1, 2011 to March 31, 2012)
1. Matters relating to the scope of consolidation	<p>(1) Consolidated subsidiary companies 7: 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. Ariake Europe N.V. (former F. P. N.I. BELGIUM N.V.)</p> <p>(2) Major non-consolidated subsidiaries: Ariake Farm Co., Ltd. GLOBEAT USA, INC.</p> <p>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, net sales, net income or loss and retained earnings (corresponding to equity) did not have a significant influence on the Consolidated Financial Statements.</p>
2. Matters relating to subsidiaries and affiliates adopting the equity method	<p>(1) Number and names of companies adopting equity method Non-consolidated subsidiaries: None Affiliated companies: None</p> <p>(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.</p>
3. Matters relating to business year of consolidated subsidiaries	<p>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 adopted all the subsidiaries' financial statements as of December 31 to prepare for 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.</p>

Term	FY2012 (from April 1, 2011 to March 31, 2012)
4. Matters relating to accounting standards	<p>(1) Valuation standards and methods for important assets</p> <p>(i) Securities</p> <p>1) Held-to-maturity securities Amortized cost method (straight-line method)</p> <p>2) Other securities</p> <p>(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.)</p> <p>(b) Securities without market price Cost method under the moving average method</p> <p>(ii) Derivatives Mark-to-market method</p> <p>(iii) Major inventories</p> <p>(a) Products Mainly, identified cost method</p> <p>(b) Raw materials Mainly, cost method under the moving average method</p> <p>(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.)</p> <p>(2) Depreciation method for important depreciable assets</p> <p>(i) Tangible fixed assets (except for leased assets)</p> <p>(a) Domestic companies: 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</p> <p>(b) Overseas subsidiaries: Straight-line method based on the estimated useful life</p> <p>(ii) Intangible fixed assets (except for leased assets): Straight-line method Software for internal use is amortized over its estimated useful life of 5 years, using the straight-line method.</p> <p>(iii) Leased assets Finance leased assets that do not transfer ownership are depreciated using the straight-line method over the period of the lease with zero residual value. Finance leased assets that do not transfer ownership and were acquired prior to December 31, 2008 are not capitalized but accounted for by a method similar to that applicable to operating leases.</p> <p>(iv) Investments in real estates: Declining balance method</p> <p>(3) Standards for significant allowances</p> <p>(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.</p> <p>(ii) Allowance for employee bonuses Except for the foreign subsidiaries, the Company has reserved and recorded the estimated amount of the bonuses to prepare for payment to employees.</p> <p>(iii) Reserve for directors' bonuses The Company has reserved and recorded as the current fiscal year's Company's contribution a part of the estimated amount of directors' bonuses to prepare for payment to directors.</p>

Term	FY2012 (from April 1, 2011 to March 31, 2012)
	<p>(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. Actuarial gains and losses are treated as expenses, and amortized from the following fiscal year in which the gain or loss is recognized using a straight-line method over a certain period (5 years) within the average remaining years of service of the employees. 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.</p> <p>(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.</p> <p>(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 foreign 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 interests under net assets.</p> <p>(5) 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.</p> <p>(6) Other important matters to prepare the Consolidated Financial Statements Accounting of the consumption tax The Company applied the tax-exclusion accounting method.</p>

### (7) Changes in Method of Presentation

FY2012 (from April 1, 2011 to March 31, 2012)
<p>(Consolidated Statements of Cash Flows) Loss (gain) on valuation of derivatives, which were included in "Increase (decrease) in other liabilities," under "Cash flows from operating activities" in the previous consolidated fiscal year are shown as a separate item for the current consolidated fiscal year because of an increase in their financial significance. A reclassification adjustment has been made to the consolidated financial statements for the previous consolidated fiscal year to reflect this change in method of presentation. As a result, the ¥73,508 thousand in "Increase (decrease) in other liabilities" under "Cash flows from operating activities" on the Consolidated Statements of Cash Flows issued for the previous consolidated fiscal year is reclassified as a gain of ¥46,319 thousand in "Loss (gain) on valuation of derivatives" and increase of ¥119,828 thousand in "Increase (decrease) in other liabilities".</p>

### (8) Additional Information

FY2012 (from April 1, 2011 to March 31, 2012)
<p>Beginning with accounting changes and corrections of past errors undertaken since the beginning of the current consolidated fiscal year, the "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No.24 issued on December 4, 2009) and "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No.24 issued on December 4, 2009) are being applied.</p>

(9) Notes on the Consolidated Financial Statements  
(Consolidated Balance Sheets)

FY2011 (As of March 31, 2011)	FY2012 (As of March 31, 2012)
<p>*1. Items accounted in non-consolidated subsidiaries and affiliated companies are as follows:</p> <p style="padding-left: 40px;">Investment securities (stocks)                      ¥28,202 thousand</p> <p>*2. Accumulated depreciation of investments in real estates  <span style="padding-left: 100px;">¥114,352 thousand</span></p> <p>3. _____</p>	<p>*1. Items accounted in non-consolidated subsidiaries and affiliated companies are as follows:</p> <p style="padding-left: 40px;">Investment securities (stocks)                      ¥8,196 thousand</p> <p>*2. Accumulated depreciation of investments in real estates  <span style="padding-left: 100px;">¥120,081 thousand</span></p> <p>*3. Regarding the accounting treatment of notes receivable and payable maturing at the end of the consolidated fiscal year, despite that the end of the current consolidated fiscal year fell on a bank holiday, these notes were accounted for as if settlement occurred on the maturity date. Notes receivable and payable maturing at the end of the current consolidated fiscal year were as shown below.</p> <p style="padding-left: 40px;">Notes receivable    ¥63,763 thousand</p> <p style="padding-left: 40px;">Notes payable     ¥30,071 thousand</p>

## (Consolidated Statements of Income)

FY2011 (from April 1, 2010 to March 31, 2011)	FY2012 (from April 1, 2011 to March 31, 2012)																												
<p>*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.</p> <p style="padding-left: 40px;">Cost of sales    ¥73,568 thousand</p> <p>*2. Major items accounted in selling, general and administrative expenses are as follows:</p> <p style="text-align: right;">(Thousands of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Salary and bonuses</td> <td style="text-align: right;">850,837</td> </tr> <tr> <td>Packing and transportation expenses</td> <td style="text-align: right;">1,538,818</td> </tr> <tr> <td>Depreciation expenses</td> <td style="text-align: right;">124,794</td> </tr> <tr> <td>Provision for employee bonuses</td> <td style="text-align: right;">55,058</td> </tr> <tr> <td>Provision for directors' bonuses</td> <td style="text-align: right;">56,000</td> </tr> <tr> <td>Retirement benefits expenses</td> <td style="text-align: right;">18,792</td> </tr> <tr> <td>Provision for directors' retirement benefits</td> <td style="text-align: right;">16,431</td> </tr> </table> <p>*3. Research and development expenses included in general and administrative expenses  <span style="padding-left: 100px;">¥317,071 thousand</span></p> <p>*4. Gain on sale of fixed assets are as follows:</p> <p style="padding-left: 40px;">Machines, devices and delivery equipment                      ¥50 thousand</p> <p>*5. Loss on retirement of fixed assets are as follows:</p> <p style="padding-left: 40px;">Restoring expenses to original location                      ¥8,009 thousand</p>	Salary and bonuses	850,837	Packing and transportation expenses	1,538,818	Depreciation expenses	124,794	Provision for employee bonuses	55,058	Provision for directors' bonuses	56,000	Retirement benefits expenses	18,792	Provision for directors' retirement benefits	16,431	<p>*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.</p> <p style="padding-left: 40px;">Cost of sales    ¥77,376 thousand</p> <p>*2. Major items accounted in selling, general and administrative expenses are as follows:</p> <p style="text-align: right;">(Thousands of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Salary and bonuses</td> <td style="text-align: right;">893,532</td> </tr> <tr> <td>Packing and transportation expenses</td> <td style="text-align: right;">1,858,737</td> </tr> <tr> <td>Depreciation expenses</td> <td style="text-align: right;">117,689</td> </tr> <tr> <td>Provision for employee bonuses</td> <td style="text-align: right;">52,528</td> </tr> <tr> <td>Provision for directors' bonuses</td> <td style="text-align: right;">56,000</td> </tr> <tr> <td>Retirement benefits expenses</td> <td style="text-align: right;">17,926</td> </tr> <tr> <td>Provision for directors' retirement benefits</td> <td style="text-align: right;">16,589</td> </tr> </table> <p>*3. Research and development expenses included in general and administrative expenses  <span style="padding-left: 100px;">¥324,783 thousand</span></p> <p>*4. Gain on sale of fixed assets are as follows:</p> <p style="padding-left: 40px;">Machines, devices and delivery equipment                      ¥504 thousand</p> <p>5. _____</p>	Salary and bonuses	893,532	Packing and transportation expenses	1,858,737	Depreciation expenses	117,689	Provision for employee bonuses	52,528	Provision for directors' bonuses	56,000	Retirement benefits expenses	17,926	Provision for directors' retirement benefits	16,589
Salary and bonuses	850,837																												
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Retirement benefits expenses	17,926																												
Provision for directors' retirement benefits	16,589																												

## (Consolidated Statements of Comprehensive Income)

\* Other comprehensive income reclassification adjustments and tax effects

FY2011 (from April 1, 2011 to March 31, 2012)

Valuation difference on available-for-sale securities	(Thousands of yen)
Accrued amount during the period	199,595
Reclassification adjustments	—
Adjustments of tax effects	199,595
Tax effects	(42,245)
Valuation difference on available-for-sale securities	157,350

Foreign currency translation adjustment	(Thousands of yen)
Accrued amount during the period	323,279
Reclassification adjustments	—
Foreign currency translation adjustment	323,279

## (Consolidated Statements of Changes in Shareholders' Equity)

FY2011 (from April 1, 2010 to March 31, 2011)

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

				(Thousands of shares)
	Number of shares as of April 1, 2010	Increased number of shares (April 1, 2010 to March 31, 2011)	Decreased number of shares (April 1, 2010 to March 31, 2011)	Number of shares as of March 31, 2011
Outstanding shares				
Common stock	32,808	—	—	32,808
Total	32,808	—	—	32,808
Treasury stock				
Common stock <sup>(Note)</sup>	979	0	0	980
Total	979	0	0	980

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 18, 2010 Annual meeting of shareholders	Common stock	636,580	20.0	March 31, 2010	June 21, 2010
November 10, 2010 Board of Directors Meeting	Common stock	636,577	20.0	September 30, 2010	December 10, 2010

## (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 17, 2011 Annual meeting of shareholders	Common stock	636,568	Retained earnings	20.0	March 31, 2011	June 20, 2011

FY2012 (from April 1, 2011 to March 31, 2012)

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

(Thousands of shares)

	Number of shares as of April 1, 2011	Increased number of shares (April 1, 2011 to March 31, 2012)	Decreased number of shares (April 1, 2011 to March 31, 2012)	Number of shares as of March 31, 2012
Outstanding shares				
Common stock	32,808	—	—	32,808
Total	32,808	—	—	32,808
Treasury stock				
Common stock <sup>(Note)</sup>	980	0	0	980
Total	980	0	0	980

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 17, 2011 Annual meeting of shareholders	Common stock	636,568	20.0	March 31, 2011	June 20, 2011
November 11, 2011 Board of Directors Meeting	Common stock	636,568	20.0	September 30, 2011	December 12, 2011

## (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 22, 2012 Annual meeting of shareholders	Common stock	636,565	Retained earnings	20.0	March 31, 2012	June 25, 2012

## (Consolidated Statements of Cash Flows)

FY2011 (from April 1, 2010 to March 31, 2011)		FY2012 (from April 1, 2011 to March 31, 2012)	
*1 Relation between the ending balance of cash and cash equivalents and the accounts on the Consolidated Balance Sheets (As of March 31, 2011) (Thousands of yen)		*1 Relation between the ending balance of cash and cash equivalents and the accounts on the Consolidated Balance Sheets (As of March 31, 2012) (Thousands of yen)	
Cash and time deposits	10,669,131	Cash and time deposits	5,383,293
Time deposits with a deposit term exceeding 3 months	—	Time deposits with a deposit term exceeding 3 months	—
Cash and cash equivalents	<u>10,669,131</u>	Cash and cash equivalents	<u>5,383,293</u>

## (Securities)

FY2011 (As of March 31, 2011)

## 1. Held-to-maturity securities

(Thousands of yen)

	Type	Carrying amount on Consolidated Balance Sheets	Fair value	Difference
Securities whose fair value exceed their carrying amount on the Consolidated Balance Sheets	(1) Government and municipal bonds, etc.	–	–	–
	(2) Corporate bonds	–	–	–
	(3) Others	1,000,000	1,004,000	4,000
	Subtotal	1,000,000	1,004,000	4,000
Securities whose fair value do not exceed their carrying value on the Consolidated Balance Sheets	(1) Government and municipal bonds, etc.	–	–	–
	(2) Corporate bonds	1,003,890	1,003,890	–
	(3) Others	2,000,000	1,987,650	(12,350)
	Subtotal	3,003,890	2,991,540	(12,350)
Total		4,003,890	3,995,540	(8,350)

## 2. Other securities

(Thousands of yen)

	Type	Carrying amount on Consolidated Balance Sheets	Acquisition costs	Difference
Securities whose carrying amount on the Consolidated Balance Sheets exceed acquisition costs	(1) Stocks	2,310,636	1,673,037	637,599
	(2) Bonds	–	–	–
	1) Government and municipal bonds, etc.	–	–	–
	2) Corporate bonds	–	–	–
	3) Others	–	–	–
	Subtotal	2,310,636	1,673,037	637,599
Securities whose carrying amount on the Consolidated Balance Sheets do not exceed acquisition costs	(1) Stocks	274,359	367,676	(93,316)
	(2) Bonds	–	–	–
	1) Government and municipal bonds, etc.	–	–	–
	2) Corporate bonds	–	–	–
	3) Others	–	–	–
	Subtotal	274,359	367,676	(93,316)
Total		2,584,996	2,040,714	544,282

## Notes:

- Unlisted shares and a portion of bonds (with an amount recorded on Consolidated Balance Sheets of ¥257,188,000) do not have fair values and it is considered extremely difficult to determine fair values for these shares. Therefore, they are not included in "Other securities" above.
- For the current consolidated fiscal year, write-downs were recorded in the amount of ¥36,617,000 for shares of other securities. Regarding the write-downs, all securities for which the fair values as of the end of the fiscal year decreased 50% or more compared with the acquisition prices, are written down.



FY2012 (As of March 31, 2012)

## 1. Held-to-maturity securities

(Thousands of yen)

	Type	Carrying amount on Consolidated Balance Sheets	Fair value	Difference
Securities whose fair value exceed their carrying amount on the Consolidated Balance Sheets	(1) Government and municipal bonds, etc.	–	–	–
	(2) Corporate bonds	–	–	–
	(3) Others	1,000,000	1,000,700	700
	Subtotal	1,000,000	1,000,700	700
Securities whose fair value do not exceed their carrying value on the Consolidated Balance Sheets	(1) Government and municipal bonds, etc.	–	–	–
	(2) Corporate bonds	–	–	–
	(3) Others	6,500,000	6,408,090	(91,910)
	Subtotal	6,500,000	6,408,090	(91,910)
Total		7,500,000	7,408,790	(91,210)

## 2. Other securities

(Thousands of yen)

	Type	Carrying amount on Consolidated Balance Sheets	Acquisition costs	Difference
Securities whose carrying amount on the Consolidated Balance Sheets exceed acquisition costs	(1) Stocks	2,586,123	1,775,742	810,381
	(2) Bonds	–	–	–
	1) Government and municipal bonds, etc.	–	–	–
	2) Corporate bonds	–	–	–
	3) Others	–	–	–
	Subtotal	2,586,123	1,775,742	810,381
Securities whose carrying amount on the Consolidated Balance Sheets do not exceed acquisition costs	(1) Stocks	209,018	275,522	(66,503)
	(2) Bonds	–	–	–
	1) Government and municipal bonds etc.	–	–	–
	2) Corporate bonds	–	–	–
	3) Others	–	–	–
	Subtotal	209,018	275,522	(66,503)
Total		2,795,142	2,051,265	743,877

Notes:

- Unlisted shares and a portion of bonds (with an amount recorded on Consolidated Balance Sheets of ¥257,188,000) do not have fair values and it is considered extremely difficult to determine fair values for these shares. Therefore, they are not included in “Other securities” above.
- For the current consolidated fiscal year, write-downs were recorded in the amount of ¥36,617,000 for shares of other securities. Regarding the write-downs, all securities for which the fair values as of the end of the fiscal year decreased 50% or more compared with the acquisition prices, are written down.

## (Derivative Transactions)

FY2011 (from April 1, 2010 to March 31, 2011)

## 1. Derivative transactions not applied to hedge accounting

## Currency-related

(Thousands of yen)

Category	Type	FY2011 (As of March 31, 2011)			
		Contract amount, etc.	Contract price (portion due after one year)	Fair value	Gain/loss on valuation
Non-market transactions	Forward exchange contracts				
	Short position				
	Euro	3,774,600	2,097,000	(449,427)	(449,427)
	U.S. dollar	1,746,080	103,100	(259,276)	(259,276)
	Total	5,520,680	2,200,100	(708,704)	(708,704)

Note: Method for calculating fair value

The fair values of these are determined using the quoted price by financial institutions and others with which businesses are conducted.

FY2012 (from April 1, 2011 to March 31, 2012)

## 1. Derivative transactions not applied to hedge accounting

## Currency-related

(Thousands of yen)

Category	Type	FY2012 (As of March 31, 2012)			
		Contract amount, etc.	Contract price (portion due after one year)	Fair value	Gain/loss on valuation
Non-market transactions	Forward exchange contracts				
	Short position				
	Euro	2,097,000	419,400	(301,665)	(301,665)
	U.S. dollar	1,172,060	178,160	23,784	23,784
	Total	3,269,060	597,560	(277,881)	(277,881)

Note: Method for calculating fair value

The fair values of these are determined using the quoted price by financial institutions and others with which businesses are conducted.

**(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.

**2. Retirement benefit obligations and their breakdown**

(Thousands of yen)

	FY2011 (As of March 31, 2011)	FY2012 (As of March 31, 2012)
(1) Retirement benefit obligations	(1,265,425)	(1,327,919)
(2) Pension assets	708,627	755,917
(3) Unfunded retirement benefit obligations (1)+(2)	(556,797)	(572,002)
(4) Unrecognized actuarial gains or losses	(10,501)	(11,334)
(5) Unrecognized past employment obligations (obligation write down)	(1,755)	—
(6) Net amount reported in Consolidated Balance Sheets (3)+(4)+(5)	(569,054)	(583,336)
(7) Prepaid pension expenses	—	—
(8) Allowance for employee retirement benefits (6)-(7)	(569,054)	(583,336)

**3. Breakdown of retirement benefits expenses**

(Thousands of yen)

	FY2011 (As of March 31, 2011)	FY2012 (As of March 31, 2012)
(1) Employment expenses	82,409	86,192
(2) Interest expenses	23,520	25,308
(3) Expected return on plan assets	(9,931)	(10,684)
(4) Amortization of net actuarial gains or losses	(31,848)	(19,329)
(5) Amortization of past employment obligations	(4,212)	(1,755)
(6) Retirement benefits expenses (1)+(2)+(3)+(4)+(5)	59,937	79,733

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

	FY2011 (As of March 31, 2011)	FY2012 (As of March 31, 2012)
(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

(Asset Retirement Obligations)

There is nothing to report.

(Business Combinations)

There is nothing to report.

(Segment Information, etc.)

a. Information by business segment

1. Overview of reportable segments

In accordance with aggregation criteria for reportable segments, the Company's businesses are aggregated into the segment "manufacturing and sales of natural seasonings." Therefore, the Ariake Group has only one reportable segment of a natural seasonings business.

2. Method of calculations of sales, income (loss), assets, liabilities, and other items by reportable segment

The Ariake Group has only one reportable segment of a natural seasonings business, so information is omitted.

3. Information on sales, income (loss), assets, liabilities, and other items by reportable segment

The Ariake Group has only one reportable segment of a natural seasonings business, so information is omitted.

4. Difference between total amount of reportable segment and amount recorded on consolidated financial statements and its details about the difference (matters relating to difference adjustment)

The Ariake Group has only one reportable segment of a natural seasonings business, so information is omitted.

## b. Related information

## I. FY2011 (from April 1, 2010 to March 31, 2011)

## 1. Information by product and service

Information by product and service is omitted because external sales by products and services account for more than 90% of total net sales stated at consolidated statements of income.

## 2. Information by geographic segment

## (1) Sales

(Thousands of yen)

Japan	North America	Europe	Asia	Total
23,341,544	1,217,373	811,792	1,680,733	27,051,444

## (2) Tangible fixed assets

(Thousands of yen)

Japan	North America	Europe	Asia	Total
13,341,300	2,699,540	4,005,171	1,744,680	21,790,693

## 3. Information by major client

(Thousands of yen)

Name	Sales	Segment name
Vendor Services Co., Ltd.	2,928,254	Natural seasonings business

## II. FY2012 (from April 1, 2011 to March 31, 2012)

## 1. Information by product and service

Information by product and service is omitted because external sales by products and services account for more than 90% of total net sales stated at consolidated statements of income.

## 2. Information by geographic segment

## (1) Sales

(Thousands of yen)

Japan	North America	Europe	Asia	Total
27,081,374	1,426,371	1,219,727	1,789,193	31,516,667

## (2) Tangible fixed assets

(Thousands of yen)

Japan	North America	Europe	Asia	Total
13,989,654	2,616,775	3,429,489	1,642,231	21,678,150

## 3. Information by major client

(Thousands of yen)

Name	Sales	Segment name
Vendor Services Co., Ltd.	3,684,856	Natural seasonings business

## c. Information on impairment loss of fixed assets by reportable segment

There is nothing to report.

## d. Information on amortization and unamortization of goodwill by reportable segment

There is nothing to report.

## e. Information on accrual profit of negative goodwill by reportable segment

There is nothing to report.

## (Information on the Related Parties)

FY2011 (from April 1, 2010 to March 31, 2011)

## Transaction with related parties

Transaction between the Company and related parties

## a) Non-consolidated subsidiaries and affiliated companies, etc. of the Company

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 (Direct) 89.4 (Indirect)	Purchaser of materials	Purchase of raw materials	89,881	Accounts payable – trade	6,783
						Purchase of merchandise	Purchase of shareholder benefits	27,112	–	–
						Lending of loans	Lending of loans	15,000	Short-term loans receivable	15,000

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.

3. Market interest is considered in determining interest on loans.

## b) Directors, major shareholders, etc. of the Company

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 merchandise	238,098	Accounts receivable – trade	16,009
						Leasing of facilities	Receiving of facility usage fees	3,600	Advances received	315
	Japan Food Business Co., Ltd.	Shibuya ward, Tokyo	20	Management of assets	(Direct) 16.8	Supply of materials	Sales of merchandise	1,130	Accounts receivable – trade	126
						Leasing of facilities	Receiving of facility usage fees	2,400	Advances received	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.

FY2012 (from April 1, 2011 to March 31, 2012)

## Transaction with related parties

Transactions between the Company and related parties

## a) Non-consolidated subsidiaries and affiliated companies, etc. of the Company

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 (Direct) 89.4 (Indirect)	Purchaser of materials	Purchase of raw materials	135,312	Accounts payable – trade	4,712
						Purchase of merchandise	Purchase of shareholder benefits	44,757	–	–
						Lending of loans	Collection of loans	15,000	–	–

- 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.
3. Market interest is considered in determining interest on loans.

## b) Directors, major shareholders, etc. of the Company

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	30	Operation of restaurants	None	Supply of materials	Sales of merchandise	246,673	Accounts receivable – trade	20,324
						Leasing of facilities	Receiving of facility usage fees	3,600	Advances received	315
	Japan Food Business Co., Ltd.	Shibuya ward, Tokyo	20	Management of assets	(Direct) 28.9	Supply of materials	Sales of merchandise	1,598	–	–
						Leasing of facilities	Receiving of facility usage fees	2,400	Advances received	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.

## (Per Share Information)

(Yen)

FY2011 (from April 1, 2010 to March 31, 2011)	FY2012 (from April 1, 2011 to March 31, 2012)
Net assets per share 1,286.79	Net assets per share 1,322.84
Net income per share 53.91	Net income per share 81.26
Diluted net income per share is not reported because these are not residual securities.	Diluted net income per share is not reported because these are not residual securities.

Note: Basis for calculation of net income per share is as follows:

(Thousands of yen)

	FY2011 (from April 1, 2010 to March 31, 2011)	FY2012 (from April 1, 2011 to March 31, 2012)
Net income	1,716,031	2,586,232
Amount not attributed to common shareholders	—	—
Net income related to common stocks	1,716,031	2,586,232
Average number of shares outstanding during the fiscal years (thousand shares)	31,828	31,828

## (Important Subsequent Events)

There is nothing to report.



## 5. Non-consolidated Financial Statements

### (1) Non-consolidated Balance Sheets

	(Thousands of yen)	
	FY2011	FY2012
	(As of March 31, 2011)	(As of March 31, 2012)
<b>Assets</b>		
Current assets		
Cash and time deposits	8,438,295	4,310,506
Notes receivable	529,092	*3 507,039
Accounts receivable	*2 4,182,455	*2 5,362,665
Securities	1,003,890	2,500,000
Merchandise and finished goods	1,486,879	1,959,427
Work in process	430,977	441,446
Raw materials and supplies	1,405,622	1,378,495
Advance payments	154,757	161,447
Prepaid expenses	26,586	39,234
Short-term loan to subsidiaries and affiliated companies	2,417,729	14,088
Deferred tax assets	149,519	171,272
Short-term loans receivable	87,500	87,500
Other	44,070	74,565
Allowance for doubtful accounts	(1,379)	(872)
Total current assets	20,355,998	17,006,817
Fixed assets		
Tangible fixed assets		
Buildings	12,430,151	12,433,127
Accumulated depreciation	(6,123,886)	(6,490,161)
Buildings (net)	6,306,265	5,942,965
Structures	888,913	1,059,051
Accumulated depreciation	(683,312)	(718,008)
Structures (net)	205,600	341,042
Machines and devices	14,690,668	15,042,568
Accumulated depreciation	(11,911,427)	(12,425,586)
Machines and devices (net)	2,779,241	2,616,982
Ships and vessels	17,344	17,344
Accumulated depreciation	(17,079)	(17,272)
Ships and vessels (net)	264	72
Vehicles and delivery equipment	183,005	191,984
Accumulated depreciation	(142,619)	(150,599)
Vehicles and delivery equipment (net)	40,385	41,385
Tools, furniture and fixtures	661,508	669,754
Accumulated depreciation	(627,763)	(632,732)
Tools, furniture and fixtures (net)	33,745	37,021
Land	3,914,970	3,914,970
Leased assets	6,100	44,156
Accumulated depreciation	(1,101)	(6,940)
Leased assets (net)	4,998	37,215
Construction in progress	27,843	1,032,781
Total tangible fixed assets	13,313,314	13,964,437
Intangible fixed assets		
Software	13,350	48,566
Telephone subscription rights	7,139	7,139
Total intangible fixed assets	20,489	55,705

	(Thousands of yen)	
	FY2011	FY2012
	(As of March 31, 2011)	(As of March 31, 2012)
Investments and other assets		
Investment securities	5,813,982	8,013,783
Stocks of subsidiaries and affiliated companies	9,688,128	9,668,121
Investments in subsidiaries and affiliated companies	413,095	413,095
Long-term loans receivable	196,875	109,375
Long-term loans to employees	32,695	27,009
Long-term loans to subsidiaries and affiliated companies	150,000	3,188,606
Long-term prepaid expenses	42,392	94,147
Investments in real estates (net)	*1 545,430	*1 539,701
Insurance reserve	415,844	436,819
Deferred tax assets	171,383	99,472
Other	42,216	36,748
Allowance for doubtful accounts	(53,075)	(53,030)
Total investments and other assets	17,458,967	22,573,852
Total fixed assets	30,792,772	36,593,994
Total assets	51,148,770	53,600,812
Liabilities		
Current liabilities		
Notes payable	798,866	*3 864,109
Accounts payable	*2 1,575,149	*2 1,687,833
Lease liabilities	929	9,032
Other accounts payable	681,142	811,017
Accrued expenses	180,585	205,812
Income taxes payable	878,769	1,385,850
Consumption tax payable	57,848	97,742
Deposits payable	34,551	38,820
Allowance for employee bonuses	155,940	180,048
Allowance for directors' bonuses	56,000	56,000
Derivative liabilities	708,704	277,881
Other	51,902	118,975
Total current liabilities	5,180,390	5,733,124
Fixed liabilities		
Lease liabilities	4,456	30,044
Allowance for employee retirement benefits	569,054	583,336
Allowance for directors' retirement benefits	297,906	305,277
Other	60	60
Total fixed liabilities	871,477	918,718
Total liabilities	6,051,867	6,651,843

	(Thousands of yen)	
	FY2011	FY2012
	(As of March 31, 2011)	(As of March 31, 2012)
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	57,301	63,270
Special reserve fund	7,820,000	7,820,000
Retained earnings carried forward	23,581,088	25,269,894
Total retained earnings	31,899,389	33,594,165
Treasury stock	(2,059,110)	(2,059,169)
Total shareholders' equity	44,769,244	46,463,961
Unrealized gains and adjustments		
Unrealized gains (losses) on other securities	327,657	485,008
Total unrealized gains (losses) and adjustments	327,657	485,008
Total net assets	45,096,902	46,948,969
Total liabilities and net assets	51,148,770	53,600,812

## (2) Non-consolidated Statements of Income

	(Thousands of yen)	
	FY2011 (from April 1, 2010 to March 31, 2011)	FY2012 (from April 1, 2011 to March 31, 2012)
Net sales		
Product sales	22,105,073	25,206,256
Merchandise sales	814,315	1,439,406
Total net sales	22,919,389	26,645,662
Cost of sales		
Product inventory at beginning of term	1,094,020	1,380,260
Merchandise inventory at beginning of term	43,728	106,618
Product cost of manufacture of the current term	14,534,463	16,358,005
Cost of merchandise of the current term	724,217	1,464,268
Total	16,396,430	19,309,153
Product inventory at end of term	1,380,260	1,532,732
Merchandise inventory at end of term	106,618	426,694
Total cost of sales	*1 14,909,550	*1 17,349,726
Gross profit	8,009,838	9,295,936
Selling, general and administrative expenses	*2, *3 3,679,636	*2, *3 4,201,613
Operating income	4,330,202	5,094,322
Non-operating income		
Interest income	40,186	42,940
Interest on securities	22,962	77,417
Dividend income	62,419	83,035
Rent received	35,883	36,273
Gain on valuation of derivatives	46,319	430,823
Other	92,086	87,545
Total non-operating income	299,858	758,036
Non-operating expenses		
Interest paid	225	—
Exchange loss on foreign currency	488,454	632,775
Cost of rental revenue	16,577	14,695
Other	8,540	6,323
Total non-operating expenses	513,797	653,794
Ordinary income	4,116,263	5,198,564
Extraordinary losses		
Loss on valuation of investment securities	36,617	10,432
Loss on valuation of stocks of subsidiaries and affiliates	—	20,006
Loss on valuation of golf club memberships	—	4,031
Total extraordinary losses	36,617	34,469
Income before income taxes	4,079,646	5,164,094
Income taxes—current	1,710,000	2,188,269
Income taxes—deferred	(12,438)	7,913
Total income taxes	1,697,561	2,196,182
Net income	2,382,084	2,967,911

## Breakdown of the Product Cost of Manufacture

(Thousands of yen)

Account	Notes	FY2011 (from April 1, 2010 to March 31, 2011)		FY2012 (from April 1, 2011 to March 31, 2012)	
		Amount	Ratio (%)	Amount	Ratio (%)
I. Material costs		8,538,471	58.4	9,558,098	58.1
II. Labor costs		1,991,615	13.6	2,286,358	13.9
(of which, provision for employee bonuses)		(100,881)		(119,784)	
(of which, retirement benefits expenses)		(42,647)		(54,502)	
III. Expenses		4,102,135	28.0	4,605,985	28.0
(of which, depreciation expenses)		(1,045,782)		(1,024,563)	
(of which, sub contractor expenses)		(39,824)		(48,555)	
Total manufacturing cost of the current term		14,632,223	100.0	16,450,442	100.0
Work in process inventory at beginning of term		386,879		430,977	
Total		15,019,102		16,881,419	
Subtract: Work in process inventory at end of term		430,977		441,446	
Subtract: Transfers to other accounts	*1	53,660		81,967	
Product cost of manufacture of the current term		14,534,463		16,358,005	

## Note

FY2011 (from April 1, 2010 to March 31, 2011)	FY2012 (from April 1, 2011 to March 31, 2012)
(Cost accounting method) Separate cost accounting per individual lots based on actual cost.	(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.).	*1 (Transfers to other accounts) Of the transfers to other accounts, main ones are recorded in selling, general and administrative expenses (advertising expenses, etc.).

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

	(Thousands of yen)	
	FY2011 (from April 1, 2010 to March 31, 2011)	FY2012 (from April 1, 2011 to March 31, 2012)
Shareholders' equity		
Common stock		
Balance at the beginning of current period	7,095,096	7,095,096
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	7,095,096	7,095,096
Capital surplus		
Capital reserve		
Balance at the beginning of current period	7,833,869	7,833,869
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	7,833,869	7,833,869
Total capital surplus		
Balance at the beginning of current period	7,833,869	7,833,869
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	7,833,869	7,833,869
Retained earnings		
Legal reserve of retained earnings		
Balance at the beginning of current period	441,000	441,000
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	441,000	441,000
Other retained earnings		
Reserve for special depreciation		
Balance at the beginning of current period	64,294	57,301
Changes of items during the period		
Provision of reserve for special depreciation	12,157	18,703
Withdrawal of reserve for special depreciation	(19,150)	(12,734)
Total changes of items during the period	(6,992)	5,969
Balance at the end of current period	57,301	63,270
Special reserve fund		
Balance at the beginning of current period	7,820,000	7,820,000
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	7,820,000	7,820,000
Retained earnings carried forward		
Balance at the beginning of current period	22,465,169	23,581,088
Changes of items during the period		
Provision of reserve for special depreciation	(12,157)	(18,703)
Withdrawal of reserve for special depreciation	19,150	12,734
Dividend from retained earnings	(1,273,158)	(1,273,136)
Net income	2,382,084	2,967,911
Total changes of items during the period	1,115,918	1,688,806
Balance at the end of current period	23,581,088	25,269,894

	(Thousands of yen)	
	FY2011 (from April 1, 2010 to March 31, 2011)	FY2012 (from April 1, 2011 to March 31, 2012)
Total retained earnings		
Balance at the beginning of current period	30,790,464	31,899,389
Changes of items during the period		
Provision of reserve for special depreciation	—	—
Withdrawal of reserve for special depreciation	—	—
Dividend from retained earnings	(1,273,158)	(1,273,136)
Net income	2,382,084	2,967,911
Total changes of items during the period	1,108,925	1,694,775
Balance at the end of current period	31,899,389	33,594,165
Treasury stock		
Balance at the beginning of current period	(2,058,368)	(2,059,110)
Changes of items during the period		
Acquisition of treasury stock	(1,084)	(584)
Disposal of treasury stock	342	525
Total changes of items during the period	(741)	(59)
Balance at the end of current period	(2,059,110)	(2,059,169)
Total shareholders' equity		
Balance at the beginning of current period	43,661,060	44,769,244
Changes of items during the period		
Dividend from retained earnings	(1,273,158)	(1,273,136)
Net income	2,382,084	2,967,911
Acquisition of treasury stock	(1,084)	(584)
Disposal of treasury stock	342	525
Total changes of items during the period	1,108,184	1,694,716
Balance at the end of current period	44,769,244	46,463,961

	(Thousands of yen)	
	FY2011 (from April 1, 2010 to March 31, 2011)	FY2012 (from April 1, 2011 to March 31, 2012)
Unrealized gains and adjustments		
Unrealized gains on other securities		
Balance at the beginning of current period	635,334	327,657
Changes of items during the period		
Amount of fluctuation of items other than shareholders' equity during the year (net)	(307,676)	157,350
Total changes of items during the period	(307,676)	157,350
Balance at the end of current period	327,657	485,008
Total unrealized gains and adjustments		
Balance at the beginning of current period	635,334	327,657
Changes of items during the period		
Amount of fluctuation of items other than shareholders' equity during the year (net)	(307,676)	157,350
Total changes of items during the period	(307,676)	157,350
Balance at the end of current period	327,657	485,008
Total net assets		
Balance at the beginning of current period	44,296,395	45,096,902
Changes of items during the period		
Dividend from retained earnings	(1,273,158)	(1,273,136)
Net income	2,382,084	2,967,911
Acquisition of treasury stock	(1,084)	(584)
Disposal of treasury stock	342	525
Amount of fluctuation of items other than shareholders' equity during the year (net)	(307,676)	157,350
Total changes of items during the period	800,507	1,852,066
Balance at the end of current period	45,096,902	46,948,969



## (4) Notes on the Going Concern Assumption

There is nothing to report.

## (5) Important Accounting Policy

Term	FY2012 (from April 1, 2011 to March 31, 2012)
1. Valuation standard and method for securities	(1) Held-to-maturity securities Amortized cost method (straight-line method) (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 market price Cost method under the moving average method
2. Valuation standard and method for derivatives	(1) Derivatives: Mark-to-market method
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.)
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

Term	FY2012 (from April 1, 2011 to March 31, 2012)
	<p>(2) Intangible fixed assets (except for leased assets) Straight-line method Software for internal use is amortized over its estimated useful life of 5 years, using the straight-line method.</p> <p>(3) Leased assets Finance leased assets that do not transfer ownership are depreciated using the straight-line method over the period of the lease with zero residual value. Finance leased assets that do not transfer ownership and were acquired prior to March 31, 2008 are not capitalized but accounted for by a method similar to that applicable to operating leases.</p> <p>(4) Long-term prepaid expenses Straight-line method</p> <p>(5) Investments in real estates Declining balance method</p>
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 fiscal year, and differences were recorded as gains or losses.
6. Standards for allowances	<p>(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.</p> <p>(2) Allowance for employee bonuses The Company reserved and recorded the estimated amount of the bonuses to prepare for payment to employees.</p> <p>(3) Allowance for directors' bonuses The Company reserved and recorded as the current fiscal year's Company's contribution a part of the estimated amount of directors' bonuses to prepare for payment to directors.</p> <p>(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 current fiscal year. Actuarial gains and losses are treated as expenses, and amortized from the following fiscal year in which the gain or loss is recognized using a straight-line method over a certain period (5 years) within the average remaining years of service of the employees. 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.</p> <p>(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 fiscal year based on the internal regulations regarding directors' retirement benefits.</p>
7. Other important matters to prepare financial statements	Accounting of the consumption tax The Company applied the tax-exclusion accounting method.

## (6) Additional Information

FY2012 (from April 1, 2011 to March 31, 2012)
Beginning with accounting changes and corrections of past errors undertaken since the beginning of the current consolidated fiscal year, the "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No.24 issued on December 4, 2009) and "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No.24 issued on December 4, 2009) are being applied.

## (7) Notes on the Non-consolidated Financial Statements

## (Non-consolidated Balance Sheets)

FY2011 (As of March 31, 2011)	FY2012 (As of March 31, 2012)																																							
<p>*1. Accumulated depreciation of investments in real estates ¥114,352 thousand</p> <p>*2. Major assets in and liabilities to subsidiaries and affiliated companies are as follows. Accounts independently posted on the Balance Sheets were excluded.</p> <table style="width: 100%;"> <tr> <td style="padding-left: 20px;">Accounts receivable</td> <td style="text-align: right;">¥21,873 thousand</td> </tr> <tr> <td style="padding-left: 20px;">Accounts payable</td> <td style="text-align: right;">¥7,843 thousand</td> </tr> </table> <p>3. _____</p> <p>4. Contingent liabilities (1) Loan guarantee The Company guaranteed the following subsidiaries and affiliated companies' loans from a financial institution.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Guaranteed Company</th> <th style="text-align: center;">Amount</th> <th style="text-align: center;">Details</th> </tr> </thead> <tbody> <tr> <td>F.P.N.I. BELGIUM N.V.</td> <td style="text-align: right;">¥352,710 thousand (€3,000 thousand)</td> <td style="text-align: center;">Loan liability</td> </tr> <tr> <td>Qingdao Ariake Foodstuff Co., Ltd.</td> <td style="text-align: right;">¥146,212 thousand (11,530 thousand yuan)</td> <td style="text-align: center;">Loan liability</td> </tr> <tr> <td>ARIAKE U.S.A., Inc.</td> <td style="text-align: right;">¥831,500 thousand (10,000 thousand dollars)</td> <td style="text-align: center;">Loan liability</td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: right;">¥1,330,422 thousand</td> <td style="text-align: center;">—</td> </tr> </tbody> </table>	Accounts receivable	¥21,873 thousand	Accounts payable	¥7,843 thousand	Guaranteed Company	Amount	Details	F.P.N.I. BELGIUM N.V.	¥352,710 thousand (€3,000 thousand)	Loan liability	Qingdao Ariake Foodstuff Co., Ltd.	¥146,212 thousand (11,530 thousand yuan)	Loan liability	ARIAKE U.S.A., Inc.	¥831,500 thousand (10,000 thousand dollars)	Loan liability	Total	¥1,330,422 thousand	—	<p>*1. Accumulated depreciation of investments in real estates ¥120,081 thousand</p> <p>*2. Major assets in and liabilities to subsidiaries and affiliated companies are as follows. Accounts independently posted on the Balance Sheets were excluded.</p> <table style="width: 100%;"> <tr> <td style="padding-left: 20px;">Accounts receivable</td> <td style="text-align: right;">¥7,018 thousand</td> </tr> <tr> <td style="padding-left: 20px;">Accounts payable</td> <td style="text-align: right;">¥4,712 thousand</td> </tr> </table> <p>*3. Regarding the accounting treatment of notes receivable and payable maturing at the end of the consolidated fiscal year, despite that the end of the current consolidated fiscal year fell on a bank holiday, these notes were accounted for as if settlement occurred on the maturity date. Notes receivable and payable maturing at the end of the current consolidated fiscal year were as shown below.</p> <table style="width: 100%;"> <tr> <td style="padding-left: 20px;">Notes receivable</td> <td style="text-align: right;">¥63,763 thousand</td> </tr> <tr> <td style="padding-left: 20px;">Notes payable</td> <td style="text-align: right;">¥30,071 thousand</td> </tr> </table> <p>4. Contingent liabilities (1) Loan guarantee The Company guaranteed the following subsidiaries and affiliated companies' loans from a financial institution.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Guaranteed Company</th> <th style="text-align: center;">Amount</th> <th style="text-align: center;">Details</th> </tr> </thead> <tbody> <tr> <td>Ariake Europe N.V. (former F.P.N.I. BELGIUM N.V.)</td> <td style="text-align: right;">¥494,100 thousand (€4,500 thousand)</td> <td style="text-align: center;">Loan liability</td> </tr> <tr> <td>ARIAKE U.S.A., Inc.</td> <td style="text-align: right;">¥410,950 thousand (5,000 thousand dollars)</td> <td style="text-align: center;">Loan liability</td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: right;">¥905,050 thousand</td> <td style="text-align: center;">—</td> </tr> </tbody> </table>	Accounts receivable	¥7,018 thousand	Accounts payable	¥4,712 thousand	Notes receivable	¥63,763 thousand	Notes payable	¥30,071 thousand	Guaranteed Company	Amount	Details	Ariake Europe N.V. (former F.P.N.I. BELGIUM N.V.)	¥494,100 thousand (€4,500 thousand)	Loan liability	ARIAKE U.S.A., Inc.	¥410,950 thousand (5,000 thousand dollars)	Loan liability	Total	¥905,050 thousand	—
Accounts receivable	¥21,873 thousand																																							
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Total	¥905,050 thousand	—																																						



**(Business Combinations)**

FY2012 (from April 1, 2011 to March 31, 2012)

There is nothing to report.

**(Asset Retirement Obligations)**

FY2011 (from April 1, 2010 to March 31, 2011)

There is nothing to report.

FY2012 (from April 1, 2011 to March 31, 2012)

There is nothing to report.

**(Per Share Information)**

(Yen)

FY2011 (from April 1, 2010 to March 31, 2011)		FY2012 (from April 1, 2011 to March 31, 2012)	
Net assets per share	1,416.88	Net assets per share	1,475.07
Net income per share	74.84	Net income per share	93.25
Due to absence of residual shares with dilution effects, net income per share after residual share adjustment is not reported.		Due to absence of residual shares with dilution effects, net income per share after residual share adjustment is not reported.	

Note: Basis for calculation of net income per share is as follows:

(Thousands of yen)

	FY2011 (from April 1, 2010 to March 31, 2011)	FY2012 (from April 1, 2011 to March 31, 2012)
Net income	2,382,084	2,967,911
Amount not attributed to common shareholders	—	—
Net income related to common stocks	2,382,084	2,967,911
Average number of shares outstanding during the fiscal years (thousand shares)	31,828	31,828

**(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.