

# Consolidated Financial Results for the Fiscal Year 2022 (J-GAAP)

May 12, 2022

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 Date to submit the annual securities report: June 20, 2022  
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 Supplementary materials prepared: Yes  
 Results information meeting held: Yes (for financial analysts)

(Figures shown are rounded down to the nearest million yen.)

## 1. Consolidated Financial Results for the Year Ended March 31, 2022 (April 1, 2021–March 31, 2022)

### (1) Consolidated Financial Results

(Percentage figures represent changes from the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of the parent company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2022	52,658	6.0	10,682	6.3	11,340	6.2	7,708	5.9
FY2021	49,684	(5.1)	10,046	(14.8)	10,675	(10.4)	7,277	(13.1)

Note: Comprehensive income: FY2022: ¥9,758 million (23.4%)

FY2021: ¥7,906 million (13.3%)

	Net income per share	Fully diluted net income per share	Return on shareholders' equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
FY2022	242.10	–	7.6	9.8	20.3
FY2021	228.70	–	7.6	9.9	20.2

Reference: Investment profit/loss on equity method: FY2022: ¥– million

FY2021: ¥– million

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2022	119,964	106,338	87.9	3,312.05
FY2021	111,681	98,867	87.9	3,086.18

Reference: Equity capital: FY2022: ¥105,486 million

FY2021: ¥98,203 million

### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2022	8,302	7,058	(2,478)	54,904
FY2021	11,015	4,276	(2,483)	40,877

## 2. Dividends

	Dividends per share					Total dividends (Annual)	Dividends payout ratio (Consolidated)	Dividends on shareholders' equity ratio (Consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2021	–	20.00	–	57.00	77.00	2,450	33.7	2.6
FY2022	–	20.00	–	76.00	96.00	3,057	39.7	3.0
FY2023 (forecast)	–	20.00	–	76.00	96.00		37.3	

## 3. Forecast of the Consolidated Financial Results for the Year Ending March 31, 2023 (April 1, 2022–March 31, 2023)

(Full year percentage figures represent changes from the previous fiscal year, and first half figures represent the rates of changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of the parent company		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half year	26,367	5.2	5,265	4.3	5,535	4.1	3,608	5.3	113.31
Full year	56,100	15.2	11,700	9.5	12,300	8.5	8,200	6.4	257.53

## \* Notes

(1) Significant Changes in Subsidiaries during the Year under Review (Changes in specified subsidiaries resulting in change of scope of consolidation): None

Newly included: None (Company name: ) Removed: None (Company name: )

(2) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement of Revisions

- 1) Changes in accounting policies associated with revisions of accounting standards, etc.: Yes  
 2) Changes other than those included in 1): None  
 3) Changes in accounting estimates: None  
 4) Restatement of revisions: None

(3) Number of Issued Shares (Common Stock)

1) Number of issued shares as of the period-end (including treasury shares)	As of March 31, 2022:	32,808,683 shares	As of March 31, 2021:	32,808,683 shares
2) Number of treasury shares as of the period-end	As of March 31, 2022:	959,160 shares	As of March 31, 2021:	988,181 shares
3) Average number of shares for the period	FY 2022:	31,841,173 shares	FY 2021:	31,820,688 shares

## (Reference) Summary of Non-consolidated Financial Results

1. Financial Results for the Year Ended March 31, 2022 (April 1, 2021–March 31, 2022)

(1) Non-consolidated Financial Results

(Percentage figures represent changes from the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2022	40,075	3.9	7,551	1.9	8,357	3.0	5,841	4.7
FY2021	38,563	(6.8)	7,407	(17.7)	8,116	(12.1)	5,578	(15.9)

	Net income per share	Fully diluted net income per share
	Yen	Yen
FY2022	183.47	—
FY2021	175.30	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2022	107,344	97,144	90.5	3,050.12
FY2021	103,011	93,156	90.4	2,927.55

Reference: Equity capital: FY2022: ¥97,144 million FY2021: ¥93,156 million

2. Forecast of the Non-consolidated Financial Results for the Year Ending March 31, 2023 (April 1, 2022–March 31, 2023)

(Full year percentage figures represent changes from the previous fiscal year, and first half figures represent the rates of changes from the same period of the previous year.)

	Net sales		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half year	19,700	2.3	4,361	3.4	2,928	4.1	91.96
Full year	42,000	4.8	8,900	6.5	6,100	4.4	191.58

\* These financial results are outside the scope of the audit by certified public accountants or auditing firms.

\* Explanation regarding the appropriate use of forecast of consolidated financial results and other special instructions

Descriptions regarding the future, including the financial outlook contained in this material, are based on certain information currently available to the Company and particular assumptions, which are, at the discretion of the Company, deemed reasonable and actual financial results may significantly vary due to various factors.

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## 1. Overview of Financial Results, etc.

### (1) Overview of Financial Results for the FY2022

(Consolidated Financial Results)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to shareholders of the parent company	Net income per share (yen)
FY2022	52,658	10,682	11,340	7,708	242.10
FY2021	49,684	10,046	10,675	7,277	228.70
Growth Rate	6.0%	6.3%	6.2%	5.9%	—

(Non-consolidated Financial Results)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
FY2022	40,075	7,551	8,357	5,841	183.47
FY2021	38,563	7,407	8,116	5,578	175.30
Growth Rate	3.9%	1.9%	3.0%	4.7%	—

During the fiscal year ended March 31, 2022, the Japanese economy continued to struggle with the impact of COVID-19 pandemic, but showed signs of improvement as economic activities gradually resumed after the nation's two state of emergency declarations were lifted in the first half of the fiscal year. However, the situation remains uncertain amid COVID-19 quasi-emergency measures for approximately three months from the beginning of the year.

Under such circumstances, we reinforced hygiene management at our domestic and overseas sites to prevent infections and implemented alternative work arrangements. Especially at our overseas locations, we operated our business in compliance with national and local government guidelines of each country.

Against this backdrop, 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 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.

As a result of these efforts, the Group and the Company were able to record the following earnings for the fiscal year under review.

The Company's net sales increased by 3.9% (¥1,512 million) year on year, to ¥40,075 million, resulting from our steady sales and marketing efforts focusing on a "customer-first" approach.

Sales of subsidiaries increased by 13.1% year on year.

Therefore, consolidated net sales for the fiscal year under review increased by 6.0% (¥2,974 million) year on year to ¥52,658 million.

The Company's operating income increased by 1.9% (¥143 million) year on year to ¥7,551 million, largely due to increased sales.

Consolidated operating income increased by 6.3% (¥636 million) year on year to ¥10,682 million.

The Company's ordinary income increased by 3.0% (¥240 million) year on year to ¥8,357 million. This was mainly attributable to a ¥146 million increase in foreign exchange gains compared to the previous year.

Consolidated ordinary income increased by 6.2% (¥665 million) year on year to ¥11,340 million.

Net income for the Company increased by 4.7% (¥263 million) year on year to ¥5,841 million.

Net income attributable to shareholders of the parent company increased by 5.9% (¥431 million) year on year to ¥7,708 million.

The Ariake Group has only one reportable segment, so information on segment performance is not reported.

## (2) Overview of Financial Position for the FY2022

### (Assets)

As of March 31, 2022, total current assets were ¥86,008 million yen. This represents an increase of ¥6,600 million compared to March 31, 2021, mainly due to an increase of ¥8,526 million in cash and deposits, an increase of ¥861 million in notes and accounts receivable - trade, and a decrease of ¥4,000 million in securities. Total non-current assets increased by ¥1,681 million compared to March 31, 2021 to ¥33,955 million, mainly due to an increase of ¥1,022 million in property, plant and equipment and an increase of ¥ 1,098 million in investment securities.

Therefore, total assets were ¥119,964 million, an increase of ¥8,282 million compared to March 31, 2021.

### (Liabilities)

As of March 31, 2022, total current liabilities were ¥9,267 million, which represents an increase of ¥319 million compared to March 31, 2021. This was mainly attributable to an increase of ¥728 million in notes and accounts payable - trade and a decrease of ¥421 million in income taxes payable. Total non-current liabilities increased to ¥4,357 million, an increase of ¥491 million compared to March 31, 2021. This was mainly owing to an increase of ¥464 million in deferred tax liabilities.

Therefore, total liabilities were ¥13,625 million, an increase of ¥811 million compared to March 31, 2021.

### (Net Assets)

As of March 31, 2022, total net assets were ¥106,338 million, representing an increase of ¥7,471 million compared to March 31, 2021. This was mainly due to ¥7,708 million in net income attributable to shareholders of the parent company and ¥2,450 million in dividends of surplus.

Therefore, equity ratio was 87.9% (87.9% as of March 31, 2021).

## (3) Overview of Cash Flows in the FY2022

Cash and cash equivalents (hereinafter "cash") as of March 31, 2022 totaled ¥54,904 million, an increase of ¥14,026 million (up 34.3%) compared to March 31, 2021, as a result of matters such as sale of securities and outflows due to the payment of cash dividends, besides an increase in income before income taxes and minority interests to ¥11,153 million (up 5.5% compared to the FY2021).

Overview of the respective cash flows and factors that influenced them in the FY2022 are stated as below.

### (Cash flows from operating activities)

Net cash provided by operating activities was ¥8,302 million (a year on year decrease in inflow of ¥2,713 million). While income before income taxes and minority interests increased to ¥11,153 million (a year on year increase of ¥585 million) and depreciation of ¥1,735 million was posted, increases in inventories and notes and accounts receivable - trade were ¥1,294 million and ¥645 million, respectively.

### (Cash flows from investing activities)

Net cash provided by investing activities was an inflow of ¥7,058 million (a year on year increase in inflow of ¥2,781 million), mainly attributable to capital expenditure of ¥2,348 million (a year on year increase in outflow of ¥845 million), proceeds of ¥8,500 million from sale of securities, and proceeds of ¥ 5,500 million from repayment of fixed deposit.

### (Cash flows from financing activities)

Net cash used in financing activities was ¥2,478 million (a year on year increase of outflow of ¥4 million). This was mainly attributable to payment of cash dividends of ¥2,450 million.

## (Reference) Cash Flow Indicators

	FY2018	FY2019	FY2020	FY2021	FY2022
Equity ratio (%)	84.5	82.8	88.9	87.9	87.9
Equity ratio based on fair value (%)	311.5	176.6	207.7	191.2	137.8
Cash flows interest-bearing debts ratio (years)	0.0	0.0	0.0	0.0	0.0
Interest coverage ratio (times)	3,801.3	21,567.6	28,694.2	3,665.0	1,334.9

Equity ratio: equity capital / total assets

Equity ratio based on fair value: total fair value / total assets

Cash flows interest-bearing liabilities ratio: interest-bearing debts / cash flows

Interest coverage ratio: cash flows / interest payments

(Note 1) All indicators are calculated using financial figures on a consolidated basis.

(Note 2) Total fair value is calculated based on number of issued shares after deducting treasury shares.

(Note 3) The "Cash flows from operating activities" was used as cash flows.

(Note 4) All interest-bearing debts on the Consolidated Balance Sheets were used as interest-bearing debts.

## (4) Future Outlook

(Forecast for consolidated financial results)

	(Millions of yen)				
	Net sales	Operating income	Ordinary income	Net income attributable to shareholders of the parent company	Net income per share (yen)
FY2023	56,100	11,700	12,300	8,200	257.53
FY2022	52,658	10,682	11,340	7,708	242.10
Growth Rate	6.5%	9.5%	8.5%	6.4%	—

(Forecast for non-consolidated financial results)

	(Millions of yen)				
	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
FY2023	42,000	8,400	8,900	6,100	191.58
FY2022	40,075	7,551	8,357	5,841	183.47
Growth Rate	4.8%	11.2%	6.5%	4.4%	—

Economic and social activities across the globe, as well as the domestic and international business environment, will continue to be affected by COVID-19, but will eventually pick up. Meanwhile, the uncertainty of the impact of heightened geopolitical risks including the Ukraine crisis, which broke out in February this year, on our financial results is increasing.

For more than a decade, the Ariake Group has made large-scale capital expenditures of more than ¥20 billion across the globe to expand worldwide demand for natural seasonings and to have our products penetrate global markets. The results of these domestic and overseas capital expenditures are steadily being realized. Net sales of the Company in the FY2022 was ¥40,075 million, an increase of approximately 50% compared to the FY2012 (¥26,645 million) and consolidated net sales increased to ¥52,658 million, an improvement of around 67% from the FY2012 (¥31,516 million).

Our income also has steadily been growing, offsetting the increase in depreciation due to capital expenditures. The Company's net income was ¥5,841 million and net income attributable to shareholders of our parent company was ¥7,708 million in the FY2022. In the coming fiscal year, as well, we will make the most of our proprietary technologies and cutting-edge facilities, and will spare no effort in fully leveraging the unique qualities discussed above to maintain steady increase of its earnings.

In these circumstances, for the next consolidated fiscal year, the FY2023, we will develop new products and markets while understanding changes in consumer tastes and business conditions in the domestic market, aiming at gaining greater market share.

We will also work to enhance sales to processing manufacturers in the Chinese and Taiwanese markets, where sales are expected to expand further, and strengthen channels for the export of ingredients from Indonesia to Japan while

raising sales in Indonesia.

In Europe, we will strive to enhance sales by launching newly developed products and strengthening channels for the export of ingredients to Japan.

Uncertainty remains over when the COVID-19 pandemic will end and the challenging business environment is expected to continue due to the heightened geopolitical risks. However, we will execute these initiatives to pursue further growth in FY 2023.

In these circumstances, for the next consolidated fiscal year, the FY2023, consolidated net sales are projected to be ¥56,100 million (up 6.5% compared to the FY2022), operating income ¥11,700 million (up 9.5%), ordinary income ¥12,300 million (up 8.5%), and net income attributable to shareholders of parent company ¥8,200 million (up 6.4%).

We used exchange rates of 1 US dollar = ¥120 and 1 euro = ¥130 as the base for forecast for financial results.

The forecast for financial results above was prepared based on information available as of the date of announcement of this material, and actual results may be different from the forecast figures due to various factors including the effects of the spread of COVID-19 under a future state of emergency and the Ukraine crisis.

## **2. Basic Approach to the Selection of Accounting Standards**

In consideration of comparability of the consolidated financial statements over different accounting periods, the Group will prepare consolidated financial statements based on Japanese GAAP for the time being. For the application of International Financial Reporting Standards (IFRS), the Group will take adequate actions while paying attention to various situations inside and outside Japan.



### 3. Consolidated Financial Statements and Major Notes

#### (1) Consolidated Balance Sheets

(Thousands of yen)

	FY2021 (As of March 31, 2021)	FY2022 (As of March 31, 2022)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	54,877,790	63,404,491
Notes and accounts receivable - trade	10,363,876	11,225,004
Securities	5,500,000	1,500,000
Merchandise and finished goods	3,576,288	4,186,198
Work in process	1,104,050	1,288,416
Raw materials and supplies	3,211,544	3,885,213
Accounts receivable - other	9,188	5,550
Others	766,339	515,174
Allowance for doubtful accounts	(1,158)	(1,168)
<b>Total current assets</b>	<b>79,407,920</b>	<b>86,008,880</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	22,701,250	23,392,242
Accumulated depreciation	(13,526,976)	(14,289,491)
Buildings and structures, net	9,174,273	9,102,750
Machinery, equipment and vehicles	25,883,368	27,491,691
Accumulated depreciation	(20,807,568)	(22,021,837)
Machinery, equipment and vehicles, net	5,075,799	5,469,854
Land	4,607,350	4,641,294
Leased assets	61,924	101,644
Accumulated depreciation	(57,441)	(67,146)
Leased assets, net	4,483	34,498
Construction in progress	961,089	1,581,501
Others	1,257,431	1,373,226
Accumulated depreciation	(1,024,882)	(1,125,512)
Others, net	232,549	247,714
<b>Total property, plant and equipment</b>	<b>20,055,546</b>	<b>21,077,613</b>
<b>Intangible assets</b>		
Goodwill	261,143	170,842
Others	131,454	136,602
<b>Total intangible assets</b>	<b>392,598</b>	<b>307,445</b>
<b>Investments and other assets</b>		
Investment securities	*1 10,852,886	*1 11,951,566
Long-term loans receivable	6,793	145,874
Real estate for investment, net	*2 566,932	*2 148,088
Deferred tax assets	18,102	11,608
Others	380,587	376,077
Allowance for doubtful accounts	(129)	(63,129)
<b>Total investments and other assets</b>	<b>11,825,173</b>	<b>12,570,086</b>
<b>Total non-current assets</b>	<b>32,273,317</b>	<b>33,955,145</b>
<b>Total assets</b>	<b>111,681,238</b>	<b>119,964,026</b>

(Thousands of yen)

	FY2021 (As of March 31, 2021)	FY2022 (As of March 31, 2022)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,451,434	5,179,945
Lease obligations	3,851	8,427
Income taxes payable	1,904,615	1,483,112
Provision for bonuses	274,908	308,928
Provision for directors' bonuses	69,700	60,100
Others	2,243,125	2,226,787
Total current liabilities	8,947,635	9,267,301
Non-current liabilities		
Lease obligations	280	34,447
Deferred tax liabilities	2,148,022	2,612,638
Provision for directors' retirement benefits	155,446	90,482
Net defined benefit liability	1,331,966	1,402,316
Others	230,291	217,868
Total non-current liabilities	3,866,006	4,357,753
Total liabilities	12,813,642	13,625,054
<b>Net assets</b>		
Shareholders' equity		
Capital stock	7,095,096	7,095,096
Capital surplus	7,840,343	7,964,413
Retained earnings	80,348,904	85,606,123
Treasury shares	(2,100,667)	(2,040,815)
Total shareholders' equity	93,183,676	98,624,817
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,298,161	4,712,799
Foreign currency translation adjustment	725,881	2,167,456
Remeasurements of defined benefit plans	(4,036)	(18,695)
Total accumulated other comprehensive income	5,020,006	6,861,560
Non-controlling interests	663,912	852,593
Total net assets	98,867,595	106,338,971
Total liabilities and net assets	111,681,238	119,964,026

## (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Consolidated Statements of Income)

(Thousands of yen)

	FY2021 (from April 1, 2020 to March 31, 2021)		FY2022 (from April 1, 2021 to March 31, 2022)	
Net sales		49,684,501		52,658,574
Cost of sales	*1, *3	32,429,431	*1, *3	34,556,605
Gross profit		17,255,070		18,101,969
Selling, general and administrative expenses	*2, *3	7,208,672	*2, *3	7,419,035
Operating income		10,046,398		10,682,933
Non-operating income				
Interest and dividend income		281,924		217,860
House rent income		30,900		19,749
Foreign exchange gains		239,406		352,328
Others		118,256		158,535
Total non-operating income		670,488		748,474
Non-operating expenses				
Interest expenses		3,005		6,219
Cost of lease revenue		12,885		3,692
Loss on retirement of non-current assets		4,321		—
Provision of allowance for doubtful accounts		—		63,000
Others		21,607		18,355
Total non-operating expenses		41,820		91,267
Ordinary income		10,675,067		11,340,140
Extraordinary income				
Gain on sales of non-current assets		—		17,559
Total extraordinary income		—		17,559
Extraordinary losses				
Provision for directors' retirement benefits		—		186,396
Loss on valuation of securities		107,194		—
Loss on retirement of non-current assets		—		17,512
Total extraordinary losses		107,194		203,908
Income before income taxes and minority interests		10,567,872		11,153,791
Income taxes - current		3,203,074		3,018,370
Income taxes - deferred		(3,515)		308,943
Total income taxes		3,199,558		3,327,313
Net income		7,368,313		7,826,477
Net income attributable to non-controlling interests		90,998		117,717
Net income attributable to shareholders of the parent company		7,277,314		7,708,760

## (Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	FY2021 (from April 1, 2020 to March 31, 2021)	FY2022 (from April 1, 2021 to March 31, 2022)
Net income	7,368,313	7,826,477
Other comprehensive income		
Valuation difference on available-for-sale securities	372,958	414,638
Foreign currency translation adjustment	100,862	1,532,313
Remeasurements of defined benefit plans	64,338	(14,659)
Total other comprehensive income	538,159	1,932,292
Comprehensive income	7,906,472	9,758,770
Comprehensive income attributable to:		
Comprehensive income attributable to shareholders of the parent company	7,808,150	9,550,314
Comprehensive income attributable to non-controlling interests	98,322	208,456

## (3) Consolidated Statements of Changes in Equity

FY2021 (from April 1, 2020 to March 31, 2021)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	7,095,096	7,840,343	75,521,791	(2,098,406)	88,358,824
Cumulative effects of changes in accounting policies					–
Restated balance	7,095,096	7,840,343	75,521,791	(2,098,406)	88,358,824
Changes of items during period					
Dividends of surplus			(2,450,201)		(2,450,201)
Net income attributable to shareholders of the parent company			7,277,314		7,277,314
Purchase of treasury shares				(2,261)	(2,261)
Disposal of treasury shares				–	–
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	4,827,113	(2,261)	4,824,852
Balance at end of current period	7,095,096	7,840,343	80,348,904	(2,100,667)	93,183,676

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	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 current period	3,925,202	632,343	(68,375)	4,489,170	584,857	93,432,852
Cumulative effects of changes in accounting policies						–
Restated balance	3,925,202	632,343	(68,375)	4,489,170	584,857	93,432,852
Changes of items during period						
Dividends of surplus						(2,450,201)
Net income attributable to shareholders of the parent company						7,277,314
Purchase of treasury shares						(2,261)
Disposal of treasury shares						–
Net changes of items other than shareholders' equity	372,958	93,538	64,338	530,835	79,055	609,890
Total changes of items during period	372,958	93,538	64,338	530,835	79,055	5,434,743
Balance at end of current period	4,298,161	725,881	(4,036)	5,020,006	663,912	98,867,595

FY2022 (from April 1, 2021 to March 31, 2022)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	7,095,096	7,840,343	80,348,904	(2,100,667)	93,183,676
Cumulative effects of changes in accounting policies			(777)		(777)
Restated balance	7,095,096	7,840,343	80,348,127	(2,100,667)	93,182,899
Changes of items during period					
Dividends of surplus			(2,450,763)		(2,450,763)
Net income attributable to shareholders of the parent company			7,708,760		7,708,760
Purchase of treasury shares				(2,738)	(2,738)
Disposal of treasury shares		124,070		62,589	186,660
Net changes of items other than shareholders' equity					
Total changes of items during period	–	124,070	5,257,996	59,851	5,441,918
Balance at end of current period	7,095,096	7,964,413	85,606,123	(2,040,815)	98,624,817

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	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 current period	4,298,161	725,881	(4,036)	5,020,006	663,912	98,867,595
Cumulative effects of changes in accounting policies						(777)
Restated balance	4,298,161	725,881	(4,036)	5,020,006	663,912	98,866,818
Changes of items during period						
Dividends of surplus						(2,450,763)
Net income attributable to shareholders of the parent company						7,708,760
Purchase of treasury shares						(2,738)
Disposal of treasury shares						186,660
Net changes of items other than shareholders' equity	414,638	1,441,574	(14,659)	1,841,554	188,680	2,030,234
Total changes of items during period	414,638	1,441,574	(14,659)	1,841,554	188,680	7,472,153
Balance at end of current period	4,712,799	2,167,456	(18,695)	6,861,560	852,593	106,338,971

## (4) Consolidated Statements of Cash Flows

	(Thousands of yen)	
	FY2021 (from April 1, 2020 to March 31, 2021)	FY2022 (from April 1, 2021 to March 31, 2022)
Cash flows from operating activities		
Income before income taxes and minority interests	10,567,872	11,153,791
Depreciation	1,505,199	1,735,275
Amortization of goodwill	94,961	97,624
Increase (decrease) in allowance for doubtful accounts	—	63,000
Increase (decrease) in net defined benefit liability	42,973	55,516
Increase (decrease) in provision for directors' retirement benefits	9,625	(64,963)
Increase (decrease) in provision for directors' bonuses	(8,700)	(9,600)
Increase (decrease) in provision for bonuses	(12,973)	29,467
Interest and dividend income	(281,924)	(217,860)
Interest expenses	3,005	6,219
Foreign exchange losses (gains)	(229,628)	(339,835)
Loss (gain) on sales of non-current assets	—	(17,559)
Loss on retirement of non-current assets	4,321	3,765
Loss (gain) on valuation of investment securities	107,194	—
Decrease (increase) in notes and accounts receivable - trade	(807,966)	(645,422)
Decrease (increase) in inventories	26,883	(1,294,388)
Increase (decrease) in notes and accounts payable - trade	(347,928)	741,232
Increase (decrease) in accrued consumption taxes	(138,050)	140,025
Decrease (increase) in other assets	100,545	46,733
Increase (decrease) in other liabilities	69,446	58,863
Subtotal	10,704,857	11,541,886
Interest and dividend income received	284,182	219,597
Interest expenses paid	(3,005)	(6,219)
Income taxes paid	(1,643,839)	(3,452,870)
Income taxes refund	1,673,328	—
Net cash provided by operating activities	11,015,523	8,302,394
Cash flows from investing activities		
Proceeds from sale of securities	6,000,000	8,500,000
Net decrease (increase) in time deposits	—	5,500,000
Proceeds from sale of non-current assets	—	435,166
Purchase of property, plant and equipment	(1,502,887)	(2,348,742)
Purchase of intangible assets	(13,831)	(22,770)
Purchase of investment securities	(3,031,897)	(5,007,015)
Payments of loans receivable	(650)	—
Collection of loans receivable	6,574	1,990
Proceeds from sales of shares of subsidiaries	2,819,602	—
Net cash used in investing activities	4,276,909	7,058,628
Cash flows from financing activities		
Purchase of treasury shares	(2,261)	(2,738)
Proceeds from sale of treasury shares	—	264
Cash dividends paid	(2,450,337)	(2,450,376)
Dividends paid to non-controlling interests	(19,266)	(19,775)
Others	(11,445)	(6,129)
Net cash used in financing activities	(2,483,311)	(2,478,754)
Effect of exchange rate change on cash and cash equivalents	163,734	1,144,432
Net increase (decrease) in cash and cash equivalents	12,972,856	14,026,700
Cash and cash equivalents at beginning of period	27,904,934	40,877,790
Cash and cash equivalents at end of period	*1 40,877,790	*1 54,904,491

## (5) Notes on the Consolidated Financial Statements

### (Notes on the Going Concern Assumption)

There is nothing to report.

### (Basic Important Matters to Prepare the Consolidated Financial Statements)

#### 1. Matters relating to the scope of consolidation

##### (1) Consolidated subsidiary companies: 7

Name of the major consolidated subsidiaries

A.C.C. Co., Ltd.

Qingdao Ariake Foodstuff Co., Ltd.

Rizhao 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

Note that Rizhao Ariake Foodstuff Co., Ltd. is included in the scope of consolidation as it has been newly established during the current consolidated fiscal year.

##### (2) Name of the major non-consolidated subsidiary:

Major non-consolidated subsidiaries

Ariake Farm Co., Ltd.

(Reason to exclude from the scope of consolidation)

The non-consolidated subsidiary Ariake Farm Co., Ltd. is a small company, and its total assets, net sales, net income or loss (corresponding to equity) and retained earnings (corresponding to equity) did not have a significant influence on the Consolidated Financial Statements.

#### 2. Matters relating to subsidiaries and affiliates adopting the equity method

##### (1) Number and names of companies adopting equity method

Non-consolidated subsidiaries: None

Affiliated companies: None

##### (2) Non-consolidated subsidiaries that are not using the equity method:

Considering the net income or loss (corresponding to equity) and retained earnings (corresponding to equity), Ariake Farm Co., Ltd. had an insignificant influence on the Consolidated Financial Statements. Since it was not financially important overall, it was excluded from the scope of application of the equity method.

#### 3. Matters relating to business year of consolidated subsidiaries

The closing day of Qingdao Ariake Foodstuff Co., Ltd., Taiwan Ariake Foods Co., Ltd., Rizhao Ariake Foodstuff Co., Ltd., F. P. Natural Ingredients S.A.S., Ariake Europe N.V., Henningsen Nederland B.V. and PT. Ariake Europe Indonesia is December 31. Although the Company adopted all the subsidiaries' financial statements as of December 31 to prepare for the Consolidated Financial Statements, any significant transactions accrued in the period from that date to the consolidated book closing day were adjusted according to consolidation requirements.

#### 4. Matters relating to accounting policies

##### (1) Valuation standards and methods for important assets

###### (i) Securities

###### (a) Held-to-maturity securities

Amortized cost method (straight-line method)

###### (b) Other securities

###### 1) Securities with market value

Mark-to-market method (All the valuation differences were incorporated directly into the net assets and costs for sale were computed with the moving average method.)



2) Securities without market value

Cost method under the moving average method

(ii) Derivatives

Mark-to-market method

(iii) Major inventories

(a) Merchandise

Mainly, identified cost method

(b) Products

Mainly, identified cost method

(c) Raw materials

Mainly, cost method under the moving average method

(d) Work in process

Mainly, identified cost method

(e) Supplies

Last cost method

(Amounts on the balance sheets were calculated by the method of writing down the book value in accordance with a decline in profitability.)

(2) Depreciation method for important depreciable assets

(i) Property, plant and equipment (except for leased assets)

(a) Domestic companies: Declining balance method

However, a straight-line method was used for buildings (except attached equipment) acquired or put into business use after April 1, 1998, and attached equipment to buildings and structures acquired on or later than April 1, 2016.

Small-amount depreciable assets of which the acquisition price was ¥100,000 or more and less than ¥200,000 were and will be depreciated evenly over 3 years.

Useful lives of major assets were as follows:

Buildings and structures: 7 to 50 years

Machines, devices and delivery equipment: 2 to 10 years

(b) Overseas subsidiaries: Straight-line method based on the estimated useful life

(ii) Intangible assets (except for leased assets): Straight-line method

Software for internal use is amortized over its estimated useful life of 5 years, using the straight-line method.

(iii) Leased assets

Finance leased assets that do not transfer ownership are depreciated using the straight-line method over the period of the lease with zero residual value.

(iv) Real estate for investment: Declining balance method

(3) Standards for significant allowances

(i) Allowance for doubtful accounts

To prepare against losses from bad debts, the amount estimated based on the actual loss ratio was reserved for ordinary receivables, and the amount of possible losses is included in the reserve considering the collectability of individual doubtful accounts.

(ii) Provision for employees' bonuses

Except for some consolidated subsidiaries, the Company has reserved and recorded the estimated amount of the bonuses to prepare for payment to employees.

(iii) Provision for directors' bonuses

The Company has reserved and recorded as the current fiscal year's Company's contribution a part of the estimated amount of directors' bonuses to prepare for payment to directors.

(iv) Provision for directors' retirement benefits

To prepare for payment of directors' retirement benefits, the Company has reserved and recorded the required amounts as of the end of the term based on the internal regulations regarding directors' retirement benefits.

## (4) Accounting method for retirement benefits

## (i) Period corresponding method for the projected retirement benefits

For the calculation of the retirement benefit obligations, the benefit formula standard is applied as a period corresponding method to determine projected retirement benefits up to the current consolidated fiscal year.

## (ii) Accounting method for actuarial gains and losses and prior service costs

Prior service costs are treated as expenses and amortized, using the straight-line method based on a fixed number of years (mainly 5 years) within the average remaining service period of employees at the time of accrual.

Actuarial gains and losses are treated as expenses, and amortized from the following fiscal year in which the gain or loss is recognized using the straight-line method over a certain period (mainly 5 years) within the average remaining years of service of the employees.

## (iii) Application of the simplified method for small companies, etc.

The Company uses the simplified method for the calculation of projected retirement benefit obligations and expenses, which assumes the Company's retirement benefit obligations to be equal to the benefits payable for the voluntary retirement at fiscal year-end, for its junior employees.

## (5) Standards for converting significant foreign currency denominated assets and liabilities into Japanese yen

Receivables and payables denominated in foreign currencies were converted to Japanese yen using the spot exchange rate for the closing day of the consolidated period, and differences were recorded as gains or losses.

The assets and liabilities, as well as income and expenses, of foreign subsidiaries were converted to Japanese yen using the spot exchange rate for the closing day of the consolidated period and differences were included in the adjustment account for foreign currency exchange or non-controlling interests under net assets.

## (6) Amortization method and period for goodwill

A straight-line method is adopted to amortize goodwill for a period of 10 years.

## (7) Scope of cash in the Consolidated Statements of Cash Flows

Cash (cash and cash equivalents) in the Consolidated Statements of Cash Flows consist of cash on hand, deposits withdrawable at any time and short-term investments convertible easily into cash and repayable within 3 months after acquisition, with little risk for price fluctuation.

## (8) Other important matters to prepare the Consolidated Financial Statements

Accounting of the consumption tax

The Company applied the tax-exclusion accounting method.

**(Changes in Accounting Policies)****(Application of Accounting Standard for Revenue Recognition, etc.)**

With the application of the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020; hereinafter referred to as the "Revenue Recognition Standard"), etc. effective from the beginning of the current fiscal year, revenues from goods and services promised are recognized at the time when control over the goods or services is transferred to the customer, at the amount expected to be received in exchange for the goods or services. In association with this, the Company has applied the alternative treatment provided in paragraph 98 of the Implementation Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30, March 26, 2021), under which revenues from sale of merchandise or products in Japan are recognized at the time of shipment if the period between shipment and the transfer of control over the merchandise or products to the customer is of a normal length. Regarding transactions in which the Company's role in providing merchandise to customers falls under the category of agent, the method of revenue recognition has been changed from the previous method of recognizing the total amount of consideration received from the customer to the method of recognizing the amount received from the customer net of the amount paid to the supplier of the merchandise, with the sales commissions and other consideration paid to the customer, which were previously recorded in selling, general and administrative expenses, deducted from the transaction price.

The application of the Revenue Recognition Standard, etc. is in accordance with the transitional treatment provided in the proviso to paragraph 84 of the Revenue Recognition Standard, and the cumulative effect of the retrospective application of the new accounting policy prior to the beginning of the current fiscal year is added to or subtracted from retaining earnings at the beginning of the period, with the new accounting policy applied from the beginning balance. The new accounting policy, however, has not been retrospectively applied to contracts for which almost all the revenue amount was recognized in accordance with the previous treatment prior to the beginning of the current fiscal year, with the application of the method provided in paragraph 86 of the Revenue Recognition Standard. In addition, contracts that were modified prior to the beginning of the current fiscal year are accounted for under contract terms that reflect all of the contract modifications with the application of the method provided in proviso (1) of paragraph 86 of the Revenue Recognition Standard, and the cumulative effect is added to or subtracted from retained earnings at the beginning of the current fiscal year.

As a result, net sales for the year ended March 31, 2022 decreased by ¥869,399 thousand, cost of sales by ¥669,817 thousand, selling, general and administrative expenses by ¥198,319 thousand, and each of operating income, ordinary income, and income before income taxes and minority interests by ¥524 thousand. Furthermore, the beginning balance of retained earnings for the year decreased by ¥777 thousand.

**(Application of Accounting Standard for Fair Value Measurement, etc.)**

The Company applied the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019; hereinafter referred to as the "Fair Value Measurement Accounting Standard"), etc. effective from the beginning of the current fiscal year, applying new accounting policies under the Fair Value Measurement Accounting Standard, etc. prospectively in accordance with the transitional treatment provided in paragraph 19 of the Fair Value Measurement Accounting Standard and paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). This application does not have any impact on the consolidated financial statements.

## (Consolidated Balance Sheets)

\*1. Items accounted in non-consolidated subsidiaries and affiliated companies are as follows:

	FY2021 (As of March 31, 2021)	FY2022 (As of March 31, 2022)
	(Thousands of yen)	(Thousands of yen)
Investment securities (stocks)	1,500	1,500

\*2. Accumulated depreciation of investments in real estates

	FY2021 (As of March 31, 2021)	FY2022 (As of March 31, 2022)
	(Thousands of yen)	(Thousands of yen)
Accumulated depreciation of investments in real estates	210,363	108,436

3. Contingent liabilities

Guarantee of liabilities was applied to the following obligations by non-consolidated companies.

	FY2021 (As of March 31, 2021)	FY2022 (As of March 31, 2022)
Ariake Farm Co., Ltd.	(Thousands of yen)	(Thousands of yen)
Guarantee of liabilities related to overdraft facility	150,000	150,000

## (Consolidated Statements of Income)

\*1. Ending inventories were calculated by writing down the book value in accordance with a decline in profitability and the following loss on valuation of inventories was included in cost of sales.

	FY2021 (from April 1, 2020 to March 31, 2021)	FY2022 (from April 1, 2021 to March 31, 2022)
	(Thousands of yen)	(Thousands of yen)
	(11,135)	(32,220)

\*2. Major items and amounts under selling, general and administrative expenses are as follows:

	FY2021 (from April 1, 2020 to March 31, 2021)	FY2022 (from April 1, 2021 to March 31, 2022)
	(Thousands of yen)	(Thousands of yen)
Salary and bonuses	1,063,789	1,139,238
Packing and transportation expenses	3,004,461	3,214,002
Depreciation	77,186	85,798
Provision for bonuses	53,040	56,362
Provision for directors' bonuses	69,700	60,100
Retirement benefit expenses	51,516	49,464
Provision for directors' retirement benefits	9,625	12,948

\*3. The total amount of research and development expenses included in general and administrative expenses and manufacturing cost of the current term is as follows:

	FY2021 (from April 1, 2020 to March 31, 2021)	FY2022 (from April 1, 2021 to March 31, 2022)
	(Thousands of yen)	(Thousands of yen)
General and administrative expenses	412,579	436,519
Manufacturing cost of the current term	17,432	19,353

## (Consolidated Statements of Comprehensive Income)

## \* Other comprehensive income reclassification adjustments and tax effects

(Thousands of yen)

	FY2021 (from April 1, 2020 to March 31, 2021)	FY2022 (from April 1, 2021 to March 31, 2022)
Valuation difference on available-for-sale securities:		
Accrued amount during the period	532,189	591,664
Reclassification adjustments	–	–
Before tax effect adjustment	532,189	591,664
Tax effects	(159,231)	(177,026)
Valuation difference on available-for-sale securities	372,958	414,638
Foreign currency translation adjustment:		
Accrued amount during the period	100,862	1,532,313
Reclassification adjustments	–	–
Before tax effect adjustment	100,862	1,532,313
Tax effects	–	–
Foreign currency translation adjustment	100,862	1,532,313
Remeasurements of defined benefit plans:		
Amount recognized during the current fiscal year	47,129	(20,091)
Reclassification adjustments	44,678	(825)
Before tax effect adjustment	91,807	(20,917)
Tax effects	(27,468)	6,258
Remeasurements of defined benefit plans	64,338	(14,659)
Total other comprehensive income	538,159	1,932,292

## (Consolidated Statements of Changes in Equity)

FY2021 (from April 1, 2020 to March 31, 2021)

## 1. Items regarding the type and number of shares outstanding and the type and number of treasury shares

(Thousands of shares)

	Number of shares as of April 1, 2020	Increased number of shares (April 1, 2020 to March 31, 2021)	Decreased number of shares (April 1, 2020 to March 31, 2021)	Number of shares as of March 31, 2021
Outstanding shares				
Common stock	32,808	–	–	32,808
Total	32,808	–	–	32,808
Treasury shares				
Common stock <sup>(Note)</sup>	987	0	–	988
Total	987	0	–	988

Note: The increase in common stock in treasury was due to the acquisition of shares of less than one unit.

## 2. Matters regarding subscription rights to shares and treasury subscription rights to shares

There is nothing to report.

## 3. Items regarding dividends

## (1) Amount of dividends paid

Resolution	Type of stock	Total amount of dividends (thousand yen)	Dividends per share (yen)	Record date	Effective date
June 19, 2020 Annual meeting of shareholders	Common stock	1,813,787	57.0	March 31, 2020	June 22, 2020
November 11, 2020 Board of Directors Meeting	Common stock	636,414	20.0	September 30, 2020	December 2, 2020

## (2) Dividends for which the record date fell in current consolidated fiscal year and the effective date fell in the following year

Resolution	Type of stock	Total amount of dividends (thousand yen)	Fiscal resources of dividends	Dividends per share (yen)	Record date	Effective date
June 18, 2021 Annual meeting of shareholders	Common stock	1,813,768	Retained earnings	57.0	March 31, 2021	June 21, 2021

FY2022 (from April 1, 2021 to March 31, 2022)

## 1. Items regarding the type and number of shares outstanding and the type and number of treasury shares

(Thousands of shares)

	Number of shares as of April 1, 2021	Increased number of shares (April 1, 2021 to March 31, 2022)	Decreased number of shares (April 1, 2021 to March 31, 2022)	Number of shares as of March 31, 2022
Outstanding shares				
Common stock	32,808	–	–	32,808
Total	32,808	–	–	32,808
Treasury shares				
Common stock <sup>(Note)</sup>	988	0	29	959
Total	988	0	29	959

Note: The increase in common stock in treasury was due to the acquisition of shares of less than one unit.

## 2. Matters regarding subscription rights to shares and treasury subscription rights to shares

There is nothing to report.

## 3. Items regarding dividends

## (1) Amount of dividends paid

Resolution	Type of stock	Total amount of dividends (thousand yen)	Dividends per share (yen)	Record date	Effective date
June 18, 2021 Annual meeting of shareholders	Common stock	1,813,768	57.0	March 31, 2021	June 21, 2021
November 9, 2021 Board of Directors Meeting	Common stock	636,995	20.0	September 30, 2021	December 2, 2021

## (2) Dividends for which the record date fell in current consolidated fiscal year and the effective date will fall in the following year

Resolution	Type of stock	Total amount of dividends (thousand yen)	Fiscal resources of dividends	Dividends per share (yen)	Record date	Effective date
June 17, 2022 Annual meeting of shareholders	Common stock	2,420,563	Retained earnings	76.0	March 31, 2022	June 20, 2022

## (Consolidated Statements of Cash Flows)

## \*1. Relation between the ending balance of cash and cash equivalents and the accounts on the Consolidated Balance Sheets

	FY2021 (from April 1, 2020 to March 31, 2021)	FY2022 (from April 1, 2021 to March 31, 2022)
	(Thousands of yen)	(Thousands of yen)
Cash and deposits	54,877,790	63,404,491
Time deposits with maturities longer than 3 months	(14,000,000)	(8,500,000)
Cash and cash equivalents	40,877,790	54,904,491



## (Securities)

## 1. Held-to-maturity securities

FY2021 (as of March 31, 2021)

(Thousands of yen)

	Type	Carrying amount on the Consolidated Balance Sheets	Fair value	Difference
Securities whose fair value exceed their carrying amount on the Consolidated Balance Sheets	(1) Government and municipal bonds, etc.	–	–	–
	(2) Corporate bonds	–	–	–
	(3) Others	3,500,000	3,502,000	2,000
	Subtotal	3,500,000	3,502,000	2,000
Securities whose fair value do not exceed their carrying amount on the Consolidated Balance Sheets	(1) Government and municipal bonds, etc.	–	–	–
	(2) Corporate bonds	–	–	–
	(3) Others	3,500,000	3,446,700	(53,300)
	Subtotal	3,500,000	3,446,700	(53,300)
Total		7,000,000	6,948,700	(51,300)

FY2022 (as of March 31, 2022)

(Thousands of yen)

	Type	Carrying amount on the Consolidated Balance Sheets	Fair value	Difference
Securities whose fair value exceed their carrying amount on the Consolidated Balance Sheets	(1) Government and municipal bonds, etc.	–	–	–
	(2) Corporate bonds	–	–	–
	(3) Others	–	–	–
	Subtotal	–	–	–
Securities whose fair value do not exceed their carrying amount on the Consolidated Balance Sheets	(1) Government and municipal bonds, etc.	–	–	–
	(2) Corporate bonds	–	–	–
	(3) Others	3,500,000	3,453,200	(46,800)
	Subtotal	3,500,000	3,453,200	(46,800)
Total		3,500,000	3,453,200	(46,800)

## 2. Other securities

FY2021 (as of March 31, 2021)

(Thousands of yen)

	Type	Carrying amount on the Consolidated Balance Sheets	Acquisition costs	Difference
Securities whose carrying amount on the Consolidated Balance Sheets exceed acquisition costs	(1) Stocks	8,895,017	2,676,369	6,218,648
	(2) Bonds			
	1) Government and municipal bonds, etc.	–	–	–
	2) Corporate bonds	–	–	–
	3) Others	–	–	–
	(3) Others	–	–	–
	Subtotal	8,895,017	2,676,369	6,218,648
Securities whose carrying amount on the Consolidated Balance Sheets do not exceed acquisition costs	(1) Stocks	412,648	498,076	(85,427)
	(2) Bonds			
	1) Government and municipal bonds etc.	–	–	–
	2) Corporate bonds	–	–	–
	3) Others	–	–	–
	(3) Others	–	–	–
	Subtotal	412,648	498,076	(85,427)
Total		9,307,666	3,174,445	6,133,221

FY2022 (as of March 31, 2022)

(Thousands of yen)

	Type	Carrying amount on the Consolidated Balance Sheets	Acquisition costs	Difference
Securities whose carrying amount on the Consolidated Balance Sheets exceed acquisition costs	(1) Stocks	9,501,602	2,671,158	6,830,443
	(2) Bonds			
	1) Government and municipal bonds, etc.	–	–	–
	2) Corporate bonds	–	–	–
	3) Others	–	–	–
	(3) Others	–	–	–
	Subtotal	9,501,602	2,671,158	6,830,443
Securities whose carrying amount on the Consolidated Balance Sheets do not exceed acquisition costs	(1) Stocks	404,744	510,302	(105,558)
	(2) Bonds			
	1) Government and municipal bonds etc.	–	–	–
	2) Corporate bonds	–	–	–
	3) Others	–	–	–
	(3) Others	–	–	–
	Subtotal	404,744	510,302	(105,558)
Total		9,906,346	3,181,461	6,724,885

## 3. Other securities sold

FY2021 (April 1, 2020–March 31, 2021)

There is nothing to report.

FY2022 (April 1, 2021–March 31, 2022)

There is nothing to report.

## (Retirement Benefits)

## 1. Outline of the retirement benefits system employed by the Company

The Company has a retirement lump-sum payment plan and a defined-benefit corporate pension plan in place for its regular employees and a retirement lump-sum payment plan for its junior employees. Some consolidated subsidiaries adopt defined contribution pension plans.

For the retirement lump-sum payment plan for junior employees, retirement benefit obligations and retirement benefit expenses are calculated using the simplified method.

## 2. Defined benefits system

## (1) Reconciliation table for beginning and ending balances of retirement benefits obligations

	(Thousands of yen)	
	FY2021	FY2022
	(from April 1, 2020 to March 31, 2021)	(from April 1, 2021 to March 31, 2022)
Beginning balance of retirement benefits obligations	2,411,873	2,385,032
Employment expenses	171,886	168,673
Interest expenses	17,199	17,009
Amortization of net actuarial gains or losses	(61,241)	13,102
Payment of retirement benefits	(154,685)	(68,429)
Ending balance of retirement benefits obligations	2,385,032	2,515,388

## (2) Reconciliation table for beginning and ending balances of pension assets

	(Thousands of yen)	
	FY2021	FY2022
	(from April 1, 2020 to March 31, 2021)	(from April 1, 2021 to March 31, 2022)
Beginning balance of pension assets	1,085,783	1,077,377
Expected return on plan assets	16,286	16,160
Amortization of net actuarial gains or losses	(14,111)	(6,988)
Employer's contribution	82,159	96,311
Payment of retirement benefits	(92,740)	(43,582)
Ending balance of pension assets	1,077,377	1,139,278

## (3) Reconciliation table for beginning and ending balances of retirement benefit obligations calculated using the simplified method

	(Thousands of yen)	
	FY2021	FY2022
	(from April 1, 2020 to March 31, 2021)	(from April 1, 2021 to March 31, 2022)
Beginning balance of retirement benefit obligations	27,305	24,311
Retirement benefit expenses	9,466	10,038
Retirement benefits paid	(12,460)	(8,144)
Ending balance of retirement benefit obligations	24,311	26,206

## (4) Reconciliation table for ending balance of retirement benefits obligations and pension assets, and liabilities concerning retirement benefits and assets concerning retirement benefits posted on the Consolidated Balance Sheets

	(Thousands of yen)	
	FY2021 (as of March 31, 2021)	FY2022 (as of March 31, 2022)
Retirement benefits obligations on the funded scheme	1,504,726	1,575,959
Pension assets	(1,077,377)	(1,139,278)
	427,348	436,680
Retirement benefits obligations on the non-funded scheme	904,617	965,635
Net amount of liabilities and assets reported in the Consolidated Balance Sheets	1,331,966	1,402,316
Liabilities concerning retirement benefits	1,331,966	1,402,316
Net amount of liabilities and assets reported in the Consolidated Balance Sheets	1,331,966	1,402,316

Note: Plans to which the simplified method has been applied are included.

## (5) Amounts of retirement benefits expenses and their components

	(Thousands of yen)	
	FY2021 (from April 1, 2020 to March 31, 2021)	FY2022 (from April 1, 2021 to March 31, 2022)
Employment expenses	171,886	168,673
Interest expenses	17,199	17,009
Expected return on plan assets	(16,286)	(16,160)
Amortization of net actuarial gains or losses	44,678	(825)
Retirement benefit expenses calculated by the simplified method	9,466	10,038
Retirement benefits expenses concerning defined benefit system	226,943	178,734

## (6) Accumulated adjustments concerning retirement benefits

The breakdown of items (before income taxes) posted on the accumulated adjustments concerning retirement benefits are as follows:

	(Thousands of yen)	
	FY2021 (from April 1, 2020 to March 31, 2021)	FY2022 (from April 1, 2021 to March 31, 2022)
Prior service costs	-	-
Actuarial gains and losses	91,807	(20,917)
Total	91,807	(20,917)

## (7) Accumulated adjustments concerning retirement benefits

The breakdown of items (before income taxes) posted on the accumulated adjustments concerning retirement benefits are as follows:

	(Thousands of yen)	
	FY2021 (as of March 31, 2021)	FY2022 (as of March 31, 2022)
Unrecognized prior service costs	-	-
Unrecognized actuarial gains and losses	(5,759)	(26,677)
Total	(5,759)	(26,677)

## (8) Matters relating to pension assets

## 1) Principal components of pension assets

The proportion of principal categories concerning the total pension assets is as follows:

	FY2021 (as of March 31, 2021)	FY2022 (as of March 31, 2022)
Bonds	– %	– %
Stocks	–	–
Cash and deposits	–	–
Others	100	100
Total	100	100

## 2) Configuration method of long-term expected rate of return

In determining long-term expected rate of return on pension assets, allocation of current and projected pension assets and present and future long-term rate of return on a variety of assets comprising pension assets are considered.

## (9) Matters relating to the basis of the actuarial calculation

The basis of the principal actuarial calculation (calculated using the weighted average).

	FY2021 (as of March 31, 2021)	FY2022 (as of March 31, 2022)
Discount rate	0.6 to 0.9%	0.6 to 0.9%
Long-term expected rate of return	1.5%	1.5%
Expected rate of salary increases	2.0%	2.0%

## 3. Defined contribution plans

The amount contributed to defined contribution plans of the consolidated subsidiaries was ¥12,424 thousand for the previous consolidated fiscal year and ¥14,744 thousand for the current consolidated fiscal year.

(Segment Information, etc.)

[Segment information]

1. Overview of reportable segments

In accordance with aggregation criteria for reportable segments, the Company's businesses are aggregated into the segment "manufacturing and sales of natural seasoning." Therefore, the Ariake Group has only one reportable segment of the natural seasonings business.

2. Method of calculations of sales, income (loss), assets, liabilities, and other items by reportable segment

The Ariake Group has only one reportable segment of the natural seasonings business, so information is omitted.

3. Information on sales, income (loss), assets, liabilities, and other items by reportable segment

The Ariake Group has only one reportable segment of the natural seasonings business, so information is omitted.

4. Difference between total amount of reportable segment and amount recorded on consolidated financial statements and its details about the difference (matters relating to difference adjustment)

The Ariake Group has only one reportable segment of the natural seasonings business, so information is omitted.

[Related information]

FY2021 (from April 1, 2020 to March 31, 2021)

1. Information by product and service

Information by product and service is omitted because external sales by products and services account for more than 90% of total net sales stated at the Consolidated Statements of Income.

2. Information by geographic segment

(1) Sales

(Thousands of yen)

Japan	Europe	Asia	Total
38,796,385	4,089,432	6,798,684	49,684,501

(2) Property, plant and equipment

(Thousands of yen)

Japan	Europe	Asia*	Total
11,330,030	4,622,741	4,102,774	20,055,546

\* The figure includes 996,024 thousand yen of the property, plant and equipment of PT. Ariake Europe Indonesia.

3. Information by major client

(Thousands of yen)

Name	Sales	Segment name
Vendor Services Co., Ltd.	7,418,386	Natural seasonings business

FY2022 (from April 1, 2021 to March 31, 2022)

## 1. Information by product and service

Information by product and service is omitted because external sales by products and services account for more than 90% of total net sales stated at the Consolidated Statements of Income.

## 2. Information by geographic segment

## (1) Sales

(Thousands of yen)

Japan	Europe	Asia	Total
40,310,378	3,964,265	8,424,387	52,699,031

## (2) Property, plant and equipment

(Thousands of yen)

Japan	Europe	Asia*	Total
11,098,883	5,615,859	4,362,870	21,077,613

\* The figure includes 1,046,884 thousand yen of the property, plant and equipment of PT. Ariake Europe Indonesia.

## 3. Information by major client

(Thousands of yen)

Name	Sales	Segment name
Vendor Services Co., Ltd.	7,361,969	Natural seasonings business

[Information on impairment loss of non-current assets by reportable segment]

FY2021 (from April 1, 2020 to March 31, 2021)

There is nothing to report.

FY2022 (from April 1, 2021 to March 31, 2022)

There is nothing to report.

[Information on amortization and unamortization of goodwill by reportable segment]

FY2021 (from April 1, 2020 to March 31, 2021)

The Ariake Group has only one reportable segment of the natural seasonings business, so information is omitted.

FY2022 (from April 1, 2021 to March 31, 2022)

The Ariake Group has only one reportable segment of the natural seasonings business, so information is omitted.

[Information on accrual profit of negative goodwill by reportable segment]

FY2021 (from April 1, 2020 to March 31, 2021)

There is nothing to report.

FY2022 (from April 1, 2021 to March 31, 2022)

There is nothing to report.

## (Information on the Related Parties)

## Transaction with related parties

## (1) Transaction between the Company and related parties

## a) Non-consolidated subsidiaries and affiliated companies, etc. of the Company

FY2021 (from April 1, 2020 to March 31, 2021)

Position	Name	Address	Capital or investment (thousand yen)	Type of business or job role	Voting rights (Company stake) (%)	Relationship with related parties	Nature of business transaction	Transaction value (thousand yen)	Item	Ending balance of debts and credits (thousand yen)
Subsidiary	Ariake Farm Co., Ltd.	Sasebo City, Nagasaki	15,100	Farming	9.9 (Direct) 89.4 (Indirect)	Purchase of raw materials	Purchase of raw materials	689,032	Accounts payable - trade Advance payments - trade	80,683 160,000
							Guarantee of liabilities	150,000	-	-

- Notes: 1. With regard to the amounts above, the ending balances of debts and credits include consumption taxes while the transaction values do not include them.
2. The same terms and conditions as those for general clients are applied.
3. The Company has provided guarantees to Ariake Farm Co., Ltd. for its borrowings from financial institutions. The Company has not received guarantee fees from this subsidiary.

FY2022 (from April 1, 2021 to March 31, 2022)

Position	Name	Address	Capital or investment (thousand yen)	Type of business or job role	Voting rights (Company stake) (%)	Relationship with related parties	Nature of business transaction	Transaction value (thousand yen)	Item	Ending balance of debts and credits (thousand yen)
Subsidiary	Ariake Farm Co., Ltd.	Sasebo City, Nagasaki	15,100	Farming	9.9 (Direct) 89.4 (Indirect)	Purchase of raw materials	Purchase of raw materials	758,088	Accounts payable - trade Long-term loans receivable	69,427 140,000
							Guarantee of liabilities	150,000	-	-

- Notes: 1. With regard to the amounts above, the ending balances of debts and credits include consumption taxes while the transaction values do not include them.
2. The same terms and conditions as those for general clients are applied.
3. The Company has provided guarantees to Ariake Farm Co., Ltd. for its borrowings from financial institutions. The Company has not received guarantee fees from this subsidiary.

## b) Directors, major shareholders, etc. of the Company

FY2021 (from April 1, 2020 to March 31, 2021)

Position	Name	Address	Capital or investment (thousand yen)	Type of business or job role	Voting rights (Company stake) (%)	Relationship with related parties	Nature of business transaction	Transaction value (thousand yen)	Item	Ending balance of debts and credits (thousand yen)
Companies in which directors or close relatives hold more than 50% of voting rights (including company subsidiaries)	Hill Top Food System Co., Ltd.	Fukuoka City, Fukuoka	30,000	Operation of restaurants	None	Sales of merchandise Leasing of facilities	Sales of merchandise	96,336	Accounts receivable - trade	16,043
							-	-	Advances received	110

- Notes: 1. With regard to the amounts above, the ending balances of debts and credits include consumption taxes while the transaction values do not include them.
2. The same terms and conditions as those for general clients are applied.



FY2022 (from April 1, 2021 to March 31, 2022)

There is nothing to report.

(2) Transactions between consolidated subsidiaries of the Company and related parties

a) Directors and major shareholders of the Company

FY2021 (from April 1, 2020 to March 31, 2021)

There is nothing to report.

FY2022 (from April 1, 2021 to March 31, 2022)

There is nothing to report.

## (Per Share Information)

	FY2021 (from April 1, 2020 to March 31, 2021)	FY2022 (from April 1, 2021 to March 31, 2022)
Net assets per share	3,086.18	3,312.05
Net income per share	228.70	242.10

(Yen)

Notes: 1. Diluted net income per share is not reported because these are not residual securities.

2. Basis for calculation of net income per share is as follows:

(Thousands of yen)

	FY2021 (from April 1, 2020 to March 31, 2021)	FY2022 (from April 1, 2021 to March 31, 2022)
Net income attributable to shareholders of the parent company	7,277,314	7,708,760
Amount not attributed to common shareholders	—	—
Net income attributable to shareholders of the parent company with regard to common shares	7,277,314	7,708,760
Average number of issued shares during the fiscal years (thousand shares)	31,820	31,841

## (Important Subsequent Events)

There is nothing to report.

## 4. Non-consolidated Financial Statements and Major Notes

### (1) Non-consolidated Balance Sheets

	(Thousands of yen)	
	FY2021 (As of March 31, 2021)	FY2022 (As of March 31, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	45,490,935	49,541,166
Notes receivable - trade	251,309	214,633
Accounts receivable - trade	7,338,301	7,376,780
Securities	5,500,000	1,500,000
Merchandise and finished goods	2,353,985	2,582,426
Work in process	774,240	899,713
Raw materials and supplies	2,822,762	3,346,495
Advance payments - trade	541,476	598,884
Prepaid expenses	72,760	76,561
Short-term loans receivable from subsidiaries and associates	302,823	893,197
Accounts receivable - other	2,539	2,341
Others	175,211	28,691
Allowance for doubtful accounts	(1,082)	(1,082)
Total current assets	65,625,262	67,059,811
Non-current assets		
Property, plant and equipment		
Buildings	4,648,569	4,449,546
Structures	187,179	169,198
Machinery and equipment	2,258,608	2,182,124
Vessels	232	174
Vehicles	30,373	31,297
Tools, furniture and fixtures	121,753	123,835
Land	4,046,825	4,046,825
Leased assets	3,134	33,949
Construction in progress	32,741	61,492
Total property, plant and equipment	11,329,419	11,098,443
Intangible assets		
Software	41,347	48,606
Telephone subscription rights	7,139	7,139
Total intangible assets	48,486	55,745
Investments and other assets		
Investment securities	10,851,386	11,950,066
Shares of subsidiaries and associates	12,051,326	12,051,326
Investments in capital of subsidiaries and associates	691,477	1,089,147
Long-term loans receivable from employees	6,793	5,874
Long-term loans receivable from subsidiaries and associates	1,490,975	3,623,803
Long-term prepaid expenses	72,239	49,790
Real estate for investment	566,932	148,088
Insurance funds	239,664	237,582
Others	38,052	38,094
Allowance for doubtful accounts	(129)	(63,129)
Total investments and other assets	26,008,720	29,130,646
Total non-current assets	37,386,626	40,284,835
Total assets	103,011,889	107,344,646

(Thousands of yen)

	FY2021 (As of March 31, 2021)	FY2022 (As of March 31, 2022)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable - trade	1,211,670	1,306,792
Accounts payable - trade	2,364,217	2,810,194
Lease obligations	3,105	7,190
Accounts payable - other	1,038,201	1,134,902
Accrued expenses	217,709	242,728
Income taxes payable	1,561,068	1,173,985
Accrued consumption taxes	—	142,177
Deposits received	56,242	58,755
Provision for bonuses	239,270	270,066
Provision for directors' bonuses	69,700	60,100
Others	433,646	102,276
<b>Total current liabilities</b>	<b>7,194,831</b>	<b>7,309,170</b>
<b>Non-current liabilities</b>		
Lease obligations	280	30,148
Deferred tax liabilities	1,180,956	1,396,540
Provision for retirement benefits	1,324,365	1,373,511
Provision for directors' retirement benefits	155,446	90,482
<b>Total non-current liabilities</b>	<b>2,661,048</b>	<b>2,890,682</b>
<b>Total liabilities</b>	<b>9,855,879</b>	<b>10,199,853</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	7,095,096	7,095,096
<b>Capital surplus</b>		
Legal capital surplus	7,833,869	7,833,869
Other capital surplus	—	124,070
<b>Total capital surplus</b>	<b>7,833,869</b>	<b>7,957,939</b>
<b>Retained earnings</b>		
Legal retained earnings	441,000	441,000
<b>Other retained earnings</b>		
Reserve for special depreciation	67,968	60,289
General reserve	7,820,000	7,820,000
Retained earnings brought forward	67,700,581	71,098,484
<b>Total retained earnings</b>	<b>76,029,550</b>	<b>79,419,773</b>
Treasury shares	(2,100,667)	(2,040,815)
<b>Total shareholders' equity</b>	<b>88,857,847</b>	<b>92,431,993</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	4,298,161	4,712,799
<b>Total valuation and translation adjustments</b>	<b>4,298,161</b>	<b>4,712,799</b>
<b>Total net assets</b>	<b>93,156,009</b>	<b>97,144,793</b>
<b>Total liabilities and net assets</b>	<b>103,011,889</b>	<b>107,344,646</b>

## (2) Non-consolidated Statements of Income

	(Thousands of yen)	
	FY2021 (from April 1, 2020 to March 31, 2021)	FY2022 (from April 1, 2021 to March 31, 2022)
Net sales		
Net sales of finished goods	37,434,746	39,397,258
Net sales of goods	1,128,890	678,433
Total net sales	38,563,637	40,075,692
Cost of sales	25,440,497	26,726,279
Gross profit	13,123,139	13,349,413
Selling, general and administrative expenses	5,715,890	5,798,325
Operating income	7,407,248	7,551,087
Non-operating income		
Interest income	24,927	12,761
Dividend income	396,897	404,014
Interest on securities	20,677	8,397
House rent income	40,428	29,277
Foreign exchange gains	167,443	314,288
Others	75,895	108,303
Total non-operating income	726,270	877,042
Non-operating expenses		
Cost of lease revenue	12,885	3,692
Provision of allowance for doubtful accounts	—	63,000
Loss on retirement of non-current assets	2,757	—
Others	1,139	4,434
Total non-operating expenses	16,781	71,127
Ordinary income	8,116,737	8,357,002
Extraordinary income		
Gain on sale of non-current assets	—	17,559
Total extraordinary income	—	17,559
Extraordinary losses		
Loss on valuation of investment securities	107,194	—
Retirement benefits for directors (and other officers)	—	186,396
Loss on retirement of non-current assets	—	17,512
Total extraordinary losses	107,194	203,908
Income before income taxes	8,009,542	8,170,654
Income taxes - current	2,552,000	2,290,000
Income taxes - deferred	(120,610)	38,889
Total income taxes	2,431,389	2,328,889
Net income	5,578,153	5,841,764

## [Breakdown of the Product Cost of Manufacture]

(Thousands of yen)

Account	Notes	FY2021 (from April 1, 2020 to March 31, 2021)		FY2022 (from April 1, 2021 to March 31, 2022)	
		Amount	Ratio (%)	Amount	Ratio (%)
I. Material costs		14,963,774	61.5	16,414,887	61.4
II. Labor costs		3,502,426	14.4	3,727,093	14.0
III. Expenses	*1	5,869,022	24.1	6,583,292	24.6
Total manufacturing cost of the current term		24,335,223	100.0	26,725,273	100.0
Work in process inventory at beginning of term		614,609		774,240	
Total		24,949,833		27,499,514	
Subtract: Work in process inventory at end of term		774,240		899,713	
Subtract: Transfers to other accounts	*2	59,213		62,457	
Product cost of manufacture of the current term		24,116,379		26,537,343	

## Cost accounting method

Separate cost accounting per individual lots based on actual cost

## Notes

\*1. Details are as follows:

(Thousands of yen)

Item	FY2021 (from April 1, 2020 to March 31, 2021)	FY2022 (from April 1, 2021 to March 31, 2022)
Depreciation expenses	830,811	884,162
Subcontract processing expenses	162,498	159,776

\*2. Details of transfers to other accounts are as follows:

(Thousands of yen)

Item	FY2021 (from April 1, 2020 to March 31, 2021)	FY2022 (from April 1, 2021 to March 31, 2022)
Advertising expenses	47,469	49,717
Research and development expenses	11,743	12,739
Total	59,213	62,457

## (3) Non-consolidated Statements of Changes in Equity

FY2021 (from April 1, 2020 to March 31, 2021)

(Thousands of yen)

	Shareholders' equity							
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings			Total retained earnings
		Legal capital surplus	Total capital surplus		Other retained earnings			
				Reserve for special depreciation	General reserve	Retained earnings brought forward		
Balance at beginning of current period	7,095,096	7,833,869	7,833,869	441,000	43,517	7,820,000	64,597,080	72,901,598
Cumulative effects of changes in accounting policies								
Restated balance	7,095,096	7,833,869	7,833,869	441,000	43,517	7,820,000	64,597,080	72,901,598
Changes of items during period								
Provision of reserve for special depreciation					40,416		(40,416)	—
Reversal of reserve for special depreciation					(15,965)		15,965	—
Dividends of surplus							(2,450,201)	(2,450,201)
Net income							5,578,153	5,578,153
Purchase of treasury shares								
Disposal of treasury shares								
Net changes of items other than shareholders' equity								
Total changes of items during period	—	—	—	—	24,450	—	3,103,501	3,127,952
Balance at end of current period	7,095,096	7,833,869	7,833,869	441,000	67,968	7,820,000	67,700,581	76,029,550

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	(2,098,406)	85,732,157	3,925,202	3,925,202	89,657,360
Cumulative effects of changes in accounting policies					
Restated balance	(2,098,406)	85,732,157	3,925,202	3,925,202	89,657,360
Changes of items during period					
Provision of reserve for special depreciation		—			—
Reversal of reserve for special depreciation		—			—
Dividends of surplus		(2,450,201)			(2,450,201)
Net income		5,578,153			5,578,153
Purchase of treasury shares	(2,261)	(2,261)			(2,261)
Disposal of treasury shares	—	—			—
Net changes of items other than shareholders' equity			372,958	372,958	372,958
Total changes of items during period	(2,261)	3,125,690	372,958	372,958	3,498,649
Balance at end of current period	(2,100,667)	88,857,847	4,298,161	4,298,161	93,156,009

FY2022 (from April 1, 2021 to March 31, 2022)

(Thousands of yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
						Reserve for special depreciation	General reserve	Retained earnings brought forward	
Balance at beginning of current period	7,095,096	7,833,869	–	7,833,869	441,000	67,968	7,820,000	67,700,581	76,029,550
Cumulative effects of changes in accounting policies								(777)	(777)
Restated balance	7,095,096	7,833,869	–	7,833,869	441,000	67,968	7,820,000	67,699,804	76,028,772
Changes of items during period									
Provision of reserve for special depreciation						14,030		(14,030)	–
Reversal of reserve for special depreciation						(21,709)		21,709	–
Dividends of surplus								(2,450,763)	(2,450,763)
Net income								5,841,764	5,841,764
Purchase of treasury shares									
Disposal of treasury shares			124,070	124,070					
Net changes of items other than shareholders' equity									
Total changes of items during period	–		124,070	124,070	–	(7,679)	–	3,398,680	3,391,000
Balance at end of current period	7,095,096	7,833,869	124,070	7,957,939	441,000	60,289	7,820,000	71,098,484	79,419,773

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	(2,100,667)	88,857,847	4,298,161	4,298,161	93,156,009
Cumulative effects of changes in accounting policies		(777)			(777)
Restated balance	(2,100,667)	88,857,070	4,298,161	4,298,161	93,155,231
Changes of items during period					
Provision of reserve for special depreciation		–			–
Reversal of reserve for special depreciation		–			–
Dividends of surplus		(2,450,763)			(2,450,763)
Net income		5,841,764			5,841,764
Purchase of treasury shares	(2,738)	(2,738)			(2,738)
Disposal of treasury shares	62,589	186,660			186,660
Net changes of items other than shareholders' equity			414,638	414,638	414,638
Total changes of items during period	59,851	3,574,922	414,638	414,638	3,989,561
Balance at end of current period	(2,040,815)	92,431,993	4,712,799	4,712,799	97,144,793



## 5. Other

(1) Change of Representative Director

There is nothing to report.

(2) Changes in Other Board Members (scheduled on June 17, 2022)

Candidates for newly appointed directors

Director, Tomoki Tagawa (currently, Adviser for the Company)

Director, Masayuki Hoshino (newly appointed)

\* Mr. Masayuki Hoshino is a candidate for Outside Director.

\* The candidates for newly appointed directors will assume their positions after a formal decision that is subject to the resolution of the 44th General Meeting of Shareholders scheduled to be held on June 17, 2022.