

# Consolidated Financial Results

## for the First Quarter of FY2013 ending March 31, 2013

### (J-GAAP)

August 8, 2012

Listed company name: Ariake Japan Co., Ltd.  
 Code number: 2815 URL: <http://www.ariakejapan.com/> Listing exchange: Tokyo, 1st Section  
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 Filing of quarterly financial report: August 8, 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 First Quarter of FY2013 Ending March 31, 2013 (April 1, 2012 – June 30, 2012)

##### (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	%
First Quarter of FY2013	7,788	6.8	1,227	24.9	1,086	12.2	576	19.8
First Quarter of FY2012	7,289	20.7	982	29.5	968	273.9	481	3,423.3

(Note) Comprehensive Income: First Quarter of FY2013: ¥969 million (19.6 %) First Quarter of FY2012: ¥ 810 million (– %)

	Net income per share	Fully diluted net income per share
	Yen	Yen
First Quarter of FY2013	18.13	–
First Quarter of FY2012	15.13	–

##### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2012	50,979	42,678	83.2
As of March 31, 2012	50,929	42,345	82.7

(Reference) Equity capital: As of June 30, 2012: ¥42,414 million As of March 31, 2012: ¥42,103 million

#### 2. Dividends

	Annual dividends (Yen)				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
FY2012	—	20.00	—	20.00	40.00
FY2013	—				
FY2013 (Forecast)		20.00	—	20.00	40.00

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

#### 3. Forecast of the Consolidated Financial Results for FY2013 Ending March 31, 2013 (April 1, 2012 – March 31, 2013)

(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
Half year	16,060	5.8	2,655	27.6	2,834	67.6	1,612	90.3	50.65
Full year	35,303	12.0	5,828	18.0	6,102	24.6	3,511	35.8	110.31

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

\*Notes

(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  
 (Note) For details, please refer to “(2) Application of Specified Accounting Methods for Preparation of Quarterly Consolidated Financial Statements” of “2. Summary (Notes) Information”.

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

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

(4) Number of Shares Outstanding (Common stock)

1) Number of shares outstanding as of the period-end (including treasury stock)	As of June 30, 2012	32,808,683 shares	As of March 31, 2012	32,808,683 shares
2) Number of treasury stock as of the period-end	As of June 30, 2012	980,508 shares	As of March 31, 2012	980,402 shares
3) Average number of shares outstanding (quarterly consolidated cumulative period)	First three months of FY2013	31,828,229 shares	First three months of FY2012	31,828,400 shares

\* Presentation of implementation status for quarterly review procedures

The quarterly review procedure based on the Financial Instruments and Exchange Act does not apply to these Consolidated Financial Results and the procedure based on this Act had been completed. The quarterly review report was received as of August 6, 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.

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## 1. Qualitative Information on Quarterly Consolidated Financial Results

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

During the first quarter of the fiscal year ending March 31, 2013 (April 1, 2012 – June 30, 2012), the Japanese economy was on the path to gradual recovery on the back of reconstruction following the Great East Japan Earthquake. Meanwhile, the economic outlook remained unpredictable with the yen stuck at high levels and lingering concerns about electric power supply shortage, coupled with the effect of the slowdown in overseas economies on the Japanese economy.

Looking at the food industry, in particular, it too faced difficult conditions under the environment where market growth cannot be expected.

Amid those conditions, the Company and the Group (collectively, the Ariake Group), as global leading manufacturers in the field of natural seasonings, promoted global business development with their mission to spread a healthy and diverse dietary culture.

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

Net sales of the Company (Ariake Japan Co., Ltd.) increased by ¥586 million, or 9.8% year on year, to ¥6,548 million as a result of painstaking efforts to expand sales by anticipating the customer needs. Consolidated net sales also increased by ¥498 million, or 6.8% year on year, to ¥7,788 million.

Operating income of the Company increased by ¥219 million, or 20.5% year on year, to ¥1,286 million mainly due to the increase in income corresponding to the increase in net sales.

Consolidated operating income also increased by ¥244 million, or 24.9% year on year, to ¥1,227 million, mainly reflecting the contribution of the Company through its revenue growth.

Ordinary income of the Company was supported by the increase in operating income as well as in interest and dividends received, although loss on foreign exchange, which include loss or gain on valuation of derivatives, widened (from ¥99 million in the previous fiscal year to ¥292 million). As a result, ordinary income of the Company increased by ¥168 million, or 15.9% year on year, to ¥1,223 million. Consolidated ordinary income also increased by ¥117 million, or 12.2% year on year, to ¥1,086 million.

Net income increased by ¥143 million year on year, to ¥750 million at the Company level, and increased by ¥95 million year on year, to ¥576 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 three months of FY2013	First three months of FY2012	Difference
Ariake Japan Co., Ltd.	6.55	5.96	0.59
U.S.	0.4	0.38	0.02
Asia	0.51	0.47	0.04
Europe	0.22	0.37	(0.15)
Japan	0.11	0.11	0.00
Subsidiaries and affiliates	1.24	1.33	(0.09)
Total	7.79	7.29	0.50

Ordinary income (loss)			(Billions of yen)
	First three months of FY2013	First three months of FY2012	Difference
Ariake Japan Co., Ltd.	1.22	1.05	0.17
U.S.	0.01	0.02	(0.01)
Asia	0.1	0.1	0.00
Europe	(0.16)	(0.2)	0.04
Japan	0.00	0.00	0.00
*Dividend adjustment	(0.08)	(0.00)	(0.08)
Subsidiaries and affiliates	(0.13)	(0.08)	(0.05)
Total	1.09	0.97	0.12

\*Dividend adjustment pertains to dividends from Taiwan Ariake Foods Co., Ltd. (¥71 million) and Qingdao Ariake Foodstuff Co., Ltd. (¥10 million).

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

Total assets at the end of the current first quarter decreased by ¥50 million from the end of the previous fiscal year to ¥50,979 million.

Total liabilities declined by ¥282 million from the end of the previous fiscal year to ¥8,301 million, mainly because of a decrease in income taxes payable. Net assets increased by ¥332 million to ¥42,678 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 11, 2012.

**2. Summary (Notes) 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 first 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**

There is no related information.

**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)

	FY2012 (As of March 31, 2012)	First Quarter of FY2013 (As of June 30, 2012)
<b>Assets</b>		
Current assets		
Cash and time deposits	5,383,293	4,089,987
Notes and accounts receivable	6,762,530	6,487,916
Securities	2,500,000	2,500,000
Merchandise and finished goods	2,457,591	2,827,101
Work in process	623,750	681,121
Raw materials and supplies	1,566,457	1,751,537
Deferred tax assets	186,520	186,373
Others	283,513	404,315
Allowance for doubtful accounts	(1,617)	(1,980)
Total current assets	19,762,039	18,926,374
Fixed assets		
Tangible fixed assets		
Buildings and structures	19,090,627	19,507,738
Accumulated depreciation	(8,445,690)	(8,690,739)
Buildings and structures, net	10,644,936	10,816,999
Machines, devices, and delivery equipment	20,501,578	20,980,241
Accumulated depreciation	(15,247,228)	(15,670,321)
Machines, devices, and delivery equipment, net	5,254,350	5,309,920
Land	4,371,883	4,409,570
Leased assets	44,156	44,156
Accumulated depreciation	(6,940)	(9,091)
Leased assets, net	37,215	35,065
Construction in progress	1,291,895	1,791,276
Others	808,352	820,580
Accumulated depreciation	(730,483)	(742,459)
Others, net	77,869	78,121
Total tangible fixed assets	21,678,150	22,440,953
Intangible fixed assets	133,659	134,552
Investments and other assets		
Investment securities	8,021,980	8,174,971
Long-term loans receivable	136,384	131,205
Investments in real estates, net	539,701	538,305
Deferred tax assets	56,294	64,302
Others	601,444	569,549
Allowance for doubtful accounts	(30)	(302)
Total investments and other assets	9,355,776	9,478,031
Total fixed assets	31,167,586	32,053,537
Total assets	50,929,626	50,979,911

(Thousands of yen)

	FY2012 (As of March 31, 2012)	First Quarter of FY2013 (As of June 30, 2012)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable	2,944,067	3,035,868
Short-term loans payable	723,477	676,999
Lease liabilities	9,032	9,032
Income taxes payable	1,427,887	535,012
Allowance for employees' bonuses	180,340	63,787
Allowance for directors' bonuses	56,000	—
Others	1,704,211	2,396,255
<b>Total current liabilities</b>	<b>7,045,015</b>	<b>6,716,955</b>
<b>Long-term liabilities</b>		
Long-term loans payable	388,700	410,950
Lease liabilities	30,044	27,786
Deferred tax liabilities	38,639	41,796
Allowance for employees' retirement benefits	583,336	589,837
Allowance for directors' retirement benefits	305,277	309,824
Others	193,309	204,586
<b>Total long-term liabilities</b>	<b>1,539,307</b>	<b>1,584,780</b>
<b>Total liabilities</b>	<b>8,584,322</b>	<b>8,301,736</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	7,095,096	7,095,096
Capital surplus	7,833,869	7,833,869
Retained earnings	30,818,154	30,758,515
Treasury stock	(2,059,169)	(2,059,341)
<b>Total shareholders' equity</b>	<b>43,687,950</b>	<b>43,628,138</b>
<b>Accumulated other comprehensive income (loss)</b>		
Unrealized gains (losses) on other securities	485,008	453,341
Adjustment account for foreign currency exchange	(2,069,323)	(1,666,754)
<b>Total accumulated other comprehensive income (loss)</b>	<b>(1,584,315)</b>	<b>(1,213,413)</b>
Minority interests	241,669	263,450
<b>Total net assets</b>	<b>42,345,304</b>	<b>42,678,175</b>
<b>Total liabilities and net assets</b>	<b>50,929,626</b>	<b>50,979,911</b>

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

(Thousands of yen)

	First Quarter of FY2012 (April 1, 2011 to June 30, 2011)	First Quarter of FY2013 (April 1, 2012 to June 30, 2012)
Net sales	7,289,287	7,788,011
Cost of sales	5,054,742	5,224,258
Gross profit	2,234,544	2,563,753
Selling, general and administrative expenses	1,252,228	1,336,672
Operating income	982,316	1,227,080
Non-operating income		
Interest income	16,322	39,321
Dividend income	44,747	38,705
Rent received	7,899	7,844
Gain on valuation of derivatives	111,686	—
Subsidy income	—	38,918
Others	26,537	34,615
Total non-operating income	207,192	159,404
Non-operating expenses		
Interest paid	10,571	11,487
Loss on foreign exchange	203,321	204,156
Loss on valuation of derivatives	—	71,519
Others	6,756	12,559
Total non-operating expenses	220,650	299,723
Ordinary income	968,858	1,086,762
Extraordinary loss		
Loss on valuation of investment securities	10,344	—
Total extraordinary loss	10,344	—
Income before income taxes and minority interests	958,514	1,086,762
Income taxes	470,867	502,954
Income before minority interests	487,646	583,808
Minority interests	6,120	6,882
Net income	481,525	576,925



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

(Thousands of yen)

	First Quarter of FY2012 (April 1, 2011 to June 30, 2011)	First Quarter of FY2013 (April 1, 2012 to June 30, 2012)
Income before minority interests	487,646	583,808
Other comprehensive income (loss)		
Unrealized gains (losses) on other securities	(32,627)	(31,666)
Adjustment account for foreign currency exchange	355,937	417,468
Total accumulated other comprehensive income (loss)	323,310	385,801
Total other comprehensive income (loss)	810,956	969,609
(Breakdown of comprehensive income (loss))		
Parent company portion of comprehensive income (loss)	797,181	947,827
Minority interest portion of comprehensive income (loss)	13,775	21,781

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

There is no related information.

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

There is no related information.

**(5) Segment Information**

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

**(6) Significant Subsequent Events**

There is no related information.