

Consolidated Financial Results

for the Third Quarter of FY2013 Ending March 31, 2013

(J-GAAP)

February 6, 2013

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: February 6, 2013
 Start of cash dividend payments: –
 Supplementary quarterly materials prepared: None
 Quarterly results information meeting held: None

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

1. Consolidated Financial Results for the Third Quarter of FY2013 Ending March 31, 2013 (April 1, 2012 to December 31, 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	%
Third Quarter of FY2013	24,952	5.0	4,361	21.3	4,583	40.7	2,656	60.6
Third Quarter of FY2012	23,760	18.4	3,595	25.4	3,256	43.7	1,653	64.6

(Note) Comprehensive income: Third Quarter of FY2013: ¥2,576 million (88.9 %) Third Quarter of FY2012: ¥1,363 million (– %)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Third Quarter of FY2013	83.46	–
Third Quarter of FY2012	51.96	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2012	51,247	43,646	84.7	1,363.15
As of March 31, 2012	50,929	42,345	82.7	1,322.84

(Reference) Equity capital: As of December 31, 2012: ¥43,386 million As of March 31, 2012: ¥42,103 million

2. Dividends

	Annual dividends				
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2012	–	20.00	–	20.00	40.00
Fiscal year ending March 31, 2013	–	20.00	–		
Fiscal year ending March 31, 2013 (forecast)				25.00	45.00

(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 to 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
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 December 31, 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 December 31, 2012	980,484 shares	As of March 31, 2012	980,402 shares
3) Average number of shares outstanding (quarterly consolidated cumulative period)	First nine months of FY2013	31,828,174 shares	First nine months of FY2012	31,828,393 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 4, 2013.

* 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

Over the first nine months of the fiscal year ending March 31, 2013 (April 1, 2012 to December 31, 2012), the Japanese economy remained weak due to stagnant economies in Europe and U.S., slower growth in emerging countries, the prolonged strong yen, and tensions with neighboring countries.

Companies in the food industry have been facing difficult conditions reflecting the current uncertain economic recovery as well as the thrifty consumer trend.

Under such circumstances, Ariake Japan Co., Ltd. (the Company) and its Group companies (the Group) focused on increasing net sales and securing profits by seeking more business opportunities with existing and new customers while leveraging its unique technologies and sales capabilities in the natural seasoning business.

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 ¥1,682 million, or 8.4% year on year, to ¥21,655 million, supported by a strong "customer-first" approach to our sales and marketing efforts. Meanwhile, total net sales of its consolidated subsidiaries decreased year on year due to the suspension of unprofitable transactions operated by European subsidiaries, despite the strong sales growth of U.S. and Asian subsidiaries. As a result, consolidated net sales increased by ¥1,191 million, or 5.0% year on year, to ¥24,952 million.

Operating income at the Company level increased by ¥403 million, or 10.6% year on year, to ¥4,220 million, due to the strong sales growth despite an increase in fixed manufacturing costs (approximately ¥177 million). Consolidated operating income increased by ¥765 million, or 21.3% year on year, to ¥4,361 million, largely due to the sales recovery of overseas subsidiaries.

The Company's ordinary income increased by ¥1,122 million, or 31.9% year on year, to ¥4,636 million, due largely to higher operating income and improved foreign exchange gains/losses, including valuation gains/losses in derivatives trading (¥56 million gain vs. ¥532 million loss for the same period last year).

Consolidated ordinary income increased by ¥1,326 million, or 40.7% year on year, to ¥4,583 million.

Net income increased by ¥856 million, or 43.3% year on year, to ¥2,836 million at the Company level, while consolidated net income increased by ¥1,002 million, or 60.6% year on year, to ¥2,656 million.

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

Net sales		(Billions of yen)		
	First nine months of FY2013	First nine months of FY2012	Difference	
Ariake Japan Co., Ltd.	21.65	19.97	1.68	
Consolidated subsidiaries	3.30	3.79	(0.49)	
U.S.	1.12	0.99	0.13	
Asia	1.47	1.24	0.23	
Europe	0.38	1.20	(0.82)	
Japan	0.33	0.36	(0.03)	
Total	24.95	23.76	1.19	

Ordinary income (loss)		(Billions of yen)		
	First nine months of FY2013	First nine months of FY2012	Difference	
Ariake Japan Co., Ltd.	4.63	3.51	1.12	
Consolidated subsidiaries	(0.05)	(0.26)	0.21	
U.S.	0.13	0.05	0.08	
Asia	0.29	0.21	0.08	
Europe	(0.40)	(0.53)	0.13	
Japan	0.01	0.01	0.00	
Dividend adjustment*	(0.08)	(0.00)	(0.08)	
Total	4.58	3.25	1.33	

*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 third quarter increased by ¥318 million from the end of the previous fiscal year to ¥51,247 million.

Total liabilities declined by ¥982 million from the end of the previous fiscal year to ¥7,601 million, mainly because of a decrease in income taxes payable. Net assets increased by ¥1,301 million to ¥43,646 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 third 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, Accounting Estimates, and Restatement of Revisions

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)	Third Quarter of FY2013 (As of December 31, 2012)
Assets		
Current assets		
Cash and time deposits	5,383,293	5,177,508
Notes and accounts receivable	6,762,530	7,662,370
Securities	2,500,000	1,500,000
Merchandise and finished goods	2,457,591	2,455,894
Work in process	623,750	609,637
Raw materials and supplies	1,566,457	1,714,318
Deferred tax assets	186,520	185,812
Others	283,513	301,282
Allowance for doubtful accounts	(1,617)	(3,191)
Total current assets	19,762,039	19,603,632
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	19,090,627	19,825,605
Accumulated depreciation	(8,445,690)	(8,912,989)
Buildings and structures, net	10,644,936	10,912,615
Machines, devices, and delivery equipment	20,501,578	21,178,763
Accumulated depreciation	(15,247,228)	(16,024,578)
Machines, devices, and delivery equipment, net	5,254,350	5,154,184
Land	4,371,883	4,379,808
Leased assets	44,156	44,156
Accumulated depreciation	(6,940)	(13,392)
Leased assets, net	37,215	30,764
Construction in progress	1,291,895	840,538
Others	808,352	822,728
Accumulated depreciation	(730,483)	(748,926)
Others, net	77,869	73,801
Total tangible fixed assets	21,678,150	21,391,712
Intangible assets	133,659	136,985
Investments and other assets		
Investment securities	8,021,980	8,798,427
Long-term loans receivable	136,384	84,961
Investments in real estates, net	539,701	682,089
Deferred tax assets	56,294	—
Others	601,444	550,357
Allowance for doubtful accounts	(30)	(302)
Total investments and other assets	9,355,776	10,115,534
Total noncurrent assets	31,167,586	31,644,232
Total assets	50,929,626	51,247,864

(Thousands of yen)

	FY2012 (As of March 31, 2012)	Third Quarter of FY2013 (As of December 31, 2012)
Liabilities		
Current liabilities		
Notes and accounts payable	2,944,067	2,991,339
Short-term loans payable	723,477	666,624
Lease liabilities	9,032	9,032
Income taxes payable	1,427,887	742,283
Allowance for employees' bonuses	180,340	77,639
Allowance for directors' bonuses	56,000	—
Others	1,704,211	1,496,427
Total current liabilities	7,045,015	5,983,346
Long-term liabilities		
Long-term loans payable	388,700	323,436
Lease liabilities	30,044	23,270
Deferred tax liabilities	38,639	41,860
Allowance for employees' retirement benefits	583,336	600,886
Allowance for directors' retirement benefits	305,277	320,254
Others	193,309	308,465
Total long-term liabilities	1,539,307	1,618,173
Total liabilities	8,584,322	7,601,520
Net assets		
Shareholders' equity		
Common stock	7,095,096	7,095,096
Capital surplus	7,833,869	7,833,869
Retained earnings	30,818,154	32,201,344
Treasury stock	(2,059,169)	(2,059,233)
Total shareholders' equity	43,687,950	45,071,075
Accumulated other comprehensive income (loss)		
Unrealized gains (losses) on other securities	485,008	531,919
Adjustment account for foreign currency exchange	(2,069,323)	(2,216,239)
Total accumulated other comprehensive income (loss)	(1,584,315)	(1,684,320)
Minority interests	241,669	259,589
Total net assets	42,345,304	43,646,344
Total liabilities and net assets	50,929,626	51,247,864

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

(Thousands of yen)

	Third Quarter of FY2012 (April 1, 2011 to December 31, 2011)	Third Quarter of FY2013 (April 1, 2012 to December 31, 2012)
Net sales	23,760,768	24,952,313
Cost of sales	16,306,464	16,533,356
Gross profit	7,454,303	8,418,956
Selling, general and administrative expenses	3,858,392	4,057,741
Operating income	3,595,911	4,361,215
Non-operating income		
Interest income	67,585	102,370
Dividend income	76,888	73,616
Rent received	20,467	21,469
Gain on valuation of derivatives	148,097	156,387
Others	80,683	120,753
Total non-operating income	393,723	474,597
Non-operating expenses		
Interest paid	29,323	27,605
Loss on foreign exchange	687,785	188,479
Others	15,641	36,413
Total non-operating expenses	732,750	252,498
Ordinary income	3,256,885	4,583,314
Extraordinary loss		
Loss on valuation of investment securities	10,432	—
Loss on valuation of golf club membership	4,031	—
Loss on retirement of noncurrent assets	—	17,788
Loss on closing of stores	—	4,341
Total extraordinary loss	14,463	22,130
Income before income taxes and minority interests	3,242,421	4,561,184
Income taxes	1,575,797	1,884,842
Income before minority interests	1,666,624	2,676,341
Minority interests	12,839	20,023
Net income	1,653,785	2,656,318

(Quarterly Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	Third Quarter of FY2012 (April 1, 2011 to December 31, 2011)	Third Quarter of FY2013 (April 1, 2012 to December 31, 2012)
Income before minority interests	1,666,624	2,676,341
Other comprehensive income		
Unrealized gains (losses) on other securities	(25,346)	46,910
Adjustment account for foreign currency exchange	(277,433)	(146,447)
Total accumulated other comprehensive income	(302,779)	(99,536)
Total other comprehensive income	1,363,844	2,576,805
(Breakdown of comprehensive income)		
Parent company portion of comprehensive income	1,355,529	2,556,312
Minority interest portion of comprehensive income	8,315	20,492

(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, etc.

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