

Consolidated Financial Results for the Fiscal Year 2015 (J-GAAP)

May 14, 2015

Listed company name: Ariake Japan Co., Ltd.
 Code number: 2815 URL: <http://www.ariakejapan.com> Listing exchange: Tokyo, 1st Section
 Representative: Tomoki Tagawa, President (COO)
 Contact: Kazuhiro Fujita, General Manager, Administration Department
 TEL: +81-3-3791-3301

Date of annual general meeting of shareholders: June 19, 2015
 Date to submit the annual securities report: June 22, 2015
 Date to start of dividends distribution: June 22, 2015
 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, 2015 (April 1, 2014 – March 31, 2015)

(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	%
FY2015	40,915	10.0	6,251	10.9	7,562	4.5	4,725	11.1
FY2014	37,201	10.7	5,639	3.0	7,236	12.9	4,252	12.3

Note: Comprehensive income: FY2015: ¥6,527 million (-7.9%)

FY2014: ¥7,090 million (+29.4%)

	Net income per share	Fully diluted net income per share	Return on shareholders' equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
FY2015	148.48	—	8.7	11.6	15.3
FY2014	133.63	—	8.7	12.4	15.2

Reference: Investment profit/loss on equity method: FY2015: ¥ – million

FY2014: ¥ – million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2015	68,293	57,034	82.7	1,775.07
FY2014	62,352	52,211	83.0	1,626.85

Reference: Equity capital: FY2015: ¥56,492 million FY2014: ¥51,777 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 period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2015	6,599	(1,260)	(1,332)	12,955
FY2014	6,367	(4,424)	(1,767)	8,475

2. Dividends

	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			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2014	—	20.00	—	30.00	50.00	1,591	37.4	3.2
FY2015	—	20.00	—	35.00	55.00	1,750	37.0	3.2
FY2016 (forecast)	—	20.00	—	35.00	55.00	—	—	—

3. Forecast of the Consolidated Financial Results for FY2016 Ending March 31, 2016 (April 1, 2015 – March 31, 2016)

(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 attributable to shareholders of the parent company		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	22,921	23.7	3,786	42.8	4,048	32.1	2,622	35.7	82.39
Full year	46,007	12.4	7,933	26.9	8,654	14.4	5,439	15.1	170.90

* Notes

(1) Significant Changes in Subsidiaries during the Year under Review (Changes in specified subsidiaries resulting in change of scope of consolidation): None

Newly included: None (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.: Yes
 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 shares)	As of March 31, 2015:	32,808,683 shares	As of March 31, 2014:	32,808,683 shares
2) Number of treasury shares as of the period-end	As of March 31, 2015:	983,271 shares	As of March 31, 2014:	981,952 shares
3) Average number of shares outstanding for the period	FY2015:	32,826,067 shares	FY2014:	31,827,271 shares

(Reference) Summary of Non-consolidated Financial Results

1. Financial Results for the Year Ended March 31, 2015 (April 1, 2014 – March 31, 2015)

(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	%
FY2015	31,296	5.6	5,556	3.9	6,592	(1.6)	4,299	1.8
FY2014	29,645	4.2	5,349	(2.6)	6,701	5.5	4,224	7.0

	Net income per share	Fully diluted net income per share
	Yen	Yen
FY2015	135.08	—
FY2014	132.75	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2015	65,196	57,190	87.7	1,797.01
FY2014	60,867	53,555	88.0	1,682.73

Reference: Equity capital: FY2015: ¥57,190 million FY2014: ¥53,555 million

2. Forecast of the Non-consolidated Financial Results for the Year Ending March 31, 2016 (April 1, 2015 – March 31, 2016)

(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	16,538	12.1	3,324	14.0	2,133	8.8	67.02
Full year	34,696	10.9	6,958	5.6	4,477	4.1	140.67

* 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 consolidated financial results and other special instructions

Descriptions regarding the future, including the financial outlook contained in this material, are based on certain information currently available to the Company and particular assumptions, which are, at the discretion of the Company, deemed reasonable and actual business results may significantly vary due to various factors.

Contents

1. Business Results and Financial Position.....	2
(1) Analysis of Business Results	2
(2) Analysis of Financial Position	4
(3) Basic Policy Regarding Distribution of Earnings for FY2014 and FY2015	5
2. Outline of the Business Group	6
3. Management Policy.....	8
(1) Basic Management Policy.....	8
(2) Key Management Indicator.....	8
(3) Medium- and Long-term Management Plan	9
(4) Issues which the Company Needs to Address	9
(5) Other Important Matters Relating to the Company Management	9
4. Basic Approach to the Selection of Accounting Standards.....	9
5. Consolidated Financial Statements.....	10
(1) Consolidated Balance Sheets	10
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	12
(Consolidated Statements of Income).....	12
(Consolidated Statements of Comprehensive Income).....	13
(3) Consolidated Statements of Changes in Equity	14
(4) Consolidated Statements of Cash Flows	16
(5) Notes on the Consolidated Financial Statements	18
(Notes on the Going Concern Assumption)	18
(Basic Important Matters to Prepare the Consolidated Financial Statements).....	18
(Changes in Accounting Policies).....	20
(Consolidated Balance Sheets)	22
(Consolidated Statements of Income).....	23
(Consolidated Statements of Comprehensive Income)	24
(Consolidated Statements of Changes in Equity)	25
(Consolidated Statements of Cash Flows)	27
(Securities).....	28
(Derivative Transactions).....	30
(Retirement Benefits).....	31
(Segment Information, etc.)	35
(Information on the Related Parties).....	37
(Per Share Information)	38
(Important Subsequent Events).....	39
6. Non-consolidated Financial Statements	40
(1) Non-consolidated Balance Sheets	40
(2) Non-consolidated Statements of Income.....	43
(3) Non-consolidated Statements of Changes in Equity	45
7. Others	47
(1) Changes in Directors.....	47

1. Business Results and Financial Position

(1) Analysis of Business Results

1. Business conditions for the FY2015

(Consolidated business results)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
FY2015	40,915	6,251	7,562	4,725	148.48
FY2014	37,201	5,639	7,236	4,252	133.63
Growth Rate	10.0%	10.9%	4.5%	11.1%	—

(Non-consolidated business results)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
FY2015	31,296	5,556	6,592	4,299	135.08
FY2014	29,645	5,349	6,701	4,224	132.75
Growth Rate	5.6%	3.9%	(1.6)%	1.8%	—

1) Overall performance for the FY2015

During the fiscal year ended March 31, 2015, improvements in consumer spending lagged behind even though the Japanese economy continued to see a mild recovery. The world economy as a whole recovered mildly, though prospects in some regions remained uncertain.

In the food industry, despite the consumption tax hike, increased raw material prices due to the depreciation of the yen, and the negative impact that bad weather had on some segments, the economic environment saw signs of improvement.

Under such circumstances, Ariake Japan Co., Ltd. (the “Company”) and its Group companies (collectively, the “Ariake Group”) have been striving to understand customer needs early on, expand their existing businesses throughout the world, and actively develop new businesses. In this way, the Ariake Group endeavors, as a leading manufacturer in the field of natural seasonings, and also as a global enterprise setting up a “global seven-pillar system,” to fulfill its 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

The Company’s net sales increased by 5.6% (¥1,650 million) year on year, to ¥31,296 million, resulting from our successful sales and marketing efforts focusing on a “customer-first” approach.

Net sales of consolidated subsidiaries increased by 27.3% year on year mainly due to the higher sales in the overseas subsidiaries.

Therefore, consolidated net sales for the fiscal year under review increased by 10.0% (¥3,714 million) year on year to ¥40,915 million.

Operating Income

The Company’s operating income grew by 3.9% (¥206 million) year on year, to ¥5,556 million. This was largely a result of increased sales, which offset growth in expenses such as the higher cost of raw materials due to the depreciation of the yen and higher fixed manufacturing costs (up by approximately ¥171 million year on year). Consolidated operating income increased by 10.9% (¥612 million) year on year to ¥6,251 million.

Ordinary Income

The Company’s ordinary income decreased by 1.6% (¥109 million) year on year, to ¥6,592 million. This was mainly attributable to the foreign exchange gains (including loss on valuation of derivatives) of ¥679 million, marking a ¥282 million decrease from the foreign exchange gains (including gain on valuation of derivatives) of ¥962 million posted in the previous fiscal year.

Consolidated ordinary income increased by 4.5% (¥325 million) year on year to ¥7,562 million.

Net income

Net income for the Company grew by 1.8% (¥74 million) year on year to ¥4,299 million.

Consolidated net income increased by 11.1% (¥472 million) to ¥4,725 million.

2. Outlook for the FY2016

(Forecast for consolidated financial results)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to the owner of the parent	Net income per share (yen)
FY2016	46,007	7,933	8,654	5,439	170.90
FY2015	40,915	6,251	7,562	4,725	148.48
Growth Rate	12.4%	26.9%	14.4%	15.1%	—

(Forecast for non-consolidated financial results)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to the owner of the parent	Net income per share (yen)
FY2016	34,696	6,452	6,958	4,477	140.67
FY2015	31,296	5,556	6,592	4,299	135.08
Growth Rate	10.9%	16.1%	5.6%	4.1%	—

1) Outlook for financial results for the FY2016

The Group will continue to demonstrate its unique technical strengths and sales capabilities, and it will strive to increase sales and corporate value by maintaining or expanding existing markets and by developing new markets. We will endeavor to enlarge our overseas operations on a new scale with the aim of creating further growth.

The Company has the following three competitive advantages:

- (1) It is a global enterprise which has six 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 50 years, the Company has benefited from the experience curve effect and skills and processes have undergone repeated rounds of “kaizen”, the review of work by on-site workers.

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

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. During the past five years from the fiscal year ended March 2010 to the fiscal year ended March 2015, consolidated net sales increased from ¥22,893 million to ¥40,915 million, marking a ¥18,022 million increase (up 78.7%), while consolidated operating income increased from ¥2,902 million to ¥6,251 million, marking a ¥3,619 million increase (up 124.7%). These results indicate that our products are highly appreciated for their quality and demanded more and more by our customers around the world.

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 2016, consolidated net sales are projected to increase 12.4% year on year to ¥46,007 million, consolidated operating income to grow 26.9% year on year to ¥7,933 million, and consolidated ordinary income to grow 14.4% year on year to ¥8,654 million.

As for non-consolidated earnings, net sales are expected to increase 10.9% year on year to ¥34,696 million, operating income to increase 16.1% year on year to ¥6,452 million, and ordinary income to increase 5.6% year on year to ¥6,958 million.

(2) Analysis of Financial Position

1) Overview of the FY2015

(Millions of yen)

	FY2014	FY2015	Difference
Cash flows from operating activities	6,367	6,599	231
Cash flows from investing activities	(4,424)	(1,260)	3,163
Cash flows from financing activities	(1,767)	(1,332)	435
Increase (decrease) in cash and cash equivalents	372	4,480	4,107
Cash and cash equivalents at beginning of period	8,102	8,475	372
Cash and cash equivalents at end of period	8,475	12,955	4,480

- Regarding the financial position at the end of the current fiscal year, as a result of an increase of ¥4,480 million in cash and deposits and an increase of ¥2,207 million in non-current assets compared to the end of the previous fiscal year, total assets were ¥68,293 million. Shareholders' equity was ¥52,046 million mainly due to a ¥3,025 million increase.
- Net cash provided by operating activities was ¥6,599 million (year on year increase of ¥231 million).
- Cash flows from investing activities

For the current fiscal year, net cash used in investing activities was ¥1,260 million (a year on year decrease in outflow of ¥3,163 million). This was mainly attributable to proceeds of ¥3,500 million from the sale of securities, payments of ¥1,642 million for the acquisition of tangible fixed assets, payments for the purchase of investment securities, and payments into time deposits.
- Cash flows from financing activities

For the current fiscal year, net cash used in financing activities was ¥1,332 million (a year on year decrease in outflow of ¥435 million). This was mainly attributable to an outflow of ¥1,608 million for dividend payments and an increase in short-term loans payable of ¥284 million.

2) Outlook for the FY2016

- 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 ¥2,140 million capital expenditures in total have been predetermined including planned capital expenditures of approximately ¥1,640 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

	FY2011	FY2012	FY2013	FY2014	FY2015
Equity ratio (%)	80.6	82.7	84.6	83.0	82.7
Equity ratio based on fair value (%)	86.0	99.7	113.6	122.2	192.2
Cash flows interest-bearing debts ratio (years)	0.9	0.3	0.1	0.1	0.1
Interest coverage ratio (times)	53.6	88.5	148.0	343.8	256.5

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 shares).

* 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 FY2015 and FY2016

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 3.0%, 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 shares.

We managed to achieve the consolidated net income higher than that of the previous fiscal year. To show our appreciation for the ongoing support of our shareholders, and in the hope of securing their continued support, we intend to propose at the shareholders' meeting to be held in June 2015 that we pay a year-end dividend of ¥35 per share.

Therefore, annual dividends will be ¥55 per share, in an increase of ¥5 from the previous fiscal year.

Regarding the dividends for FY2016, the Company will strive to continue to pay the present common dividend of ¥55 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, eight consolidated subsidiaries, and one 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. manufactures natural seasonings and sells them mainly to customers in Europe. It also supplies these seasonings to the Company.

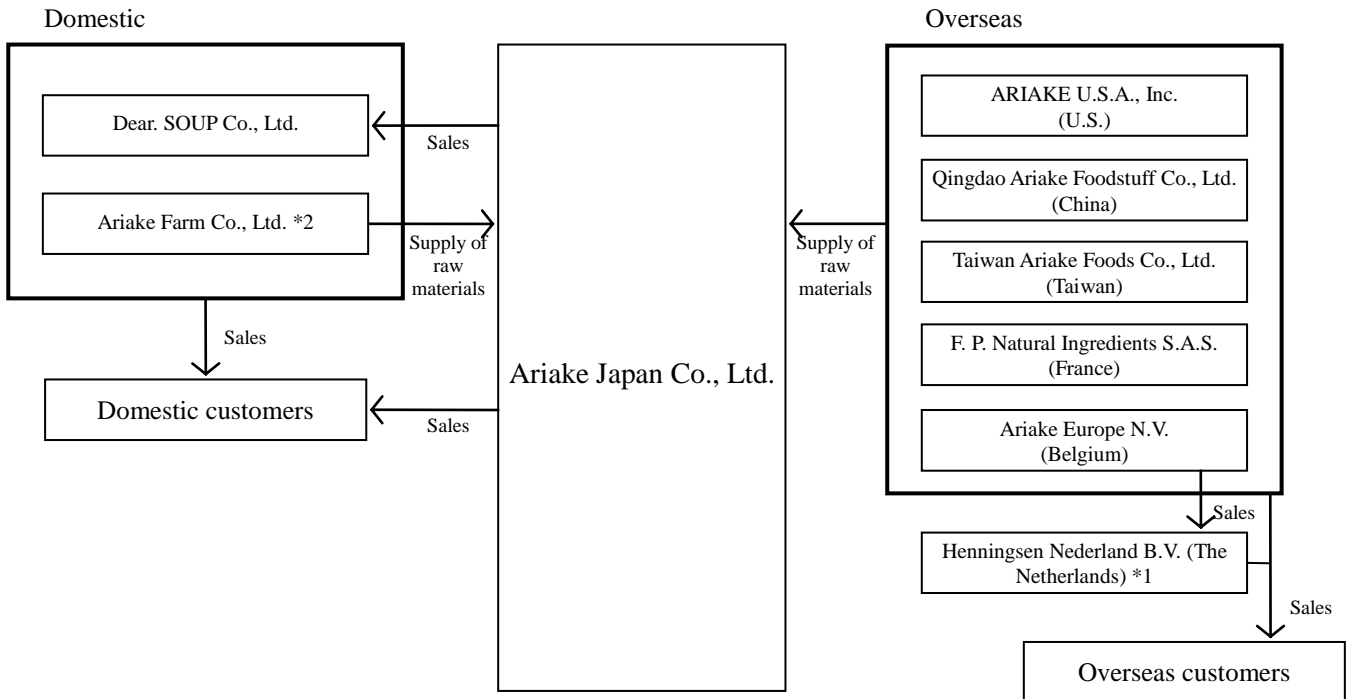
Consolidated Overseas Sub-Subsidiary

- Henningsen Nederland B.V. manufactures natural seasonings and sells them mainly to customers in Europe.

Non-consolidated Subsidiaries

- Ariake Farm Co., Ltd. produces agricultural products and supplies them to the Company. It also sells these products to domestic consumers.

The major companies of the Group and their relationships as of filing date of the Consolidated Financial Results (May 14, 2015) are shown in the diagram below.



No mark: Consolidated subsidiary

*1: Consolidated sub-subsidiary (100% subsidiary of Ariake Europe N.V.)

*2: Non-consolidated subsidiary

3. Management Policy

(1) Basic Management Policy

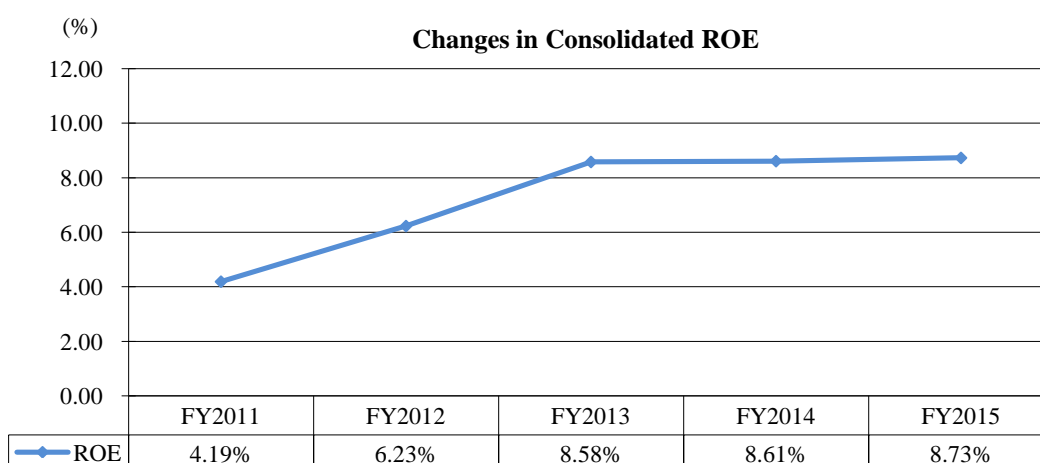
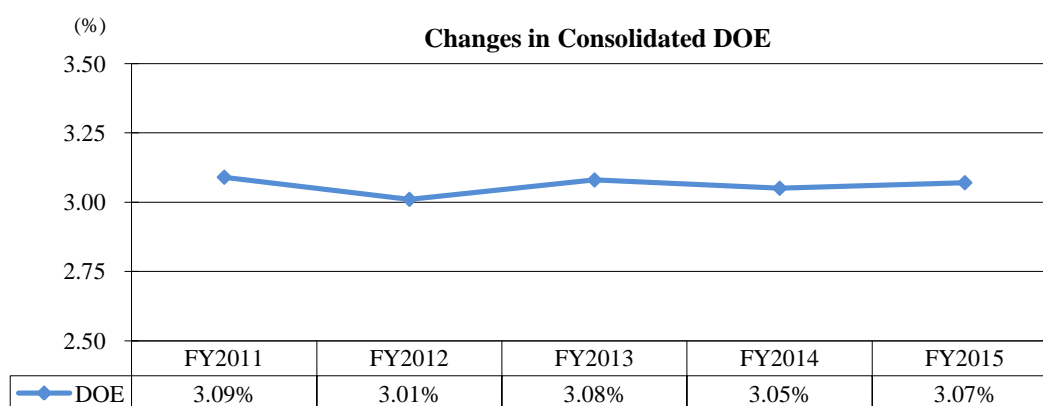
As a leading company in the field of natural seasonings, the Group bases its activities on the following three management concepts:

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 3.0% 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.), and also a sub-subsidiary and a factory in the Netherlands (Henningsen Nederland B.V.), and established an optimal regional production system by creating a “global seven-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. Basic Approach to the Selection of Accounting Standards

In consideration of comparability of the consolidated financial statements over different accounting periods, the Group will prepare consolidated financial statements based on Japanese GAAP for the time being. For the application of International Financial Reporting Standards (IFRS), the Group will take adequate actions while paying attention to various situations inside and outside Japan.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Thousands of yen)	
	FY2014 (As of March 31, 2014)	FY2015 (As of March 31, 2015)
Assets		
Current assets		
Cash and deposits	8,475,323	12,955,853
Notes and accounts receivable - trade	7,131,256	8,054,268
Securities	3,590,000	1,081,368
Merchandise and finished goods	3,078,829	2,765,089
Work in process	893,386	855,994
Raw materials and supplies	1,771,276	2,054,591
Deferred tax assets	192,287	156,992
Others	1,104,125	2,048,526
Allowance for doubtful accounts	(1,522)	(4,495)
Total current assets	26,234,964	29,968,190
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,108,779	23,942,871
Accumulated depreciation	(10,820,544)	(11,730,882)
Buildings and structures, net	12,288,235	12,211,988
Machinery, equipment and vehicles	26,139,882	26,255,588
Accumulated depreciation	(18,977,895)	(19,257,940)
Machinery, equipment and vehicles, net	7,161,987	6,997,648
Land	4,695,695	4,776,579
Leased assets	56,194	56,194
Accumulated depreciation	(25,649)	(36,258)
Leased assets, net	30,545	19,936
Construction in progress	1,152,225	25,597
Others	997,400	1,063,781
Accumulated depreciation	(864,258)	(908,258)
Others, net	133,142	155,522
Total property, plant and equipment	25,461,830	24,187,274
Intangible assets		
Goodwill	1,057,882	959,134
Other	177,903	166,684
Total intangible assets	1,235,785	1,125,819
Investments and other assets		
Investment securities	*1 7,477,484	*1 9,893,724
Long-term loans receivable	48,327	12,436
Real estate for investment, net	*2 1,469,306	*2 684,960
Others	433,168	2,422,423
Allowance for doubtful accounts	(7,976)	(1,165)
Total investments and other assets	9,420,310	13,012,379
Total non-current assets	36,117,926	38,325,473
Total assets	62,352,891	68,293,663

	(Thousands of yen)	
	FY2014	FY2015
	(As of March 31, 2014)	(As of March 31, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,381,377	3,618,361
Short-term loans payable	461,090	836,738
Lease obligations	11,138	11,038
Income taxes payable	1,508,758	1,337,112
Provision for bonuses	203,526	202,200
Provision for directors' bonuses	58,000	63,800
Others	1,917,345	2,004,710
Total current liabilities	7,541,238	8,073,962
Non-current liabilities		
Long-term loans payable	220,054	51,113
Lease obligations	20,933	9,895
Deferred tax liabilities	955,848	1,538,716
Provision for directors' retirement benefits	348,795	360,191
Net defined benefit liability	638,985	876,397
Others	415,516	348,939
Total non-current liabilities	2,600,134	3,185,253
Total liabilities	10,141,372	11,259,216
Net assets		
Shareholders' equity		
Capital stock	7,095,096	7,095,096
Capital surplus	7,833,869	7,833,869
Retained earnings	36,153,808	39,183,311
Treasury shares	(2,062,514)	(2,066,179)
Total shareholders' equity	49,020,258	52,046,097
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,626,742	2,645,340
Foreign currency translation adjustment	1,120,558	1,852,500
Remeasurements of defined benefit plans	9,664	(51,658)
Total accumulated other comprehensive income	2,756,966	4,446,183
Minority interests	434,293	542,167
Total net assets	52,211,518	57,034,447
Total liabilities and net assets	62,352,891	68,293,663

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

(Consolidated Statements of Income)

(Thousands of yen)

	FY2014 (from April 1, 2013 to March 31, 2014)	FY2015 (from April 1, 2014 to March 31, 2015)
Net sales	37,201,258	40,915,954
Cost of sales	*1 25,601,186	*1 28,239,105
Gross profit	11,600,072	12,676,849
Selling, general and administrative expenses	*2, *3 5,960,891	*2, *3 6,424,960
Operating income	5,639,180	6,251,888
Non-operating income		
Interest and dividend income	224,616	235,020
Foreign exchange gains	686,966	1,187,218
House rent income	28,568	31,120
Gain on valuation of derivatives	575,663	-
Others	151,624	208,666
Total non-operating income	1,667,439	1,662,025
Non-operating expenses		
Interest expenses	17,322	26,048
Loss on valuation of derivatives	-	198,195
Cost of lease revenue	20,870	46,614
Others	32,083	80,741
Total non-operating expenses	70,276	351,600
Ordinary income	7,236,343	7,562,313
Extraordinary income		
Gain on sales of non-current assets	-	*4 145,379
Contribution received	-	*5 1,128,877
Total extraordinary income	-	1,274,257
Extraordinary losses		
Loss on valuation of investment securities	6,696	-
Impairment loss	-	*6 1,145,075
Loss on valuation of golf club membership	1,460	-
Loss on debt waiver of subsidiaries and affiliates	-	20,736
Early retirement expenses	-	39,108
Provision of allowance for doubtful accounts	7,794	-
Total extraordinary losses	15,952	1,204,920
Income before income taxes and minority interests	7,220,391	7,631,650
Income taxes - current	2,661,798	2,525,823
Income taxes - deferred	252,854	316,914
Total income taxes	2,914,653	2,842,737
Income before minority interests	4,305,737	4,788,913
Minority interests in income	52,807	63,474
Net income	4,252,929	4,725,439

(Consolidated Statements of Comprehensive Income)

	(Thousands of yen)	
	FY2014 (from April 1, 2013 to March 31, 2014)	FY2015 (from April 1, 2014 to March 31, 2015)
Income before minority interests	4,305,737	4,788,913
Other comprehensive income		
Valuation difference on available-for-sale securities	465,322	1,018,598
Foreign currency translation adjustment	2,319,760	781,248
Remeasurements of defined benefit plans	-	(61,323)
Total other comprehensive income	2,785,082	1,738,523
Comprehensive income	* 7,090,819	* 6,527,436
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	6,960,684	6,414,656
Comprehensive income attributable to minority interests	130,135	112,780

(3) Consolidated Statements of Changes in Equity

FY2014 (from April 1, 2013 to March 31, 2014)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	7,095,096	7,833,869	33,333,121	(2,059,636)	46,202,450
Cumulative effect of changes in accounting policies					
Restated balance	7,095,096	7,833,869	33,333,121	(2,059,636)	46,202,450
Changes of items during period					
Dividends of surplus			(1,432,243)		(1,432,243)
Net income			4,252,929		4,252,929
Purchase of treasury shares				(2,878)	(2,878)
Disposal of treasury shares					–
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	2,820,686	(2,878)	2,817,808
Balance at end of current period	7,095,096	7,833,869	36,153,808	(2,062,514)	49,020,258

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,161,420	(1,121,873)	–	39,546	308,356	46,550,353
Cumulative effect of changes in accounting policies						
Restated balance	1,161,420	(1,121,873)	–	39,546	308,356	46,550,353
Changes of items during period						
Dividends of surplus						(1,432,243)
Net income						4,252,929
Purchase of treasury shares						(2,878)
Disposal of treasury shares						–
Net changes of items other than shareholders' equity	465,322	2,242,432	9,664	2,717,419	125,937	2,843,356
Total changes of items during period	465,322	2,242,432	9,664	2,717,419	125,937	5,661,164
Balance at end of current period	1,626,742	1,120,558	9,664	2,756,966	434,293	52,211,518

FY2015 (from April 1, 2014 to March 31, 2015)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	7,095,096	7,833,869	36,153,808	(2,062,514)	49,020,258
Cumulative effect of changes in accounting policies			(87,991)		(87,991)
Restated balance	7,095,096	7,833,869	36,065,817	(2,062,514)	48,932,267
Changes of items during period					
Dividends of surplus			(1,607,944)		(1,607,944)
Net income			4,725,439		4,725,439
Purchase of treasury shares				(3,664)	(3,664)
Disposal of treasury shares					–
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	3,117,494	(3,664)	3,113,829
Balance at end of current period	7,095,096	7,833,869	39,183,311	(2,066,179)	52,046,097

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,626,742	1,120,558	9,664	2,756,966	434,293	52,211,518
Cumulative effect of changes in accounting policies						(87,991)
Restated balance	1,626,742	1,120,558	9,664	2,756,966	434,293	52,123,527
Changes of items during period						
Dividends of surplus						(1,607,944)
Net income						4,725,439
Purchase of treasury shares						(3,664)
Disposal of treasury shares						–
Net changes of items other than shareholders' equity	1,018,598	731,942	(61,323)	1,689,217	107,873	1,797,090
Total changes of items during period	1,018,598	731,942	(61,323)	1,689,217	107,873	4,910,920
Balance at end of current period	2,645,340	1,852,500	(51,658)	4,446,183	542,167	57,034,447

(4) Consolidated Statements of Cash Flows

	(Thousands of yen)	
	FY2014 (from April 1, 2013 to March 31, 2014)	FY2015 (from April 1, 2014 to March 31, 2015)
Cash flows from operating activities		
Income before income taxes and minority interests	7,220,391	7,631,650
Depreciation	1,995,582	2,314,918
Impairment loss	–	1,145,075
Amortization of goodwill	27,125	109,615
Increase (decrease) in allowance for doubtful accounts	7,880	(3,838)
Increase (decrease) in net defined benefit liability	40,857	100,614
Increase (decrease) in provision for directors' retirement benefits	20,433	11,396
Increase (decrease) in provision for bonuses	24,083	(1,325)
Increase (decrease) in provision for directors' bonuses	–	5,800
Interest and dividend income	(224,616)	(235,020)
Interest expenses	17,322	26,048
Foreign exchange losses (gains)	(386,436)	(877,728)
Loss (gain) on valuation of derivatives	(575,663)	198,195
Loss (gain) on sales of non-current assets	–	(145,379)
Loss (gain) on valuation of investment securities	6,696	–
Decrease (increase) in notes and accounts receivable - trade	146,405	(796,301)
Decrease (increase) in inventories	(385,971)	206,224
Increase (decrease) in notes and accounts payable - trade	405,719	179,538
Increase (decrease) in accrued consumption taxes	(89,192)	419,611
Loss on debt waiver	–	20,736
Decrease (increase) in other assets	210,288	(1,157,432)
Increase (decrease) in other liabilities	269,106	(71,149)
Subtotal	8,730,012	9,081,246
Interest and dividend income received	225,564	251,928
Interest expenses paid	(17,322)	(26,048)
Income taxes paid	(2,570,277)	(2,707,796)
Net cash provided by operating activities	6,367,977	6,599,329
Cash flows from investing activities		
Proceeds from sale of securities	1,000,000	3,500,000
Payments into time deposits	–	(2,019,125)
Purchase of property, plant and equipment	(3,337,330)	(1,642,878)
Purchase of intangible assets	(27,893)	(3,044)
Proceeds from sales of non-current assets	–	918,521
Purchase of investment securities	(506,131)	(2,040,236)
Proceeds from sales of investment securities	1,694	–
Payments of loans receivable	(10,940)	(1,318)
Collection of loans receivable	94,007	27,148
Payments for investments in real estates	(29,060)	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,608,749)	–
Net cash used in investing activities	(4,424,403)	(1,260,934)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(328,391)	284,400
Purchase of treasury shares	(2,878)	(3,664)
Cash dividends paid	(1,432,252)	(1,608,015)

Cash dividends paid to minority shareholders	(4,198)	(4,906)
Net cash used in financing activities	(1,767,721)	(1,332,186)
Effect of exchange rate change on cash and cash equivalents	197,140	474,321
Net increase in cash and cash equivalents	372,993	4,480,530
Cash and cash equivalents at beginning of period	8,102,330	8,475,323
Cash and cash equivalents at end of period	*1 8,475,323	*1 12,955,853

(5) Notes on the Consolidated Financial Statements

(Notes on the Going Concern Assumption)

There is nothing to report.

(Basic Important Matters to Prepare the Consolidated Financial Statements)

1. Matters relating to the scope of consolidation

(1) Consolidated subsidiary companies: 8

Name of the major consolidated subsidiaries

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.

Henningsen Nederland B.V.

(2) Major non-consolidated subsidiaries:

Ariake Farm Co., Ltd.

(Reason to exclude from the scope of consolidation)

The non-consolidated subsidiary Ariake Farm Co., Ltd. is a small company, and its total assets, net sales, net income or loss (corresponding to equity) and retained earnings (corresponding to equity) did not have a significant influence on the Consolidated Financial Statements.

2. Matters relating to subsidiaries and affiliates adopting the equity method

(1) Number and names of companies adopting equity method

Non-consolidated subsidiaries: None

Affiliated companies: None

(2) Non-consolidated subsidiaries that are not using the equity method:

Considering the net income or loss (corresponding to equity) and retained earnings (corresponding to equity), Ariake Farm Co., Ltd. had an insignificant influence on the Consolidated Financial Statements. Since it was not financially important overall, it was excluded from the scope of application of the equity method.

3. Matters relating to business year of consolidated subsidiaries

The closing day of ARIAKE U.S.A., Inc., Qingdao Ariake Foodstuff Co., Ltd., F. P. Natural Ingredients S.A.S., Ariake Europe N.V., Henningsen Nederland B.V. and Taiwan Ariake Foods Co., Ltd. is 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.

4. Matters relating to accounting standards

(1) Valuation standards and methods for important assets

(i) Securities

1) Held-to-maturity securities

Amortized cost method (straight-line method)

2) Other securities

(a) Securities with market price

Mark-to-market method based on the market price as of the closing day of accounts (All the valuation differences were incorporated directly into the net assets and costs for sale were computed with the moving average method.)

(b) Securities without market price

Cost method under the moving average method

(ii) Derivatives

Mark-to-market method

(iii) Major inventories

(a) Products

Mainly, identified cost method

(b) Raw materials

Mainly, cost method under the moving average method

(c) Work in process

Mainly, identified cost method

(d) 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.)

(2) Depreciation method for important depreciable assets

(i) Property, plant and equipment (except for leased assets)

(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

(b) Overseas subsidiaries

Straight-line method based on the estimated useful life

(ii) Intangible 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.

(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 March 31, 2008 are not capitalized but accounted for by a method similar to that applicable to operating leases.

(iv) Real estate for investment: Declining balance method

(3) Standards for significant allowances

(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 collectability of individual doubtful accounts.

(ii) Provision for employees' bonuses

Except for the foreign subsidiaries, the Company has reserved and recorded the estimated amount of the bonuses to prepare for payment to employees.

(iii) Provision 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.

(iv) Provision 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.

(4) Accounting method for retirement benefits

1) Period corresponding method for the projected retirement benefits.

For the calculation of the retirement benefit obligations, the benefit formula standard is applied as a period corresponding method to determine projected retirement benefits up to the current consolidated fiscal year.

2) Accounting method for actuarial gains and losses and prior service costs

Past employment expenses are treated as expenses and amortized, using the straight-line method based on a fixed number of years (mainly 5 years) within the average remaining service period of employees at the time of accrual. Actuarial gains and losses are treated as expenses, and amortized from the following fiscal year in which the gain or loss is recognized using the straight-line method over a certain period (mainly 5 years) within the average remaining years of service of the employees.

(5) Standards for converting significant foreign currency denominated assets and liabilities into Japanese yen

Receivables and payables denominated in foreign currencies were converted to Japanese yen using the spot exchange rate for the closing day of the consolidated period, and differences were recorded as gains or losses.

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.

(6) Amortization method and period for goodwill

A straight-line method is adopted to amortize goodwill for a period of 10 years.

(7) Scope of cash in the Consolidated Statements of Cash Flows

Cash (cash and cash equivalents) in the Consolidated Statements of Cash Flows consist of cash on hand, deposits withdrawable at any time and short-term investments convertible easily into cash and repayable within 3 months after acquisition, with little risk for price fluctuation.

(8) Other important matters to prepare the Consolidated Financial Statements

Accounting of the consumption tax

The Company applied the tax-exclusion accounting method.

(Changes in Accounting Policies)

(Accounting Standards, etc. for Retirement Benefits)

Regarding "Accounting Standards for Retirement Benefits" (Accounting Standards Board of Japan Statement No. 26 issued May 17, 2012, hereinafter referred to as "Accounting Standards for Retirement Benefits") and "Guidance on Accounting Standards for Retirement Benefits" (Accounting Standards Board of Japan Guidance No. 25 issued March 26, 2015, hereinafter referred to as "Guidance on Accounting Standard for Retirement Benefits"), the provisions stipulated in the main clauses of paragraph (35) of the Accounting Standards for Retirement Benefits and paragraph (67) of Guidance on Accounting Standard for Retirement Benefits are applied as from the beginning of the current consolidated fiscal year. In line with this, the methods of calculating retirement benefits obligations and service costs have been reviewed. The method of period attribution of the expected amount of retirement benefits has been changed from fixed period standards to benefit formula standards. In addition, the method of determining discount rates has been changed from being based on the number of years, similar to the average residual term of service of employees, to a method that uses a single weighted average discount rate reflecting the expected payment period of retirement benefits and the amount for each payment period.

Accounting Standards, etc. for Retirement Benefits were adopted in accordance with specific transitional provisions stipulated in paragraph (37) of Accounting Standards for Retirement Benefits. Accordingly, the impact of the above-mentioned changes in the calculation methods of retirement benefit obligations and service costs was reflected in

retained earnings at the beginning of the current consolidated fiscal year.

As a result, at the beginning of the current consolidated fiscal year, retirement benefits liabilities increased by ¥134,956 thousand while retained earnings dropped by ¥87,991 thousand. The effect of the changes on operating income, ordinary income and net income before income taxes and minority interests for the current consolidated fiscal year was negligible.

(Consolidated Balance Sheets)

*1. Items accounted in non-consolidated subsidiaries and affiliated companies are as follows:

	FY2014 (As of March 31, 2014)	FY2015 (As of March 31, 2015)
	(Thousands of yen)	(Thousands of yen)
Investment securities (stocks)	1,500	1,500

*2. Accumulated depreciation of investments in real estates

	FY2014 (As of March 31, 2014)	FY2015 (As of March 31, 2015)
	(Thousands of yen)	(Thousands of yen)
Accumulated depreciation of investments in real estates	139,254	150,460

*3. Contingent liabilities

Guarantee of liabilities was applied to the following obligations by non-consolidated companies.

	FY2014 (As of March 31, 2014)	FY2015 (As of March 31, 2015)
	(Thousands of yen)	(Thousands of yen)
Ariake Farm Co., Ltd.		
Indebtedness to financial institutions	–	300,040
Guarantee of liabilities related to overdraft facility	–	180,000

(Consolidated Statements of Income)

*1. Ending inventories were calculated by 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.

FY2014 (from April 1, 2013 to March 31, 2014)	FY2015 (from April 1, 2014 to March 31, 2015)
(Thousands of yen)	(Thousands of yen)
(36,543)	(104,515)

*2. Major items and amounts under selling, general and administrative expenses are as follows:

	FY2014 (from April 1, 2013 to March 31, 2014)	FY2015 (from April 1, 2014 to March 31, 2015)
	(Thousands of yen)	(Thousands of yen)
Salary and bonuses	988,007	1,073,634
Packing and transportation expenses	2,178,248	2,302,906
Depreciation	111,829	121,949
Provision for bonuses	52,278	44,069
Provision for directors' bonuses	58,000	63,800
Retirement benefit expenses	24,821	25,456
Provision for directors' retirement benefits	20,433	17,238

*3. The total amount of research and development expenses included in general and administrative expenses and manufacturing cost of the current term is as follows:

	FY2014 (from April 1, 2013 to March 31, 2014)	FY2015 (from April 1, 2014 to March 31, 2015)
	(Thousands of yen)	(Thousands of yen)
General and administrative expenses	357,048	362,736
Manufacturing cost of the current term	18,073	23,689

*4. Gain on sales of non-current assets

This gain was attributable to the sale of investment property during the current consolidated fiscal year.

*5. Contribution received

During the current consolidated fiscal year, business conditions of our consolidated subsidiaries F. P. Natural Ingredients S.A.S. and Ariake Europe N.V. deteriorated significantly more than had been expected at the start of business operations. We reviewed the productivity and efficiency of their machinery and equipment to determine and measure the extent of the impairment. Based on the review results, asset impairment was conducted in accordance with guiding principles.

In order to fulfill the responsibility for these companies' business performance, the Company accepted a proposal of a financial contribution from Kineo Okada, Representative Director and Chairman of the Board.

*6. Impairment loss

For the current consolidated fiscal year, the Group recorded impairment loss on the following groups of assets.

Location	Purpose of use	Category	Impairment loss
F. P. Natural Ingredients S.A.S.	Production facilities for natural seasoning	Machinery and equipment	¥224,206 thousand
Ariake Europe N.V.	Production facilities for natural seasoning	Machinery and equipment	¥920,868 thousand

As subsidiaries in Europe saw signs of impairment, the book values of the above-mentioned assets were written down to the amounts estimated as recoverable. The impairment loss (¥1,145,075,000) was recorded as extraordinary loss.

(Consolidated Statements of Comprehensive Income)

* Other comprehensive income reclassification adjustments and tax effects

	FY2014 (from April 1, 2013 to March 31, 2014)	FY2015 (from April 1, 2014 to March 31, 2015)
	(Thousands of yen)	(Thousands of yen)
Valuation difference on available-for-sale securities		
Accrued amount during the period	713,841	1,426,851
Reclassification adjustments	(157)	-
Adjustments of tax effects	713,684	1,426,851
Tax effects	(248,362)	(408,253)
Valuation difference on available-for-sale securities	465,322	1,018,598
Foreign currency translation adjustment		
Accrued amount during the period	2,319,760	781,248
Reclassification adjustments	-	-
Foreign currency translation adjustment	2,319,760	781,248
Remeasurements of defined benefit plans		
Amount recognized during the current fiscal year	-	(87,079)
Reclassification adjustments	-	(1,569)
Before tax effect adjustment	-	(88,648)
Tax effects	-	27,326
Remeasurements of defined benefit plans	-	(61,323)
Total other comprehensive income	2,785,082	1,738,523

(Consolidated Statements of Changes in Equity)

FY2014 (from April 1, 2013 to March 31, 2014)

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

(Thousands of shares)

	Number of shares as of April 1, 2013	Increased number of shares (April 1, 2013 to March 31, 2014)	Decreased number of shares (April 1, 2013 to March 31, 2014)	Number of shares as of March 31, 2014
Outstanding shares				
Common stock	32,808	–	–	32,808
Total	32,808	–	–	32,808
Treasury shares				
Common stock ^(Note)	980	1	–	981
Total	980	1	–	981

Note: The increase in common stock in treasury was due to the acquisition of shares of less than one unit.

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 21, 2013 Annual meeting of shareholders	Common stock	795,699	25.0	March 31, 2013	June 24, 2013
November 12, 2013 Board of Directors Meeting	Common stock	636,544	20.0	September 30, 2013	December 9, 2013

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

Resolution	Type of stock	Total amount of dividends (thousand yen)	Fiscal resources of dividends	Dividends per share (yen)	Record date	Effective date
June 20, 2014 Annual meeting of shareholders	Common stock	954,801	Retained earnings	30.0	March 31, 2014	June 23, 2014

FY2015 (from April 1, 2014 to March 31, 2015)

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

(Thousands of shares)

	Number of shares as of April 1, 2014	Increased number of shares (April 1, 2014 to March 31, 2015)	Decreased number of shares (April 1, 2014 to March 31, 2015)	Number of shares as of March 31, 2015
Outstanding shares				
Common stock	32,808	–	–	32,808
Total	32,808	–	–	32,808
Treasury shares				
Common stock ^(Note)	981	1	–	983
Total	981	1	–	983

Note: The increase in common stock in treasury was due to the acquisition of shares of less than one unit.

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 20, 2014 Annual meeting of shareholders	Common stock	954,801	30.0	March 31, 2014	June 23, 2014
November 12, 2014 Board of Directors Meeting	Common stock	636,520	20.0	September 30, 2014	December 8, 2014

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

Resolution	Type of stock	Total amount of dividends (thousand yen)	Fiscal resources of dividends	Dividends per share (yen)	Record date	Effective date
June 19, 2015 Annual meeting of shareholders	Common stock	1,113,889	Retained earnings	35.0	March 31, 2015	June 22, 2015

(Consolidated Statements of Cash Flows)

*1. Relation between the ending balance of cash and cash equivalents and the accounts on the Consolidated Balance Sheets

	FY2014 (from April 1, 2013 to March 31, 2014)	FY2015 (from April 1, 2014 to March 31, 2015)
	(Thousands of yen)	(Thousands of yen)
Cash and deposits	8,475,323	12,955,853
Cash and cash equivalents	8,475,323	12,955,853

(Securities)

1. Held-to-maturity securities

FY2014 (as of March 31, 2014)

(Thousands of yen)

	Type	Carrying amount on the 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	5,500,000	5,549,335	49,335
	Subtotal	5,500,000	5,549,335	49,335
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	500,000	498,100	(1,900)
	Subtotal	500,000	498,100	(1,900)
Total		6,000,000	6,047,435	47,435

FY2015 (as of March 31, 2015)

(Thousands of yen)

	Type	Carrying amount on the 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	3,500,000	3,561,300	61,300
	Subtotal	3,500,000	3,561,300	61,300
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	500,000	497,800	(2,200)
	Subtotal	500,000	497,800	(2,200)
Total		4,000,000	4,059,100	59,100

2. Other securities

FY2014 (as of March 31, 2014)

(Thousands of yen)

	Type	Carrying amount on the Consolidated Balance Sheets	Acquisition costs	Difference
Securities whose carrying amount on the Consolidated Balance Sheets exceed acquisition costs	(1) Stocks	4,580,720	2,067,124	2,513,595
	(2) Bonds			
	1) Government and municipal bonds, etc.	—	—	—
	2) Corporate bonds	—	—	—
	3) Others	206,460	200,000	6,460
	(3) Others	—	—	—
	Subtotal	4,787,180	2,267,124	2,520,055
Securities whose carrying amount on the Consolidated Balance Sheets do not exceed acquisition costs	(1) Stocks	62,889	87,941	(25,051)
	(2) Bonds			
	1) Government and municipal bonds etc.	—	—	—
	2) Corporate bonds	—	—	—
	3) Others	—	—	—
	(3) Others	—	—	—
	Subtotal	62,889	87,941	(25,051)
Total		4,850,069	2,355,065	2,495,003

Note: Unlisted equity securities and a portion of bonds (with a carrying amount of ¥217,415 thousand recorded on the Consolidated Balance Sheets) are not included in the above "Other securities," since there is no quoted market price and it is very difficult to determine their fair values.

FY2015 (as of March 31, 2015)

(Thousands of yen)

	Type	Carrying amount on the Consolidated Balance Sheets	Acquisition costs	Difference
Securities whose carrying amount on the Consolidated Balance Sheets exceed acquisition costs	(1) Stocks	6,505,638	2,628,032	3,877,606
	(2) Bonds			
	1) Government and municipal bonds, etc.	—	—	—
	2) Corporate bonds	—	—	—
	3) Others	203,420	200,000	3,420
	(3) Others	—	—	—
	Subtotal	6,709,058	2,828,032	3,881,026
Securities whose carrying amount on the Consolidated Balance Sheets do not exceed acquisition costs	(1) Stocks	32,619	51,270	(18,651)
	(2) Bonds			
	1) Government and municipal bonds etc.	—	—	—
	2) Corporate bonds	—	—	—
	3) Others	—	—	—
	(3) Others	—	—	—
	Subtotal	32,619	51,270	(18,651)
Total		6,741,677	2,879,302	3,862,375

Note: Unlisted equity securities (with a carrying amount of ¥233,415 thousand recorded on the Consolidated Balance Sheets) are not included in the above "Other securities," since there is no quoted market price and it is very difficult to determine their fair values.

(Derivative Transactions)

1. Derivative transactions not applied to hedge accounting

(1) Currency-related

FY2014 (as of March 31, 2014)

(Thousands of yen)

Category	Type	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	4,674,450	4,037,025	266,286	266,286
	U.S. dollar	6,992,720	5,757,680	489,149	489,149
Total		11,667,170	9,794,705	755,436	755,436

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.

FY2015 (as of March 31, 2015)

(Thousands of yen)

Category	Type	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	3,714,120	2,932,200	(11,176)	(11,176)
	U.S. dollar	9,092,580	7,570,540	568,417	568,417
Total		12,806,700	10,502,740	557,240	557,240

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)

FY2014 (from April 1, 2013 to March 31, 2014)

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

The Company has a retirement lump sum payment plan and a defined-benefit corporate pension plan in place. Some consolidated subsidiaries adopt defined contribution pension plans as defined contribution retirement plans.

2. Defined benefits system

(1) Reconciliation table for beginning and ending balances of retirement benefits obligations

	(Thousands of yen)
Beginning balance of retirement benefits obligations	1,395,062
Employment expenses	93,161
Interest expenses	27,901
Amortization of net actuarial gains or losses	(27,229)
Payment of retirement benefits	(45,936)
Ending balance of retirement benefits obligations	1,442,958

(2) Reconciliation table for beginning and ending balances of pension assets

	(Thousands of yen)
Beginning balance of pension assets	767,674
Expected return on plan assets	11,515
Amortization of net actuarial gains or losses	(4,279)
Employer's contribution	46,960
Payment of retirement benefits	(17,896)
Ending balance of pension assets	803,973

(3) Reconciliation table for ending balance of retirement benefits obligations and pension assets, and liabilities concerning retirement benefits and assets concerning retirement benefits posted on the Consolidated Balance Sheets

	(Thousands of yen)
Retirement benefits obligations on the funded scheme	866,909
Pension assets	(803,973)
	62,935
Retirement benefits obligations on the non-funded scheme	576,049
Net amount of liabilities and assets reported in the Consolidated Balance Sheets	638,985
Liabilities concerning retirement benefits	638,985
Net amount of liabilities and assets reported in the Consolidated Balance Sheets	638,985

(4) Amounts of retirement benefits expenses and their components

	(Thousands of yen)
Employment expenses	93,161
Interest expenses	27,901
Expected return on plan assets	(11,515)
Amortization of net actuarial gains or losses	6,311
Amortization for prior service costs	-
Retirement benefits expenses concerning defined benefit system	115,858

(5) Accumulated adjustments concerning retirement benefits

The breakdown of items (before income taxes) posted on the accumulated adjustments concerning retirement benefits are as follows:

	(Thousands of yen)
Unrecognized prior service costs	-
Unrecognized actuarial gains and losses	14,823
Total	14,823

(6) Matters relating to pension assets

1) Principal components of pension assets

The proportion of principal categories concerning the total pension assets is as follows:

	(%)
Bonds	—
Stocks	—
Cash and deposits	—
Other	100
Total	100

2) Configuration method of long-term expected rate of return

In determining long-term expected rate of return on pension assets, allocation of current and projected pension assets and present and future long-term rate of return on a variety of assets comprising pension assets are considered.

(7) Matters relating to the basis of the actuarial calculation

The basis of the principal actuarial calculation at the end of the consolidated fiscal year (calculated using the weighted average).

Discount rate: 2.0%

Long-term expected rate of return: 1.5%

3. Defined contribution plans

The amount contributed to defined contribution plans of the consolidated subsidiaries was ¥11,190 thousand.

FY2015 (from April 1, 2014 to March 31, 2015)

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

The Company has a retirement lump sum payment plan and a defined-benefit corporate pension plan in place. Some consolidated subsidiaries adopt defined contribution pension plans as defined contribution retirement plans.

2. Defined benefits system

(1) Reconciliation table for beginning and ending balances of retirement benefits obligations

	(Thousands of yen)
Beginning balance of retirement benefits obligations	1,442,958
Cumulative effect of changes in accounting policies	134,956
<hr/> Restated balance	<hr/> 1,577,914
Employment expenses	96,931
Interest expenses	28,859
Amortization of net actuarial gains or losses	83,405
Payment of retirement benefits	(64,553)
<hr/> Ending balance of retirement benefits obligations	<hr/> 1,722,557

(2) Reconciliation table for beginning and ending balances of pension assets

	(Thousands of yen)
Beginning balance of pension assets	803,973
Expected return on plan assets	12,059
Amortization of net actuarial gains or losses	3,674
Employer's contribution	48,619
Payment of retirement benefits	(13,808)
<hr/> Ending balance of pension assets	<hr/> 847,170

(3) Reconciliation table for ending balance of retirement benefits obligations and pension assets, and liabilities concerning retirement benefits and assets concerning retirement benefits posted on the Consolidated Balance Sheets

	(Thousands of yen)
Retirement benefits obligations on the funded scheme	1,051,281
Pension assets	(847,170)
<hr/>	<hr/> 203,101
Retirement benefits obligations on the non-funded scheme	672,286
<hr/> Net amount of liabilities and assets reported in the Consolidated Balance Sheets	<hr/> 876,397
Liabilities concerning retirement benefits	876,397
<hr/> Net amount of liabilities and assets reported in the Consolidated Balance Sheets	<hr/> 876,397

(4) Amounts of retirement benefits expenses and their components

	(Thousands of yen)
Employment expenses	96,931
Interest expenses	28,859
Expected return on plan assets	(12,059)
Amortization of net actuarial gains or losses	(1,569)
Amortization for prior service costs	-
<hr/> Retirement benefits expenses concerning defined benefit system	<hr/> 112,161

(5) Accumulated adjustments concerning retirement benefits

The breakdown of items (before income taxes) posted on the accumulated adjustments concerning retirement benefits are as follows:

	(Thousands of yen)
Unrecognized prior service costs	-
Unrecognized actuarial gains and losses	(73,826)
<hr/> Total	<hr/> (73,826)

(6) Matters relating to pension assets

1) Principal components of pension assets

The proportion of principal categories concerning the total pension assets is as follows:

	(%)
Bonds	—
Stocks	—
Cash and deposits	—
General account	100
Total	100

2) Configuration method of long-term expected rate of return

In determining long-term expected rate of return on pension assets, allocation of current and projected pension assets and present and future long-term rate of return on a variety of assets comprising pension assets are considered.

(7) Matters relating to the basis of the actuarial calculation

The basis of the principal actuarial calculation at the end of the consolidated fiscal year (calculated using the weighted average).

Discount rate: 0.8% to 1.2%

Long-term expected rate of return: 1.5%

3. Defined contribution plans

The amount contributed to defined contribution plans of the consolidated subsidiaries was ¥13,238 thousand.

(Segment Information, etc.)

[Segment information]

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.

[Related information]

FY2014 (from April 1, 2013 to March 31, 2014)

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 the Consolidated Statements of Income.

2. Information by geographic segment

(1) Sales

(Thousands of yen)

Japan	North America	Europe	Asia	Total
30,003,690	2,556,028	1,633,679	3,007,859	37,201,258

(2) Property, plant and equipment

(Thousands of yen)

Japan	North America	Europe	Asia	Total
14,413,430	3,471,543	5,413,116	2,163,739	25,461,830

3. Information by major client

(Thousands of yen)

Name	Sales	Segment name
Vendor Services Co., Ltd.	4,905,940	Natural seasonings business

FY2015 (from April 1, 2014 to March 31, 2015)

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 the Consolidated Statements of Income.

2. Information by geographic segment

(1) Sales

(Thousands of yen)

Japan	North America	Europe	Asia	Total
31,649,077	2,700,292	2,933,098	3,633,485	40,915,954

(2) Property, plant and equipment

(Thousands of yen)

Japan	North America	Europe	Asia	Total
13,563,665	4,301,938	4,023,053	2,298,616	24,187,274

3. Information by major client

(Thousands of yen)

Name	Sales	Segment name
Vendor Services Co., Ltd.	5,147,799	Natural seasonings business

[Information on impairment loss of non-current assets by reportable segment]

FY2014 (from April 1, 2013 to March 31, 2014)

There is nothing to report.

FY2015 (from April 1, 2014 to March 31, 2015)

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

[Information on amortization and unamortization of goodwill by reportable segment]

FY2014 (from April 1, 2013 to March 31, 2014)

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

FY2015 (from April 1, 2014 to March 31, 2015)

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

[Information on accrual profit of negative goodwill by reportable segment]

There is nothing to report.

(Information on the Related Parties)

(1) Transaction with related parties

Transaction between the Company and related parties

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

FY2014 (from April 1, 2013 to March 31, 2014)

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)	Purchase of raw materials	Purchase of raw materials	646,839	Accounts payable - trade	37,932

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.

FY2015 (from April 1, 2014 to March 31, 2015)

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)	Purchase of raw materials	Purchase of raw materials	673,253	Accounts payable - trade	43,939
							Guarantee of liabilities	480,040	-	-

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. The Company has provided guarantees to Ariake Farm Co., Ltd. for its borrowings from financial institutions. The Company has not received guarantee fees from this subsidiary.

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

FY2014 (from April 1, 2013 to March 31, 2014)

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)
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	30,000	Operation of restaurants	None	Sales of merchandise Leasing of facilities	Sales of merchandise	243,200	Accounts receivable - trade	25,929
							Receiving of facility usage fees	1,200	Advances received	108
	Japan Food Business Co., Ltd.	Shibuya ward, Tokyo	20,000	Management of assets	(Direct) 28.9	Leasing of facilities	Receiving of facility usage fees	2,400	Advances received	216

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.

FY2015 (from April 1, 2014 to March 31, 2015)

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)
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	30,000	Operation of restaurants	None	Sales of merchandise Leasing of facilities	Sales of merchandise	252,007	Accounts receivable - trade	30,315
							Receiving of facility usage fees	1,200	Advances received	108
	Japan Food Business Co., Ltd.	Shibuya ward, Tokyo	20,000	Management of assets	(Direct) 28.9	Leasing of facilities	Receiving of facility usage fees	2,400	Advances received	216

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.

(2) Transactions between consolidated subsidiaries of the Company and related parties

a) Directors and major shareholders of the Company

FY2014 (from April 1, 2013 to March 31, 2014)

Not applicable.

FY2015 (from April 1, 2014 to March 31, 2015)

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)
Director Major shareholder	Kineo Okada	-	-	Representative Director and Chairman of the Board	(Direct) 2.99	Acceptance of contributions	Acceptance of contributions	1,128,877	Accounts receivable	1,128,877

Note: During the current consolidated fiscal year, business conditions of our consolidated subsidiaries F. P. Natural Ingredients S.A.S. and Ariake Europe N.V. deteriorated significantly more than had been expected at the start of business operations. We reviewed the productivity and efficiency of their machinery and equipment to determine and measure the extent of impairment. Based on the review results, asset impairment was conducted in accordance with guiding principles.

In order to fulfill the responsibility for these companies' business performance, the Company accepted a proposal of a financial contribution from Kineo Okada, Representative Director and Chairman of the Board.

(Per Share Information)

(Yen)

	FY2014 (from April 1, 2013 to March 31, 2014)	FY2015 (from April 1, 2014 to March 31, 2015)
Net assets per share	1,626.85	1,775.07
Net income per share	133.63	148.48

Notes: 1. Diluted net income per share is not reported because these are not residual securities.

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

(Thousands of yen)

	FY2014 (from April 1, 2013 to March 31, 2014)	FY2015 (from April 1, 2014 to March 31, 2015)
Net income	4,252,929	4,725,439
Amount not attributed to common shareholders	-	-
Net income related to common stocks	4,252,929	4,725,439
Average number of shares outstanding during the fiscal years (thousand shares)	31,827	31,826

(Important Subsequent Events)

There is nothing to report.

6. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

	(Thousands of yen)	
	FY2014 (As of March 31, 2014)	FY2015 (As of March 31, 2015)
Assets		
Current assets		
Cash and deposits	6,593,115	10,060,572
Notes receivable - trade	449,263	333,345
Accounts receivable - trade	4,822,544	5,620,158
Securities	3,590,000	1,081,368
Merchandise and finished goods	1,951,183	1,771,852
Work in process	550,144	513,229
Raw materials and supplies	1,291,715	1,532,551
Advance payments - trade	228,604	179,672
Prepaid expenses	53,565	66,012
Deferred tax assets	183,754	146,848
Derivatives	755,436	557,240
Short-term loans receivable	21,875	-
Other	108,295	126,893
Allowance for doubtful accounts	(506)	(3,382)
Total current assets	20,598,992	21,986,362
Non-current assets		
Property, plant and equipment		
Buildings	5,717,139	5,434,867
Structures	305,392	261,164
Machinery and equipment	3,494,997	3,780,167
Vessels	40	30
Vehicles	36,460	36,889
Tools, furniture and fixtures	39,640	42,236
Land	3,974,466	3,974,466
Leased assets	30,545	19,936
Construction in progress	801,863	2,302
Total property, plant and equipment	14,400,544	13,552,061

	(Thousands of yen)	
	FY2014	FY2015
	(As of March 31, 2014)	(As of March 31, 2015)
Intangible assets		
Software	38,703	25,847
Telephone subscription rights	7,139	7,139
Total intangible assets	45,842	32,986
Investments and other assets		
Investment securities	7,475,984	9,892,224
Shares of subsidiaries and associates	14,271,050	14,271,050
Investments in capital of subsidiaries and associates	413,095	413,095
Long-term loans receivable from employees	16,546	12,436
Long-term loans receivable from subsidiaries and associates	1,859,304	2,055,176
Long-term prepaid expenses	108,500	58,599
Real estate for investment	1,469,306	684,960
Insurance funds	259,532	282,726
Other	32,352	2,031,588
Allowance for doubtful accounts	(83,576)	(76,765)
Total investments and other assets	25,822,096	29,625,091
Total non-current assets	40,268,483	43,210,139
Total assets	60,867,475	65,196,502
Liabilities		
Current liabilities		
Notes payable - trade	927,103	968,199
Accounts payable - trade	1,781,128	2,026,305
Lease obligations	11,138	11,038
Accounts payable - other	980,759	887,705
Accrued expenses	187,341	188,795
Income taxes payable	1,368,918	1,108,719
Accrued consumption taxes	39,043	416,598
Deposits received	42,834	71,775
Provision for bonuses	184,056	180,403
Provision for directors' bonuses	58,000	63,800
Other	237,500	71,079
Total current liabilities	5,817,825	5,994,420
Non-current liabilities		
Lease obligations	20,933	9,895
Deferred tax liabilities	470,232	839,739
Provision for retirement benefits	653,808	801,560
Provision for directors' retirement benefits	348,795	360,191
Other	60	60
Total non-current liabilities	1,493,831	2,011,446
Total liabilities	7,311,657	8,005,867

	(Thousands of yen)	
	FY2014	FY2015
	(As of March 31, 2014)	(As of March 31, 2015)
Net assets		
Shareholders' equity		
Capital stock	7,095,096	7,095,096
Capital surplus		
Lease capital surplus	7,833,869	7,833,869
Total capital surplus	7,833,869	7,833,869
Retained earnings		
Legal retained earnings	441,000	441,000
Other retained earnings		
Reserve for special depreciation	56,842	114,920
General reserve	7,820,000	7,820,000
Retained earnings brought forward	30,744,782	33,306,587
Total retained earnings	39,062,625	41,682,508
Treasury shares	(2,062,514)	(2,066,179)
Total shareholders' equity	51,929,076	54,545,294
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,626,742	2,645,340
Total valuation and translation adjustments	1,626,742	2,645,340
Total net assets	53,555,818	57,190,634
Total liabilities and net assets	60,867,475	65,196,502

(2) Non-consolidated Statements of Income

(Thousands of yen)

	FY2014 (from April 1, 2013 to March 31, 2014)	FY2015 (from April 1, 2014 to March 31, 2015)
Net sales		
Net sales of finished goods	28,150,029	30,034,464
Net sales of goods	1,495,889	1,262,438
Total net sales	29,645,918	31,296,902
Cost of sales	19,900,423	21,207,607
Gross profit	9,745,495	10,089,294
Selling, general and administrative expenses	4,395,699	4,533,172
Operating income	5,349,796	5,556,122
Non-operating income		
Interest income	22,432	18,123
Interest on securities	99,051	82,817
Dividend income	171,787	206,455
Foreign exchange gains	386,436	877,728
House rent income	38,096	40,648
Gain on valuation of derivatives	575,663	–
Other	82,430	60,133
Total non-operating income	1,375,897	1,285,907
Non-operating expenses		
Cost of lease revenue	20,870	46,614
Loss on valuation of derivatives	–	198,195
Other	2,845	5,173
Total non-operating expenses	23,715	249,983
Ordinary income	6,701,978	6,592,046
Extraordinary income		
Gain on sales of non-current assets	–	145,379
Total extraordinary income	–	145,379
Extraordinary losses		
Loss on debt waiver of subsidiaries and affiliates	–	75,627
Loss on valuation of shares of subsidiaries and associates	6,696	–
Provision of allowance for doubtful accounts	30,394	–
Loss on valuation of golf club membership	1,460	–
Total extraordinary losses	38,552	75,627
Income before income taxes	6,663,426	6,661,799
Income taxes - current	2,463,000	2,258,000
Income taxes - deferred	(24,541)	104,604
Total income taxes	2,438,458	2,362,604
Net income	4,224,967	4,299,195

[Breakdown of the Product Cost of Manufacture]

(Thousands of yen)

Account	Notes	FY2014 (from April 1, 2013 to March 31, 2014)		FY2015 (from April 1, 2014 to March 31, 2015)	
		Amount	Ratio (%)	Amount	Ratio (%)
I. Material costs		11,055,973	58.1	11,844,506	58.8
II. Labor costs		2,569,514	13.5	2,588,506	12.8
III. Expenses		5,406,619	28.4	5,722,795	28.4
Total manufacturing cost of the current term		19,032,107	100.0	20,155,807	100.0
Work in process inventory at beginning of term		459,816		550,144	
Total		19,491,923		20,705,952	
Subtract: Work in process inventory at end of term		550,144		513,229	
Subtract: Transfers to other accounts		65,084		67,980	
Product cost of manufacture of the current term		18,876,693		20,124,743	

Cost accounting method

Separate cost accounting per individual lots based on actual cost

Notes

*1. Details are as follows:

(Thousands of yen)

Item	FY2014 (from April 1, 2013 to March 31, 2014)	FY2015 (from April 1, 2014 to March 31, 2015)
Depreciation expenses	1,121,406	1,278,247
Subcontract processing expenses	57,281	55,815

*2. Details of transfers to other accounts are as follows:

(Thousands of yen)

Item	FY2014 (from April 1, 2013 to March 31, 2014)	FY2015 (from April 1, 2014 to March 31, 2015)
Advertising expenses	44,982	45,696
Research and development expenses	20,101	22,284
Total	65,084	67,980

(3) Non-consolidated Statements of Changes in Equity

FY2014 (from April 1, 2013 to March 31, 2014)

(Thousands of yen)

	Shareholders' equity							
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings			Total retained earnings
		Legal capital surplus	Total capital surplus		Other retained earnings			
				Reserve for special depreciation	General reserve	Retained earnings brought forward		
Balance at beginning of current period	7,095,096	7,833,869	7,833,869	441,000	74,585	7,820,000	27,934,315	36,269,901
Cumulative effect of changes in accounting policies								
Restated balance	7,095,096	7,833,869	7,833,869	441,000	74,585	7,820,000	27,934,315	36,269,901
Changes of items during period								
Provision of reserve for special depreciation								—
Reversal of reserve for special depreciation					(17,742)		17,742	—
Dividends of surplus							(1,432,243)	(1,432,243)
Net income							4,224,967	4,224,967
Purchase of treasury shares								
Disposal of treasury shares								
Net changes of items other than shareholders' equity								
Total changes of items during period	—	—	—	—	(17,742)	—	2,810,467	2,792,724
Balance at end of current period	7,095,096	7,833,869	7,833,869	441,000	56,842	7,820,000	30,744,782	39,062,625

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	(2,059,636)	49,139,230	1,161,420	1,161,420	50,300,650
Cumulative effect of changes in accounting policies					
Restated balance	(2,059,636)	49,139,230	1,161,420	1,161,420	50,300,650
Changes of items during period					
Provision of reserve for special depreciation		—			—
Reversal of reserve for special depreciation		—			—
Dividends of surplus		(1,432,243)			(1,432,243)
Net income		4,224,967			4,224,967
Purchase of treasury shares	(2,878)	(2,878)			(2,878)
Disposal of treasury shares		—			—
Net changes of items other than shareholders' equity			465,322	465,322	465,322
Total changes of items during period	(2,878)	2,789,846	465,322	465,322	3,255,168
Balance at end of current period	(2,062,514)	51,929,076	1,626,742	1,626,742	53,555,818

FY2015 (from April 1, 2014 to March 31, 2015)

(Thousands of yen)

	Shareholders' equity							
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings			Total retained earnings
		Legal capital surplus	Total capital surplus		Other retained earnings			
					Reserve for special depreciation	General reserve	Retained earnings brought forward	
Balance at beginning of current period	7,095,096	7,833,869	7,833,869	441,000	56,842	7,820,000	30,744,782	39,062,625
Cumulative effect of changes in accounting policies							(87,991)	(87,991)
Restated balance	7,095,096	7,833,869	7,833,869	441,000	56,842	7,820,000	30,656,791	38,974,634
Changes of items during period								
Provision of reserve for special depreciation					72,196		(72,196)	–
Reversal of reserve for special depreciation					(14,118)		14,118	–
Dividends of surplus							(1,591,322)	(1,591,322)
Net income							4,299,195	4,299,195
Purchase of treasury shares								
Disposal of treasury shares								
Net changes of items other than shareholders' equity								
Total changes of items during period	–	–	–	–	58,077	–	2,649,796	2,707,873
Balance at end of current period	7,095,096	7,833,869	7,833,869	441,000	114,920	7,820,000	33,306,587	41,682,508

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	(2,062,514)	51,929,076	1,626,742	1,626,742	53,555,818
Cumulative effect of changes in accounting policies		(87,991)			(87,991)
Restated balance	(2,062,514)	51,841,085	1,626,742	1,626,742	53,467,827
Changes of items during period					
Provision of reserve for special depreciation		–			–
Reversal of reserve for special depreciation		–			–
Dividends of surplus		(1,591,322)			(1,591,322)
Net income		4,299,195			4,299,195
Purchase of treasury shares	(3,664)	(3,664)			(3,664)
Disposal of treasury shares		–			–
Net changes of items other than shareholders' equity			1,018,598	1,018,598	1,018,598
Total changes of items during period	(3,664)	2,704,209	1,018,598	1,018,598	3,722,807
Balance at end of current period	(2,066,179)	54,545,294	2,645,340	2,645,340	57,190,634

7. Others

(1) Changes in Directors

Changes in directors have been announced through “Notice on the board of members of directors and auditors after the transition to a company with an audit and supervisory committee” on the same day of the disclosure of the financial statements for the fiscal year ended March 31, 2015.