

FINANCIAL SUMMARY

Consolidated Balance Sheets

	FY2019 As of March 31, 2019	FY2020 As of March 31, 2020
Assets		
Current assets	68,850	70,539
Non-current assets	37,849	33,950
Property, plant and equipment	19,657	19,579
Intangible assets	592	483
Investments and other assets	17,600	13,886
Total assets	106,699	104,489
Liabilities		
Current liabilities	14,160	7,343
Non-current liabilities	3,635	3,713
Total liabilities	17,795	11,057
Net assets		
Shareholders' equity	82,435	88,358
Accumulated other comprehensive income	5,957	4,489
Non-controlling interests	510	584
Total net assets	88,904	93,432
Total liabilities and net assets	106,699	104,489

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

Consolidated Statements of Income

	FY2019 From April 1, 2018 to March 31, 2019	FY2020 From April 1, 2019 to March 31, 2020
Net sales	56,550	52,329
Cost of sales	36,643	32,985
Gross profit	19,906	19,344
Selling, general and administrative expenses	7,956	7,554
Operating income	11,949	11,789
Non-operating income	663	368
Non-operating expenses	66	250
Ordinary income	12,546	11,908
Extraordinary income	13,300	222
Extraordinary losses	94	—
Income before income taxes and minority interests	25,752	12,130
Income taxes - current	9,031	3,082
Income taxes - deferred	(56)	573
Net income	16,776	8,475
Net income attributable to non-controlling interests	99	99
Net income attributable to shareholders of the parent company	16,677	8,375

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

Consolidated Statements of Cash Flows

	FY2019 From April 1, 2018 to March 31, 2019	FY2020 From April 1, 2019 to March 31, 2020
Cash flows from operating activities	9,704	1,977
Cash flows from investing activities	(5,036)	8,971
Cash flows from financing activities	(2,155)	(2,476)
Effect of exchange rate change on cash and cash equivalents	(285)	(110)
Net increase in cash and cash equivalents	2,227	8,361
Cash and cash equivalents at beginning of period	17,316	19,543
Cash and cash equivalents at end of period	19,543	27,904

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	69,596	(2,095)	82,435	5,285	738	(66)	5,957	510	88,904
Changes of items during the consolidated fiscal year											
Dividends of surplus			(2,450)		(2,450)						(2,450)
Net income attributable to shareholders of the parent company			8,375		8,375						8,375
Purchase of treasury shares				(2)	(2)						(2)
Net changes of items other than shareholders' equity during the consolidated fiscal year						(1,360)	(106)	(1)	(1,468)	74	(1,394)
Total changes of items during the consolidated fiscal year	—	—	5,925	(2)	5,922	(1,360)	(106)	(1)	(1,468)	74	4,528
Balance at end of the consolidated fiscal year	7,095	7,840	75,521	(2,098)	88,358	3,925	632	(68)	4,489	584	93,432

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

CORPORATE / INVESTOR INFORMATION

Company Profile

(As of June 19, 2020)

- Trade Name: ARIAKE JAPAN Co., Ltd.
- Representatives: Tomoki Tagawa, President (CEO), Katsutoshi Iwaki, Executive Vice President (COO)
- Established: June 2, 1966
- Capital: 7,095,096 thousand yen
- Employees: 549 (As of March 31, 2020)
- Business Activities:
 - Manufacture, processing and sale of natural seasonings
 - Production, processing, import / export and sale of livestock products
 - Processing, import / export and sale of marine products
 - Production, import / export and sale of non-pharmaceutical products
 - Restaurant management
 - Technical guidance concerning the above activities
 - Operations incidental to above activities

- Banks: Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., The Eighteenth Bank, Ltd.
- Affiliated Companies:
 - 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.
 - PT. Ariake Europe Indonesia
 - A.C.C. Co., Ltd.
 - Ariake Farm. Co., Ltd.

- Office Location: 3-2-17, Ebisu-Minami, Shibuya-ku, Tokyo 150-0022, TEL: 03-3791-3301
- Headquarters: Same as Office Location
- Kyushu Plant:
 - No.1 Kyushu Plant
 - No.2 Kyushu Plant
- Central Research Laboratory R&D Center
- Packing Center
- Nagoya Branch
- Osaka Branch
- Fukuoka Branch
- Sendai Branch
- Sapporo Sales Office



Headquarters building

Stock Data

(As of March 31, 2020)

- Total number of shares authorized to be issued: 130,000,000 shares
- Total issues and outstanding shares: 32,808,683 shares
- Number of shareholders: 8,325
- Stock exchange listing: Tokyo Stock Exchange, First Section
- Securities code number: 2815

Major Shareholders (Top 10)

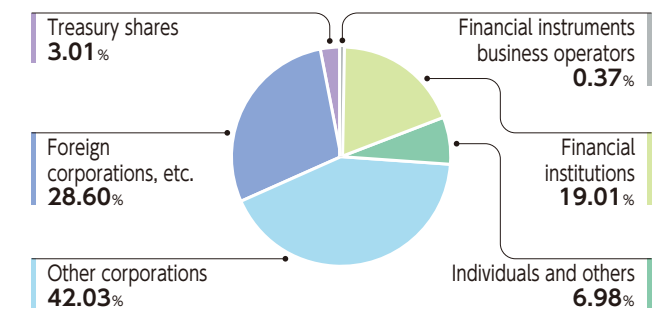
Name of Shareholders	Thousand Shares	Percentage
Japan Food Business Co., Ltd.	10,608	33.34
Kineo Okada Scholarship Foundation	2,196	6.90
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,663	5.23
CHASE NOMINEES RE JASDEC TREATY CLIENT A/C (GENERAL)	1,479	4.65
Japan Trustee Services Bank, Ltd. (Trust Account)	1,243	3.91
Ohsho Food Service Corp.	784	2.46
GOLDMAN, SACHS & CO. REG	549	1.73
NAOKI OKADA	412	1.29
BBH FOR MATTHEWS JAPAN FUND	405	1.27
NORTHERN TRUST CO. (AVFC) RE MONDRIAN INTERNATIONAL SMALL CAP EQUITY FUND, L.P.	394	1.24

Note1: Treasury shares (987 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.

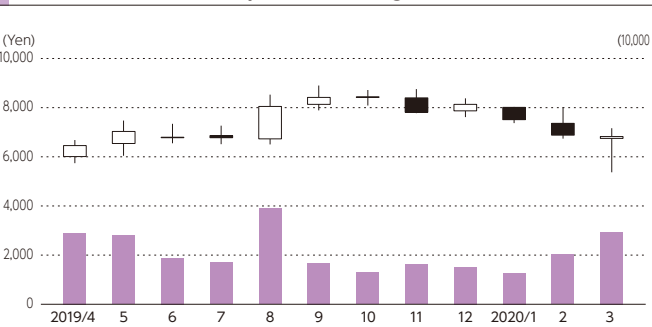
Stock Information

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	Mitsubishi UFJ Trust and Banking Corporation
Account manager for special accounts	Mitsubishi UFJ Trust and Banking Corporation Securities Agency Division 1-1 Nikko-cho, Fuchu-shi, Tokyo TEL: 0120-232-7111 (Toll free only in Japan) Mailing address: Shin-TOKYO Post Office post office box No.29, 137-8081, Japan
Inquiries	Mitsubishi UFJ Trust and Banking Corporation Securities Agency Division
Stock exchange listing	Tokyo Stock Exchange, First Section
Announcement	The Company posts information about settlement announcement on its website. http://www.ariakejapan.com/

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.

THE FINE FLAVORS OF NATURE

<http://www.ariakejapan.com/>

April 1, 2019 >>> March 31, 2020

Business Report



Securities code number : 2815

TO OUR SHAREHOLDERS

Ariake grew faster than planned in Japan, Asia and Europe despite significant changes in the business climate. We will continue to aim for growth by using innovation to meet new demands of our markets and customers.

Higher sales and earnings after excluding U.S. operations

The operating environment during the fiscal year that ended in March 2020 was consistently unclear because of the October 2019 consumption tax increase in Japan, U.S.-China trade friction, and the COVID-19 outbreak that started early in 2020. Despite these challenges, the Ariake Group achieved growth that exceeded the business plan by utilizing a business model backed by a global production infrastructure and a position as the natural seasonings pioneer.

Our reported sales and earnings were lower than in the previous fiscal year. However, sales and earnings were higher after excluding the effect of the sale of a U.S. subsidiary at the end of the previous fiscal year. In other words, our sales and earnings increased relative to our performance in the previous fiscal year after deducting U.S. operations.

In Japan, our sales were strong in the prepared food category, especially for private brands. In Europe, sales and earnings increased as our operations in Belgium, France and the Netherlands worked closely together. Significantly, exports from Europe to Japan increased and there was a big increase in sales to client companies in Europe. In Asia, sales and earnings were higher in China, Taiwan and Indonesia.

Leveraging the strengths of a unique business model

Our ability to establish and utilize a unique business model is a major reason for our steady progress even amid changes in the business climate. We had the foresight to start well ahead of other companies a natural seasonings business using ingredients made from livestock. Furthermore, synergies within our global production network give the Ariake Group a broad and powerful customer base in the restaurant, prepared food, processed food and other market sectors. These strengths explain why we can retain our dominant competitive edge even during economic downturns.

We have high expectations for the future but are cautious as well

Our markets, including Japan, will be defined by an aging population and declining number of children, labor shortage, growing interest in a healthy diet, and other characteristics. All these trends point to the likelihood of increasing demand for the safe, flavorful, high-quality natural ingredients of the Ariake Group. Although the prospects for our group are good, we must remain vigilant regarding serious and unpredictable challenges, such as major natural disasters and outbreaks of diseases like COVID-19.

A sustainable base for business operations and the pursuit of innovation

This is why we must further increase our activities for building a sustainable base for business operations. As a company that uses the gifts of nature, we have an obligation to ensure that all our business processes are environmentally responsible. We are determined to take this coexistence with the environment and society to an even higher level as we pursue innovation to stay ahead of the constantly evolving demands of our markets.

Creating new markets through the development of innovative products

Our strategy for growth is to create new markets by developing innovative products that anticipate upcoming changes in our markets in Japan and other countries. Increasing and strengthening the supply of raw materials from Europe and Asia to Japan is one element of this strategy. Another goal is developing products specifically for overseas markets for market share growth. Work is now under way to increase production capacity in Belgium and France and we believe these investments will produce significant benefits.

Our medium to long-term goal is to raise consolidated sales to ¥100 billion. To accomplish this goal, we are aiming for sustained growth by building a sustainable base for business operations, pursuing innovation and taking other actions for steady growth.

To express our appreciation to shareholders for their support and ask for their continued support, we plan to pay a year-end dividend of ¥57 per share. With the interim dividend of ¥20 per share, this results in an annual dividend of ¥77 per share.

We thank our shareholders for their support and we ask for your continued support and guidance in the future.

June 2020



Senior Advisor

Kineo Okada



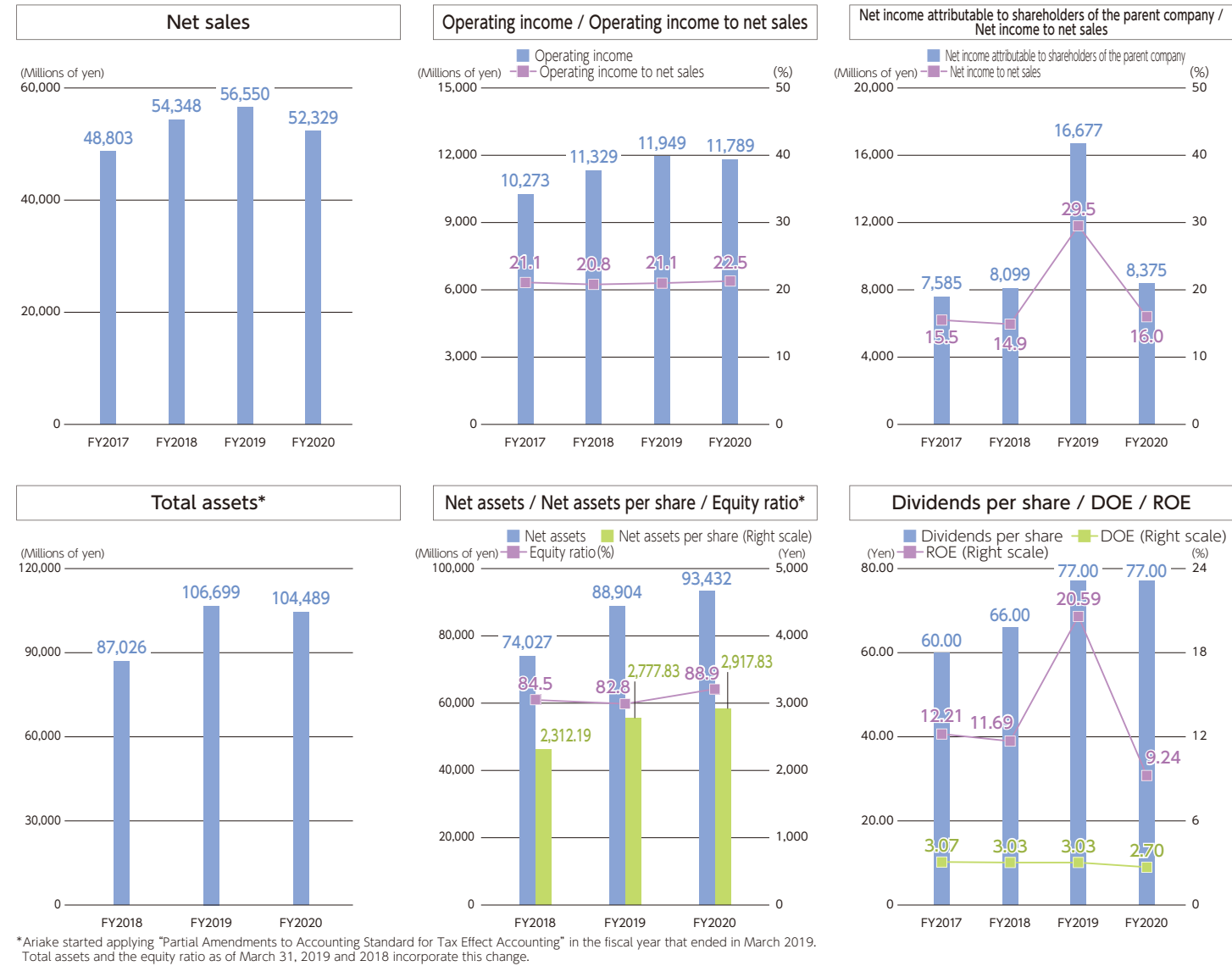
President (CEO)

Tomoki Tagawa



CONSOLIDATED FINANCIAL HIGHLIGHTS

Sales and earnings decreased, but after eliminating the effect of the sale of a U.S. subsidiary at the end of the previous fiscal year, sales and earnings were higher.



*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.

Consolidated sales and earnings decreased because of the sale of a U.S. subsidiary at the end of the previous fiscal year. Consequently, sales and earnings in the previous fiscal year included this subsidiary as well as extraordinary income from the sale of this company. As result, sales and earnings in the following fiscal year declined.

Consolidated net sales decreased 7.5% to ¥52,329 million and **consolidated operating income** decreased 1.3% to ¥11,789 million. However, after eliminating the contribution in the previous fiscal year of the U.S. subsidiary that was sold at the end of that year, sales increased 5.3% and operating income increased 11.5%. **Net income attributable to shareholders of the parent company** decreased 49.8% because of the gain on the sale of the U.S. subsidiary in the previous fiscal year.

There is no forecast for sales and earnings in the fiscal year ending in March 2021 because uncertainty about the COVID-19 crisis makes it impossible to determine a reliable forecast at this time. A forecast will be announced as soon as possible.

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-Matsura-gun, Nagasaki
Established: June 1966
Capital: ¥7,095 million
- China**
Company Name: QINGDAO ARIAKE FOODSTUFF Co., Ltd.
Office Location: Qingdao Huangdao Shandong Province, China
Established: December 1994
Capital: \$8.12 million
- Taiwan**
Company Name: Taiwan Ariake Foods Co., Ltd.
Office Location: Pingtung City, 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: \$3,725 thousand



Region	Company Name	Details
Japan	ARIAKE JAPAN Co., Ltd.	Create a new business model
Asia	QINGDAO ARIAKE FOODSTUFF Co., Ltd. (China)	Sales growth deriving from stimulation of latent demand
	Taiwan Ariake Foods Co., Ltd. (Taiwan)	Expanding sales in new markets
	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
	Ariake Europe N.V. (Belgium)	
	Henningsen Nederland B.V. (Netherlands)	

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.

TOPIC

Business activities backed by a business model resilient to social issues and sudden changes in order to fulfill social responsibilities while using innovation for sustained growth

Helping solve social issues with a business model centered on Ariake's pioneering role in the natural seasonings industry

There are countless pressing social issues in the world. In Japan, two important issues are the falling number of children as the population ages and, in the restaurant and food processing sectors, a severe labor shortage. Demand is growing for healthy natural seasonings rather than artificial seasonings. Furthermore, the frequent occurrence of problems concerning food safety caused by improper activities of some companies is a serious issue.

In addition to these invariable issues, companies must be prepared to deal with sudden and unpredictable events that pose a risk to the stability of the food supply. Major natural disasters that occur every year and pandemics like the COVID-19 are prime examples. By using the strengths of a business model that includes Ariake's position as a pioneer in livestock-derived natural seasonings, the Ariake Group is playing a role in solving a variety of social issues and reducing exposure to sources of business risk.

- Strength 1** Advanced manufacturing capabilities and technologies
State-of-the-art, computer-controlled factories maintain a large and reliable supply of healthy food products with outstanding flavors, quality and safety.
- Strength 2** Advanced quality and hygiene management
Ariake Group business sites have received many certifications, including ISO9001 quality management certification, ISO14001 environmental management certification and HACCP certification from Japan's Ministry of Health, Labour and Welfare. Furthermore, production equipment meets the hygiene standards of the U.S. Department of Agriculture. Activities of group companies also comply with Global G.A.P., the worldwide standard for good agricultural practices, and other standards. Certification for FSSC22000, an even more advanced food safety management system, was received in 2019. Group companies will continue to upgrade their quality and hygiene management skills in order to contribute to the safety of the world's food supply.
- Strength 3** A global production infrastructure
With seven manufacturing sites in Japan and other countries, the Ariake Group plays a role in the stable global supply of food by procuring quality raw



A Business Model Structured for Business and Social Sustainability

