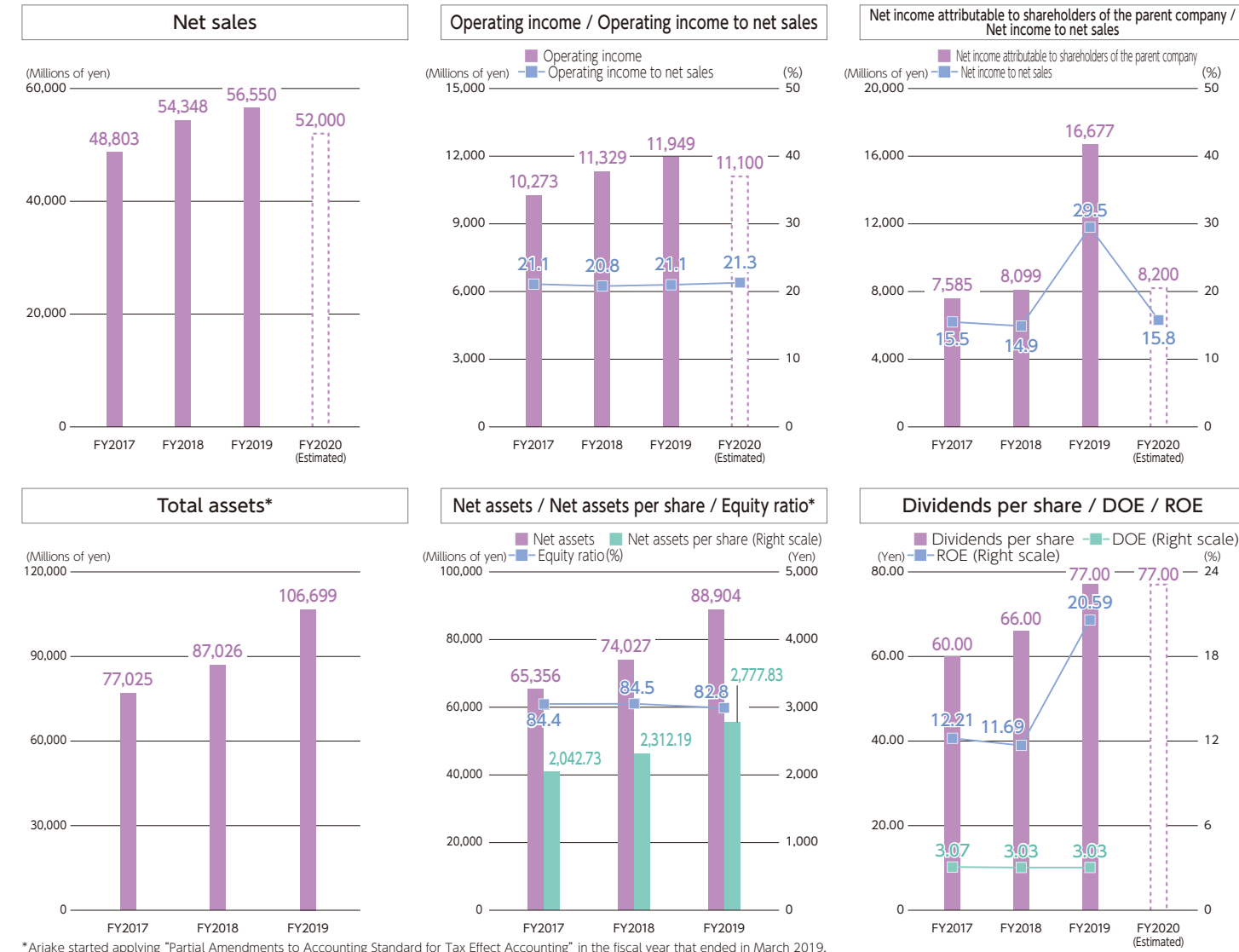
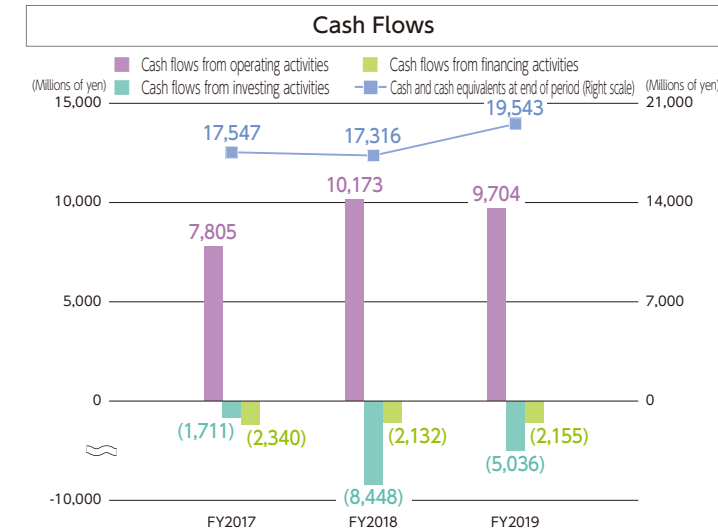


CONSOLIDATED FINANCIAL HIGHLIGHTS

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



*Ariake started applying "Partial Amendments to Accounting Standard for Tax Effect Accounting" in the fiscal year that ended in March 2019. Total assets and the equity ratio as of March 31, 2019 and 2018 incorporate this change and figures as of March 31, 2017 do not.



Consolidated net sales, thanks to concerted efforts to increase revenues by maintaining a consistent stance of putting the customer first, and also because of the growth in sales recorded by our overseas subsidiaries, grew by ¥2,202 million (4.1%) year-on-year to ¥56,550 million. As a result, the Ariake Group achieved sales growth for the tenth consecutive year and sales reached an all-time high.

Consolidated operating income increased by ¥620 million (5.5%) year-on-year to ¥11,949 million mainly because of sales growth and a reduction in the fixed expenses component of the cost of sales because of cost cutting measures.

Consolidated ordinary income increased by ¥976 million (8.4%) year-on-year to ¥12,546 million.

Net income attributable to shareholders of the parent company increased by ¥8,577 million (105.9%) year-on-year to ¥16,677 million due to the sale of stock of a subsidiary and other reasons. Earnings at all levels increased for the tenth consecutive year and rose to record highs.

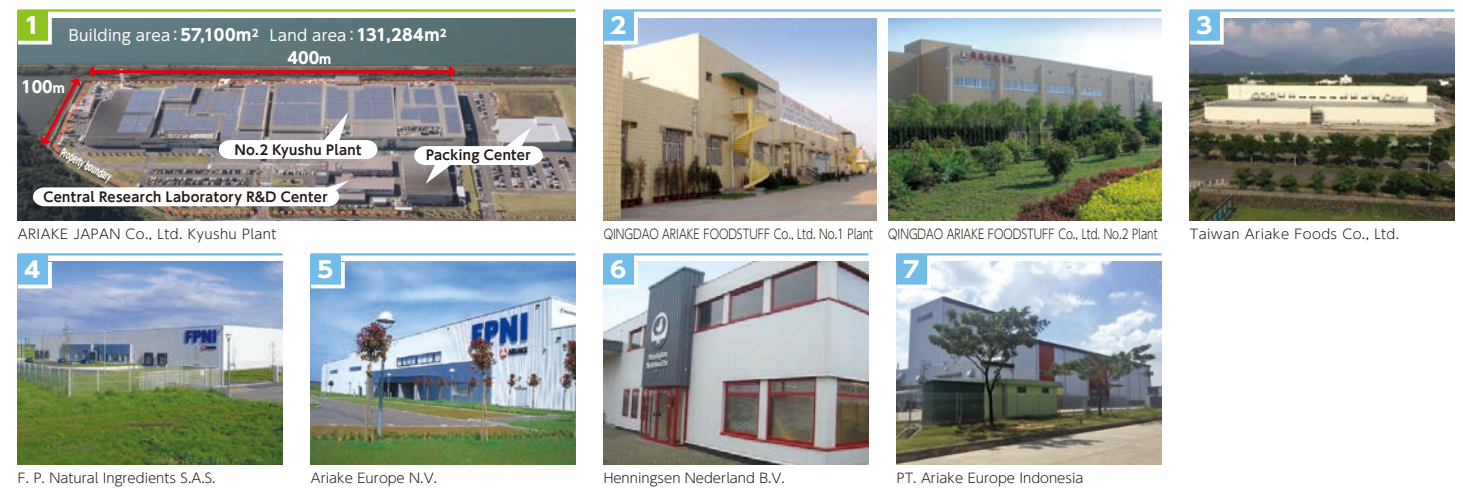
SPECIAL ISSUE Global Network and Business Strategies of the Ariake Group

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



- Japan**
Company Name: ARIAKE JAPAN Co., Ltd.
Headquarters: Shibuya-ku, Tokyo
Plant Location: Kita-Matsuyama-gun, Nagasaki
Established: June 1966
Capital: ¥7,095 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: Pingtung County, Taiwan
Established: May 1985
Capital: NTS\$250 million
- France**
Company Name: F.P. Natural Ingredients S.A.S.
Office Location: Alençon, 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
- Indonesia**
Company Name: PT. Ariake Europe Indonesia
Office Location: West Java, Indonesia
Established: March 2016
Capital: US\$3,725 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 2022, were also set up.

	Result			Plan		
	FY2018	FY2019	FY2019 (except U.S.)	FY2020	FY2021	FY2022
Net sales	Ariake Japan	39.0	39.2	39.2	40.2	41.2
	Consolidated subsidiaries	18.0	19.5	13.7	14.0	15.4
	Adjustment	(2.7)	(2.2)	(3.1)	(2.2)	(2.3)
Operating income	Ariake Japan	7.8	8.3	8.3	8.5	8.7
	Consolidated subsidiaries	3.5	3.6	2.0	2.6	2.9
	Consolidated operating income	11.3	11.9	10.3	11.1	12.1

Details			Sales Target for FY2022
Japan	ARIAKE JAPAN Co., Ltd.	Create a new business model	42.2
Asia	QINGDAO ARIAKE FOODSTUFF Co., Ltd. (China)	Sales growth deriving from stimulation of latent demand	14.0
	Taiwan Ariake Foods Co., Ltd. (Taiwan)		
Europe	PT. Ariake Europe Indonesia (Indonesia)	Expanding sales in new markets	14.0
	F. P. Natural Ingredients S.A.S. (France)	Use the collective strengths of the three locations to increase sales in Europe	
	Ariake Europe N.V. (Belgium)		
Henningsen Nederland B.V. (Netherlands)			
Other			

Note: Sales targets for FY2022 are before consolidation adjustments.

TOPICS

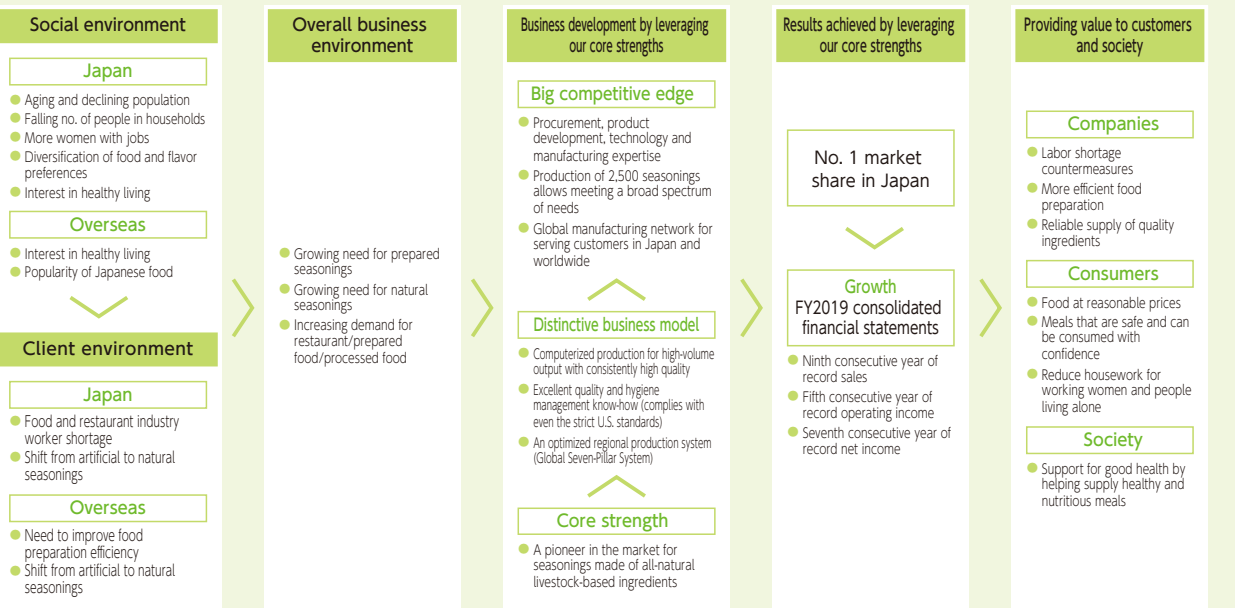
Business Operations with Social Contributions

Japan's aging and declining population, growing interest in healthy diets and other trends are creating problems that include a shortage of workers in the restaurant and food production industries. One result is increasing demand for natural seasonings.

The Ariake Group is using its distinctive business model to continue to succeed in this operating environment. Key strengths include the ability to produce large volumes of products with consistently high quality, outstanding quality and hygiene management skills, and a global infrastructure of production bases in optimal locations. This business model backs up the group's leading share of Japan's natural seasoning market and steady growth of sales and earnings.

The Ariake Group is dedicated to using business operations to providing value to customers, both companies and individuals, and society in order to play a role in the advancement of the group as well as society.

How Ariake uses business operations to create value



Strategic activities for growth in Europe Participation in a Trade Show in France

Ariake is increasing the pace of strategic activities in Europe in order to make this region a significant market for Ariake products as well as a source of ingredients that are exported to Japan.

To show many people the outstanding quality of Ariake products and increase sales channels, we participate in many trade shows in Europe. One event was the international trade show for restaurant and food service industry that was held in January 2019 in Lyon, France. Visitors to the Ariake booth saw bouillon, fond and stew demonstrations for restaurant and processed food products and received samples.

In expectation of increasing demand in Europe, work is under way in Belgium and France to add production lines at Ariake Group factories.

Ariake participated in SIRHA - The World Hospitality & Food Service Event 2019 that took place from January 26 to 30, 2019 in Lyon, France. Held once every two years, this is the world's largest restaurant and food service trade show. This is a valuable opportunity for food service professionals to gather and to learn about current trends in the food service industry. This year's exhibition attracted about 3,800 companies and brands as well as approximately 230,000 visitors.



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

ARIAKE Search