

# Consolidated Financial Results for the First Quarter of FY2023 Ending March 31, 2023 (J-GAAP)

August 5, 2022

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: Kazuhiro Fujita, General Manager, Administration Department  
 TEL: +81-3-3791-3301

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 Supplementary quarterly materials prepared: None  
 Quarterly results information meeting held: None

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

## 1. Consolidated Financial Results for the First Quarter of FY2023 Ending March 31, 2023 (April 1, 2022–June 30, 2022)

### (1) Consolidated Financial Results (cumulative)

(Percentage figures are changes from the same period in the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Quarterly net income attributable to shareholders of the parent company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First quarter of FY2023	13,099	3.7	2,229	(15.9)	2,530	(8.6)	1,594	(4.6)
First quarter of FY2022	12,630	15.0	2,652	28.1	2,768	18.0	1,671	5.9

(Note) Comprehensive income: First Quarter of FY2023: ¥3,508 million (43.0%) First Quarter of FY2022: ¥2,453 million (125.0%)

	Net income per share	Fully diluted net income per share
	Yen	Yen
First Quarter of FY2023	50.07	–
First Quarter of FY2022	52.52	–

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2022	121,415	107,399	87.7	3,343.45
As of March 31, 2022	119,964	106,338	87.9	3,312.02

(Reference) Equity capital: As of June 30, 2022: ¥106,487 million

As of March 31, 2022: ¥105,486 million

## 2. Dividends

	Dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2022	–	20.00	–	76.00	96.00
FY2023	–	–	–	–	–
FY2023 (forecast)	–	20.00	–	76.00	96.00

(Note) Revisions since the most recently announced dividend forecast: None

## 3. Forecast of the Consolidated Financial Results for FY2023 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	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

(Note) Revisions since the most recently announced forecast of the consolidated financial results: None

\* Notes

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

(2) Application of Specified Accounting Methods for Preparation of Quarterly Consolidated Financial Statements: Yes

(Note) For details, please refer to "(Application of Specified Accounting Methods for Preparation of Quarterly Consolidated Financial Statements)" under "(3) Notes on Quarterly Financial Statements" in "2. Quarterly Consolidated Financial Statements and Major Notes."

(3) 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

(4) Number of Issued Shares (Common Stock)

1) Number of issued shares as of the period-end (including treasury shares)	As of June 30, 2022	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 June 30, 2022	959,216 shares	As of March 31, 2022	959,160 shares
3) Average number of shares (quarterly consolidated cumulative period)	First three months of FY2023	31,849,497 shares	First three months of FY2022	31,820,524 shares

\* These quarterly financial results are outside the scope of quarterly review procedures 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. Qualitative Information on Quarterly Consolidated Financial Results

### (1) Explanation regarding Financial Results

During the first three months of the fiscal year ending March 31, 2023 (April 1, 2022–June 30, 2022), the Japanese economy faced an even more challenging business environment due to soaring raw material and energy prices and the weakening yen against a backdrop of heightened geopolitical risks, as well as the impact of COVID-19.

In these 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 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 Ariake Group and the Company were able to record the following earnings results for the first three months ended June 30, 2022 (April 1, 2022–June 30, 2022).

The Company's net sales decreased by 0.6% (¥61 million) year on year to ¥9,533 million.

In regard to net sales of consolidated subsidiaries, sales of subsidiaries increased by 17.4% year on year.

Therefore, consolidated net sales for the three months under review increased by 3.7% (¥468 million) year on year to ¥13,099 million.

Owing to the decrease in net sales, the Company's operating income decreased, marking a decrease of 25.8% (¥495 million) year on year to ¥1,426 million.

Consolidated operating income was ¥2,229 million, representing a decrease of 15.9% (¥422 million) from the same period in the previous fiscal year.

The Company's ordinary income decreased by 11.4% (¥261 million) year on year to ¥2,025 million.

Consolidated ordinary income decreased by 8.6% (¥238 million) year on year to ¥2,530 million.

The Company's quarterly net income decreased by 4.7% (¥69 million) year on year to ¥1,411 million.

Quarterly consolidated net income attributable to shareholders of the parent company decreased by 4.6% (¥76 million) to ¥1,594 million.

Financial results of the Company and its consolidated subsidiaries by region were described below.

- Net sales

(Billions of yen)

		First three months of FY2023	First three months of FY2022	Difference
<b>Ariake Japan Co., Ltd.</b>		9.53	9.59	(0.06)
<b>Consolidated subsidiaries total</b>		3.56	3.04	0.52
Region	Asia	2.25	1.90	0.35
	Europe	1.24	1.07	0.17
	Japan	0.07	0.07	0.00
<b>Total</b>		13.09	12.63	0.46

- Operating income

(Billions of yen)

		First three months of FY2023	First three months of FY2022	Difference
<b>Ariake Japan Co., Ltd.</b>		1.43	1.92	(0.49)
<b>Consolidated subsidiaries total</b>		0.80	0.73	0.07
Region	Asia	0.56	0.49	0.07
	Europe	0.24	0.24	0.00
	Japan	0.00	0.00	0.00
<b>Total</b>		2.23	2.65	(0.42)

**(2) Explanation regarding Financial Position**

As of June 30, 2022, consolidated total assets were ¥121,415 million. This represents an increase of ¥1,451 million compared to March 31, 2022.

Total liabilities increased by ¥391 million to ¥14,016 million compared to March 31, 2022. Net assets were ¥107,399 million, which represents an increase of ¥1,060 million from March 31, 2022.

**(3) Explanation regarding Information on Future Forecasts including Consolidated Financial Forecasts, etc.**

At this point, there has been no change to the forecasts of the consolidated financial results disclosed on May 12, 2022.

## 2. Quarterly Consolidated Financial Statements and Major Notes

## (1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	FY2022 (As of March 31, 2022)	First Quarter of FY2023 (As of June 30, 2022)
Assets		
Current assets		
Cash and deposits	63,404,491	63,580,857
Notes and accounts receivable - trade	11,225,004	10,546,654
Securities	1,500,000	—
Merchandise and finished goods	4,186,198	4,672,123
Work in process	1,288,416	1,342,365
Raw materials and supplies	3,885,213	4,742,079
Accounts receivable - other	5,550	2,042
Others	515,174	777,792
Allowance for doubtful accounts	(1,168)	(1,171)
Total current assets	86,008,880	85,662,743
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,392,242	23,819,828
Accumulated depreciation	(14,289,491)	(14,639,362)
Buildings and structures, net	9,102,750	9,180,466
Machinery, equipment and vehicles	27,491,691	28,033,469
Accumulated depreciation	(22,021,837)	(22,444,548)
Machinery, equipment and vehicles, net	5,469,854	5,588,921
Land	4,641,294	4,672,999
Leased assets	101,644	109,598
Accumulated depreciation	(67,146)	(70,119)
Leased assets, net	34,498	39,479
Construction in progress	1,581,501	2,071,947
Others	1,373,226	1,437,611
Accumulated depreciation	(1,125,512)	(1,161,206)
Others, net	247,714	276,404
Total property, plant and equipment	21,077,613	21,830,219
Intangible assets		
Goodwill	170,842	153,381
Other	136,602	136,040
Total intangible assets	307,445	289,421
Investments and other assets		
Investment securities	11,951,566	13,013,134
Long-term loans receivable	145,874	145,709
Real estate for investment, net	148,088	148,030
Deferred tax assets	11,608	12,835
Others	376,077	376,655
Allowance for doubtful accounts	(63,129)	(63,129)
Total investments and other assets	12,570,086	13,633,237
Total non-current assets	33,955,145	35,752,878
Total assets	119,964,026	121,415,622

(Thousands of yen)

	FY2022 (As of March 31, 2022)	First Quarter of FY2023 (As of June 30, 2022)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	5,179,945	5,327,043
Lease obligations	8,427	7,851
Income taxes payable	1,483,112	1,068,308
Provision for bonuses	308,928	309,500
Provision for directors' bonuses	60,100	—
Others	2,226,787	2,512,621
<b>Total current liabilities</b>	<b>9,267,301</b>	<b>9,225,325</b>
<b>Non-current liabilities</b>		
Lease obligations	34,447	32,765
Deferred tax liabilities	2,612,638	3,041,425
Provision for directors' retirement benefits	90,482	92,689
Net defined benefit liability	1,402,316	1,399,622
Others	217,868	224,538
<b>Total non-current liabilities</b>	<b>4,357,753</b>	<b>4,791,041</b>
<b>Total liabilities</b>	<b>13,625,054</b>	<b>14,016,366</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	7,095,096	7,095,096
Capital surplus	7,964,413	7,964,413
Retained earnings	85,606,123	84,780,342
Treasury shares	(2,040,815)	(2,041,113)
<b>Total shareholders' equity</b>	<b>98,624,817</b>	<b>97,798,738</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	4,712,799	5,454,581
Foreign currency translation adjustment	2,167,456	3,250,659
Remeasurements of defined benefit plans	(18,695)	(16,891)
<b>Total accumulated other comprehensive income</b>	<b>6,861,560</b>	<b>8,688,349</b>
<b>Non-controlling interests</b>	<b>852,593</b>	<b>912,167</b>
<b>Total net assets</b>	<b>106,338,971</b>	<b>107,399,255</b>
<b>Total liabilities and net assets</b>	<b>119,964,026</b>	<b>121,415,622</b>

**(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income**  
**(Quarterly Consolidated Statements of Income)**

(Thousands of yen)

	First Quarter of FY2022 (April 1, 2021 to June 30, 2021)	First Quarter of FY2023 (April 1, 2022 to June 30, 2022)
Net sales	12,630,513	13,099,003
Cost of sales	8,177,781	9,018,830
Gross profit	4,452,731	4,080,172
Selling, general and administrative expenses	1,800,624	1,850,288
Operating income	2,652,106	2,229,884
Non-operating income		
Interest income	11,747	18,867
Dividend income	66,260	90,627
House rent income	4,937	5,536
Foreign exchange gains	—	162,363
Others	44,838	27,239
Total non-operating income	127,785	304,635
Non-operating expenses		
Interest expenses	1,606	1,838
Cost of lease revenue	3,496	—
Foreign exchange losses	5,222	—
Others	1,089	2,299
Total non-operating expenses	11,415	4,137
Ordinary income	2,768,476	2,530,382
Extraordinary income		
Gain on sales of non-current assets	17,252	—
Total extraordinary income	17,252	—
Extraordinary losses		
Provision for directors' retirement benefits	186,396	—
Loss on retirement of non-current assets	—	5,350
Total extraordinary losses	186,396	5,350
Income before income taxes and minority interests	2,599,333	2,525,032
Income taxes	901,298	901,489
Quarterly net income	1,698,035	1,623,543
Quarterly net income attributable to non-controlling interests	26,756	28,760
Quarterly net income attributable to shareholders of the parent company	1,671,278	1,594,782



**(Quarterly Consolidated Statements of Comprehensive Income)**

(Thousands of yen)

	First Quarter of FY2022 (April 1, 2021 to June 30, 2021)	First Quarter of FY2023 (April 1, 2022 to June 30, 2022)
Quarterly net income	1,698,035	1,623,543
Other comprehensive income		
Valuation difference on available-for-sale securities	(83,870)	741,782
Foreign currency translation adjustment	872,558	1,140,879
Remeasurements of defined benefit plans	(33,172)	1,803
Total other comprehensive income	755,515	1,884,464
Quarterly comprehensive income	2,453,550	3,508,008
Quarterly comprehensive income attributable to:		
Quarterly comprehensive income attributable to shareholders of the parent company	2,386,102	3,421,571
Quarterly comprehensive income attributable to non-controlling interests	67,448	86,436

**(3) Notes on Quarterly Financial Statements**

**(Notes on the Going Concern Assumption)**

There is nothing to report.

**(Notes on Significant Changes in the Amount of Shareholders' Equity)**

There is nothing to report.

**(Application of Specified Accounting Methods for Preparation of Quarterly Consolidated Financial Statements)**

With respect to tax expenses, the effective tax rate after the application of tax effect accounting on income before income taxes and minority interests of the consolidated fiscal year, including the first quarter under review were reasonably estimated and tax expenses were calculated multiplying income before income taxes and minority interests by said estimated effective tax rate.

Adjustments for income and other taxes are included in income taxes.

**(Segment Information, etc.)**

[Segment information]

Segment information is omitted because the natural seasonings business is our only segment.

**3. Others**

**Significant Events regarding Going Concern Assumption**

There is nothing to report.