

# Consolidated Financial Results for the Fiscal Year 2023 (J-GAAP)

May 12, 2023

Listed company name: Ariake Japan Co., Ltd.  
 Code number: 2815 URL: <https://www.ariakejapan.com/> Listing exchange: Tokyo, Prime Market  
 Representative: Naoki Shirakawa, President (CEO)  
 Contact: Kouichi Matsumoto, Director and General Manager, Accounting Department  
 TEL: +81-3-3791-3301

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 Date to submit the annual securities report: June 26, 2023  
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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, 2023 (April 1, 2022–March 31, 2023)

### (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	%
FY2023	55,698	5.8	8,455	(20.8)	9,270	(18.2)	6,385	(17.2)
FY2022	52,658	6.0	10,682	6.3	11,340	6.2	7,708	5.9

Note: Comprehensive income: FY2023: ¥8,489 million (-13.0%)

FY2022: ¥9,758 million (23.4%)

	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	%	%	%
FY2023	200.48	–	5.9	7.5	15.2
FY2022	242.10	–	7.6	9.8	20.3

Reference: Investment profit/loss on equity method: FY2023: ¥– million

FY2022: ¥– million

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2023	126,262	111,743	87.7	3,477.73
FY2022	119,964	106,338	87.9	3,312.02

Reference: Equity capital: FY2023: ¥110,763 million

FY2022: ¥105,486 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
FY2023	5,597	(1,915)	(3,093)	56,296
FY2022	8,302	7,058	(2,478)	54,904

## 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	%	%
FY2022	–	20.00	–	76.00	96.00	3,057	39.7	3.0
FY2023	–	20.00	–	82.00	102.00	3,248	50.6	3.0
FY2024 (forecast)	–	20.00	–	82.00	102.00		50.6	

## 3. Forecast of the Consolidated Financial Results for the Year Ending March 31, 2024 (April 1, 2023–March 31, 2024)

(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	27,918	5.7	4,371	7.7	4,700	1.4	3,036	1.5	95.32
Full year	59,400	6.6	9,300	10.0	10,000	7.9	6,900	8.1	216.64

## \* 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.: None

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, 2023:	32,808,683 shares	As of March 31, 2022:	32,808,683 shares
2) Number of treasury shares as of the period-end	As of March 31, 2023:	959,375 shares	As of March 31, 2022:	959,160 shares
3) Average number of shares for the period	FY 2023:	31,849,415 shares	FY 2022:	31,841,173 shares

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

1. Financial Results for the Year Ended March 31, 2023 (April 1, 2022–March 31, 2023)

(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	%
FY2023	42,687	6.5	5,714	(24.3)	6,492	(22.3)	4,712	(19.3)
FY2022	40,075	3.9	7,551	1.9	8,357	3.0	5,841	4.7

	Net income per share	Fully diluted net income per share
	Yen	Yen
FY2023	147.96	–
FY2022	183.47	–

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2023	109,950	99,193	90.2	3,114.45
FY2022	107,344	97,144	90.5	3,050.12

Reference: Equity capital: FY2023: ¥99,193 million FY2022: ¥97,144 million

2. Forecast of the Non-consolidated Financial Results for the Year Ending March 31, 2024 (April 1, 2023–March 31, 2024)

(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	20,680	4.2	3,479	0.5	2,443	1.2	76.71
Full year	44,000	3.1	7,100	9.4	5,090	8.0	159.81

\* 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 FY2023

(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	55,698	8,455	9,270	6,385	200.48
FY2022	52,658	10,682	11,340	7,708	242.10
Growth Rate	5.8%	(20.8%)	(18.2%)	(17.2%)	—

(Non-consolidated Financial Results)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
FY2023	42,687	5,714	6,492	4,712	147.96
FY2022	40,075	7,551	8,357	5,841	183.47
Growth Rate	6.5%	(24.3%)	(22.3%)	(19.3%)	—

During the fiscal year ended March 31, 2023, the Japanese economy benefited from the relaxation of restrictions on people's movements to control COVID-19, and economic activities in general started to recover as a result. On the other hand, corporate earnings and households were hit mainly by rising energy costs and soaring resource prices on the back of instability in international affairs and the depreciation of the yen.

Under such circumstances, 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 order to achieve their medium- to long-term management plan. 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 6.5% (¥2,612 million) year on year, to ¥42,687 million, resulting from our steady sales and marketing efforts focusing on a "customer-first" approach.

Sales of subsidiaries increased by 3.4% year on year.

Therefore, consolidated net sales for the fiscal year under review increased by 5.8% (¥3,039 million) year on year to ¥55,698 million.

The Company's operating income decreased by 24.3% (¥1,837 million) year on year to ¥5,714 million due to the steep rise in raw material prices as well as in heating and lighting expenses.

Consolidated operating income decreased by 20.8% (¥2,226 million) year on year to ¥8,455 million.

The Company's ordinary income decreased by 22.3% (¥1,864 million) year on year to ¥6,492 million. This was mainly attributable to a ¥175 million decrease in foreign exchange gains compared to the previous year.

Consolidated ordinary income decreased by 18.2% (¥2,069 million) year on year to ¥9,270 million.

Net income for the Company decreased by 19.3% (¥1,129 million) year on year to ¥4,712 million.

Net income attributable to shareholders of the parent company decreased by 17.2% (¥1,323 million) year on year to ¥6,385 million.

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

## (2) Overview of Financial Position for the FY2023

### (Assets)

As of March 31, 2023, total current assets were ¥81,413 million. This represents a decrease of ¥4,595 million compared to March 31, 2022, mainly due to a decrease of ¥6,607 million in cash and deposits, a decrease of ¥1,500 million in securities, and an increase of ¥1,305 million in raw materials and supplies. Total non-current assets increased by ¥10,893 million compared to March 31, 2022 to ¥44,848 million, mainly due to an increase of ¥2,003 million in property, plant and equipment and an increase of ¥ 8,989 million in investment securities.

Therefore, total assets were ¥126,262 million, an increase of ¥6,298 million compared to March 31, 2022.

### (Liabilities)

As of March 31, 2023, total current liabilities were ¥9,805 million, which represents an increase of ¥538 million compared to March 31, 2022. This was mainly attributable to an increase of ¥689 million in notes and accounts payable - trade and a decrease of ¥187 million in income taxes payable. Total non-current liabilities increased to ¥4,713 million, an increase of ¥355 million compared to March 31, 2022. This was mainly owing to an increase of ¥394 million in deferred tax liabilities.

Therefore, total liabilities were ¥14,518 million, an increase of ¥893 million compared to March 31, 2022.

### (Net Assets)

As of March 31, 2023, total net assets were ¥111,743 million, representing an increase of ¥5,404 million compared to March 31, 2022. This was mainly due to ¥6,385 million in net income attributable to shareholders of the parent company and ¥3,057 million in dividends of surplus.

Therefore, equity ratio was 87.7% (87.9% as of March 31, 2022).

## (3) Overview of Cash Flows in the FY2023

Cash and cash equivalents (hereinafter "cash") as of March 31, 2023 totaled ¥56,296 million, an increase of ¥1,392 million (up 2.5%) compared to March 31, 2022, as a result of matters such as purchase of investment securities and outflows due to the payment of cash dividends, besides a decrease in income before income taxes and minority interests to ¥9,308 million (down 16.5% compared to the FY2022).

Overview of the respective cash flows and factors that influenced them in the FY2023 are stated as below.

### (Cash flows from operating activities)

Net cash provided by operating activities was ¥5,597 million (a year on year decrease in inflow of ¥2,705 million). While income before income taxes and minority interests decreased to ¥9,308 million (a year on year decrease of ¥1,844 million) and depreciation of ¥1,784 million was posted, increases in inventories and notes and accounts receivable - trade were ¥2,069 million and ¥696 million, respectively.

### (Cash flows from investing activities)

Net cash used in investing activities was an outflow of ¥1,915 million (a year on year increase in outflow of ¥8,974 million), mainly attributable to capital expenditure of ¥3,017 million (a year on year increase in outflow of ¥669 million), purchase of investment securities of ¥8,486 million, proceeds of ¥1,500 million from sale of investment securities, and proceeds of ¥ 8,000 million from repayment of fixed deposit.

### (Cash flows from financing activities)

Net cash used in financing activities was ¥3,093 million (a year on year increase of outflow of ¥614 million). This was mainly attributable to payment of cash dividends of ¥3,057 million.

## (Reference) Cash Flow Indicators

	FY2019	FY2020	FY2021	FY2022	FY2023
Equity ratio (%)	82.8	88.9	87.9	87.9	87.7
Equity ratio based on fair value (%)	176.6	207.7	191.2	137.8	123.1
Cash flows interest-bearing debts ratio (years)	0.0	0.0	0.0	0.0	0.0
Interest coverage ratio (times)	21,567.6	28,694.2	3,665.0	1,334.9	1,111.6

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)
FY2024	59,400	9,300	10,000	6,900	216.64
FY2023	55,698	8,455	9,270	6,385	200.48
Growth Rate	6.6%	10.0%	7.9%	8.1%	–

(Forecast for non-consolidated financial results)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
FY2024	44,000	6,600	7,100	5,090	159.81
FY2023	42,687	5,714	6,492	4,712	147.96
Growth Rate	3.1%	15.5%	9.4%	8.0%	–

While economic activities in general are on a recovery trend as a result of the relaxation of restrictions on people's movements that had been introduced to control COVID-19, we predict the continuation going forward of the current trends of rising prices and yen depreciation arising from higher resource prices caused by instability in international affairs.

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 FY2023 was ¥42,687 million, an increase of approximately 50% compared to the FY2013 (¥28,442 million) and consolidated net sales increased to ¥55,698 million, an improvement of around 65% from the FY2013 (¥33,591 million).

Our income also has steadily been growing, offsetting the increase in depreciation due to capital expenditures. The Company's net income was ¥4,712 million and net income attributable to shareholders of our parent company was ¥6,385 million in the FY2023. 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 FY2024, 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.

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 FY2024.

In these circumstances, for the next consolidated fiscal year, the FY2024, consolidated net sales are projected to be ¥59,400 million (up 6.6% compared to the FY2023), operating income ¥9,300 million (up 10.0%), ordinary income ¥10,000 million (up 7.9%), and net income attributable to shareholders of parent company ¥6,900 million (up 8.1%).

We used exchange rates of 1 euro = ¥141, 1 Chinese yuan = ¥19, and 1 Taiwan dollar = ¥4.33 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 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)

	FY2022 (As of March 31, 2022)	FY2023 (As of March 31, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	63,404,491	56,796,833
Notes and accounts receivable - trade	11,225,004	12,122,013
Securities	1,500,000	—
Merchandise and finished goods	4,186,198	4,825,744
Work in process	1,288,416	1,608,712
Raw materials and supplies	3,885,213	5,191,069
Accounts receivable - other	5,550	5,099
Others	515,174	865,008
Allowance for doubtful accounts	(1,168)	(1,172)
Total current assets	86,008,880	81,413,309
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,392,242	24,250,771
Accumulated depreciation	(14,289,491)	(15,188,696)
Buildings and structures, net	9,102,750	9,062,074
Machinery, equipment and vehicles	27,491,691	28,546,266
Accumulated depreciation	(22,021,837)	(23,207,492)
Machinery, equipment and vehicles, net	5,469,854	5,338,773
Land	4,641,294	4,682,722
Leased assets	101,644	109,603
Accumulated depreciation	(67,146)	(75,597)
Leased assets, net	34,498	34,006
Construction in progress	1,581,501	3,692,498
Others	1,373,226	1,486,460
Accumulated depreciation	(1,125,512)	(1,215,363)
Others, net	247,714	271,097
Total property, plant and equipment	21,077,613	23,081,173
Intangible assets		
Goodwill	170,842	79,366
Others	136,602	125,691
Total intangible assets	307,445	205,057
Investments and other assets		
Investment securities	11,951,566	20,940,788
Long-term loans receivable	145,874	147,126
Real estate for investment, net	148,088	148,030
Deferred tax assets	11,608	15,364
Others	376,077	347,531
Allowance for doubtful accounts	(63,129)	(36,129)
Total investments and other assets	12,570,086	21,562,712
Total non-current assets	33,955,145	44,848,943
Total assets	119,964,026	126,262,252

(Thousands of yen)

	FY2022 (As of March 31, 2022)	FY2023 (As of March 31, 2023)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	5,179,945	5,869,138
Lease obligations	8,427	8,181
Income taxes payable	1,483,112	1,295,132
Provision for bonuses	308,928	336,713
Provision for directors' bonuses	60,100	81,700
Others	2,226,787	2,214,848
Total current liabilities	9,267,301	9,805,712
Non-current liabilities		
Lease obligations	34,447	26,248
Deferred tax liabilities	2,612,638	3,006,667
Provision for directors' retirement benefits	90,482	100,372
Net defined benefit liability	1,402,316	1,377,088
Others	217,868	202,846
Total non-current liabilities	4,357,753	4,713,223
Total liabilities	13,625,054	14,518,936
<b>Net assets</b>		
Shareholders' equity		
Capital stock	7,095,096	7,095,096
Capital surplus	7,964,413	7,964,413
Retained earnings	85,606,123	88,933,594
Treasury shares	(2,040,815)	(2,041,864)
Total shareholders' equity	98,624,817	101,951,238
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,712,799	5,107,096
Foreign currency translation adjustment	2,167,456	3,689,619
Remeasurements of defined benefit plans	(18,695)	15,307
Total accumulated other comprehensive income	6,861,560	8,812,024
Non-controlling interests	852,593	980,053
Total net assets	106,338,971	111,743,316
Total liabilities and net assets	119,964,026	126,262,252

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

(Consolidated Statements of Income)

(Thousands of yen)

	FY2022 (from April 1, 2021 to March 31, 2022)	FY2023 (from April 1, 2022 to March 31, 2023)
Net sales	52,658,574	55,698,315
Cost of sales	34,556,605	39,401,034
Gross profit	18,101,969	16,297,281
Selling, general and administrative expenses	7,419,035	7,841,342
Operating income	10,682,933	8,455,938
Non-operating income		
Interest and dividend income	217,860	401,836
House rent income	19,749	21,802
Foreign exchange gains	352,328	277,566
Reversal of allowance for doubtful accounts	—	27,000
Others	158,535	106,547
Total non-operating income	748,474	834,752
Non-operating expenses		
Interest expenses	6,219	5,035
Cost of lease revenue	3,692	—
Loss on retirement of non-current assets	—	7,534
Provision of allowance for doubtful accounts	63,000	—
Others	18,355	7,320
Total non-operating expenses	91,267	19,890
Ordinary income	11,340,140	9,270,800
Extraordinary income		
Gain on sales of non-current assets	17,559	—
Gain on sale of investment securities	—	38,164
Total extraordinary income	17,559	38,164
Extraordinary losses		
Provision for directors' retirement benefits	186,396	—
Loss on retirement of non-current assets	17,512	—
Total extraordinary losses	203,908	—
Income before income taxes and minority interests	11,153,791	9,308,965
Income taxes - current	3,018,370	2,613,708
Income taxes - deferred	308,943	205,952
Total income taxes	3,327,313	2,819,660
Net income	7,826,477	6,489,304
Net income attributable to non-controlling interests	117,717	104,281
Net income attributable to shareholders of the parent company	7,708,760	6,385,023

## (Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	FY2022 (from April 1, 2021 to March 31, 2022)	FY2023 (from April 1, 2022 to March 31, 2023)
Net income	7,826,477	6,489,304
Other comprehensive income		
Valuation difference on available-for-sale securities	414,638	394,297
Foreign currency translation adjustment	1,532,313	1,572,204
Remeasurements of defined benefit plans	(14,659)	34,002
Total other comprehensive income	1,932,292	2,000,504
Comprehensive income	9,758,770	8,489,808
Comprehensive income attributable to:		
Comprehensive income attributable to shareholders of the parent company	9,550,314	8,335,486
Comprehensive income attributable to non-controlling interests	208,456	154,322

## (3) Consolidated Statements of Changes in Equity

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

FY2023 (from April 1, 2022 to March 31, 2023)

(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	85,606,123	(2,040,815)	98,624,817
Cumulative effects of changes in accounting policies			–		–
Restated balance	7,095,096	7,964,413	85,606,123	(2,040,815)	98,624,817
Changes of items during period					
Dividends of surplus			(3,057,552)		(3,057,552)
Net income attributable to shareholders of the parent company			6,385,023		6,385,023
Purchase of treasury shares				(1,049)	(1,049)
Disposal of treasury shares				–	–
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	3,327,470	(1,049)	3,326,420
Balance at end of current period	7,095,096	7,964,413	88,933,594	(2,041,864)	101,951,238

	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	4,712,799	2,167,456	(18,695)	6,861,560	852,593	106,338,971
Cumulative effects of changes in accounting policies						–
Restated balance	4,712,799	2,167,456	(18,695)	6,861,560	852,593	106,338,971
Changes of items during period						
Dividends of surplus						(3,057,552)
Net income attributable to shareholders of the parent company						6,385,023
Purchase of treasury shares						(1,049)
Disposal of treasury shares						–
Net changes of items other than shareholders' equity	394,297	1,522,163	34,002	1,950,463	127,459	2,077,923
Total changes of items during period	394,297	1,522,163	34,002	1,950,463	127,459	5,404,344
Balance at end of current period	5,107,096	3,689,619	15,307	8,812,024	980,053	111,743,316

## (4) Consolidated Statements of Cash Flows

	(Thousands of yen)	
	FY2022 (from April 1, 2021 to March 31, 2022)	FY2023 (from April 1, 2022 to March 31, 2023)
Cash flows from operating activities		
Income before income taxes and minority interests	11,153,791	9,308,965
Depreciation	1,735,275	1,784,207
Amortization of goodwill	97,624	105,822
Increase (decrease) in allowance for doubtful accounts	63,000	(27,000)
Increase (decrease) in net defined benefit liability	55,516	8,670
Increase (decrease) in provision for directors' retirement benefits	(64,963)	9,890
Increase (decrease) in provision for directors' bonuses	(9,600)	21,600
Increase (decrease) in provision for bonuses	29,467	26,099
Interest and dividend income	(217,860)	(401,836)
Interest expenses	6,219	5,035
Foreign exchange losses (gains)	(339,835)	(201,326)
Loss (gain) on sales of non-current assets	(17,559)	—
Loss on retirement of non-current assets	17,512	7,534
Loss (gain) on sale of investment securities	—	(38,164)
Decrease (increase) in notes and accounts receivable - trade	(645,422)	(696,033)
Decrease (increase) in inventories	(1,294,388)	(2,069,146)
Increase (decrease) in notes and accounts payable - trade	741,232	533,210
Increase (decrease) in accrued consumption taxes	140,025	(144,197)
Decrease (increase) in other assets	46,733	(193,280)
Increase (decrease) in other liabilities	45,117	(32,479)
Subtotal	11,541,886	8,007,571
Interest and dividend income received	219,597	386,123
Interest expenses paid	(6,219)	(5,035)
Income taxes paid	(3,452,870)	(2,791,517)
Net cash provided by operating activities	8,302,394	5,597,142
Cash flows from investing activities		
Proceeds from sale of securities	8,500,000	1,500,000
Net decrease (increase) in time deposits	5,500,000	8,000,000
Proceeds from sale of non-current assets	435,166	—
Purchase of property, plant and equipment	(2,348,742)	(3,017,833)
Purchase of intangible assets	(22,770)	(8,530)
Purchase of investment securities	(5,007,015)	(8,486,098)
Proceeds from sale of investment securities	—	97,680
Payments of loans receivable	—	(2,000)
Collection of loans receivable	1,990	911
Net cash used in investing activities	7,058,628	(1,915,870)
Cash flows from financing activities		
Purchase of treasury shares	(2,738)	(1,049)
Proceeds from sale of treasury shares	264	—
Cash dividends paid	(2,450,376)	(3,057,067)
Dividends paid to non-controlling interests	(19,775)	(26,862)
Others	(6,129)	(8,718)
Net cash used in financing activities	(2,478,754)	(3,093,698)
Effect of exchange rate change on cash and cash equivalents	1,144,432	804,768
Net increase (decrease) in cash and cash equivalents	14,026,700	1,392,341
Cash and cash equivalents at beginning of period	40,877,790	54,904,491
Cash and cash equivalents at end of period	54,904,491	56,296,833

## (5) Notes on the Consolidated Financial Statements

(Notes on the Going Concern Assumption)

There is nothing to report.

(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]

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	3,978,296	8,369,899	52,658,574

## (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

FY2023 (from April 1, 2022 to March 31, 2023)

## 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
42,923,939	4,556,280	8,218,095	55,698,315

## (2) Property, plant and equipment

(Thousands of yen)

Japan	Europe	Asia	Total
11,040,105	7,728,616	4,312,451	23,081,173

## 3. Information by major client

(Thousands of yen)

Name	Sales	Segment name
Vendor Services Co., Ltd.	6,593,155	Natural seasonings business

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

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

There is nothing to report.

FY2023 (from April 1, 2022 to March 31, 2023)

There is nothing to report.

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

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.

FY2023 (from April 1, 2022 to March 31, 2023)

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]

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

There is nothing to report.

FY2023 (from April 1, 2022 to March 31, 2023)

There is nothing to report.

## (Per Share Information)

	FY2022 (from April 1, 2021 to March 31, 2022)	FY2023 (from April 1, 2022 to March 31, 2023)
Net assets per share	3,312.02	3,477.73
Net income per share	242.10	200.48

(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)

	FY2022 (from April 1, 2021 to March 31, 2022)	FY2023 (from April 1, 2022 to March 31, 2023)
Net income attributable to shareholders of the parent company	7,708,760	6,385,023
Amount not attributed to common shareholders	—	—
Net income attributable to shareholders of the parent company with regard to common shares	7,708,760	6,385,023
Average number of issued shares during the fiscal years (thousand shares)	31,841	31,849

## (Important Subsequent Events)

There is nothing to report.

#### **4. Other**

(1) Change of Representative Director

There is nothing to report.

(2) Changes in Other Board Members

There is nothing to report.