

# Consolidated Financial Results

## for the Third Quarter of FY2012 ending March 31, 2012

### (J-GAAP)

February 10, 2012

Listed company name: Ariake Japan Co., Ltd.  
 Code number: 2815 URL: <http://www.ariakejapan.com> Listing exchange: Tokyo, 1st Section  
 Representative: Tomoki Tagawa, President (COO)  
 Contact: Akio Miyakawa, Manager of the Management Coordination Department TEL: +81-3-3791-3301  
 Filing of quarterly financial report: February 10, 2012  
 Start of cash dividend payments: –  
 Supplementary quarterly materials prepared: No  
 Quarterly results information meeting held: No

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

#### 1. Consolidated Financial Results for the Third Quarter of FY2012 Ending March 31, 2012 (April 1, 2011 – December 31, 2011)

##### (1) Consolidated Business Results (cumulative)

(Percentage figures are changes from the same period in the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Third Quarter of FY2012	23,760	18.4	3,595	25.4	3,256	43.7	1,653	64.6
Third Quarter of FY2011	20,072	18.1	2,867	29.6	2,266	(0.3)	1,004	3.4

(Note) Comprehensive Income: Third Quarter of FY2012: ¥1,363 million (– %) Third Quarter of FY2011: ¥ (210) million (– %)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Third Quarter of FY2012	51.96	–
Third Quarter of FY2011	31.57	–

##### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2011	49,740	41,266	82.5
As of March 31, 2011	50,793	41,177	80.6

(Reference) Equity capital: As of December 31, 2011: ¥41,038 million As of March 31, 2011: ¥40,956 million

#### 2. Dividends

	Annual dividends (Yen)				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
FY2011	—	20.00	—	20.00	40.00
FY2012	—	20.00	—		
FY2012 (Forecast)				20.00	40.00

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

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

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	31,360	15.9	4,248	12.3	4,366	25.3	2,350	36.9	73.83

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

#### 4. Other Information

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

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

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

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

(4) Number of Shares Outstanding (Common stock)

1) Number of shares outstanding as of the period-end (including treasury stock)	As of December 31, 2011	32,808,683 shares	As of March 31, 2011	32,808,683 shares
2) Number of treasury stock as of the period-end	As of December 31, 2011	980,292 shares	As of March 31, 2011	980,283 shares
3) Average number of shares outstanding (quarterly consolidated cumulative period)	First nine months of FY2012	31,828,393 shares	First nine months of FY2011	31,828,574 shares

\* Presentation of implementation status for quarterly review procedures

The quarterly review procedure based on the Financial Instruments and Exchange Act does not apply to these Consolidated Financial Results and the procedure based on this Act had been completed. The quarterly review report was received as of February 8, 2012.

\* 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**

<b>1. Qualitative Information on Quarterly Consolidated Financial Results .....</b>	<b>2</b>
(1) Qualitative Information on Consolidated Business Results.....	2
(2) Qualitative Information on Consolidated Financial Position.....	2
(3) Qualitative Information on Forecast of the Consolidated Financial Results.....	2
<b>2. Summary (Other) Information .....</b>	<b>2</b>
(1) Significant Changes in Subsidiaries during the Period.....	2
(2) Application of Specified Accounting Methods for Preparation of Quarterly Consolidated Financial Statements.....	3
(3) Changes in Accounting Policies, Procedures and Accounting Estimates, and Restatement of Revisions .....	3
(4) Additional Information .....	3
<b>3. Significant Events Regarding Going Concern Assumption .....</b>	<b>3</b>
<b>4. Quarterly Consolidated Financial Statements .....</b>	<b>4</b>
(1) Quarterly Consolidated Balance Sheets.....	4
(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income ..	6
(Quarterly Consolidated Statements of Income) .....	6
(Quarterly Consolidated Statements of Comprehensive Income) .....	7
(3) Notes on the Going Concern Assumption.....	8
(4) Segment Information .....	8
(5) Notes to Significant Changes in the Amount of Shareholders' Equity .....	8
(6) Significant Subsequent Events.....	8

## 1. Qualitative Information on Quarterly Consolidated Financial Results

### (1) Qualitative Information on Consolidated Business Results

Over the first nine months of the fiscal year ending March 31, 2012 (April 1, 2011 – December 31, 2011), the Japanese economy slowly began to recover from the impacts of the Great East Japan Earthquake. However, given the European debt crisis and the effects of a strong yen, its future remains clouded.

The food industry has also had to contend with difficult conditions caused by the acute price-sensitivity of consumers and intensifying competition within the industry.

In response, Ariake Japan Co., Ltd. (the Company) and its Group companies (the Group) focused on increasing sales and securing profits by developing more business with existing customers and cultivating new customers.

The business results produced by these efforts over the first nine months of the fiscal year are discussed below.

The Company's net sales increased by ¥2,726 million, or 15.8% year on year, to ¥19,973 million as a result of active pursuit of our customer-first sales approach.

Consolidated net sales increased by ¥3,688 million, or 18.4% year on year, to ¥23,760 million mainly on the strength of sales increases at European, U.S., and other subsidiaries.

Operating income at the Company level rose by ¥433 million, or 12.8% year on year, to ¥3,817 million as higher sales outweighed an increase in fixed manufacturing costs (approx. ¥307 million). At the consolidated level, performance upturns at overseas subsidiaries resulted in a ¥728 million, or 25.4%, year-on-year increase in operating income, to ¥3,595 million.

The Company's ordinary income increased by ¥688 million, or 24.4% year on year, to ¥3,514 million with the help of not only higher operating income but also an improvement (¥148 million valuation gain vs. ¥313 million valuation loss for the same period last year) in valuation gains/losses in derivative trading as a foreign exchange hedge for import transactions. These two positive developments more than offset an increase in foreign exchange losses (¥687 million vs. ¥444 million for the same period last year) unrelated to derivative transactions.

Consolidated ordinary income increased by ¥990 million, or 43.7% year on year to ¥3,256 million.

Net income increased by ¥369 million, or 22.9% year on year, to ¥1,980 million at the Company level, and increased by ¥648 million, or 64.6% year on year, to ¥1,653 million at the consolidated level.

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

Net sales				(Billions of yen)
	First nine months of FY2012	First nine months of FY2011	Difference	
Ariake Japan Co., Ltd.	19.97	17.25	2.72	
U.S.	0.99	0.83	0.16	
Asia	1.24	1.22	0.02	
Europe	1.2	0.44	0.76	
Japan	0.36	0.33	0.03	
Subsidiaries and affiliates	3.79	2.82	0.97	
Total	23.76	20.07	3.69	

Ordinary income (loss)				(Billions of yen)
	First nine months of FY2012	First nine months of FY2011	Difference	
Ariake Japan Co., Ltd.	3.51	2.83	0.68	
U.S.	0.05	(0.08)	0.13	
Asia	0.21	0.14	0.07	
Europe	(0.53)	(0.63)	0.10	
Japan	0.01	0.00	0.01	
Subsidiaries and affiliates	(0.26)	(0.57)	0.31	
Total	3.25	2.26	0.99	

### (2) Qualitative Information on Consolidated Financial Position

Total assets at the end of the current third quarter decreased by ¥1,052 million from the end of the previous fiscal year to ¥49,740 million.

Total liabilities declined by ¥1,142 million from the end of the previous fiscal year to ¥8,474 million, mainly because of a ¥1,221 million decrease in short-term loans payable. Net assets increased by ¥89 million to ¥41,266 million.

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

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

## 2. Summary (Other) Information

### (1) Significant Changes in Subsidiaries during the Period

There is no related information.

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

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

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

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

There is no related information.

**(4) Additional Information**

Accounting Standard for Accounting Changes and Error Corrections

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

Impacts of Changes in Corporate Tax Rates

The “Act for Partial Revision of the Income Tax Act, etc. for the Purpose of Creating Taxation System Responding to Changes in Economic and Social Structures” (Act No. 114 of 2011) and the “Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction Following the Great East Japan Earthquake” (Act No. 117 of 2011) were promulgated on December 2, 2011. As a result, corporate tax rates will be lowered and a special disaster-recovery corporate tax will be imposed for consolidated fiscal years beginning on or after April 1, 2012.

As a result of these changes in laws affecting corporate tax rates, the normal effective statutory tax rate used to calculate deferred tax assets and deferred tax liabilities in connection with temporary differences expected to be resolved during consolidated fiscal years beginning on or after April 1, 2012 will change from 39.8% to 37.2%. The normal effective statutory tax rate used to calculate deferred tax assets and deferred tax liabilities in connection with temporary differences expected to be resolved during consolidated fiscal years beginning on or after April 1, 2015 will change from 37.2% to 34.8%.

Given these changes in tax rates, deferred tax assets (fixed assets) and unrealized gains (losses) on other securities both increased by ¥23,183,000, and income taxes and income taxes payable both increased by ¥49,870,000.

**3. Significant Events Regarding Going Concern Assumption**

There is no related information.

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

(Thousands of yen)

	FY2011 (As of March 31, 2011)	Third Quarter of FY2012 (As of December 31, 2011)
<b>Assets</b>		
Current assets		
Cash and time deposits	10,669,131	3,955,306
Notes and accounts receivable	5,557,621	7,339,068
Securities	1,003,890	2,000,000
Merchandise and finished goods	1,870,095	2,079,101
Work in process	575,966	594,348
Raw materials and supplies	1,540,186	1,697,365
Deferred tax assets	149,519	149,573
Others	249,032	325,069
Allowance for doubtful accounts	(2,180)	(3,985)
Total current assets	21,613,265	18,135,848
Fixed assets		
Tangible fixed assets		
Buildings and structures	19,142,482	18,918,991
Accumulated depreciation	(7,866,374)	(8,274,983)
Buildings and structures, net	11,276,107	10,644,007
Machines, devices, and delivery equipment	20,106,904	20,452,913
Accumulated depreciation	(14,443,995)	(15,116,526)
Machines, devices, and delivery equipment, net	5,662,909	5,336,387
Land	4,406,829	4,370,764
Leased assets	6,100	33,536
Accumulated depreciation	(1,101)	(5,144)
Leased assets, net	4,998	28,392
Construction in progress	356,820	1,297,884
Others	798,523	816,339
Accumulated depreciation	(715,495)	(734,257)
Others, net	83,027	82,082
Total tangible fixed assets	21,790,693	21,759,518
Intangible fixed assets	101,096	103,894
Investments and other assets		
Investment securities	5,842,185	8,260,321
Long-term loans receivable	229,570	159,158
Investments in real estates, net	545,430	541,134
Deferred tax assets	137,309	184,212
Others	534,185	596,851
Allowance for doubtful accounts	(75)	(75)
Total investments and other assets	7,288,606	9,741,602
Total fixed assets	29,180,396	31,605,015
Total assets	50,793,661	49,740,863

(Thousands of yen)

	FY2011 (As of March 31, 2011)	Third Quarter of FY2012 (As of December 31, 2011)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable	2,764,302	3,079,619
Short-term loans payable	2,286,280	1,064,304
Lease liabilities	929	6,801
Income taxes payable	926,314	771,191
Allowance for employees' bonuses	165,441	62,951
Allowance for directors' bonuses	56,000	—
Others	1,851,440	1,960,973
Total current liabilities	8,050,709	6,945,842
Long-term liabilities		
Long-term loans payable	407,450	383,250
Lease liabilities	4,456	23,009
Deferred tax liabilities	41,796	37,887
Allowance for employees' retirement benefits	569,054	575,604
Allowance for directors' retirement benefits	297,906	301,129
Others	245,150	207,334
Total long-term liabilities	1,565,814	1,528,216
Total liabilities	9,616,523	8,474,058
<b>Net assets</b>		
Shareholders' equity		
Common stock	7,095,096	7,095,096
Capital surplus	7,833,869	7,833,869
Retained earnings	29,505,058	29,885,707
Treasury stock	(2,059,110)	(2,059,064)
Total shareholders' equity	42,374,913	42,755,608
Accumulated other comprehensive income (loss)		
Unrealized gains (losses) on other securities	327,657	302,311
Adjustment account for foreign currency exchange	(1,746,043)	(2,018,953)
Total accumulated other comprehensive income (loss)	(1,418,385)	(1,716,641)
Minority interests	220,611	227,838
Total net assets	41,177,138	41,266,805
Total liabilities and net assets	50,793,661	49,740,863

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

(Thousands of yen)

	Third Quarter of FY2011 (April 1, 2010 to December, 2010)	Third Quarter of FY2012 (April 1, 2011 to December 31, 2011)
Net sales	20,072,675	23,760,768
Cost of sales	13,766,586	16,306,464
Gross profit	6,306,089	7,454,303
Selling, general and administrative expenses	3,438,895	3,858,392
Operating income	2,867,193	3,595,911
Non-operating income		
Interest income	34,975	67,585
Dividend income	60,625	76,888
Rent received	20,151	20,467
Gain on valuation of derivatives	—	148,097
Others	118,276	80,683
Total non-operating income	234,028	393,723
Non-operating expenses		
Interest paid	41,407	29,323
Loss on foreign exchange	444,884	687,785
Loss on valuation of derivatives	313,441	—
Others	35,428	15,641
Total non-operating expenses	835,162	732,750
Ordinary income	2,266,059	3,256,885
Extraordinary loss		
Loss on valuation of investment securities	546	10,432
Loss on valuation of golf club membership	—	4,031
Loss on retirement of fixed assets	7,746	—
Total extraordinary loss	8,292	14,463
Income before income taxes and minority interests	2,257,766	3,242,421
Income taxes	1,248,549	1,575,797
Income before minority interests	1,009,216	1,666,624
Minority interests	4,280	12,839
Net income	1,004,936	1,653,785



**(Quarterly Consolidated Statements of Comprehensive Income)**

(Thousands of yen)

	Third Quarter of FY2011 (April 1, 2010 to December 31, 2010)	Third Quarter of FY2012 (April 1, 2011 to December 31, 2011)
Income before minority interests	1,009,216	1,666,624
Other comprehensive income (loss)		
Unrealized gains (losses) on other securities	(352,208)	(25,346)
Adjustment account for foreign currency exchange	(867,080)	(277,433)
Total accumulated other comprehensive income (loss)	(1,219,288)	(302,779)
Total other comprehensive income (loss)	(210,071)	1,363,844
(Breakdown of comprehensive income (loss))		
Parent company portion of comprehensive income (loss)	(197,757)	1,355,529
Minority interest portion of comprehensive income (loss)	(12,314)	8,315

**(3) Notes on the Going Concern Assumption**

There is no related information.

**(4) Segment Information**

I Third Quarter of FY2011 (April 1, 2010 – December 31, 2010)

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

II Third Quarter of FY2012 (April 1, 2011 – December 31, 2011)

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

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

There is no related information.

**(6) Significant Subsequent Events**

There is no related information.