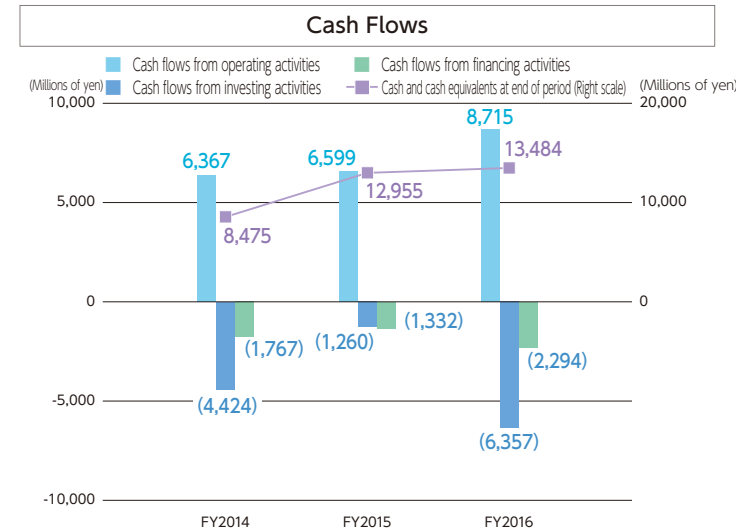
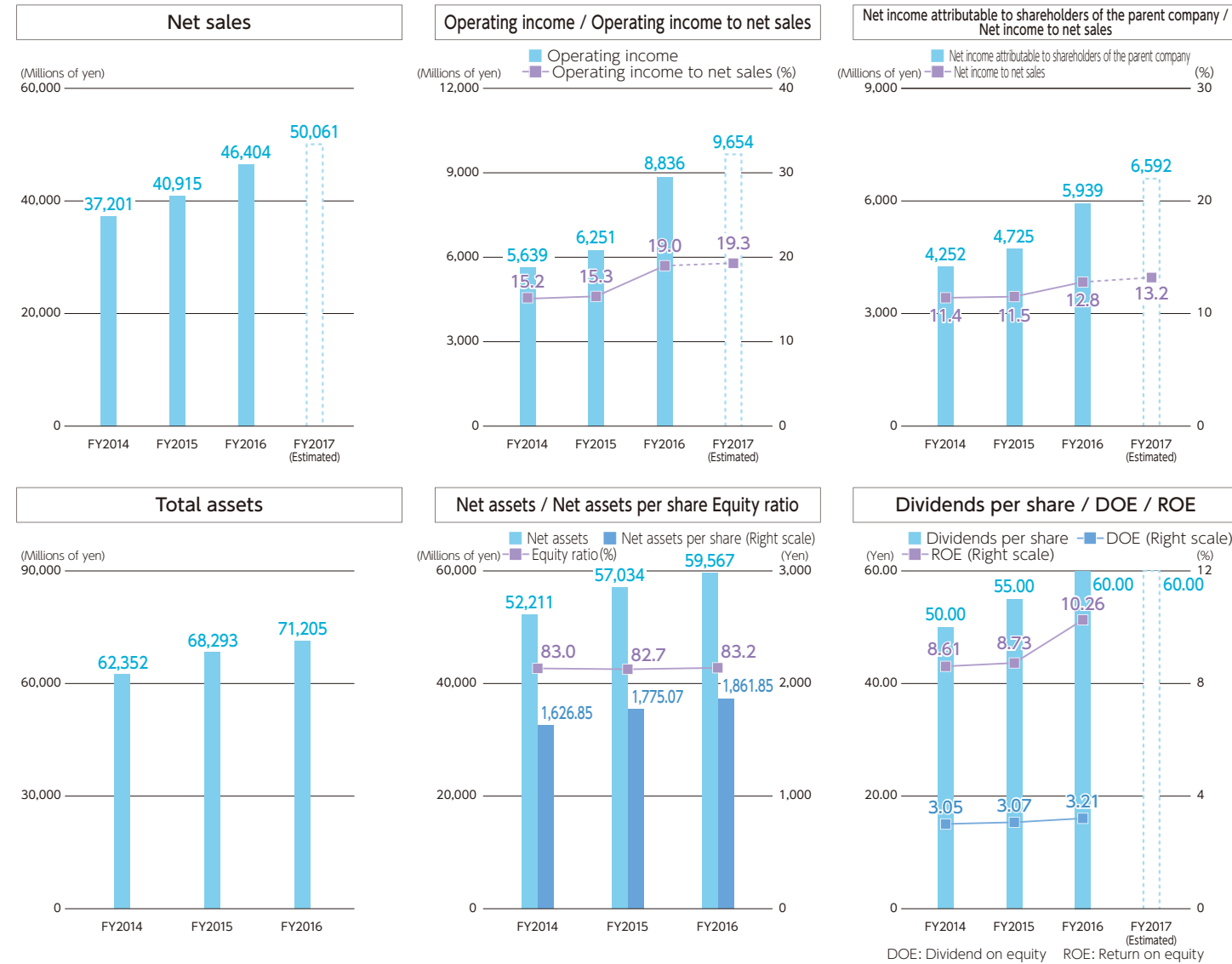




# CONSOLIDATED FINANCIAL HIGHLIGHTS

Net sales, operating income, ordinary income and net income attributable to shareholders of the parent company all increased for the seventh consecutive year.



**Consolidated net sales**, thanks to concerted efforts to expand revenues by maintaining a sustained stance of putting the customer first, and also because of the growth in sales recorded by our overseas subsidiaries, grew by ¥5,488 million (13.4%) year-on-year to ¥46,404 million, and so the company recorded another all-time high in net sales with growth in net sales achieved for the seventh consecutive fiscal year.

**Consolidated operating income** increased by ¥2,584 million (41.3%) year-on-year to ¥8,836 million, with growth in operating income being greatly boosted by the contribution provided by the increase in net sales, which was able to absorb increases in cost factors in areas including raw materials costs due to yen weakness, and fixed costs for production and manufacturing expenses, etc.

**Consolidated ordinary income** rose by ¥1,518 million (20.1%) year-on-year to ¥9,081 million.

**Net income attributable to shareholders of the parent company** grew by ¥1,213 million (25.7%) year-on-year to ¥5,939 million.

Ariake recorded new highs for the seventh consecutive fiscal year in **consolidated operating income, consolidated ordinary income, and net income attributable to shareholders of the parent company.**

# SPECIAL ISSUE Global Network and Business Strategies of the Ariake Group

## The optimal regional production system serves a broad array of customer needs worldwide.

Contributing to the advancement of the culture of food worldwide has always been a goal of the Ariake Group. Since our inception, we have been dedicated to operating on a global scale as both a Japanese company and a global enterprise. Since our founding, we have made enormous capital expenditures that total approximately ¥20 billion throughout the world. Having completed this round of overseas investments, we are now in the stage where we generate returns from these expenditures.

Under the optimal regional production system with production bases in seven locations as Japan, the U.S., China, Taiwan, France, Belgium and the Netherlands, we serve the diverse range of needs among our customers worldwide.



- Japan**  
Company Name: ARIAKE JAPAN Co., Ltd.  
Headquarters Location: Shibuya-ku, Tokyo  
Plant Location: Kita-Matsuura-gun, Nagasaki  
Established: June 1966  
Capital: ¥7,095 million
- U.S.A.**  
Company Name: ARIAKE U.S.A., Inc.  
Office Location: Harrisonburg, Virginia, U.S.A.  
Established: February 1985  
Capital: US\$18 million
- China**  
Company Name: QINGDAO ARIAKE FOODSTUFF Co., Ltd.  
Office Location: Qingdao Jiaonan Shandong Province, China  
Established: December 1994  
Capital: US\$8.12 million
- Taiwan**  
Company Name: Taiwan Ariake Foods Co., Ltd.  
Office Location: Ping Tung, Taiwan  
Established: May 1985  
Capital: NT\$250 million
- France**  
Company Name: F.P. Natural Ingredients S.A.S.  
Office Location: Alerçon, France  
Established: March 2003  
Capital: €22 million
- Belgium**  
Company Name: Ariake Europe N.V.  
Office Location: Maasmechelen, Belgium  
Established: January 2004  
Capital: €54.5 million
- Netherlands**  
Company Name: Henningsen Nederland B.V.  
Office Location: Waalwijk, Netherlands  
Established: December 1984  
Capital: €359 thousand

### Business Plan of the Ariake Group

The optimal regional production system of the Ariake Group can provide a consistent supply of high quality, low cost products. Having completed work on this system, the Ariake Group has established a business plan that has clear numerical targets.

### Business Strategies of the Ariake Group

The Ariake Group has established a specific business strategy for individual regions and countries of the world in line with the Ariake Group's business plan. Targets for sales three years from now, which is the fiscal year ending in March 2019, were also set up.

		Result		Plan		
		FY2015	FY2016	FY2017	FY2018	FY2019
Net sales	Ariake Japan	31.3	34.5	36.5	38.5	40.5
	Consolidated subsidiaries	12.4	14.4	15.6	18.4	21.5
	Adjustment	(2.8)	(2.5)	(2.0)	(2.5)	(3.0)
	Consolidated net sales	40.9	46.4	50.1	54.4	59.0
Operating income	Ariake Japan	5.6	6.7	7.1	7.5	7.9
	Consolidated subsidiaries	0.7	2.1	2.6	3.3	3.9
	Consolidated operating income	6.3	8.8	9.7	10.8	11.8

			Details	Sales Target for FY2019
Japan	ARIAKE JAPAN Co., Ltd.		Create a new business model	40.5
U.S.A.	ARIAKE U.S.A., Inc.		Perform strategic sales activities and make new capital investments	6.7
Asia	QINGDAO ARIAKE FOODSTUFF Co., Ltd. (China)		Sales growth deriving from stimulation of latent demand	7.4
	Taiwan Ariake Foods Co., Ltd. (Taiwan)			
Europe	F. P. Natural Ingredients S.A.S. (France)		Use the collective strengths of the three locations to increase sales in Europe	5.4
	Ariake Europe N.V. (Belgium)			
	Henningsen Nederland B.V. (Netherlands)			
Other	Indonesia, etc.		Expanding sales in new markets	2.0

Note: Sales targets for FY2019 are before consolidation adjustments.

## TOPICS

### Constructing our "Global Eight-Pillar System" to deliver even more growth

Ariake is striving hard to expand its overseas production bases so as to be able to achieve yet further growth. We plan to press ahead with the building of a new factory that will be able to cope with the additional demand at the Taiwan plant and to complete construction in August this year.

Moreover, in March this year, we established a new company in Indonesia that will be our first production base in south-east Asia. This completes the establishment of our "Global Eight-Pillar System." By investing a total of approximately ¥1 billion, we aim to commence production operations at the plant around the middle of 2017. This factory will produce seasonings that are used as raw materials in the production of chicken soup and similar products, and with the prospect of sales not being limited to within Indonesia itself but also promising the opportunity of exporting to Thailand and Malaysia, we plan to further expand our sales activities on a global scale.



Taiwan Ariake Foods Co., Ltd.  
Advancing into Indonesia and establishing a production base in Southeast Asia for the first time  
● Total investment amount : Approximately ¥1 billion  
● Operation due to commence in 2017

### Driving force for this growth is our unique business model

Ariake has the top share in the domestic market for the high quality, natural seasonings that are made from livestock-related raw materials, and is continuing to deliver steady growth in this area. The driving force for this growth is mainly due to the following distinctive features.

- Consistently manufacturing high quality products** : Ariake, just like professional chefs and cooks, creates deliciousness in an industrial manner. Our huge No.2 Kyushu Plant is unmanned and automated and operates under computerized control, steadily and efficiently manufacturing high quality products in large volumes. Ariake's unique, proprietary know-how in areas such as the combination of the ingredients used, menu planning, and similar activities has been accumulated over many years and satisfies the needs of our clients with a range of approximately 2,500 types of products.
- High Levels of Quality and Hygiene Management** : We are scrupulous in the pursuit of the highest levels of quality and hygiene management, have obtained the ISO9001 certification, the international certification for quality control and achieved the approval of the Japanese Ministry of Health, Labor and Welfare in recognition of our comprehensive hygiene management and production processes. We have introduced the Hazard Analysis & Critical Control Points (HACCP) hygiene management guidelines, and our other achievements in this area include the installation of manufacturing equipment both in Japan and overseas on the basis of compliance with the hygiene standards of the US Department of Agriculture (USDA) which are the strictest and most stringent in the world.
- Recycling Model** : Ariake makes efficient and effective use of the resources within the group by recycling the remnants from its manufacturing process into good quality, specialized fermented fertilizer that is used as a fertilizer at its Ariake Farm agricultural facilities.
- Optimal Regional Production System** : We have established a production system that is optimized on a global basis to enable us to deliver stable supplies of high-quality products to all regions across the world. We continue to strive to further the evolution of this process by building our "Global Eight-Pillar System."