

FINANCIAL SUMMARY

Consolidated Balance Sheets

	FY2016 As of March 31, 2016	FY2017 As of March 31, 2017
Assets		
Current assets	32,521	42,754
Non-current assets	38,684	34,271
Property, plant and equipment	23,688	22,744
Intangible assets	905	729
Investments and other assets	14,089	10,797
Total assets	71,205	77,025
Liabilities		
Current liabilities	8,360	8,207
Non-current liabilities	3,277	3,461
Total liabilities	11,638	11,669
Net assets		
Shareholders' equity	56,249	61,920
Accumulated other comprehensive income	3,001	3,085
Non-controlling interests	316	350
Total net assets	59,567	65,356
Total liabilities and net assets	71,205	77,025

Note: Amounts presented are rounded down to the nearest million yen.

Consolidated Statements of Changes in Equity

	Shareholders' equity					Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	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 the consolidated fiscal year	7,095	7,840	43,388	(2,074)	56,249	2,177	993	(169)	3,001	316	59,567	
Changes of items during the consolidated fiscal year												
Dividends of surplus			(1,909)		(1,909)						(1,909)	
Net income attributable to shareholders of the parent company			7,585		7,585						7,585	
Purchase of treasury shares				(5)	(5)						(5)	
Net changes of items other than shareholders' equity during the consolidated fiscal year						882	(857)	59	84	34	118	
Total changes of items during the consolidated fiscal year	—	—	5,675	(5)	5,670	882	(857)	59	84	34	5,788	
Balance at end of the consolidated fiscal year	7,095	7,840	49,064	(2,079)	61,920	3,060	135	(110)	3,085	350	65,356	

Note: Amounts presented are rounded down to the nearest million yen.

Consolidated Statements of Income

	FY2016 From April 1, 2015 to March 31, 2016	FY2017 From April 1, 2016 to March 31, 2017
Net sales	46,404	48,803
Cost of sales	30,953	31,493
Gross profit	15,450	17,309
Selling, general and administrative expenses	6,614	7,036
Operating income	8,836	10,273
Non-operating income	849	421
Non-operating expenses	604	114
Ordinary income	9,081	10,579
Extraordinary income	123	350
Extraordinary losses	15	16
Income before income taxes and minority interests	9,188	10,914
Income taxes - current	2,799	3,326
Income taxes - deferred	357	(64)
Net income	6,031	7,651
Net income attributable to non-controlling interests	92	66
Net income attributable to shareholders of the parent company	5,939	7,585

Note: Amounts presented are rounded down to the nearest million yen.

Consolidated Statements of Cash Flows

	FY2016 From April 1, 2015 to March 31, 2016	FY2017 From April 1, 2016 to March 31, 2017
Cash flows from operating activities	8,715	7,805
Cash flows from investing activities	(6,357)	(1,711)
Cash flows from financing activities	(2,294)	(2,340)
Effect of exchange rate change on cash and cash equivalents	465	309
Net increase in cash and cash equivalents	529	4,062
Cash and cash equivalents at beginning of period	12,955	13,484
Cash and cash equivalents at end of period	13,484	17,547

Note: Amounts presented are rounded down to the nearest million yen.

CORPORATE / INVESTOR INFORMATION

Company Profile

Trade Name	ARIAKE JAPAN Co., Ltd.	Banks	Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd. The Eighteenth Bank, Ltd.	Office Location	Headquarters 3-2-17, Ebisu-Minami, Shibuya-ku, Tokyo 150-0022 TEL: 03-3791-3301
Representatives	Tomoki Tagawa, President (CEO) Katsutoshi Iwaki Executive Vice President (COO)	Affiliated Companies	● ARIAKE U.S.A., Inc. ● 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. ● P.T. Ariake Europe Indonesia ● Dear. SOUP Co., Ltd. ● A.C.C. Co., Ltd. ● Ariake Farm. Co., Ltd.	Kyushu Plant	●No.1 Kyushu Plant ●No.2 Kyushu Plant ●Central Research Laboratory R&D Center ●Packing Center
Established	June 2, 1966	Business Activities	1. Manufacture, processing and sale of natural seasonings 2. Production, processing, import / export and sale of livestock products 3. Processing, import / export and sale of marine products 4. Production, import / export and sale of non-pharmaceutical products 5. Restaurant management 6. Technical guidance concerning the above activities 7. Operations incidental to above activities	Nagoya Branch	
Capital	7,095,096 thousand yen			Osaka Branch	
Employees	465 (As of March 31, 2017)			Fukuoka Branch	
				Sendai Branch	
				Sapporo Sales Office	
				Hokuriku Sales Office	

(As of June 23, 2017)



Headquarters building

THE FINE FLAVORS OF NATURE

http://www.ariakejapan.com/

April 1, 2016 >>> March 31, 2017

Business Report

ARIAKE JAPAN Co., Ltd.

Securities code number : 2815

Stock Data

(As of March 31, 2017)

- Total number of shares authorized to be issued.....130,000,000 shares
- Total issues and outstanding shares.....32,808,683 shares
- Number of shareholders.....9,574
- Stock exchange listing.....Tokyo Stock Exchange, First Section
- Securities code number.....2815

Major Shareholders (Top 10)

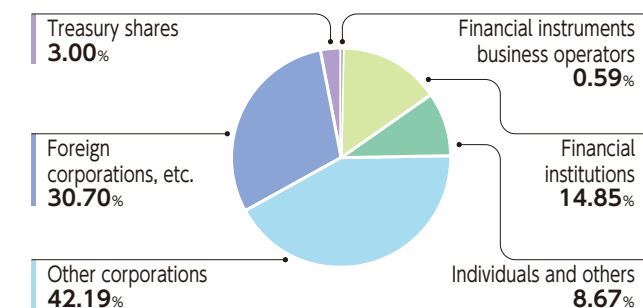
Name of Shareholders	Thousand Shares	Percentage
Japan Food Business Co., Ltd.	10,608	33.34
Kineo Okada Scholarship Foundation	2,196	6.90
JPMC OPPENHEIMER JASDEC LENDING ACCOUNT	1,610	5.06
GOLDMAN, SACHS & CO.REG	1,524	4.79
STATE STREET BANK AND TRUST COMPANY	1,372	4.31
Japan Trustee Services Bank, Ltd. (Trust Account)	1,276	4.01
The Master Trust Bank of Japan, Ltd. (Trust Account)	896	2.82
Ohsho Food Service Corp.	784	2.46
BBH FOR MATTHEWS JAPAN FUND	561	1.76
NORTHERN TRUST CO. (AVFC) RE MONDRIAN INTERNATIONAL SMALL CAP EQUITY FUND, LP.	453	1.43

Note1: Treasury shares (985 thousand shares) are excluded from the list above.
Note2: The percentage of total shares excludes treasury shares.
Note3: Number of shares less than one thousand is rounded down to the nearest thousand.

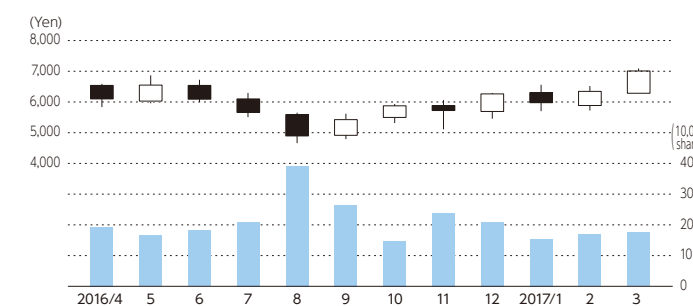
Stock Information

Fiscal year	April 1 to March 31 next year
Record date for receipt of year-end dividends	March 31
Record date for receipt of 2nd quarter dividends	September 30
General shareholders' meeting	Held in June each year
Stock transfer agent Account manager for special accounts	Mitsubishi UFJ Trust and Banking Corporation 7-10-11, Higashisuna, Koto-ku, Tokyo 137-8081, Japan Mitsubishi UFJ Trust and Banking Corporation Securities Transfer Section TEL: 0120-232-711 (Toll free only in Japan)
Inquiries	Tokyo Stock Exchange, First Section The Company posts information about settlement announcement on its website. http://www.ariakejapan.com/
Stock exchange listing	
Announcement	

Percentage Composition of Shareholders



Stock Price (Monthly) and Trading Volume



Precautions

- In principle, changes of address, requests for purchases of shares and other shareholder procedures will be performed by the account manager (securities company, etc.) for each shareholder's account. These procedures are not performed by the Company's stock transfer agent (Mitsubishi UFJ Trust and Banking).
- For all procedures concerning stock registered in the special account, please contact Mitsubishi UFJ Trust and Banking, which is the manager of this account. These procedures are handled at the head office and all branches of Mitsubishi UFJ Trust and Banking.
- Accrued dividends can be received at the head office or any branch of Mitsubishi UFJ Trust and Banking.

TO OUR SHAREHOLDERS

Overseas business achieved steady progress by globally leveraging the strengths we have cultivated through our own business model, and so both sales and profits attained new all-time highs. We are aiming to achieve further growth with our "Global Eight-Pillar System."

We are pleased to present the Ariake Group's "Business Report" for the year ended March 31, 2017 (FY2017) and to have this opportunity to offer our shareholders our sincere gratitude for their continued support.

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 regard, the Ariake Group established a new company in Indonesia in March last year, completing a "Global Eight-Pillar System." 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.

With domestic sales of seasonings for food service, ready-made meals, and processed foods remaining solid, our overseas business also grew steadily. Sales also increased due to growth in orders from existing food processing companies in the United States, expansion in orders from existing food processing and food service companies in China, and growth in orders from existing restaurant clients in Taiwan. We also succeeded in expanding sales in Europe and realized profitability firmly in the black. As a result, consolidated business results for the fiscal year under review increased for the eighth consecutive fiscal year, with sales, operating income, ordinary income, and net income attributable to parent company shareholders all recording new all-time highs.

The driving force behind this growth derives from our unique business model which we built as a pioneer in the early development of the natural seasonings market. As a result, we have been able to cultivate strengths both in the reliable and mass production of high quality products, and in high-level quality and hygiene management, and to exert our strength globally by means of our production facilities in optimal regional production system.

In the future, we expect market conditions to remain favorable due to higher demand from the food service, ready-meals, and processed food industries as more people in Japan eat meals alone and to the increased popularity of Japanese food products overseas in response to rising health consciousness. We will continue to accelerate our growth strategy on the basis of these strengths. In Taiwan, a new plant started operating in January this year. The Indonesian plant, our first production base in Southeast Asia, is scheduled to be completed in September this

year and to be operational at the beginning of next year. We will also work to expand our business in Europe by updating our production facilities in that region.

The Group aims to become a corporate group with consolidated net sales of ¥100 billion over the medium to long term. To this end, and along with the pursuit of growth through the "Global Eight-Pillar System," we aim to improve, strengthen, and thoroughly implement quality and hygiene control at our domestic and overseas factories, strive to provide safe and secure foods, and endeavor to enhance corporate value.

To express our appreciation to shareholders for their support and ask for their continued support, the Company has decided to pay an annual dividend of ¥60 per share for the year.

We appreciate the continued support of our shareholders and therefore we have decided to start a shareholder benefit plan with the aim of increasing the appeal of investing in our stocks and of attracting a greater number of shareholders. We will initiate this program by making it available to all shareholders registered or recorded as holding 1,000 shares or more in the register of shareholders as of September 30 this year.

We thank all of our shareholders for their many years of support for the company and we humbly request that we will be able to enjoy your continued support and guidance in the future.

June 2017



Senior Advisor
Kineo Okada



President (CEO)
Tomoki Tagawa

ARIAKE JAPAN Co., Ltd.

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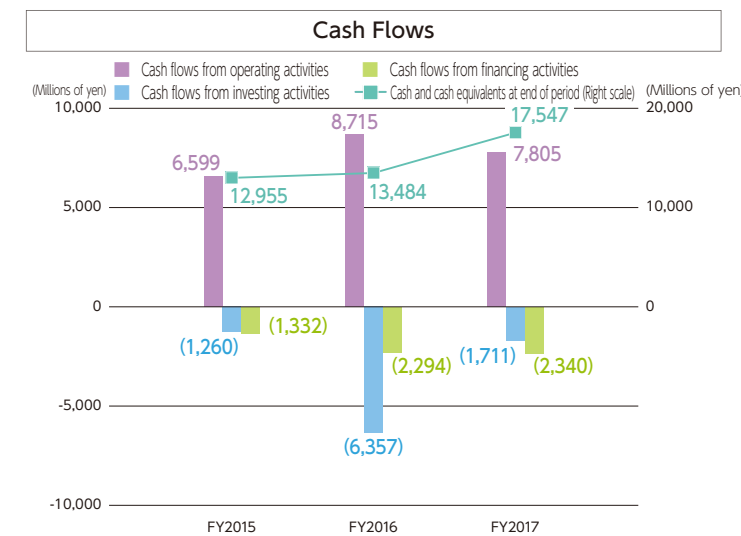
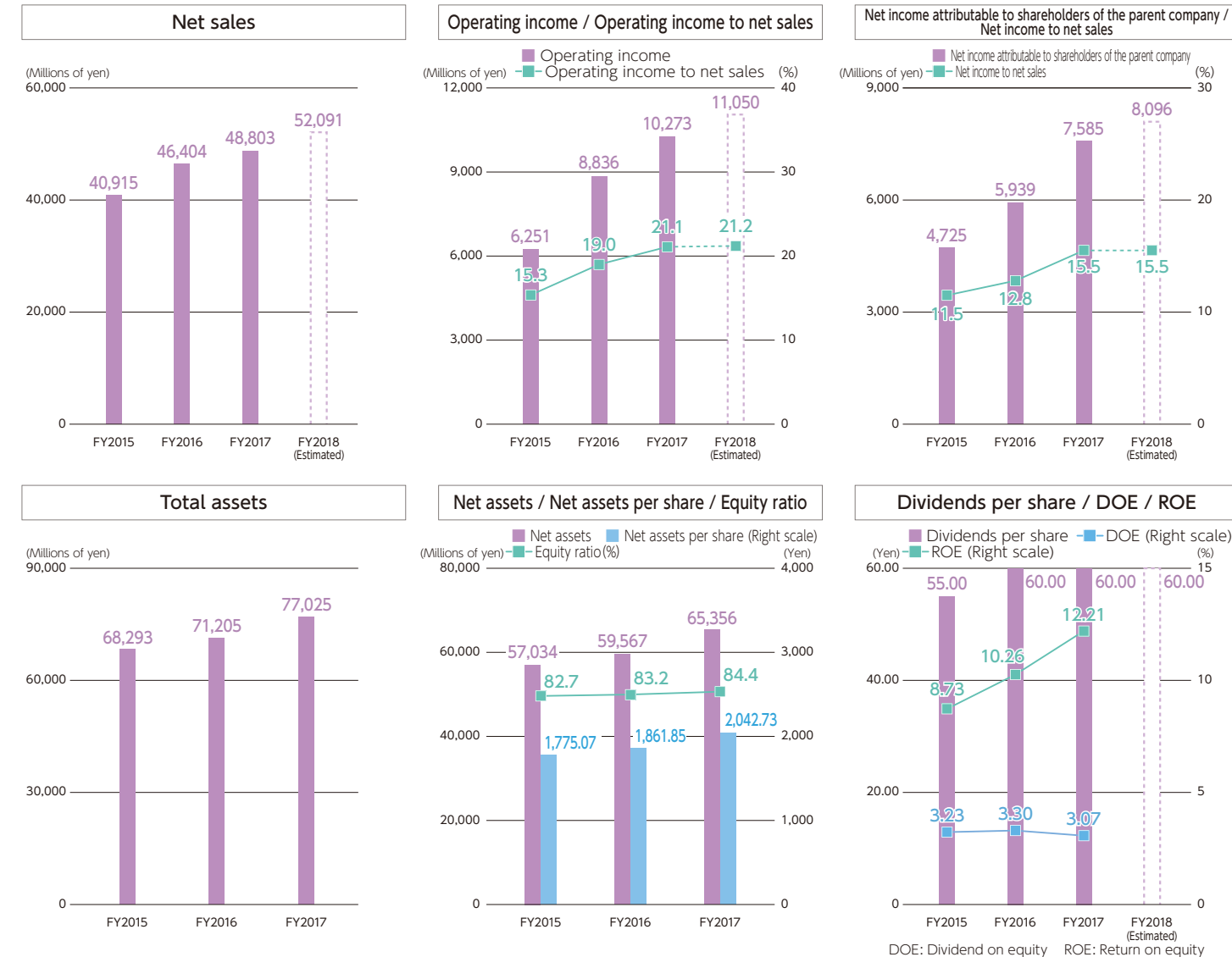
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CONSOLIDATED FINANCIAL HIGHLIGHTS

Net sales, operating income, ordinary income and net income attributable to shareholders of the parent company all increased for the eighth 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 ¥2,398 million (5.2%) year-on-year to ¥48,803 million, and so the Group recorded another all-time high in net sales with growth in net sales achieved for the eighth consecutive fiscal year.

Consolidated operating income increased by ¥1,436 million (16.3%) year-on-year to ¥10,273 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 ¥1,498 million (16.5%) year-on-year to ¥10,579 million.

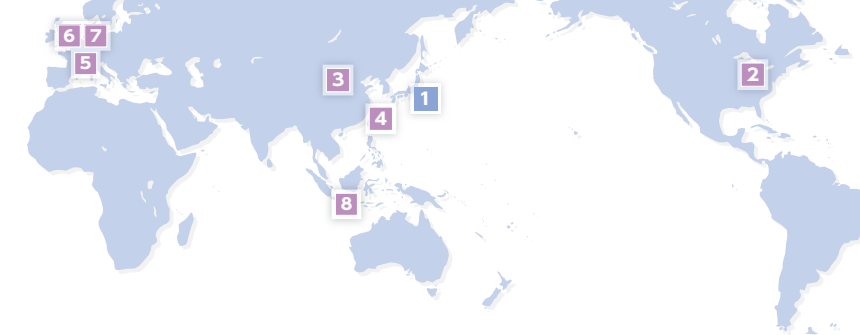
Net income attributable to shareholders of the parent company grew by ¥1,646 million (27.7%) year-on-year to ¥7,585 million. Earnings at all levels increased for the eighth consecutive year and rose to record highs.

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 eight locations as Japan, the U.S., China, Taiwan, France, Belgium, the Netherlands and Indonesia, we serve the diverse range of needs among our customers worldwide.



Country	Company Name	Headquarters	Office Location	Plant Location	Established	Capital
1 Japan	ARIAKE JAPAN Co., Ltd.	Shibuya-ku, Tokyo	-	Kita-Matsuyama-gun, Nagasaki	June 1966	¥7,095 million
2 U.S.A.	ARIAKE U.S.A., Inc.	Harrisonburg, Virginia, U.S.A.	-	-	February 1985	US\$18 million
3 China	QINGDAO ARIAKE FOODSTUFF Co., Ltd.	Qingdao Jiaonan Shandong Province, China	-	-	December 1994	US\$8.12 million
4 Taiwan	Taiwan Ariake Foods Co., Ltd.	Ping Tung, Taiwan	-	-	May 1985	NT\$250 million
5 France	F.P. Natural Ingredients S.A.S.	Alençon, France	-	-	March 2003	€22 million
6 Belgium	Ariake Europe N.V.	Maasmechelen, Belgium	-	-	January 2004	€54.5 million
7 Netherlands	Henningsen Nederland B.V.	Vaalwijk, Netherlands	-	-	December 1984	€359 thousand
8 Indonesia	PT. Ariake Europe Indonesia	West Java, Indonesia	-	-	March 2016	US\$2,825 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 2020, were also set up.

(Billions of yen)

	Result		Plan			
	FY2016	FY2017	FY2018	FY2019	FY2020	
Net sales	Ariake Japan	34.5	36.0	38.0	40.0	42.0
	Consolidated subsidiaries	14.4	15.3	16.6	19.8	21.8
	Adjustment	(2.5)	(2.5)	(2.5)	(2.7)	(2.9)
Consolidated net sales		46.4	48.8	52.1	57.2	60.9
Operating income	Ariake Japan	6.7	7.5	7.9	8.3	8.7
	Consolidated subsidiaries	2.1	2.8	3.1	3.9	4.4
	Consolidated operating income	8.8	10.3	11.1	12.2	13.1

(Billions of yen)

	Details	Sales Target for FY2020	
Japan	ARIAKE JAPAN Co., Ltd.	Create a new business model	42.0
U.S.A.	ARIAKE U.S.A., Inc.	Perform strategic sales activities and make new capital investments	7.2
Asia	QINGDAO ARIAKE FOODSTUFF Co., Ltd. (China)	Sales growth deriving from stimulation of latent demand Expanding sales in new markets	8.7
	Taiwan Ariake Foods Co., Ltd. (Taiwan)		
	PT. Ariake Europe Indonesia (Indonesia)		
Europe	F. P. Natural Ingredients S.A.S. (France)	Use the collective strengths of the three locations to increase sales in Europe	4.8
	Ariake Europe N.V. (Belgium)		
	Henningsen Nederland B.V. (Netherlands)		
Other			1.1

Note: Sales targets for FY2020 are before consolidation adjustments.

TOPICS

New plant in Indonesia: This will be the first production base in Southeast Asia for the full-scale operation of the "Global Eight-Pillar System"

The Indonesia plant, the Group's first production base in Southeast Asia and which is currently under construction, is scheduled to be completed in September this year and the start of its operation in the beginning of next year will mean that our "Global Eight-Pillar System" is fully operational.

At the Indonesia plant, we will manufacture seasonings for chicken soup and other products. We also plan to acquire Halal certification and ship products not just within Indonesia but also to export them to Thailand and Malaysia. In addition, we are planning to expand our product lineup and start developing new products that have not featured in our lineup to date, so as to capture a wider range of customer needs.

Through engaging in various new initiatives, the overseas subsidiary in Indonesia is aiming to achieve sales of ¥500 million in the fiscal year ending March 31, 2020 and, in combination with our new plant in Taiwan, which has been operating since January this year, we expect that the plant will contribute to the achievement of consolidated net sales of ¥100 billion, which is the medium-to-long-term goal of our Group.



First Southeast Asia production base: Indonesia new plant when completed (Artist's impression)

- Total investment amount: approximately ¥1 billion
- Completion scheduled for September 2017

Power to drive advanced, global quality and hygiene control capabilities

In recent years, levels of consumer awareness of, and concern for, food safety have been steadily increasing. In response to this trend, the Group has been developing advanced and global quality and hygiene control capabilities as a key driving force for its business operations.

Specifically, the Group has the ability to reliably produce, on an industrial basis, high quality products and to create tastes very similar to those made by professional chefs. The vast No.2 Kyushu Plant, which is entirely unmanned with its operations completely automated by computer control, manufactures high quality products with stable reliability, efficiently, and in large quantities.

Furthermore, we have acquired the ISO9001 international certification for quality control, and the approval of the Japanese Ministry of Health, Labor and Welfare for comprehensive hygiene management and manufacturing process, introduced the Hazard Analysis & Critical Control Points (HACCP) sanitation management method, installed production equipment satisfying the US Department of Agriculture's (USDA's) sanitary hygiene standards - the world's most severe, and we are scrupulously dedicated to maintaining the most advanced quality and hygiene management capabilities in every location, including maintaining both domestic and overseas sites, at which we operate across the world.

At the new plant in Taiwan, the latest equipment is already in operation, and we will also introduce state-of-the-art equipment at our new plant in Indonesia (currently under construction) and will strive both to increase our quality and sanitation management capabilities and to further accelerate our growth rates.



Kyushu plant Central Research Laboratory R&D Center

Our website contains a variety of information about the Company.
<http://www.ariakejapan.com/en/>

or