

FY2009 Interim Financial Results【 I 】

First Half Year Ended September 2008

November 11, 2008

ARIAKE JAPAN Co., Ltd.

Contents

[Financial Results for the First Half of FY2009]

1. Consolidated Financial Summary
2. Consolidated Operating Results
3. Non-Consolidated Financial Summary
4. Non-Consolidated Operating Results
5. Net sales by Industry Segment
6. Net Sales
7. Operating Income (Consolidated/Non-consolidated)
8. Operating Income
9. Ordinary Income (Consolidated/Non-consolidated)
10. Ordinary Income

[Detailed Financial Results]

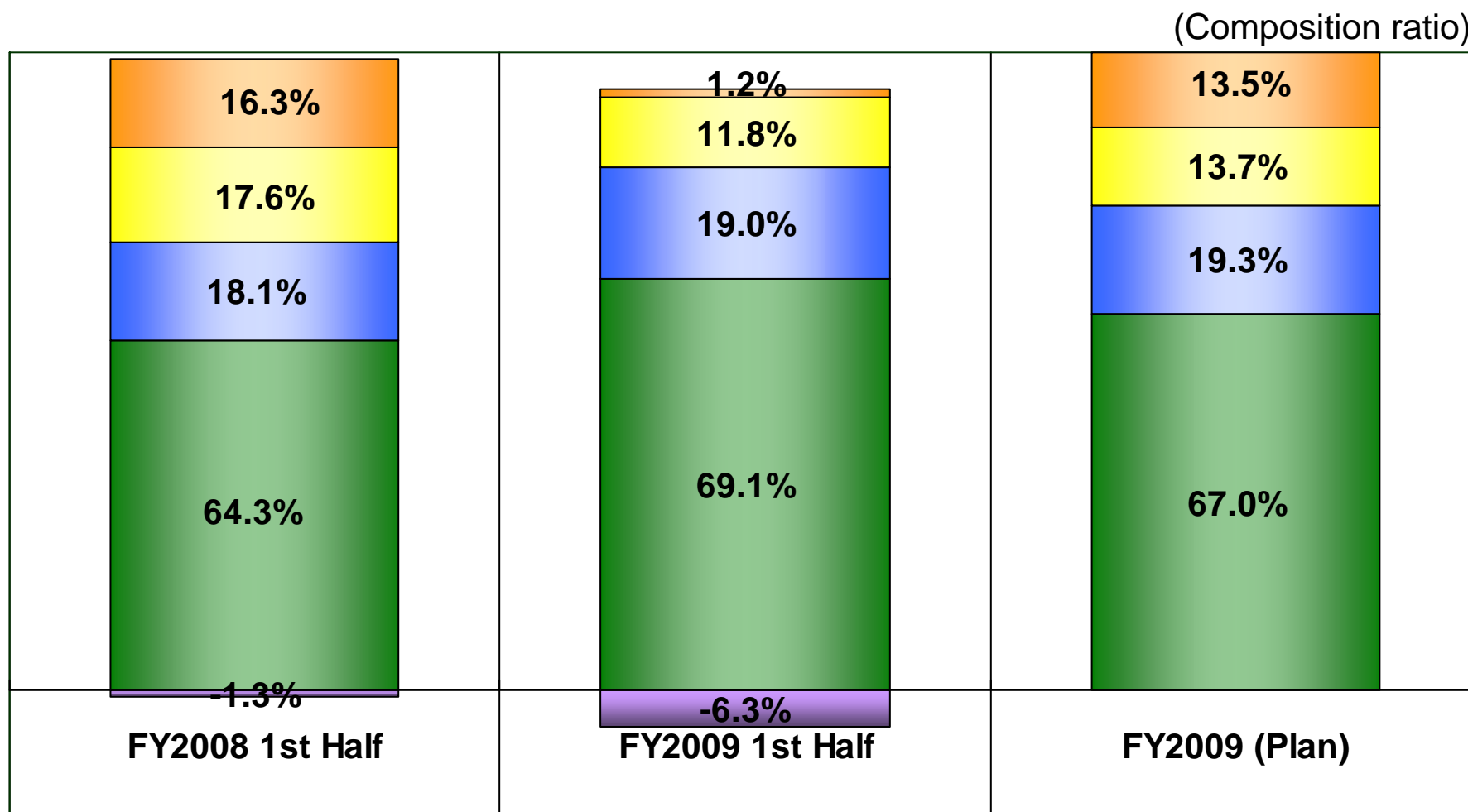
11. Detailed Non-Consolidated Statements of Income
12. Non-Consolidated Assets and Liabilities
13. Capital Expenditures/Depreciation/Affiliates' Financial Summary

1. Consolidated Financial Summary

(In million yen)

	FY 2008 1st Half	FY2009 1st Half	Change (%)	FY2009 (Plan)
Net sales	11,175	10,715	-4.1	23,358
Operating income	1,969	1,269	-35.5	3,205
Operating income ratio (%)	17.6	11.8	-5.8	13.7
Ordinary income	1,816	591	-67.4	2,707
Ordinary income ratio(%)	16.3	5.5	-10.8	11.5
Net income	1,003	125	-87.5	1,246
EPS (Yen)	31.21	3.94	—	39.14

2. Consolidated Operating Results



■ Cost of sales
■ Non-operating income

■ SG&A
■ Ordinary income

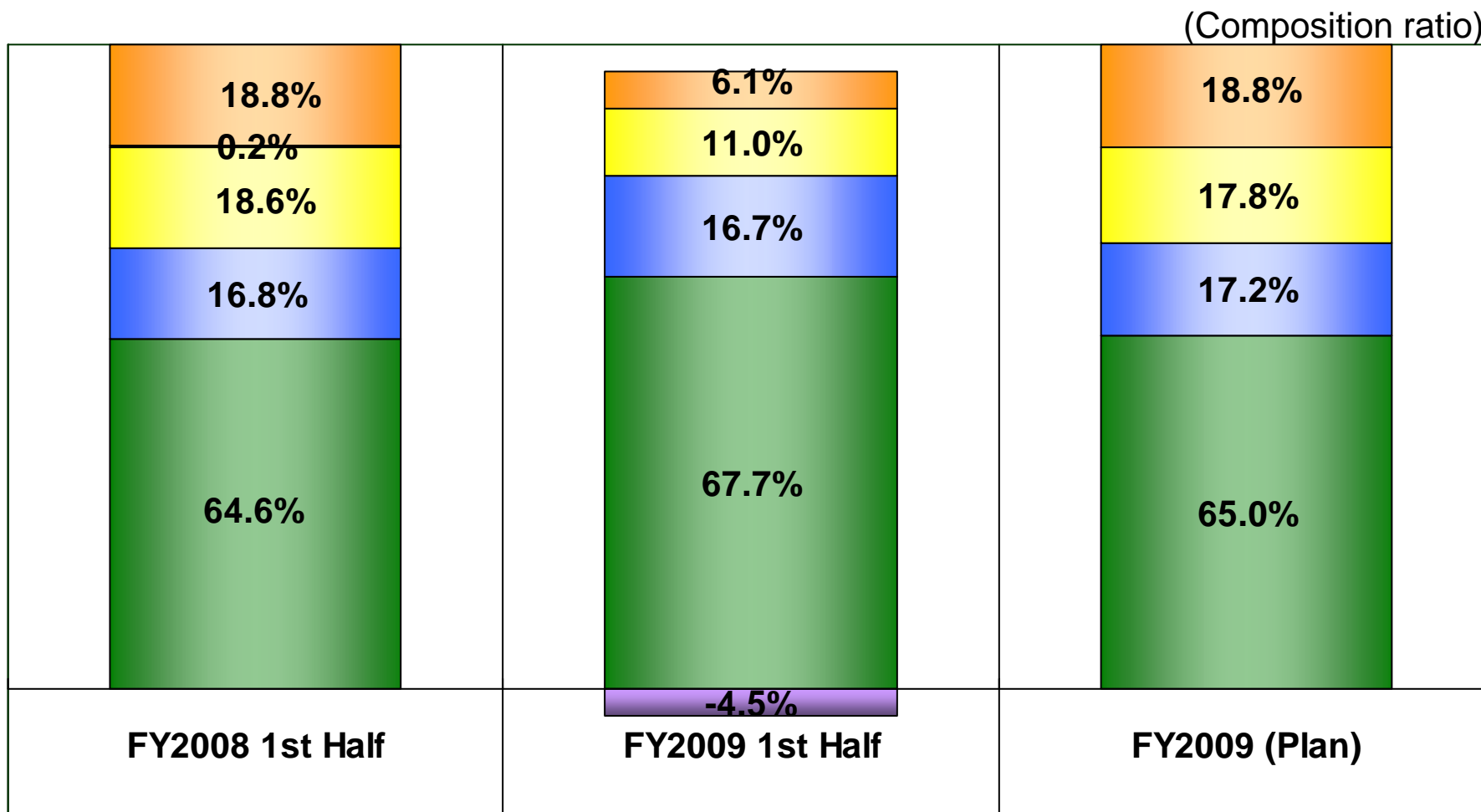
■ Operating income

3. Non-Consolidated Financial Summary

(In million yen)

	FY 2008 1 st Half	FY2009 1st Half	Change (%)	FY2009 (Plan)
Net sales	9,643	9,369	-2.8	20,500
Operating income	1,788	1,455	- 18.6	3,651
Operating income ratio (%)	18.6	15.5	- 3.1	17.8
Ordinary income (%)	1,812	1,034	- 42.9	3,410
Ordinary income ratio (%)	18.8	11.0	- 7.8	16.6
Net income	1,058	571	- 46.0	1,949
EPS (Yen)	32.90	17.93	—	61.23

4. Non-Consolidated Operating Results



■ Cost of sales

■ SG&A

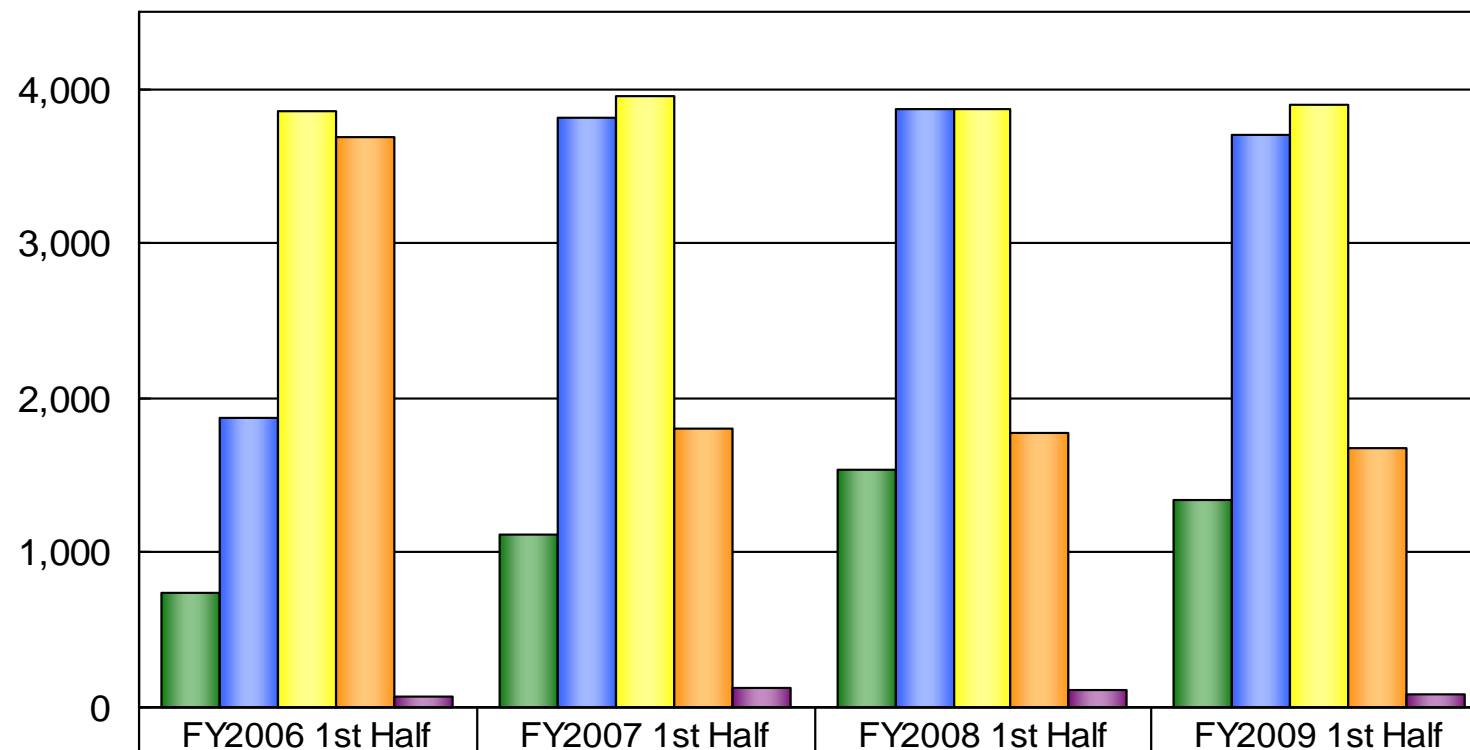
■ Operating income

■ Non-operating income

■ Ordinary income

5. Net Sales by Industry Segment

(In million yen)



	FY2006 1st Half	FY2007 1st Half	FY2008 1st Half	FY2009 1st Half
■ Consolidated subsidiaries	737	1,120	1,532	1,346
■ Food service industry seasonings	1,872	3,822	3,878	3,706
■ Processed foods seasonings	3,861	3,952	3,875	3,899
■ Instant noodles seasonings	3,693	1,806	1,776	1,677
■ Export	73	123	114	87
Total	10,235	10,823	11,175	10,715

6. Operating Results–Net Sales

- **Consolidated– year-on-year decrease of 4.1% (Ariake Japan: -2.8%; Consolidated subsidiaries:-12.1%)**

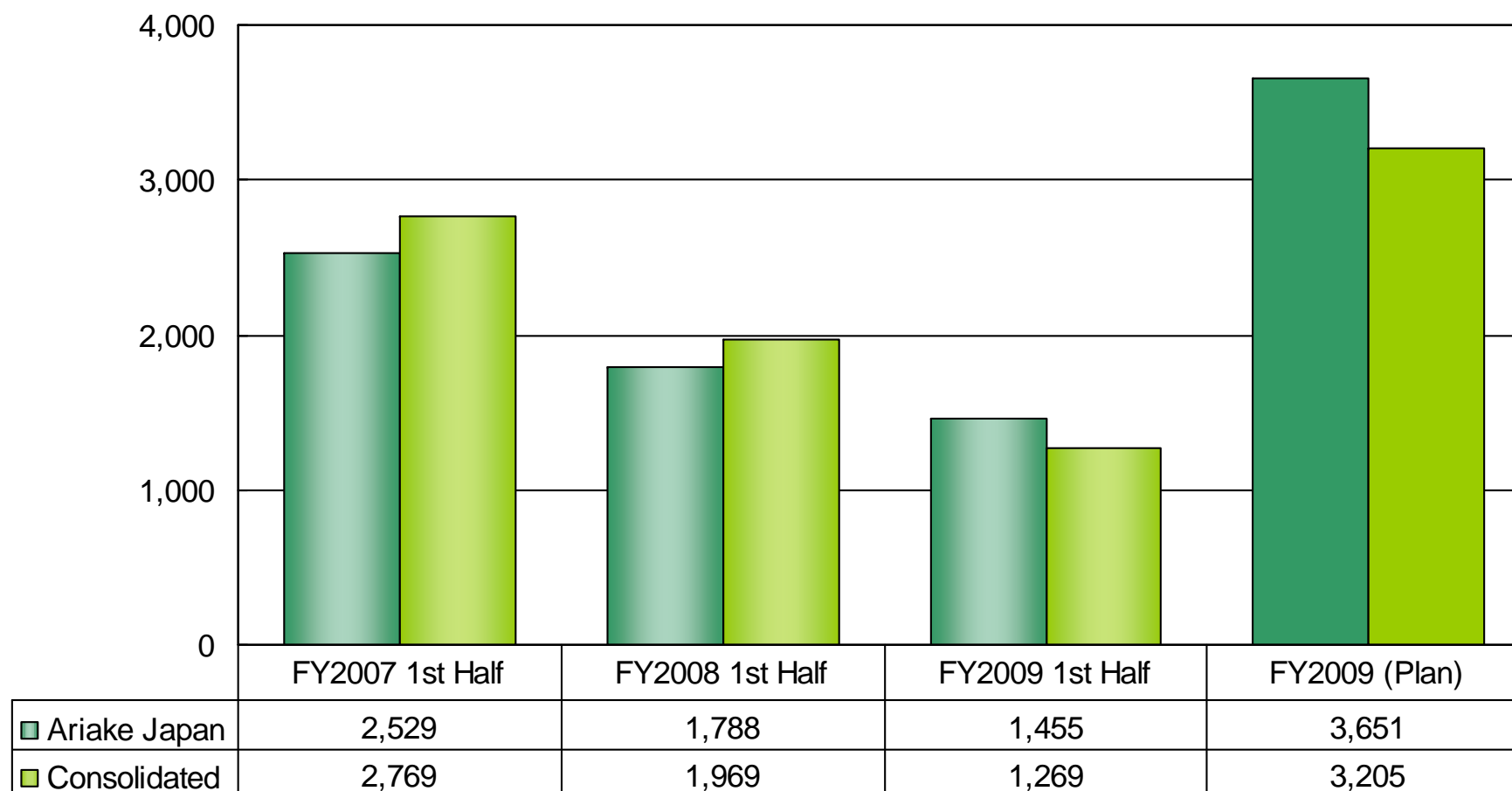
Ariake Japan	<ul style="list-style-type: none"> ■ Curtailed unprofitable products, did not raise in prices ■ Processed Food Break even ■ Instant Noodles Declined due to low-cost items such as PB products (-5.6%) ■ Food service industry Fell reflecting faltering consumption (-4.5%)
Consolidated Subsidiaries	<ul style="list-style-type: none"> ● Shrank because of stagnant overseas markets along with a decline in demand in Japan (-12.1%).

□ **Forecast of FY2009**

Ariake Japan	<ul style="list-style-type: none"> ● Projected to expand 2.5% year-on-year following management reforms, introduction of new products (starting in October), and development of new markets.
Consolidated Subsidiaries	<ul style="list-style-type: none"> ● Expected to rebound from the decline during the first half as a result of firm sales in the European market although U.S. and Chinese markets will likely continue to stagnate. In particular, sales in the European market will be launched in the second half.

7. Operating Income (Consolidated /Non-consolidated)

(In million yen)



8. Operating Income

□ Consolidated— year-on-year decrease of 35.5% (¥1,969 million →¥1,269 million)

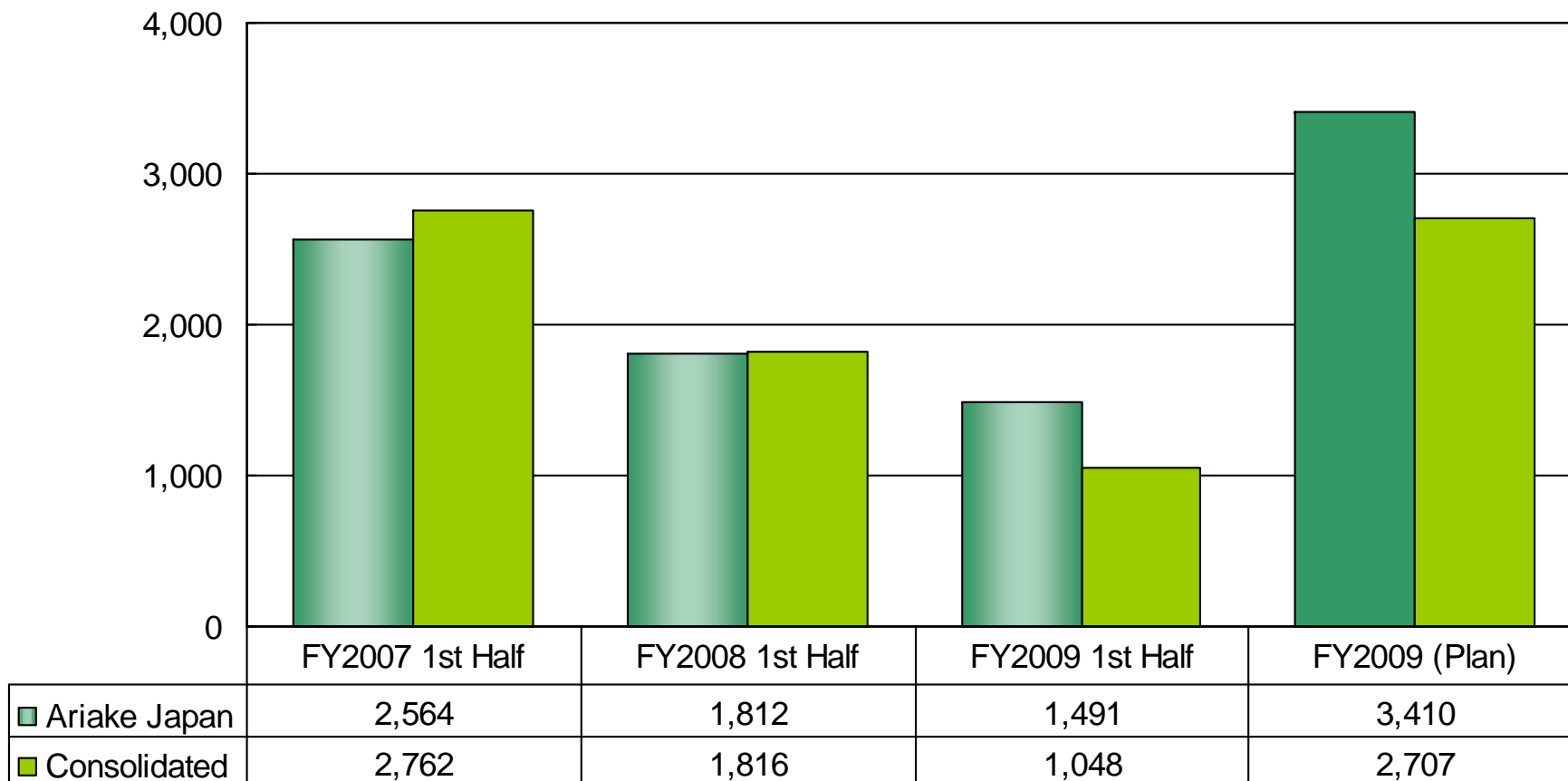
Ariake Japan	<ul style="list-style-type: none"> ■ Year-on-year decrease of 18.6% ▪ Increase in raw material costs Approx. ¥211 million (approx. 3%) ▪ Hike in fuel costs Approx. ¥117 million (approx. 2%) ▪ Lower-than-expected sales Approx. ¥100 million (approx. 3%)
Consolidated Subsidiaries	<ul style="list-style-type: none"> • Increase in expenses (approx. ¥300 million) accompanying the launch of operations by the European subsidiary, etc.

□ Forecast of FY2009— year-on-year decrease of 21.3%

Ariake Japan	<ul style="list-style-type: none"> • Projected to improve due to management reforms and greater sales. • Cost ratio such as raw material and fuel costs are expected to peak out. • Sales and income will likely increase as a result of the introduction of new products in Europe.
Consolidated Subsidiaries	<ul style="list-style-type: none"> • Losses for European subsidiaries are projected to shrink because of firm operation in the second half. • Efforts will be made to improve operation in Europe but there is a strong sense that the U.S. and China are in recession.

9. Ordinary Income (Consolidated /Non-consolidated)

(In million yen)



10. Ordinary Income

□ Consolidated— year-on-year decrease of 67.4% (¥1,816 million →¥591 million)

Ariake Japan	<ul style="list-style-type: none">• Decline in operating income.• Changes in accounting policies for long-term foreign-exchange forward contracts (-¥489 million).
Consolidated Subsidiaries	<ul style="list-style-type: none">• Decline in operating income (-¥700 million).• Mainly the result of greater non-operating losses by the Company.

□ Forecast of FY2009— year-on-year decrease of 22.5% (¥3,493 million →¥2,707 million)

Ariake Japan	<ul style="list-style-type: none">• Increase as sales grow and new products are introduced in the second half.• Dramatic increase for the full fiscal year, compared to the first half.
Consolidated Subsidiaries	<ul style="list-style-type: none">• Increase due to full launch of operations at European subsidiaries.

11. Detailed Non-Consolidated Statements of Income

Sales by product categories

(In million yen)

	FY2009 H1	FY2008 H1	change	change (%)	Notes
Net sales	9,369	9,643	-274	97.2%	
Liquid soup	1,382	1,887	-505	73.2%	
Liquid seasoning	6,482	6,117	365	106.0%	
Powder seasoning	1,198	1,337	-139	89.6%	
Others	307	301	6	102.0%	

SG&A

(In million yen)

	FY2009 H1	FY2008 H1	change	Notes
SG&A	1,567	1,621	-54	
(%)	16.7%	16.8%		
Selling expenses	611	596	15	
Labor costs	383	412	-29	
Fixed costs	429	460	-31	
Technological development expenses	144	152	-8	

Operating income

(In million yen)

	FY2009 H1	FY2008 H1	change	Notes
Operating income	1,455	1,788	-333	
Year-on-year change (%)	15.5%	18.5%		

Non-operating income

(In million yen)

	FY2009 H1	FY2008 H1	change	Notes
Non-operating income/expenses	36	23	13	
Non-operating income	136	98	38	
Dividends received	27	27	0	
House rent received	20	21	-1	
Financial revenue	88	49	39	
Non-operating expenses	-557	-74	-483	
Valuation loss on derivatives	-488	0	-488	
Expenses for new overseas business	-29	-47	18	
Others	-40	-27	-13	

12. Non-Consolidated Assets and Liabilities

Total assets

(In million yen)

	FY2009 H1 (A)	FY2008 H1 (B)	(A-B)	FY2008 (C)	(A-C)	Notes
Total assets	46,929	46,599	330	46,583	346	

Current assets

(In million yen)

	FY2009 H1 (A)	FY2008 H1 (B)	(A-B)	FY2008 (C)	(A-C)	Notes
Total current assets	19,441	20,073	-632	18,337	1,104	
Cash and time deposits	11,597	11,661	-64	10,503	1,094	
Inventories	3,034	2,807	227	2,825	209	
Notes and accounts receivable	4,120	4,801	-681	4,140	-20	

Tangible fixed assets

(In million yen)

	FY2009 H1 (A)	FY2008 H1 (B)	(A-B)	FY2008 (C)	(A-C)	Notes
Tangible fixed assets	15,945	17,469	-1,524	16,572	-627	
Depreciable assets	12,008	13,524	-1,516	12,644	-636	
Land	3,914	3,914	0	3,914	0	
Construction in progress	23	29	-6	14	9	

Investments

(In million yen)

	FY2009 H1 (A)	FY2008 H1 (B)	(A-B)	FY2008 (C)	(A-C)	Notes
Total investments		9,034	-9,034	11,653	-11,653	
Investment in securities	1,834	1,816	18	7,691	-5,857	
Securities of affiliates'	7,691	5,094	2,597	0	7,691	

Net assets (Shareholders' equity)

(In million yen)

	FY2009 H1 (A)	FY2008 H1 (B)	(A-B)	FY2008 (C)	(A-C)	Notes
Net assets	42,444	42,219	225	42,132	312	
Common stock	7,095	7,095	0	7,095	0	
Capital surplus	7,833	7,833	0	7,833	0	
Retained earnings	29,586	28,827	759	29,493	93	
Treasury stocks	-2,056	-1,536	-520	-2,289	233	

13. Capital Expenditures/Depreciation/Affiliates' Financial Summary

Capital Expenditures

(In million yen)

	Non-consolidated						Consolidated	Notes
	Non-consolidated Total	Number 1 Plant	Number 2 Plant	Number 3 Plant	Packing Center	Other		
FY2005 Actual	496	48	179		102	166	798	
FY2006 Actual	2,654	93	613	1,731		217	2,964	
FY2007 Actual	6,354	49	6,269			36	10,900	
FY2008 Actual	656	9	636			11	4,199	
FY2009 H1 Actual	143		143				858	

Depreciation

(In million yen)

	Non-consolidated	Consolidated	Notes
FY2005 Actual	834	1,000	
FY2006 Actual	821	1,001	
FY2007 Actual	764	963	
FY2008 Actual	1,891	2,191	
FY2009 H1 Actual	776	1,048	

Affiliates' Financial Summary

	ARIAKE U.S.A., Inc				Qingdao Ariake Foodstuff Co., Ltd.			
	FY2008(@106.42)		FY2007(@123.26)		FY2008(@15.51)		FY2007(@16.35)	
Net sales	US\$7,059thousand	¥751million	US\$8,066thousand	¥994million	42,666thousand CNY	¥661million	45,410thousand CNY	¥742million
Ordinary income	-US\$47thousand	-¥5million	US\$760thousand	¥93million	-2,210thousand CNY	-¥34million	5,067thousand CNY	¥82million
Net income	-US\$78thousand	-¥8million	US\$755thousand	¥93million	-1,085thousand CNY	-¥16million	3,769thousand CNY	¥61million
Capital expenditures	US\$3,792thousand		US\$831thousand		19,373thousand CNY		21,606thousand CNY	
Depreciation	US\$418thousand		US\$397thousand		2,614thousand CNY		2,759thousand CNY	