

# Consolidated Financial Results for the Fiscal Year 2019 (J-GAAP)

May 10, 2019

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Date of annual general meeting of shareholders: June 21, 2019

Date to submit the annual securities report: June 24, 2019

Date to start of dividends distribution: June 24, 2019

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, 2019 (April 1, 2018–March 31, 2019)

### (1) Consolidated Financial Results

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

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of the parent company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2019	56,550	4.1	11,949	5.5	12,546	8.4	16,677	105.9
FY2018	54,348	11.4	11,329	10.3	11,570	9.4	8,099	6.8

Note: Comprehensive income: FY2019: ¥17,229 million (62.8%)

FY2018: ¥10,595 million (37.5%)

	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	%	%	%
FY2019	524.09	–	20.6	13.0	21.1
FY2018	254.54	–	11.7	14.1	20.8

Reference: Investment profit/loss on equity method: FY2019: ¥– million

FY2018: ¥– million

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2019	106,699	88,904	82.8	2,777.83
FY2018	87,026	74,027	84.5	2,312.19

Reference: Equity capital: FY2019: ¥88,393 million

FY2018: ¥73,578 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
FY2019	9,704	(5,036)	(2,155)	19,543
FY2018	10,173	(8,448)	(2,132)	17,316

## 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	%	%
FY2018	–	20.00	–	46.00	66.00	2,100	25.9	3.0
FY2019	–	20.00	–	57.00	77.00	2,450	14.7	3.0
FY2020 (forecast)	–	20.00	–	57.00	77.00		29.9	

## 3. Forecast of the Consolidated Financial Results for the Year Ending March 31, 2020 (April 1, 2019–March 31, 2020)

(Full year percentage figures represent 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	24,600	(6.9)	5,200	(8.1)	5,300	(11.5)	3,800	(7.4)	119.42
Full year	52,000	(8.0)	11,100	(7.1)	11,200	(10.7)	8,200	(50.8)	257.69

## \* Notes

(1) Significant Changes in Subsidiaries during the Year under Review (Changes in specified subsidiaries resulting in change of scope of consolidation): Yes

Newly included: None (Company name: ) Removed: 1 (Company name: Ariake U.S.A., Inc.)

(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 shares)	As of March 31, 2019:	32,808,683 shares	As of March 31, 2018:	32,808,683 shares
2) Number of treasury shares as of the period-end	As of March 31, 2019:	987,527 shares	As of March 31, 2018:	986,696 shares
3) Average number of shares outstanding for the period	FY2019:	32,821,589 shares	FY2018:	31,822,374 shares

(Reference) Summary of Non-consolidated Financial Results

1. Financial Results for the Year Ended March 31, 2019 (April 1, 2018–March 31, 2019)

(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	%
FY2019	39,177	0.5	8,275	5.6	9,027	9.8	18,438	211.1
FY2018	38,985	8.2	7,838	4.6	8,224	3.9	5,926	6.9

	Net income per share	Fully diluted net income per share
	Yen	Yen
FY2019	579.45	–
FY2018	186.24	–

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2019	102,255	86,837	84.9	2,728.92
FY2018	79,803	69,871	87.6	2,195.70

Reference: Equity capital: FY2019: ¥86,837 million FY2018: ¥69,871 million

## 2. Forecast of the Non-consolidated Financial Results for the Year Ending March 31, 2020 (April 1, 2019–March 31, 2020)

(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	19,100	2.5	4,300	(1.3)	3,100	1.9	97.42
Full year	40,200	2.6	9,000	(0.3)	6,400	(65.3)	201.12

\* These financial results are outside the scope of the audit by certified public accountants or auditing firms.

\* 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 financial results may significantly vary due to various factors.

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## 1. Overview of Financial Results, etc.

### (1) Overview of Financial Results for the FY2019

(Consolidated Financial Results)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to shareholders of the parent company	Net income per share (yen)
FY2019	56,550	11,949	12,546	16,677	524.09
FY2018	54,348	11,329	11,570	8,099	254.54
Growth Rate	4.1%	5.5%	8.4%	105.9%	—

(Non-consolidated Financial Results)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
FY2019	39,177	8,275	9,027	18,438	579.45
FY2018	38,985	7,838	8,224	5,926	186.24
Growth Rate	0.5%	5.6%	9.8%	211.1%	—

Looking at the Japanese economy during the fiscal year ended March 31, 2019, corporate earnings remained at a high level despite signs of weakening, and private consumption remained on a moderate recovery trend on the back of the solid employment and income situation. However, future prospects remain uncertain about overseas economies due to developments in political measures of each country and heightened geopolitical risks, such as the slowdown of the Chinese economy and trade friction between the United States and China, while the U.S. economy remains on a moderate recovery trend on the back of solid domestic demand.

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, 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.

The Company's net sales increased by 0.5% (¥191 million) year on year, to ¥39,177 million, resulting from our steady sales and marketing efforts focusing on a "customer-first" approach.

Net sales of consolidated subsidiaries increased by 7.7% 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 4.1% (¥2,202 million) year on year to ¥56,550 million.

The Company's operating income grew by 5.6% (¥437 million) year on year, to ¥8,275 million. This was largely a result of increased sales and a reduction in fixed manufacturing costs (down by approximately ¥164 million year on year) through cost reduction, which offset growth in the cost of raw materials due to the depreciation of the yen.

Consolidated operating income increased by 5.5% (¥620 million) year on year to ¥11,949 million.

The Company's ordinary income increased by 9.8% (¥803 million) year on year to ¥9,027 million. This was mainly attributable to the gain on valuation of derivatives and foreign exchange gains of ¥243 million in total, marking a ¥408 million increase in gains compared to the loss on valuation of derivatives and foreign exchange losses of ¥165 million in total posted in the previous fiscal year.

Consolidated ordinary income increased by 8.4% (¥976 million) year on year to ¥12,546 million.

Net income for the Company grew by 211.1% (¥12,512 million) year on year to ¥18,438 million, mainly due to the gain on sales of shares of subsidiaries of ¥17,347 million.

Net income attributable to shareholders of the parent company increased by 105.9% (¥8,577 million) year on year to ¥16,677 million mainly due to the gain on sales of shares of subsidiaries of ¥13,300 million.

The Ariake Group has only one reportable segment, so information on segment performance is not reported.

## (2) Overview of Financial Position for the FY2019

### (Assets)

As of March 31, 2019, total current assets were ¥68,850 million. This represents an increase of ¥20,244 million compared to March 31, 2018, mainly due to an increase of ¥2,227 million in cash and deposits, an increase of ¥16,986 million in accounts receivable - other, and an increase of ¥1,500 million in securities. Total non-current assets decreased by ¥572 million compared to March 31, 2018 to ¥37,849 million, mainly due to a decrease of ¥4,207 million in tangible fixed assets mainly due to the sales of Ariake U.S.A., Inc. and increases of ¥912 million in investment securities and ¥3,000 million in long-term accounts receivable - other.

Therefore, total assets were ¥106,699 million, an increase of ¥19,672 million compared to March 31, 2018.

### (Liabilities)

As of March 31, 2019, total current liabilities were ¥14,160 million, which represents an increase of ¥5,025 million compared to March 31, 2018. This was mainly attributable to an increase of ¥5,619 million in income taxes payable and a decrease of ¥507 million in notes and accounts payable - trade. Total non-current liabilities decreased to ¥3,635 million, a decrease of ¥229 million compared to March 31, 2018. This was mainly owing to a decrease of ¥264 million in deferred tax liabilities.

Therefore, total liabilities were ¥17,795 million, an increase of ¥4,796 million compared to March 31, 2018.

### (Net Assets)

As of March 31, 2019, total net assets were ¥88,904 million, representing an increase of ¥14,876 million compared to March 31, 2018. This was mainly due to ¥16,677 million in net income attributable to shareholders of the parent company and ¥2,100 million in dividends of surplus.

Therefore, equity ratio was 82.8% (84.5% as of March 31, 2018).

## (3) Overview of Cash Flows in the FY2019

Cash and cash equivalents (hereinafter "cash") as of March 31, 2019 totaled ¥19,543 million, an increase of ¥2,227 million (up 12.9%) compared to March 31, 2018, as a result of outflows including the purchase of property, plant and equipment and payment of cash dividends despite an increase in income before income taxes and minority interests to ¥25,752 million (up 119.3% compared to the FY2018).

Overview of the respective cash flows and factors that influenced them in the FY 2019 are stated as below.

### (Cash flows from operating activities)

Net cash provided by operating activities was ¥9,704 million (a year on year decrease in inflow of ¥4,687 million). While income before income taxes and minority interests increased to ¥25,752 million (a year on year increase of ¥14,008 million) and depreciation of ¥1,898 million was posted, the gain on sales of shares of subsidiaries was ¥13,300 million, payments for income and other taxes was ¥3,855 million and increases in inventories, and notes and accounts receivable - trade were ¥396 million and ¥569 million, respectively.

### (Cash flows from investing activities)

Net cash used in investing activities was an outflow of ¥5,036 million (a year on year decrease in outflow of ¥3,412 million), mainly attributable to capital expenditures of ¥3,158 million (a year on year increase in outflow of ¥377 million) and expenditures of ¥2,006 million from purchase of securities.

### (Cash flows from financing activities)

Net cash used in financing activities was ¥2,155 million (a year on year increase of outflow of ¥23 million). This was mainly attributable to decreases in dividends paid and short-term loans payable of ¥2,100 million and ¥23 million, respectively.

## (Reference) Cash Flow Indicators

	FY2015	FY2016	FY2017	FY2018	FY2019
Equity ratio (%)	82.7	83.2	84.4	84.5	82.8
Equity ratio based on fair value (%)	192.2	295.0	258.6	311.5	176.6
Cash flows interest-bearing debts ratio (years)	0.1	0.1	0.0	0.0	0.0
Interest coverage ratio (times)	256.5	607.6	1,398.3	3,801.3	21,567.6

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

(Note 1) All indicators are calculated using financial figures on a consolidated basis.

(Note 2) Total fair value is calculated based on number of shares outstanding after deducting treasury shares.

(Note 3) The "Cash flows from operating activities" was used as cash flows.

(Note 4) All interest-bearing debts on the Consolidated Balance Sheets were used as interest-bearing debts.

(Note 5) As the Company has applied "Partial Amendments to 'Accounting Standard for Tax Effect Accounting'" (ASBJ Statement No. 28, February 16, 2018) and other related standards from the beginning of the current consolidated fiscal year, indicators, etc. for the previous fiscal year have been adjusted to retrospectively apply the new standards.

#### (4) Future Outlook

(Forecast for consolidated financial results)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to shareholders of the parent company	Net income per share (yen)
FY2020	52,000	11,100	11,200	8,200	257.69
FY2019	56,550	11,949	12,546	16,677	524.09
Growth Rate	(8.0%)	(7.1%)	(10.7%)	(50.8%)	—

(Forecast for non-consolidated financial results)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
FY2020	40,200	8,500	9,000	6,400	201.12
FY2019	39,177	8,275	9,027	18,438	579.45
Growth Rate	2.6%	2.7%	(0.3%)	(65.3%)	—

For the past decade, the Ariake Group has made large-scale capital expenditures of more than ¥20 billion across the globe to expand worldwide demand for natural seasonings and to have our products penetrate global markets. The results of these domestic and overseas capital expenditures are steadily being realized. Net sales of the Company in the FY2019 was ¥39,177 million, an increase of 103.4% compared to the FY2009 (¥19,258 million) and consolidated net sales increased to ¥56,550 million, an improvement of 160.2% from the FY2009 (¥21,736 million). Both sales items have been setting record highs.

Our income also has steadily been growing, offsetting the increase in depreciation due to capital expenditures. The Company's net income was ¥18,438 million and net income attributable to shareholders of our parent company was ¥16,677 million in the FY2019, recording a historical high largely due to a gain on sale of the subsidiary in the United States. 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.

In these circumstances, for the next consolidated fiscal year, the FY2020, consolidated net sales are projected to be ¥52,000 million (down 8.0% compared to the FY2019), operating income ¥11,100 million (down 7.1%), ordinary income ¥11,200 million (down 10.7%) and net income attributable to shareholders of parent company ¥8,200 million (down 50.8%). Due to the deconsolidation of the U.S. subsidiary, net sales and other figures are expected to decrease substantially.

We used exchange rates of 1 US dollar = ¥110 and 1 euro = ¥125 as the base for forecast for financial results.

The forecast for financial results above was prepared based on information available as of the date of announcement of this material and actual results may be different from the forecast figures due to various factors in the future.

## 2. 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.



### 3. Consolidated Financial Statements and Major Notes

#### (1) Consolidated Balance Sheets

	(Thousands of yen)	
	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)
<b>Assets</b>		
Current assets		
Cash and deposits	29,816,304	32,043,385
Notes and accounts receivable - trade	*3 10,665,763	*3 10,414,698
Securities	500,000	2,000,000
Merchandise and finished goods	3,836,679	3,481,308
Work in process	895,113	840,647
Raw materials and supplies	2,378,687	2,425,690
Accounts receivable - other	72,932	17,059,384
Others	441,821	586,341
Allowance for doubtful accounts	(1,845)	(1,157)
Total current assets	48,605,456	68,850,299
Non-current assets		
Property, plant and equipment		
Buildings and structures	25,094,171	22,004,303
Accumulated depreciation	(13,155,347)	(12,497,864)
Buildings and structures, net	11,938,823	9,506,438
Machinery, equipment and vehicles	27,289,207	24,477,897
Accumulated depreciation	(21,383,024)	(19,503,488)
Machinery, equipment and vehicles, net	5,906,183	4,974,409
Land	4,561,727	4,587,383
Leased assets	115,002	118,282
Accumulated depreciation	(76,390)	(90,140)
Leased assets, net	38,612	28,141
Construction in progress	1,241,053	365,917
Others	1,121,727	1,126,376
Accumulated depreciation	(943,293)	(931,647)
Others, net	178,434	194,728
Total property, plant and equipment	23,864,833	19,657,018
Intangible assets		
Goodwill	580,394	451,244
Others	138,653	140,918
Total intangible assets	719,048	592,163
Investments and other assets		
Investment securities	*1 12,802,571	*1 13,714,667
Long-term loans receivable	18,315	14,700
Real estate for investment, net	*2 660,040	*2 558,543
Long-term accounts receivable - other	-	3,000,000
Deferred tax assets	11,472	10,630
Others	345,323	301,872
Allowance for doubtful accounts	(129)	(129)
Total investments and other assets	13,837,593	17,600,284
Total non-current assets	38,421,475	37,849,466
Total assets	87,026,932	106,699,766

(Thousands of yen)

	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	*3 4,792,824	*3 4,285,535
Short-term loans payable	24,532	-
Lease obligations	14,389	14,110
Income taxes payable	1,806,634	7,425,753
Provision for bonuses	255,987	269,916
Provision for directors' bonuses	70,000	78,400
Others	2,170,088	2,086,572
<b>Total current liabilities</b>	<b>9,134,456</b>	<b>14,160,288</b>
<b>Non-current liabilities</b>		
Lease obligations	27,008	15,751
Deferred tax liabilities	2,238,640	1,974,145
Provision for directors' retirement benefits	126,110	136,796
Net defined benefit liability	1,168,585	1,234,749
Others	304,447	274,005
<b>Total non-current liabilities</b>	<b>3,864,791</b>	<b>3,635,447</b>
<b>Total liabilities</b>	<b>12,999,247</b>	<b>17,795,735</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	7,095,096	7,095,096
Capital surplus	7,840,343	7,840,343
Retained earnings	55,255,026	69,596,355
Treasury shares	(2,088,405)	(2,095,860)
<b>Total shareholders' equity</b>	<b>68,102,060</b>	<b>82,435,933</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	4,650,893	5,285,414
Foreign currency translation adjustment	895,680	738,760
Remeasurements of defined benefit plans	(70,253)	(66,454)
<b>Total accumulated other comprehensive income</b>	<b>5,476,319</b>	<b>5,957,720</b>
<b>Non-controlling interests</b>	<b>449,304</b>	<b>510,376</b>
<b>Total net assets</b>	<b>74,027,684</b>	<b>88,904,030</b>
<b>Total liabilities and net assets</b>	<b>87,026,932</b>	<b>106,699,766</b>

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

(Consolidated Statements of Income)

	(Thousands of yen)	
	FY2018 (from April 1, 2017 to March 31, 2018)	FY2019 (from April 1, 2018 to March 31, 2019)
Net sales	54,348,006	56,550,168
Cost of sales	*1, *3 35,510,441	*1, *3 36,643,958
Gross profit	18,837,565	19,906,210
Selling, general and administrative expenses	*2, *3 7,508,003	*2, *3 7,956,233
Operating income	11,329,561	11,949,976
Non-operating income		
Interest and dividend income	207,983	234,647
Foreign exchange gains	20,688	28,135
House rent income	35,058	35,085
Gain on valuation of derivatives	-	116,249
Amount of contributions accepted	-	96,717
Others	183,428	152,378
Total non-operating income	447,158	663,214
Non-operating expenses		
Interest expenses	2,676	449
Loss on valuation of derivatives	125,093	-
Cost of lease revenue	15,903	15,739
Penalties	24,000	-
Others	38,533	50,096
Total non-operating expenses	206,207	66,285
Ordinary income	11,570,512	12,546,905
Extraordinary income		
Subsidy income	179,391	-
Gain on sales of shares of subsidiaries	-	13,300,383
Total extraordinary income	179,391	13,300,383
Extraordinary losses		
Loss on retirement of non-current assets	6,138	-
Impairment loss	-	94,923
Total extraordinary losses	6,138	94,923
Income before income taxes and minority interests	11,743,765	25,752,365
Income taxes - current	3,721,155	9,031,803
Income taxes - deferred	(171,838)	(56,216)
Total income taxes	3,549,316	8,975,586
Net income	8,194,448	16,776,779
Net income attributable to non-controlling interests	94,533	99,559
Net income attributable to shareholders of the parent company	8,099,915	16,677,219

## (Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	FY2018 (from April 1, 2017 to March 31, 2018)	FY2019 (from April 1, 2018 to March 31, 2019)
Net income	8,194,448	16,776,779
Other comprehensive income		
Valuation difference on available-for-sale securities	1,590,850	634,521
Foreign currency translation adjustment	770,580	(186,011)
Remeasurements of defined benefit plans	39,940	3,798
Total other comprehensive income	* 2,401,372	* 452,308
Comprehensive income	10,595,821	17,229,087
Comprehensive income attributable to:		
Comprehensive income attributable to shareholders of the parent company	10,490,562	17,158,620
Comprehensive income attributable to non-controlling interests	105,258	70,467

## (3) Consolidated Statements of Changes in Equity

FY2018 (from April 1, 2017 to March 31, 2018)

(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	7,840,343	49,064,479	(2,079,787)	61,920,131
Changes of items during period					
Dividends of surplus			(1,909,367)		(1,909,367)
Net income attributable to shareholders of the parent company			8,099,915		8,099,915
Purchase of treasury shares				(8,617)	(8,617)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	6,190,547	(8,617)	6,181,929
Balance at end of current period	7,095,096	7,840,343	55,255,026	(2,088,405)	68,102,060

	Accumulated other comprehensive income				Non-controlling 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	3,060,042	135,823	(110,194)	3,085,671	350,409	65,356,211
Changes of items during period						
Dividends of surplus						(1,909,367)
Net income attributable to shareholders of the parent company						8,099,915
Purchase of treasury shares						(8,617)
Net changes of items other than shareholders' equity	1,590,850	759,856	39,940	2,390,647	98,895	2,489,543
Total changes of items during period	1,590,850	759,856	39,940	2,390,647	98,895	8,671,472
Balance at end of current period	4,650,893	895,680	(70,253)	5,476,319	449,304	74,027,684

FY2019 (from April 1, 2018 to March 31, 2019)

(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	7,840,343	55,255,026	(2,088,405)	68,102,060
Changes of items during period					
Dividends of surplus			(2,100,241)		(2,100,241)
Net income attributable to shareholders of the parent company			16,677,219		16,677,219
Purchase of treasury shares				(7,455)	(7,455)
Net changes of items other than shareholders' equity			(235,650)		(235,650)
Total changes of items during period			14,341,328	(7,455)	14,333,872
Balance at end of current period	7,095,096	7,840,343	69,596,355	(2,095,860)	82,435,933

	Accumulated other comprehensive income				Non-controlling 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	4,650,893	895,680	(70,253)	5,476,319	449,304	74,027,684
Changes of items during period						
Dividends of surplus						(2,100,241)
Net income attributable to shareholders of the parent company						16,677,219
Purchase of treasury shares						(7,455)
Net changes of items other than shareholders' equity	634,521	(156,919)	3,799	481,400	61,072	306,822
Total changes of items during period	634,521	(156,919)	3,799	481,400	61,072	14,876,345
Balance at end of current period	5,285,414	738,760	(66,454)	5,957,720	510,376	88,904,030

## (4) Consolidated Statements of Cash Flows

	(Thousands of yen)	
	FY2018 (from April 1, 2017 to March 31, 2018)	FY2019 (from April 1, 2018 to March 31, 2019)
Cash flows from operating activities		
Income before income taxes and minority interests	11,743,765	25,752,365
Depreciation	1,968,822	1,981,191
Amortization of goodwill	100,938	94,999
Increase (decrease) in allowance for doubtful accounts	(4,376)	(641)
Increase (decrease) in net defined benefit liability	123,349	71,585
Increase (decrease) in provision for directors' retirement benefits	8,520	10,685
Increase (decrease) in provision for directors' bonuses	18,160	8,400
Increase (decrease) in provision for bonuses	8,910	14,915
Interest and dividend income	(207,983)	(234,647)
Interest expenses	2,676	449
Foreign exchange losses (gains)	42,532	24,764
Loss (gain) on valuation of derivatives	125,093	(116,249)
Amount of contributions accepted	-	(96,717)
Loss on retirement of non-current assets	6,138	10,862
Loss (gain) on sales of non-current assets	-	(6,464)
Subsidy income	(179,391)	-
Loss (gain) on sales of shares of subsidiaries	-	(13,300,383)
Impairment loss	-	94,923
Decrease (increase) in notes and accounts receivable - trade	(868,684)	(569,122)
Decrease (increase) in inventories	(370,862)	(396,271)
Increase (decrease) in notes and accounts payable - trade	699,748	(445,575)
Increase (decrease) in accrued consumption taxes	4,116	(46,237)
Decrease (increase) in other assets	(78,813)	(100,183)
Increase (decrease) in other liabilities	158,445	479,627
Subtotal	<u>13,301,103</u>	<u>13,232,276</u>
Interest and dividend income received	226,712	231,909
Interest expenses paid	(2,676)	(449)
Amount of contributions received	-	96,717
Proceeds from subsidy income	179,391	-
Income taxes paid	(3,531,240)	(3,855,595)
Net cash provided by operating activities	<u>10,173,290</u>	<u>9,704,858</u>
Cash flows from investing activities		
Proceeds from sale of securities	540,000	500,000
Net decrease (increase) in time deposits	(5,500,000)	-
Purchase of property, plant and equipment	(2,781,786)	(3,158,883)
Proceeds from sales of property, plant and equipment	610,704	57,899
Purchase of intangible assets	(44,492)	(29,476)
Purchase of investment securities	(1,277,249)	(2,006,672)
Payments of loans receivable	(1,000)	(2,019)
Collection of loans receivable	4,846	6,163
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	-	(403,329)
Net cash used in investing activities	<u>(8,448,977)</u>	<u>(5,036,320)</u>
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(194,045)	(23,088)
Purchase of treasury shares	(8,617)	(7,455)
Cash dividends paid	(1,909,321)	(2,100,972)
Dividends paid to non-controlling interests	(6,362)	(9,395)
Others	(14,277)	(14,966)
Net cash used in financing activities	<u>(2,132,624)</u>	<u>(2,155,878)</u>
Effect of exchange rate change on cash and cash equivalents	176,983	(285,578)

Net increase (decrease) in cash and cash equivalents	(231,328)	2,227,080
Cash and cash equivalents at beginning of period	17,547,632	17,316,304
Cash and cash equivalents at end of period	* 17,316,304	* 19,543,385



## (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.

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.

PT. Ariake Europe Indonesia

ARIAKE U.S.A., Inc. has been excluded from the scope of consolidation as all of its shares have been sold during the current consolidated fiscal year.

Reflecting the completion of ARIAKE U.S.A., Inc.'s share transfer on March 29, 2019, the accounting period of 15 months from January 2018 to March 2019 is included in the scope of consolidation for the said company.

##### (2) Name of the major non-consolidated subsidiary:

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 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. and PT. Ariake Europe Indonesia 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 policies

##### (1) Valuation standards and methods for important assets

###### (i) Securities

###### (a) Held-to-maturity securities

Amortized cost method (straight-line method)

###### (b) Other securities

1) 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.)

- 2) Securities without market price
  - Cost method under the moving average method

(ii) Derivatives

Mark-to-market method

(iii) Major inventories

(a) Merchandise

Mainly, identified cost method

(b) Products

Mainly, identified cost method

(c) Raw materials

Mainly, cost method under the moving average method

(d) Work in process

Mainly, identified cost method

(e) 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, and attached equipment to buildings and structures acquired on or later than April 1, 2016.

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 to 50 years

Machines, devices and delivery equipment: 2 to 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.

(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

(i) 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.

(ii) Accounting method for actuarial gains and losses and prior service costs

Prior service costs 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.

(iii) Application of the simplified method for small companies, etc.

The Company uses the simplified method for the calculation of projected retirement benefit obligations and expenses, which assumes the Company's retirement benefit obligations to be equal to the benefits payable for the voluntary retirement at fiscal year-end, for its junior 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 non-controlling 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.

(Change in presentation method)

(Changes due to the application of "Partial Amendments to 'Accounting Standard for Tax Effect Accounting,")

As the Company has applied "Partial Amendments to 'Accounting Standard for Tax Effect Accounting'" (ASBJ Statement No. 28, February 16, 2018) from the beginning of the current consolidated fiscal year, "deferred tax assets" is presented in the category of investments and other assets, and "deferred tax liabilities" is presented in the category of non-current liabilities.

(Consolidated balance sheets)

"Accounts receivable - other," which was included in "Others" of "Current assets" in the previous consolidated fiscal year, is stated independently from the fiscal year under review, as its importance has increased. Consolidated financial statements for the previous fiscal year have been restated in order to reflect this change in presentation.

As a result, the amount of ¥514,754 thousand reported for "Others" of "Current assets" in the Consolidated Balance Sheets in the previous fiscal year has been restated as "Accounts receivable - other" of ¥72,932 thousand and "Others" of ¥441,821 thousand.

## (Consolidated Balance Sheets)

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

	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)
	(Thousands of yen)	(Thousands of yen)
Investment securities (stocks)	1,500	1,500

\*2. Accumulated depreciation of investments in real estates

	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)
	(Thousands of yen)	(Thousands of yen)
Accumulated depreciation of investments in real estates	175,380	200,253

\*3. Notes maturing at the end of the consolidated fiscal year

Notes that matured on March 31, 2019 are deemed to have been settled on the date of maturity although it fell on a day when financial institutions were closed. The amounts of notes that matured on March 31, 2019 are as follows:

	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)
	(Thousands of yen)	(Thousands of yen)
Notes receivable	84,572	82,268
Notes payable	75,199	84,309

## 4. Contingent liabilities

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

	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)
	(Thousands of yen)	(Thousands of yen)
Ariake Farm Co., Ltd.		
Indebtedness to financial institutions	128,680	71,560
Guarantee of liabilities related to overdraft facility	150,000	150,000

## (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.

	FY2018 (from April 1, 2017 to March 31, 2018)	FY2019 (from April 1, 2018 to March 31, 2019)
	(Thousands of yen)	(Thousands of yen)
	(1,486)	(33,599)

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

	FY2018 (from April 1, 2017 to March 31, 2018)	FY2019 (from April 1, 2018 to March 31, 2019)
	(Thousands of yen)	(Thousands of yen)
Salary and bonuses	1,160,206	1,169,071
Packing and transportation expenses	3,052,074	3,154,657
Depreciation	102,087	106,981
Provision for bonuses	57,820	56,333
Provision for directors' bonuses	70,000	78,400
Retirement benefit expenses	44,747	43,809
Provision for directors' retirement benefits	8,520	10,685

\*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:

	FY2018 (from April 1, 2017 to March 31, 2018)	FY2019 (from April 1, 2018 to March 31, 2019)
	(Thousands of yen)	(Thousands of yen)
General and administrative expenses	385,642	384,909
Manufacturing cost of the current term	29,214	30,779

## (Consolidated Statements of Comprehensive Income)

## \* Other comprehensive income reclassification adjustments and tax effects

(Thousands of yen)

	FY2018 (from April 1, 2017 to March 31, 2018)	FY2019 (from April 1, 2018 to March 31, 2019)
Valuation difference on available-for-sale securities:		
Accrued amount during the period	2,270,049	905,424
Reclassification adjustments	–	–
Before tax effect adjustment	2,270,049	905,424
Tax effects	(679,198)	(270,902)
Valuation difference on available-for-sale securities	1,590,850	634,521
Foreign currency translation adjustment:		
Accrued amount during the period	770,580	(186,011)
Reclassification adjustments	–	–
Foreign currency translation adjustment	770,580	(186,011)
Remeasurements of defined benefit plans:		
Amount recognized during the current fiscal year	10,224	(34,538)
Reclassification adjustments	46,769	39,959
Before tax effect adjustment	56,993	5,420
Tax effects	(17,052)	(1,621)
Remeasurements of defined benefit plans	39,940	3,798
Total other comprehensive income	2,401,372	452,308

## (Consolidated Statements of Changes in Equity)

FY2018 (from April 1, 2017 to March 31, 2018)

## 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, 2017	Increased number of shares (April 1, 2017 to March 31, 2018)	Decreased number of shares (April 1, 2017 to March 31, 2018)	Number of shares as of March 31, 2018
Outstanding shares				
Common stock	32,808	–	–	32,808
Total	32,808	–	–	32,808
Treasury shares				
Common stock <sup>(Note)</sup>	985	1	–	986
Total	985	1	–	986

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 23, 2017 Annual meeting of shareholders	Common stock	1,272,921	40.0	March 31, 2017	June 26, 2017
November 9, 2017 Board of Directors Meeting	Common stock	636,446	20.0	September 30, 2017	December 4, 2017

## (2) Dividends for which the record date fell in current 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 22, 2018 Annual meeting of shareholders	Common stock	1,463,811	Retained earnings	46.0	March 31, 2018	June 25, 2018

FY2019 (from April 1, 2018 to March 31, 2019)

## 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, 2018	Increased number of shares (April 1, 2018 to March 31, 2019)	Decreased number of shares (April 1, 2018 to March 31, 2019)	Number of shares as of March 31, 2019
Outstanding shares				
Common stock	32,808			
Total	32,808			
Treasury shares				
Common stock <sup>(Note)</sup>	986	0	–	987
Total	986	0	–	987

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 22, 2018 Annual meeting of shareholders	Common stock	1,463,811	46.0	March 31, 2018	June 25, 2018
November 8, 2018 Board of Directors Meeting	Common stock	636,430	20.0	September 30, 2018	December 4, 2018

## (2) Dividends for which the record date fell in current 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 21, 2019 Annual meeting of shareholders	Common stock	1,813,805	Retained earnings	57.0	March 31, 2019	June 24, 2019

## (Consolidated Statements of Cash Flows)

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

	FY2018 (from April 1, 2017 to March 31, 2018)	FY2019 (from April 1, 2018 to March 31, 2019)
	(Thousands of yen)	(Thousands of yen)
Cash and deposits	29,816,304	32,043,385
Time deposits with maturities longer than 3 months	(12,500,000)	(12,500,000)
Cash and cash equivalents	17,316,304	19,543,385



## (Securities)

## 1. Held-to-maturity securities

FY2018 (as of March 31, 2018)

(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	2,000,000	2,027,400	27,400
	Subtotal	2,000,000	2,027,400	27,400
Securities whose fair value do not exceed their carrying amount on the Consolidated Balance Sheets	(1) Government and municipal bonds, etc.	—	—	—
	(2) Corporate bonds	—	—	—
	(3) Others	1,500,000	1,493,700	(6,300)
	Subtotal	1,500,000	1,493,700	(6,300)
Total		3,500,000	3,521,100	21,100

FY2019 (as of March 31, 2019)

(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	2,500,000	2,515,050	15,050
	Subtotal	2,500,000	2,515,050	15,050
Securities whose fair value do not exceed their carrying amount on the Consolidated Balance Sheets	(1) Government and municipal bonds, etc.	—	—	—
	(2) Corporate bonds	—	—	—
	(3) Others	2,500,000	2,497,800	(2,200)
	Subtotal	2,500,000	2,497,800	(2,200)
Total		5,000,000	5,012,850	12,850

## 2. Other securities

FY2018 (as of March 31, 2018)

(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	9,625,405	2,987,337	6,638,068
	(2) Bonds			
	1) Government and municipal bonds, etc.	—	—	—
	2) Corporate bonds	—	—	—
	3) Others	—	—	—
	(3) Others	—	—	—
	Subtotal	9,625,405	2,987,337	6,638,068
Securities whose carrying amount on the Consolidated Balance Sheets do not exceed acquisition costs	(1) Stocks	49,750	51,270	(1,520)
	(2) Bonds			
	1) Government and municipal bonds etc.	—	—	—
	2) Corporate bonds	—	—	—
	3) Others	—	—	—
	(3) Others	—	—	—
	Subtotal	49,750	51,270	(1,520)
Total		9,675,156	3,038,607	6,636,548

Note: Unlisted equity securities (with a carrying amount of ¥125,915 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.

FY2019 (as of March 31, 2019)

(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	10,528,453	2,984,784	7,543,669
	(2) Bonds			
	1) Government and municipal bonds, etc.	—	—	—
	2) Corporate bonds	—	—	—
	3) Others	—	—	—
	(3) Others	—	—	—
	Subtotal	10,528,453	2,984,784	7,543,669
Securities whose carrying amount on the Consolidated Balance Sheets do not exceed acquisition costs	(1) Stocks	58,799	60,496	(1,696)
	(2) Bonds			
	1) Government and municipal bonds etc.	—	—	—
	2) Corporate bonds	—	—	—
	3) Others	—	—	—
	(3) Others	—	—	—
	Subtotal	58,799	60,496	(1,696)
Total		10,587,252	3,045,280	7,541,972

Note: Unlisted equity securities (with a carrying amount of ¥127,415 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.

## 3. Other securities sold

FY2018 (April 1, 2017–March 31, 2018)

There is nothing to report.

FY2019 (April 1, 2018–March 31, 2019)

There is nothing to report.

## (Derivative Transactions)

## 1. Derivative transactions not applied to hedge accounting

## (1) Currency-related

FY2018 (as of March 31, 2018)

(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				
	U.S. dollar	2,549,760	1,699,840	(116,249)	(116,249)
Total		2,549,760	1,699,840	(116,249)	(116,249)

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.

FY2019 (as of March 31, 2019)

There is nothing to report.

## (Retirement Benefits)

## 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 for its regular employees and a retirement lump-sum payment plan for its junior employees. Some consolidated subsidiaries adopt defined contribution pension plans.

For the retirement lump-sum payment plan for junior employees, retirement benefit obligations and retirement benefit expenses are calculated using the simplified method.

## 2. Defined benefits system

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

	(Thousands of yen)	
	FY2018 (from April 1, 2017 to March 31, 2018)	FY2019 (from April 1, 2018 to March 31, 2019)
Beginning balance of retirement benefits obligations	2,016,848	2,110,784
Employment expenses	134,322	141,203
Interest expenses	14,370	15,046
Amortization of net actuarial gains or losses	(15,283)	19,857
Payment of retirement benefits	(39,472)	(57,002)
Ending balance of retirement benefits obligations	2,110,784	2,229,889

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

	(Thousands of yen)	
	FY2018 (from April 1, 2017 to March 31, 2018)	FY2019 (from April 1, 2018 to March 31, 2019)
Beginning balance of pension assets	914,619	970,544
Expected return on plan assets	13,719	14,558
Amortization of net actuarial gains or losses	(5,059)	(14,681)
Employer's contribution	70,193	73,192
Payment of retirement benefits	(22,929)	(22,740)
Ending balance of pension assets	970,544	1,020,873

## (3) Reconciliation table for beginning and ending balances of retirement benefit obligations calculated using the simplified method

	(Thousands of yen)	
	FY2018 (from April 1, 2017 to March 31, 2018)	FY2019 (from April 1, 2018 to March 31, 2019)
Beginning balance of retirement benefit obligations	-	28,344
Retirement benefit expenses	29,531	4,367
Retirement benefits paid	(1,186)	(6,977)
Ending balance of retirement benefit obligations	28,344	25,734

## (4) 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)	
	FY2018 (as of March 31, 2018)	FY2019 (as of March 31, 2019)
Retirement benefits obligations on the funded scheme	1,363,002	1,416,888
Pension assets	(970,544)	(1,020,873)
	392,458	396,014
Retirement benefits obligations on the non-funded scheme	776,126	838,735
Net amount of liabilities and assets reported in the Consolidated Balance Sheets	1,168,585	1,234,749
Liabilities concerning retirement benefits	1,168,585	1,234,749
Net amount of liabilities and assets reported in the Consolidated Balance Sheets	1,168,585	1,234,749

Note: Plans to which the simplified method has been applied are included.

## (5) Amounts of retirement benefits expenses and their components

	(Thousands of yen)	
	FY2018 (from April 1, 2017 to March 31, 2018)	FY2019 (from April 1, 2018 to March 31, 2019)
Employment expenses	134,322	141,203
Interest expenses	14,370	15,046
Expected return on plan assets	(13,719)	(14,558)
Amortization of net actuarial gains or losses	46,769	39,959
Retirement benefit expenses calculated by the simplified method	29,531	4,367
Retirement benefits expenses concerning defined benefit system	211,273	186,017

## (6) 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)	
	FY2018 (from April 1, 2017 to March 31, 2018)	FY2019 (from April 1, 2018 to March 31, 2019)
Prior service costs	-	-
Actuarial gains and losses	56,993	5,420
Total	56,993	5,420

## (7) 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)	
	FY2018 (as of March 31, 2018)	FY2019 (as of March 31, 2019)
Unrecognized prior service costs	-	-
Unrecognized actuarial gains and losses	(100,248)	(94,827)
Total	(100,248)	(94,827)

## (8) Matters relating to pension assets

## 1) Principal components of pension assets

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

	FY2018 (as of March 31, 2018)	FY2019 (as of March 31, 2019)
Bonds	– %	– %
Stocks	–	–
Cash and deposits	–	–
Others	100	100
Total	100	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.

## (9) Matters relating to the basis of the actuarial calculation

The basis of the principal actuarial calculation (calculated using the weighted average).

	FY2018 (as of March 31, 2018)	FY2019 (as of March 31, 2019)
Discount rate	0.6 to 0.9%	0.6 to 0.9%
Long-term expected rate of return	1.5%	1.5%
Expected rate of salary increases	2.0%	2.0%

## 3. Defined contribution plans

The amount contributed to defined contribution plans of the consolidated subsidiaries was ¥17,472 thousand for the previous consolidated fiscal year and ¥18,557 thousand for the current consolidated fiscal year.

(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 seasoning." Therefore, the Ariake Group has only one reportable segment of the 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 the 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 the 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 the natural seasonings business, so information is omitted.

[Related information]

FY2018 (from April 1, 2017 to March 31, 2018)

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
39,257,535	5,432,900	3,417,195	6,240,375	54,348,006

(2) Property, plant and equipment

(Thousands of yen)

Japan	North America	Europe	Asia	Total
11,610,321	3,754,463	3,569,466	4,930,581	23,864,833

3. Information by major client

(Thousands of yen)

Name	Sales	Segment name
Vendor Services Co., Ltd.	6,307,445	Natural seasonings business

FY2019 (from April 1, 2018 to March 31, 2019)

## 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
39,454,516	6,860,494	3,496,088	6,739,069	56,550,168

## (2) Property, plant and equipment

(Thousands of yen)

Japan	North America	Europe	Asia	Total
11,274,723	–	3,817,629	4,564,665	19,657,018

## 3. Information by major client

(Thousands of yen)

Name	Sales	Segment name
Vendor Services Co., Ltd.	6,553,070	Natural seasonings business

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

FY2018 (from April 1, 2017 to March 31, 2018)

There is nothing to report.

FY2019 (from April 1, 2018 to March 31, 2019)

There is no impairment loss allocated to reportable segments.

An impairment loss of ¥94,923 thousand following a decline in recoverable value of real estate for investment is recorded as an impairment loss not allocated to reportable segments.

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

FY2018 (from April 1, 2017 to March 31, 2018)

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

FY2019 (from April 1, 2018 to March 31, 2019)

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

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

FY2018 (from April 1, 2017 to March 31, 2018)

There is nothing to report.

FY2019 (from April 1, 2018 to March 31, 2019)

There is nothing to report.



## (Information on the Related Parties)

## Transaction with related parties

## (1) Transaction between the Company and related parties

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

FY2018 (from April 1, 2017 to March 31, 2018)

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	634,215	Accounts payable - trade Advance payments - trade	64,328 50,000
							Guarantee of liabilities	278,680	-	-

- 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.

FY2019 (from April 1, 2018 to March 31, 2019)

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	624,546	Accounts payable - trade Advance payments - trade	74,491 120,000
							Guarantee of liabilities	221,560	-	-

- 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

FY2018 (from April 1, 2017 to March 31, 2018)

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	137,939	Accounts receivable - trade	24,721
							Receiving of facility usage fees	1,200	Advances received	108
	Japan Food Business Co., Ltd.	Shibuya ward, Tokyo	20,000	Management of assets	Direct (Directly held) 33.4	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.

## FY2019 (from April 1, 2018 to March 31, 2019)

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	121,765	Accounts receivable - trade	21,336
							Receiving of facility usage fees	1,200	Advances received	108
	Japan Food Business Co., Ltd.	Shibuya ward, Tokyo	20,000	Management of assets	Direct (Directly held) 33.4	Leasing of facilities	Receiving of facility usage fees	858	Advances received	-

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

## FY2018 (from April 1, 2017 to March 31, 2018)

There is nothing to report.

## FY2019 (from April 1, 2018 to March 31, 2019)

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	-	-	Advisor of the Company	Direct (Directly held) 0.00	Acceptance of contributions	Acceptance of contributions	96,717	-	-

Note: The Director offered to personally pay for the nonrecurring expenses that were incurred in consolidated subsidiaries, and the Company accepted the offer.

## (Per Share Information)

	FY2018 (from April 1, 2017 to March 31, 2018)	FY2019 (from April 1, 2018 to March 31, 2019)
Net assets per share	2,312.19	2,777.83
Net income per share	254.54	524.09

(Yen)

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)

	FY2018 (from April 1, 2017 to March 31, 2018)	FY2019 (from April 1, 2018 to March 31, 2019)
Net income attributable to shareholders of the parent company	8,099,915	16,677,219
Amount not attributed to common shareholders	-	-
Net income attributable to shareholders of the parent company with regard to common shares	8,099,915	16,677,219
Average number of shares outstanding during the fiscal years (thousand shares)	31,822	31,821

(Important Subsequent Events)

There is nothing to report.

#### 4. Non-consolidated Financial Statements and Major Notes

##### (1) Non-consolidated Balance Sheets

	(Thousands of yen)	
	FY2018 (As of March 31, 2018)	FY2019 (As of March 31, 2019)
Assets		
Current assets		
Cash and deposits	24,472,989	26,572,302
Notes receivable - trade	289,575	256,874
Accounts receivable - trade	7,655,616	8,005,985
Securities	500,000	2,000,000
Merchandise and finished goods	2,439,165	2,445,204
Work in process	545,035	608,218
Raw materials and supplies	1,858,023	2,033,082
Advance payments - trade	182,188	325,969
Prepaid expenses	61,460	76,936
Accounts receivable - other	13,279	17,059,474
Others	28,681	37,258
Allowance for doubtful accounts	(750)	(1,082)
Total current assets	38,045,265	59,420,225
Non-current assets		
Property, plant and equipment		
Buildings	4,608,885	4,547,227
Structures	209,076	208,567
Machinery and equipment	2,636,212	2,305,793
Vessels	15	422
Vehicles	41,190	34,084
Tools, furniture and fixtures	79,550	110,047
Land	3,952,098	4,017,632
Leased assets	36,305	23,698
Construction in progress	44,803	25,738
Total property, plant and equipment	11,608,137	11,273,213
Intangible assets		
Software	4,671	30,302
Telephone subscription rights	7,139	7,139
Total intangible assets	11,810	37,441
Investments and other assets		
Investment securities	12,801,071	13,713,167
Shares of subsidiaries and associates	14,401,741	12,051,326
Investments in capital of subsidiaries and associates	691,477	691,477
Long-term loans receivable from employees	18,315	14,700
Long-term loans receivable from subsidiaries and associates	1,350,512	1,328,730
Long-term prepaid expenses	48,336	19,038
Real estate for investment	660,040	558,543
Insurance funds	228,933	210,274
Long-term accounts receivable - other	-	3,000,000
Others	39,306	38,671
Allowance for doubtful accounts	(101,129)	(101,129)
Total investments and other assets	30,138,606	31,524,801
Total non-current assets	41,758,553	42,835,455
Total assets	79,803,819	102,255,681

	(Thousands of yen)	
	FY2018	FY2019
	(As of March 31, 2018)	(As of March 31, 2019)
<b>Liabilities</b>		
Current liabilities		
Notes payable - trade	1,324,263	1,193,428
Accounts payable - trade	2,390,050	2,385,402
Lease obligations	13,554	11,974
Accounts payable - other	1,092,062	984,714
Accrued expenses	195,818	375,658
Income taxes payable	1,497,164	7,154,899
Accrued consumption taxes	206,558	157,960
Deposits received	55,788	101,409
Provision for bonuses	236,311	243,132
Provision for directors' bonuses	70,000	78,400
Derivatives liabilities	116,249	-
Others	120,246	87,906
Total current liabilities	7,318,068	12,774,885
Non-current liabilities		
Lease obligations	25,579	13,604
Deferred tax liabilities	1,394,167	1,353,164
Provision for retirement benefits	1,068,336	1,139,922
Provision for directors' retirement benefits	126,110	136,796
Others	60	60
Total non-current liabilities	2,614,253	2,643,547
Total liabilities	9,932,321	15,418,432
<b>Net assets</b>		
Shareholders' equity		
Capital stock	7,095,096	7,095,096
Capital surplus		
Legal 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	85,930	64,256
General reserve	7,820,000	7,820,000
Retained earnings brought forward	44,033,114	60,393,472
Total retained earnings	52,380,045	68,718,729
Treasury shares	(2,088,405)	(2,095,860)
Total shareholders' equity	65,220,605	81,551,834
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	4,650,893	5,285,414
Total valuation and translation adjustments	4,650,893	5,285,414
Total net assets	69,871,498	86,837,248
Total liabilities and net assets	79,803,819	102,255,681

## (2) Non-consolidated Statements of Income

	(Thousands of yen)	
	FY2018 (from April 1, 2017 to March 31, 2018)	FY2019 (from April 1, 2018 to March 31, 2019)
Net sales		
Net sales of finished goods	37,714,929	37,578,864
Net sales of goods	1,270,294	1,598,135
Total net sales	38,985,223	39,177,000
Cost of sales	25,576,176	25,070,582
Gross profit	13,409,047	14,106,417
Selling, general and administrative expenses	5,570,856	5,831,045
Operating income	7,838,190	8,275,372
Non-operating income		
Interest income	21,758	39,625
Interest on securities	34,400	33,903
Dividend income	425,729	310,451
Gain on valuation of derivatives	-	116,249
Foreign exchange gains	-	126,919
House rent income	44,586	44,613
Others	69,818	100,232
Total non-operating income	596,293	771,994
Non-operating expenses		
Cost of lease revenue	15,903	15,739
Loss on valuation of derivatives	125,093	-
Foreign exchange losses	40,411	-
Penalties	24,000	-
Others	4,780	3,753
Total non-operating expenses	210,189	19,492
Ordinary income	8,224,294	9,027,875
Extraordinary income		
Subsidy income	179,391	-
Gain on sales of shares of subsidiaries	-	17,347,678
Total extraordinary income	179,391	17,347,678
Extraordinary losses		
Impairment loss	-	94,923
Total extraordinary losses	-	94,923
Income before income taxes	8,403,685	26,280,630
Income taxes - current	2,569,000	8,153,610
Income taxes - deferred	(91,987)	(311,905)
Total income taxes	2,477,012	7,841,704
Net income	5,926,673	18,438,925

## [Breakdown of the Product Cost of Manufacture]

(Thousands of yen)

Account	Notes	FY2018 (from April 1, 2017 to March 31, 2018)		FY2019 (from April 1, 2018 to March 31, 2019)	
		Amount	Ratio (%)	Amount	Ratio (%)
I. Material costs		15,327,005	61.7	14,772,710	61.2
II. Labor costs		3,421,747	13.8	3,315,319	13.7
III. Expenses	*1	6,087,666	24.5	6,066,571	25.1
Total manufacturing cost of the current term		24,836,419	100.0	24,154,601	100.0
Work in process inventory at beginning of term		598,061		545,035	
Total		25,434,480		24,699,636	
Subtract: Work in process inventory at end of term		545,035		608,218	
Subtract: Transfers to other accounts	*2	76,539		65,016	
Product cost of manufacture of the current term		24,812,905		24,026,401	

## Cost accounting method

Separate cost accounting per individual lots based on actual cost

## Notes

\*1. Details are as follows:

(Thousands of yen)

Item	FY2018 (from April 1, 2017 to March 31, 2018)	FY2019 (from April 1, 2018 to March 31, 2019)
Depreciation expenses	980,692	914,542
Subcontract processing expenses	97,731	118,013

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

(Thousands of yen)

Item	FY2018 (from April 1, 2017 to March 31, 2018)	FY2019 (from April 1, 2018 to March 31, 2019)
Advertising expenses	76,539	50,120
Research and development expenses	–	14,896
Total	76,539	65,016

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

FY2018 (from April 1, 2017 to March 31, 2018)

(Thousands of yen)

	Shareholders' equity							
	Capital stock	Capital surplus		Retained earnings				
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total 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	99,495	7,820,000	40,002,244	48,362,739
Changes of items during period								
Provision of reserve for special depreciation					10,278		(10,278)	–
Reversal of reserve for special depreciation					(23,843)		23,843	–
Dividends of surplus							(1,909,367)	(1,909,367)
Net income							5,926,673	5,926,673
Purchase of treasury shares								
Net changes of items other than shareholders' equity								
Total changes of items during period	–	–	–	–	(13,564)	–	4,030,870	4,017,305
Balance at end of current period	7,095,096	7,833,869	7,833,869	441,000	85,930	7,820,000	44,033,114	52,380,045

	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	(2,079,787)	61,211,917	3,060,042	3,060,042	64,271,959
Changes of items during period					
Provision of reserve for special depreciation					–
Reversal of reserve for special depreciation					–
Dividends of surplus		(1,909,367)			(1,909,367)
Net income		5,926,673			5,926,673
Purchase of treasury shares	(8,617)	(8,617)			(8,617)
Net changes of items other than shareholders' equity			1,590,850	1,590,850	1,590,850
Total changes of items during period	(8,617)	4,008,688	1,590,850	1,590,850	5,599,538
Balance at end of current period	(2,088,405)	65,220,605	4,650,893	4,650,893	69,871,498



FY2019 (from April 1, 2018 to March 31, 2019)

(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	85,930	7,820,000	44,033,114	52,380,045
Changes of items during period								
Provision of reserve for special depreciation					1,694		(1,694)	
Reversal of reserve for special depreciation					(23,368)		23,368	
Dividends of surplus							(2,100,241)	(2,100,241)
Net income							18,438,925	18,438,925
Purchase of treasury shares								
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	-	-	(21,673)	-	16,360,358	16,338,684
Balance at end of current period	7,095,096	7,833,869	7,833,869	441,000	64,256	7,820,000	60,393,472	68,718,729

	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	(2,088,405)	65,220,605	4,650,893	4,650,893	69,871,498
Changes of items during period					
Provision of reserve for special depreciation					
Reversal of reserve for special depreciation					
Dividends of surplus		(2,100,241)			(2,100,241)
Net income		18,438,925			18,438,925
Purchase of treasury shares	(7,455)	(7,455)			(7,455)
Net changes of items other than shareholders' equity			634,521	634,521	634,521
Total changes of items during period	(7,455)	16,331,228	634,521	634,521	16,965,750
Balance at end of current period	(2,095,860)	81,551,834	5,285,414	5,285,414	86,837,248