

**Ajinomoto Co., Inc. (2802)
Forecast for the Fiscal Year
Ending March 31, 2017 (FY2016)
and Outlook**

November 8, 2016

**Takaaki Nishii
President & CEO**

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I. Overview of FY2016 Forecast

FY2016 Revised Forecast

In the final fiscal year of the FY2014-2016 Medium-Term Management Plan, both net sales and operating income are revised downward due to impact of exchange rates and slump in feed-use amino acids market.

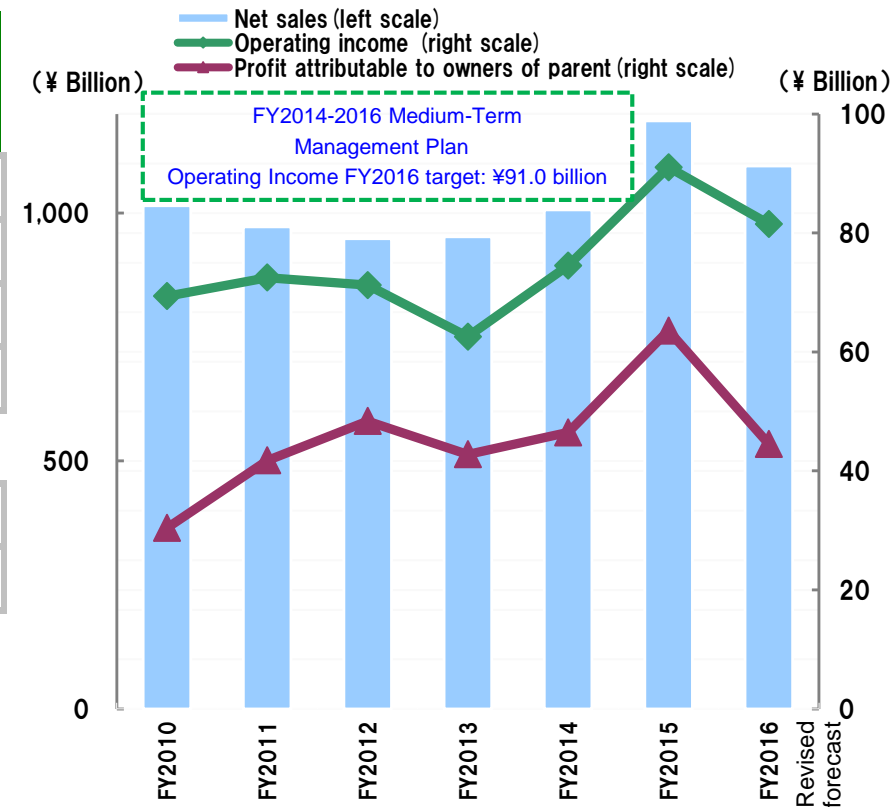
(¥ Billion)	FY2016 Revised forecast	FY2016 Initial forecast	Difference	YoY Change
Net sales	1,095.0	1,186.0	-91.0	-7.6%
Operating income	81.5	91.0	-9.5	-10.4%
Net income*	44.5	51.0	-6.5	-29.9%
Net income per share (¥)	77.83	89.08	-1.1	-27.9%

Ref.: Excluding impact of amortization of goodwill.

Amortization of goodwill	6.4	6.8	-0.4	-6.6%
Operating income before amortization of goodwill	87.9	97.8	-9.9	-10.2%

* "Net income refers to "profit (loss) attributable to owners of parent" throughout this presentation.

- Net sales
 - ▲: Impact of exchange rates, slump in feed-use amino acids market
- Operating income
 - ▲: Impact of exchange rates, slump in feed-use amino acids market
- Net income
 - ▲: Decrease in net extraordinary gains



Note: From FY2011, sales promotion discounts are deducted from net sales under a new accounting treatment.

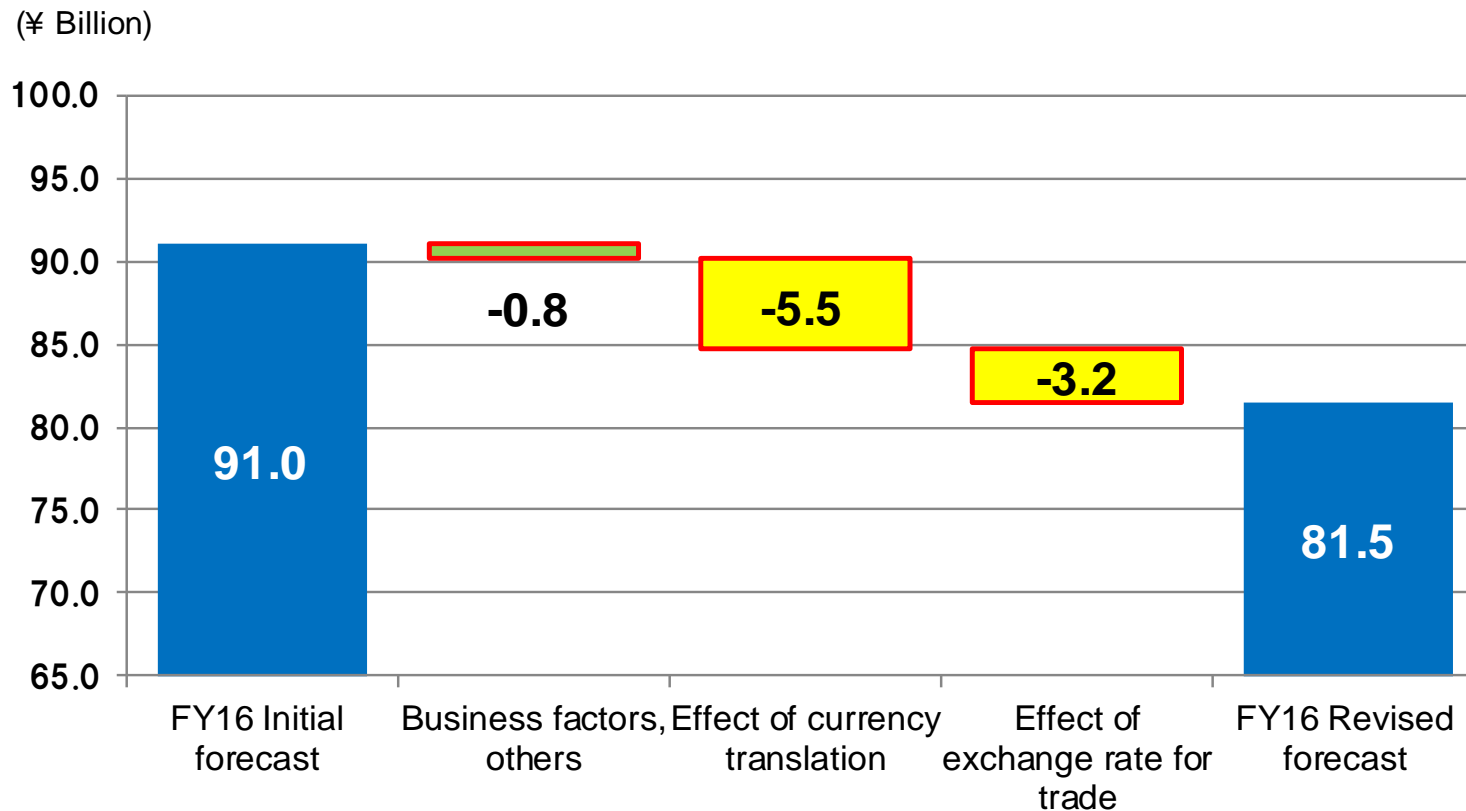
FY2016 Revised Forecast: Factors in Changes in Operating Income Compared with Initial Forecast

Substantial negative impact of exchange rates due to appreciation of the yen. Increasing positive impact in raw materials and fuel vs. initial forecast for FY2016. We will promote measures to further raise profitability to achieve the targets of the revised forecast in FY2016.

Assumed exchange rate (vs. JPY)

	FY2016 Revised forecast	FY2016 Initial forecast	1H-FY2016 results*	2H-FY2016 forecast	FY2015 results*
USD	103.5	110.0	105.2	101.8	120.2
EUR	114.5	123.0	118.0	111.0	132.6
THB	2.95	3.20	3.00	2.90	3.40
BRL	28.7	30.3	31.2	26.2	33.5

* Average rate during the period



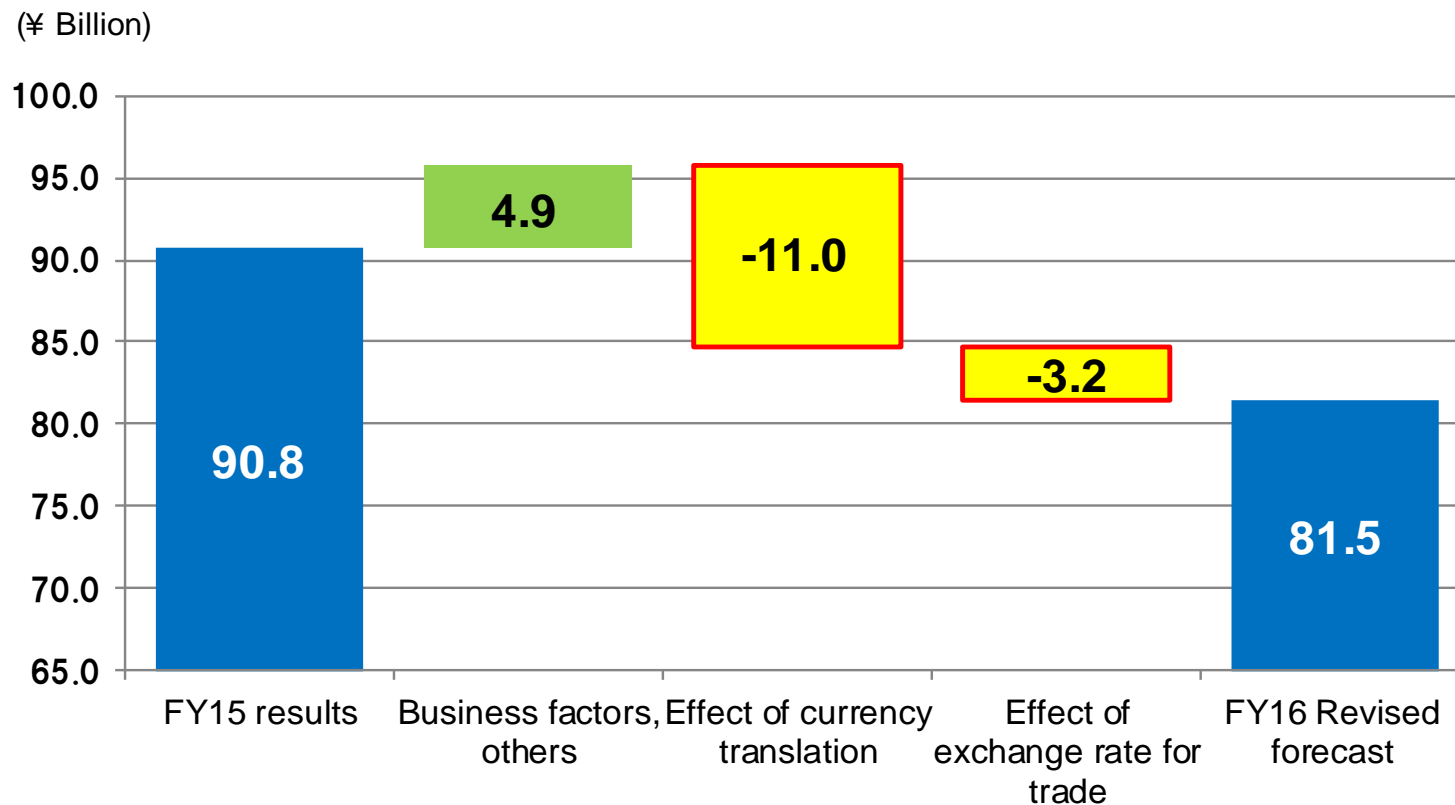
FY2016 Revised Forecast: Factors in Changes in Operating Income Compared with FY2015 Results

Business is steadily growing despite the substantial negative impact of exchange rates. Excluding the impact of exchange rates, sales and income increased.

Assumed exchange rate (vs. JPY)

	FY2016 Revised forecast	FY2016 Initial forecast	1H-FY2016 results*	2H-FY2016 forecast	FY2015 results*
USD	103.5	110.0	105.2	101.8	120.2
EUR	114.5	123.0	118.0	111.0	132.6
THB	2.95	3.20	3.00	2.90	3.40
BRL	28.7	30.3	31.2	26.2	33.5

* Average rate during the period



FY2016 1H & 2H Projected Operating Income: Factors in Changes in Operating Income Compared with FY2015 Results

In the first half, operating income fell sharply due to the negative effect of currency translation and slump in the animal nutrition market.

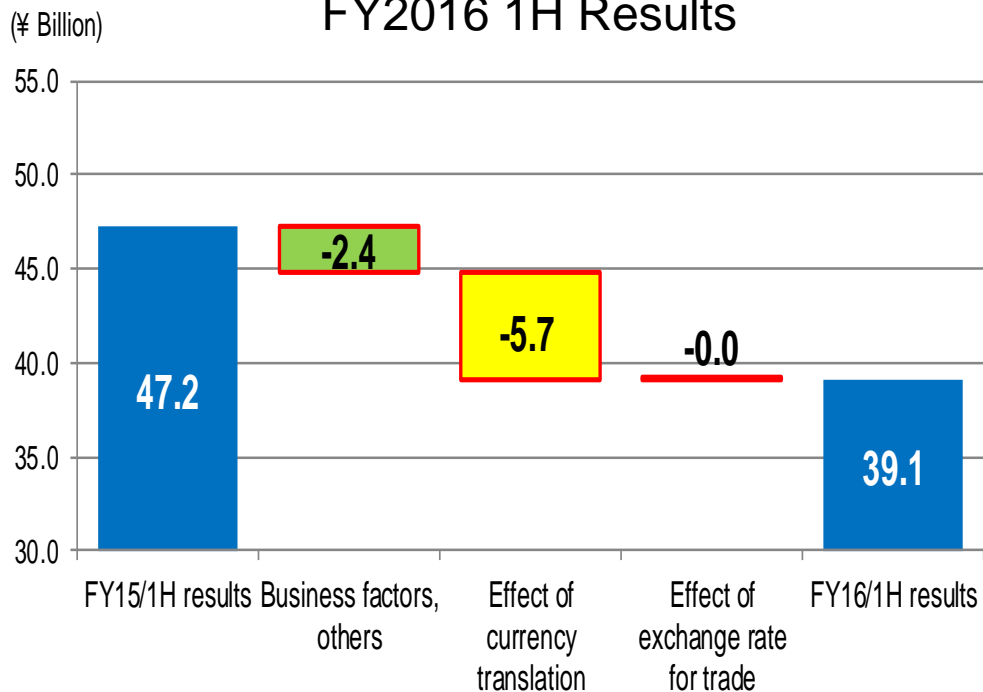
With similar conditions in the second half, we aim to achieve the revised forecast in FY2016 through growth of specialty products, etc.

Assumed exchange rate (vs. JPY)

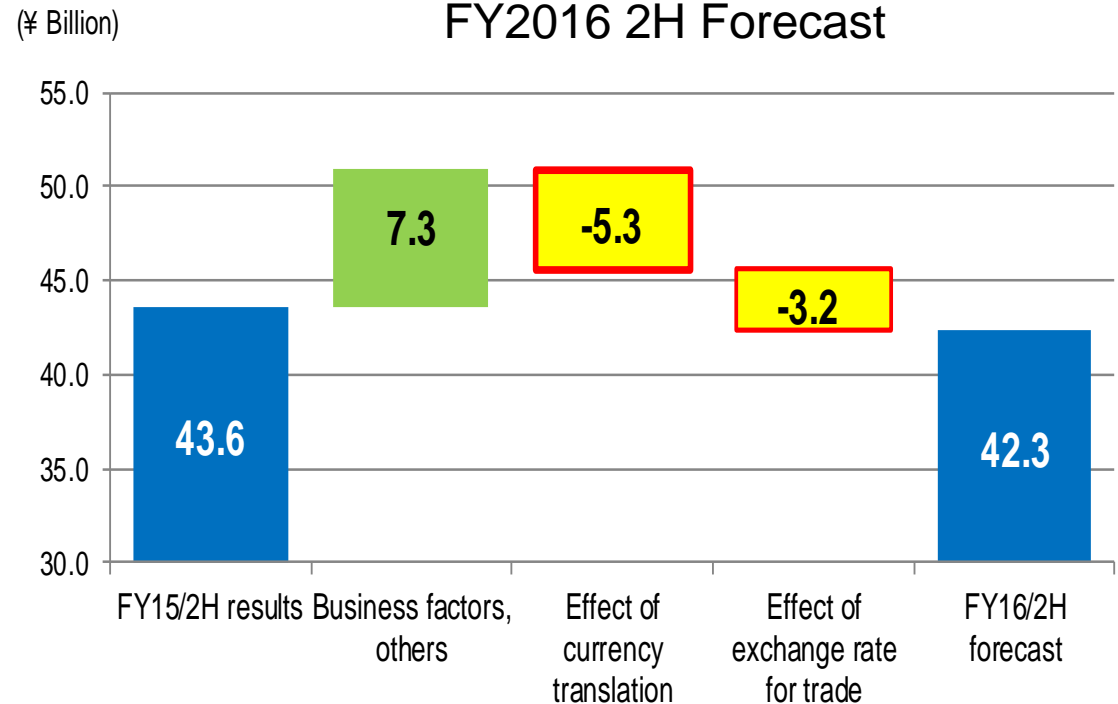
	1H- FY2016 results*	2H- FY2016 forecast	FY2015 results*
USD	105.2	101.8	120.2
EUR	118.0	111.0	132.6
THB	3.00	2.90	3.40
BRL	31.2	26.2	33.5

* Average rate during the period

FY2016 1H Results



FY2016 2H Forecast



FY2016 Revised Forecast by Segment

(¥ Billion)

	FY2016 Revised forecast (A)	O.P.%	FY2016 Initial forecast (B)	O.P.%	Difference (A)-(B)	FY2015 (C)	O.P.%	YoY Change		Y o Y Change*	
								Amount (A) - (C)	% (A) / (C)	Amount	%
Net sales	1,095.0		1,186.0		-91.0	1,184.1		-89.1	-7%	8.3	0%
Japan Food Products	403.0		411.8		-8.8	397.0		5.9	1%	7.1	1%
International Food Products	414.4		466.8		-52.4	463.9		-49.5	-10%	21.1	4%
Life Support	124.5		145.2		-20.7	142.4		-17.9	-12%	-3.2	-2%
Healthcare	91.6		98.0		-6.4	89.5		2.0	2%	11.2	12%
Other	61.5		64.2		-2.7	91.1		-29.6	-32%	-27.9	-30%
Operating income	81.5	7.4%	91.0	7.6%	-9.5	90.8	7.6%	-9.3	-10%	1.6	1%
Japan Food Products	37.0	9.1%	35.2	8.5%	1.8	30.6	7.7%	6.3	20%	6.8	22%
International Food Products	36.1	8.7%	41.4	8.8%	-5.3	41.9	9.0%	-5.8	13%	2.4	5%
Life Support	4.5	3.6%	11.7	8.0%	-7.2	11.8	8.2%	-7.3	-61%	-6.3	-53%
Healthcare	6.3	6.8%	5.8	5.9%	0.5	5.7	6.3%	0.5	10%	1.7	30%
Other	-2.4	-3.9%	-3.1	-4.8%	0.7	0.7	0.8%	-3.1	-	-3.0	-287%
Ordinary income	83.7		91.6		-7.9	94.1		-10.4	-11%		
Profit attributable to owners of parent	44.5		51.0		-6.5	63.4		-18.9	-29%		
Exchange rate											
JPY/USD	103.5		110.0			120.2					
JPY/EUR	114.5		123.0			132.6					

* Excluding impact of currency translation.

Changes as of FY2016 (Figures for FY2015 and subsequent fiscal years have been restated.)

1. Japan Food Products segment: The nutrition care business that was included in other in the Healthcare segment has been transferred to the seasonings & processed foods business.
2. International Food Products segment: Transfer within the segment. The international household sweeteners business has been transferred from sweeteners to international seasonings and processed foods.
3. Healthcare segment: The method for recording the former pharmaceuticals business was changed due to the inauguration of EA Pharma Co., Ltd.
4. Other: Recorded expenses related to the pharmaceuticals business.

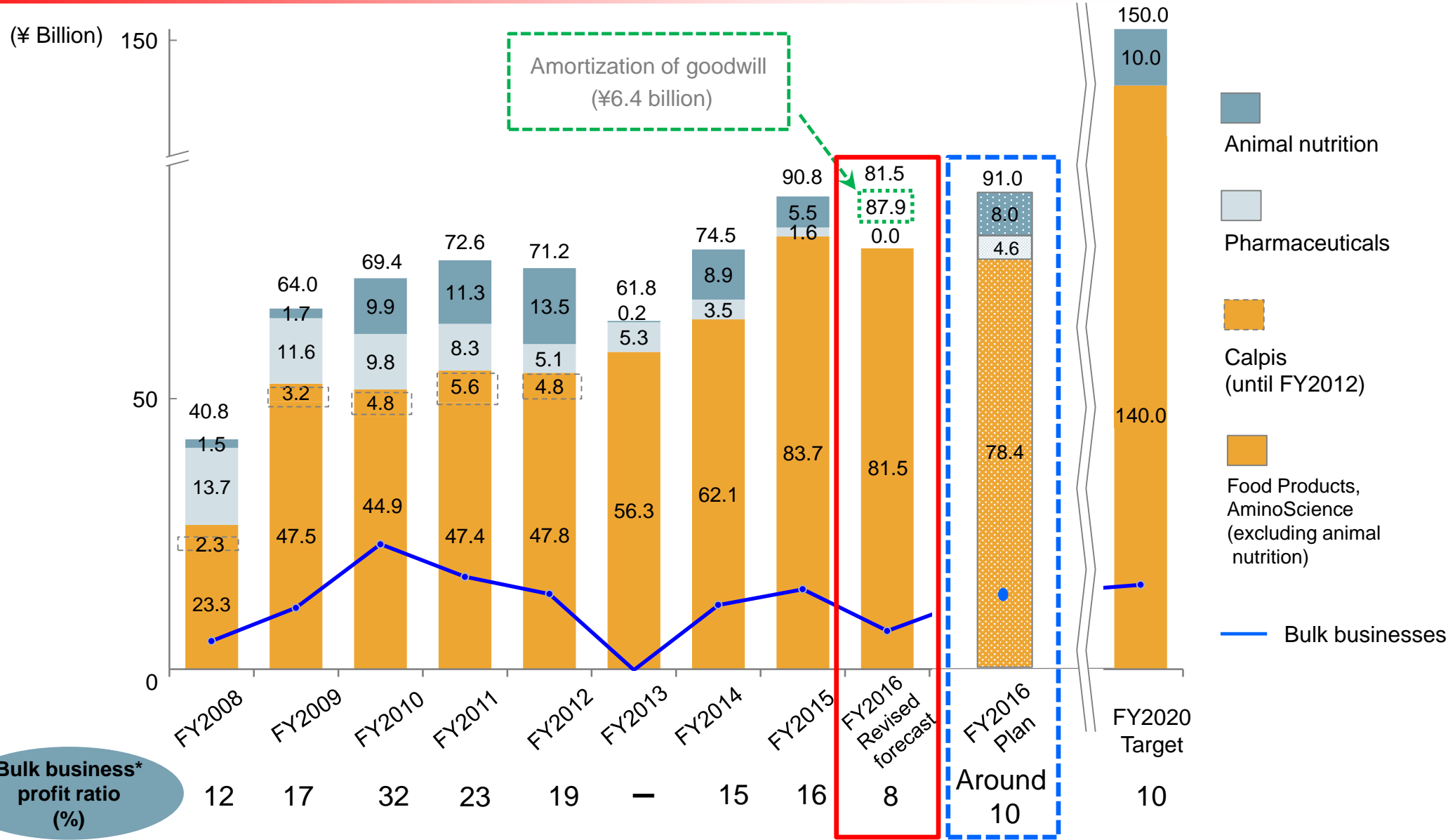
FY2016 Revised Forecast - Ordinary Income and Profit for the Period

Decrease in ordinary income and profit for the period. Downward revision of net extraordinary gains.

	FY2016 Revised forecast	FY2016 Initial forecast	Difference	FY2015 Results	Main Factors
Net sales	1,095.0	1,186.0	-91.0	1,184.1	
Operating income	81.5	91.0	-9.5	90.8	
Non-operating income (-:losses)	2.2	0.6	1.6	3.2	
Interest income	2.5	2.3	0.2	2.8	
Dividend income	1.1	1.0	0.1	1.3	
Equity in earnings of nonconsolidated subsidiaries and affiliates	2.8	1.5	1.3	1.5	
Interest expense	-2.5	-2.6	0.1	-2.2	
Other (net)	-1.7	-1.7	0.0	-0.2	
Ordinary income	83.7	91.6	-7.9	94.1	
Extraordinary gains (-:losses)	-5.1	-3.2	-1.9	6.0	
Gain on sale of shares in affiliated companies	2.5	-	2.5	-	Sold policy shareholdings
Gain on step acquisitions	-	-	-	18.0	FY2015 Ajinomoto General Foods, Inc.
Loss on disposal of fixed assets	-1.1	-	-1.1	-2.7	
Loss on change in equity	-1.1	-	-1.1	-	EA Pharma Co., Ltd.
Loss on liquidation of affiliates	-	-	-	-6.9	FY2015 Ajinomoto Sweeteners Europe S.A.S.
Other	-5.4	-3.2	-2.2	-2.4	
Net income before income taxes	78.6	88.4	-9.8	100.1	
Income taxes	24.4	27.3	-2.9	27.0	Effective tax rate FY2015:26.9%,FY2016 Initial forecast:30.8%, FY2016 Revised forecast:31.0%
Profit for the period	54.2	61.1	-6.9	73.1	
Profit attributable to non-controlling interests	9.7	10.1	-0.4	9.6	
Profit attributable to owners of parent	44.5	51.0	-6.5	63.4	

Targeted Composition of Operating Income

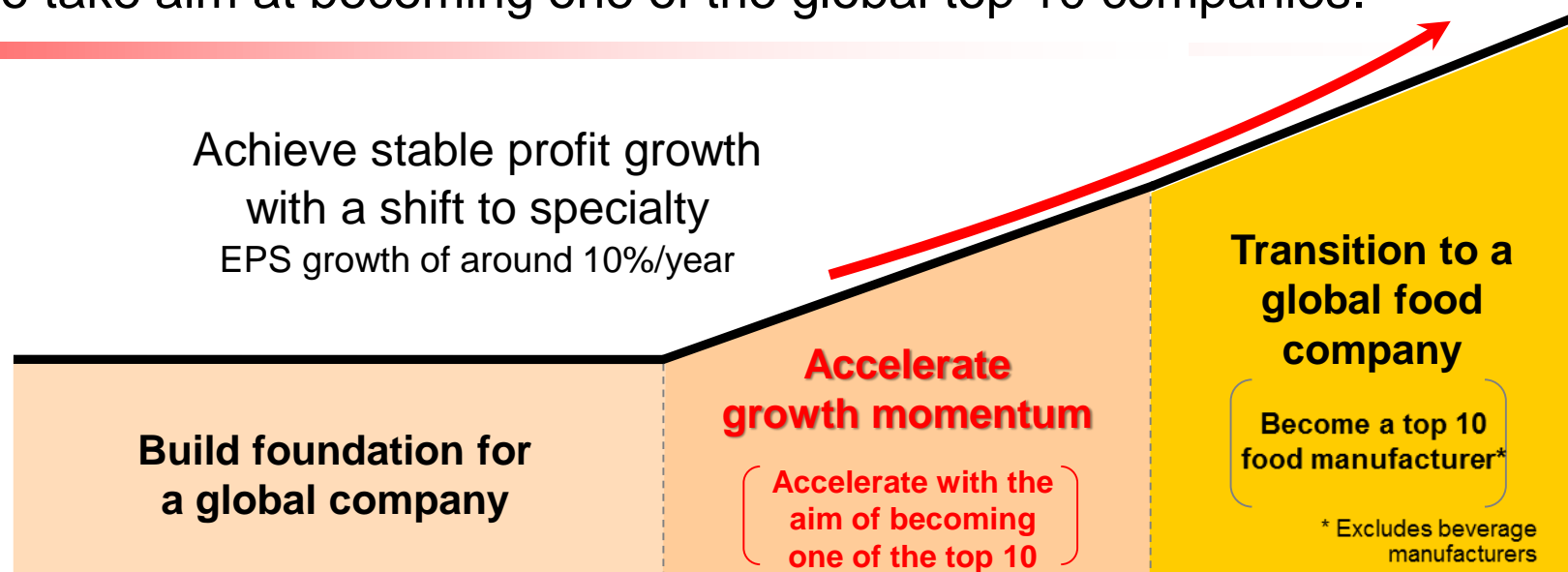
Raise earnings quality by controlling the ratio of bulk businesses and pursuing specialty groupwide.



• Bulk businesses: Umami seasonings for processed food manufacturers, animal nutrition, sweeteners

Roadmap to a Genuine Global Specialty Company

Accelerate growth to take aim at becoming one of the global top 10 companies.



	FY2011 Result	FY2012 Result	FY2013 Result	FY2014 Result	FY2015 Result	FY2016 Revised forecast	FY2016 Initial forecast	FY2020~ (Target)	FY2020~ (Vision)
Operating income (¥ Bil.)	72.6	71.2	61.8	74.5	90.8	81.5	91.0	91.0	150.0
OP margin (%)	7.5	7.5	6.5	7.4	7.6	7.4	7.7	8	10
ROE	6.9%	7.8%	7.1%	7.4%	9.8%	7.4%	8.1%	9%	10%~
EPS (¥)	61.3	74.4	68.7	78.5	107.86	77.83	89.08	100.0	150
Operating income excl. goodwill¹ /OP margin (%)				75.3 (7.5)	97.8 (8.2)	87.9 (8.0)	97.8 (8.3)		
ROE excl. goodwill¹				7.4%	10.7%	8.2%	9.0%		
EPS excl. goodwill¹ (¥)				79.4	117.57	86.94	98.78		
Bulk business profit ratio²	23%	19%	—	15%	16%	8%	15%	Around 10%	10%

1. Reference data excluding amortization of goodwill.

2. Bulk businesses: Umami seasonings for processed food manufacturers, animal nutrition, sweeteners

II. GROW: Accelerate Growth Momentum

(1) Growth Drivers

**International Food Products/Seasonings &
Processed Foods and Frozen Foods**

(2) Stable Growth Businesses

Japan Food Products/Frozen Foods and Coffee Products

(3) Business Strengthening

Healthcare/Other

(4) Topics

(1)-1. ① Create country/area pillars to follow Japan with rapid growth in the “Five Stars” countries.

Aim to Double/Triple Growth in “Five Stars”: Steady growth of existing businesses and aggressive expansion of business domains at five target companies

○ : scale of sales expansion by FY2020 (vs. FY2012, local currency basis)



- Growth of middle and upper income brackets
- Modernization of eating habits/channels

◆ Seasonings Business Completion planned for FY2017, total investment approx. JPY 10 billion

Steady expansion of AJI-NO-MOTO® and flavor seasonings, and expansion of production capacity in response to strong growth of menu-specific seasonings

Vietnam: Approx. 20% increase in production capacity for AJI-NO-MOTO®



Increase demand with ongoing menu suggestions considering nutritional balance

- ✓ Strengthen supply system

Thailand: Approx. 40% increase in production capacity for Ros Dee®



Automate packaging process, prevent contamination and enhance traceability

- ✓ Improve production efficiency and enforce quality control

Indonesia: Approx. 30% increase in production capacity for Masako® and approx. 80% for Sajiku®



Strengthen communication of “safety and reliability”

Install pathways for plant visitors

- ✓ Further promote specialty

Five Stars	Growth rate of Ajinomoto Group (FY16/1H)		Growth rate of umami seasonings (Ajinomoto Co. estimate)		Growth rate of flavor seasonings (Ajinomoto Co. estimate)	
	Local currency basis		Market (FY16/Q1)	Ajinomoto (FY16/1H)	Market (FY16/Q1)	Ajinomoto (FY16/1H)
Thailand	-1%	+2%	+1%	+4%	+5%	
Brazil	+34%	-15%	+2%	-7%	+2%	
Indonesia	+12%	+1%	+4%	+21%	+9%	
Vietnam	+10%	+2%	+9%	+1%	+1%	
Philippines	+6%	+2%	+4%	-2%	+14%	

(1)-2. Conditions in Thailand, Our Largest Overseas Base

Seasonings firm in domestic market – Moving to new stage with establishment of Myanmar subsidiary

Thailand: Steady expansion in domestic sales of seasonings, driven by restaurant demand. Processed foods rebounding with launch of new products and stronger sales of existing products.

Myanmar: Sales struggling due to currency depreciation and intensified competition.

	April-Sep. YoY Change	FY2016 Results by Category
Sales in Thailand	+0%	Umami seasonings +1%, Flavor seasonings +5%, Menu-specific seasonings +15%, Beverage -3%, Powdered drinks -10%, Instant noodles +1%
Myanmar	-13%	Umami seasonings +0%, Powdered drinks -22%

Established Myanmar Ajinomoto Foods CO. Ltd. in Feb. 2016 for packaging and sales of *AJI-NO-MOTO®* in Myanmar

- Autumn 2016: Scheduled start of construction of a packaging plant for *AJI-NO-MOTO®*
- Autumn 2017: Scheduled start of packaging and sales of *AJI-NO-MOTO®*



A market in Myanmar



Myanmar curry



(1)-3. Ajinomoto Windsor, Inc.:

Initiatives in the Frozen Foods Business in North America – Generate Synergy

Expand Sales and Strengthen the Profit Structure

Generate Synergy from the Comprehensive Strength of the Ajinomoto Group

- ◇ Expand sales using an enhanced customer base
- ◇ Full renewal of mainstay products with introduction of the Ajinomoto Group's production technologies

- Continued to grow sales of frozen noodles and frozen rice using customer base of former Windsor Quality Holdings.
- Joint R&D team of local and Japanese researchers has finished study of quality improvement initiatives, and business negotiations for introduction are under way.



YAKISOBA Fried Rice



Product to be improved with technology introduction

- ◇ Strengthen the profit structure with Kaizen activities and elimination of unprofitable items.

- Made steady process improvements through Kaizen activities and local production technology training with Ajinomoto Group support.
- Eliminated unprofitable items (44 of 1,154 items discontinued in the first half of FY2016)



Conveyor before improvement



Conveyor after improvement



Kaizen presentation in U.S.

Strengthen Development and Production Bases for Frozen Noodles and Frozen Rice

- ◇ Launched our unique concept of "cooked frozen noodles"

Established Ajinomoto Toyo Frozen Noodles Inc. through a joint venture with Toyo Suisan Kaisha, Ltd.

- April 2015

- Launch of a new product, **AJINOMOTO® TOKYO STYLE SHOYU RAMEN WITH CHICKEN**
- October 2016



New product



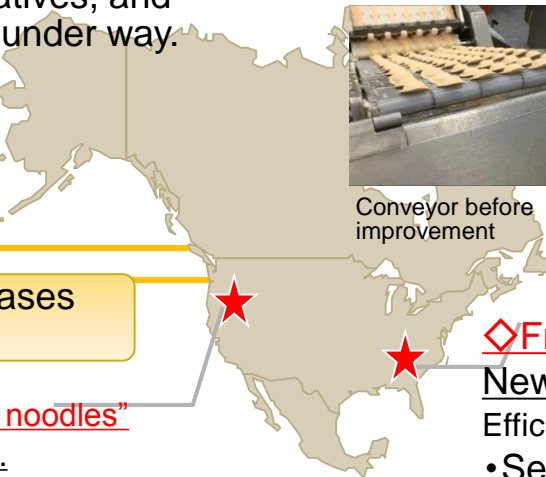
Ajinomoto Toyo Frozen Noodles Inc.



Item produced at Oakland Plant



Oakland Plant



- ◇ Frozen Rice capacity expanded 50%

New production line at Oakland Plant

Efficient supply system in U.S. with 2 bases in east & west

- Sept. 2015: Start of construction
- June 2016: Start of operation

(2)-1. Market Environment and Outlook for Japan Frozen Food Products

Market Environment & 1H Review

Household-Use Market (Data from AJINOMOTO FROZEN FOODS Co., 2016)

The cooked frozen foods market grew 3% over the previous year. The home dining market is expanding, but the boxed lunch market has stagnated.

Restaurant and Institutional-Use Market (Data from AJINOMOTO FROZEN FOODS Co., 2016)

Growth of the restaurant and institutional-use market remains solid. Expansion is centered on the ready-made meal market, while the restaurant and food service markets are growing slightly.

■ Frozen Foods Business in Japan

Sales in 1st half expanded steadily, with increases for both household-use and restaurant and institutional-use products.

◆ Household-Use

Highlighted superior quality and rolled out promotions. Gyoza sales were up significantly with increase in trial purchases, and *The Chahan* maintained strong sales.

◆ Restaurant and Institutional-Use

Sales expanded, led by core products including desserts, gyoza and processed chicken products.

Outlook

■ Continued expansion expected.

◆ Household-Use

In addition to sales expansion of core products, and establishment and expansion of new products, will launch *The Shumai* in December to follow up strong-performing *The Chahan*.



Horizontal rollout of strong-performing “*The*” series of products that can also be main dishes to revitalize the boxed lunch market.

◆ Restaurant and Institutional-Use

Will work to expand sales of core products including desserts, gyoza and processed chicken products, and carry out initiatives with growing major customers.

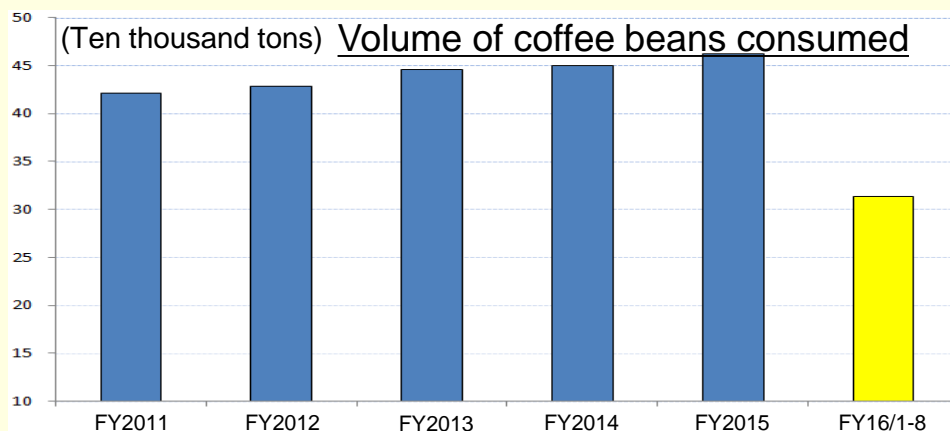


Offer new products such as patisserie-quality desserts and linked-type gyoza that are much easier to cook.

(2)-2. Ajinomoto General Foods, Inc. (AGF): Initiatives in the Coffee Business

Market Environment & 1H Review

- ◆ Japan's Coffee Market Is Expanding Steadily
 - Record consumption for fourth straight year (2015)
 - Steady growth in January-August 2016 (+3% YoY)



(Source: All Japan Coffee Association)

- Household-Use: Steady growth driven by the personal category (stick-type & personal regular coffee)
- Restaurant and Industrial-Use: Growth of fresh-brewed coffee sold at convenience store counters slowed down, but growth was stable in the restaurant market overall.

- ◆ Green Coffee Bean Prices: Prices rose on a dollar basis, but were within expectations due to appreciation of the yen.

New Initiatives

- ◆ Evolve **JapaNeeds Coffee®** and Nurture **Sen**

- After up-front investment in first half,
- Promoted **Sen** at Ise-Shima Summit
- Presented “Coffee♥Wagashi Awards” in cooperation with Japan Wagashi Association



- In second half, we will further enhance measures
- Collaborative promotion of Japanese food/sweets and **Sen**

- ◆ Acquired all trademarks for **Blendy**, **MAXIM** and other products licensed from a group company of Jacobs Douwe Egberts (JDE)



for approx. JPY 25.9 billion (press release issued Oct. 31)

- Owning these important brands will enable us to further enhance corporate value with active brand investment, etc.

- ◆ Group Synergies

- Start cooperation in sales in Japan/integration of gift product businesses
- Accelerate consideration of new domains and new areas overseas

(3) Business Strengthening: Health Support with Amino Acids

◆ Rolling out evidence-backed amino acid-based products

Amino Vital® Support for Athletes

- A high-performance amino-acid sports supplement backed by evidence from sports nutrition research
 - ✓ Contains branched chain and other amino acids that support muscle conditioning.
 - ✓ Sales have increased threefold since the launch in 1995.
- As we did at the Rio Olympics, we are planning a Victory Project® for the Tokyo Olympics to provide nutritional support with products such as *Amino Vital®*, seasonings and processed foods.



“Foods with Functional Claims” to Support Consumers’ Needs for Health*

- We are applying our unique expertise in amino acids to help address health issues in daily life.



*Sleep quality

Glyna®

Launched in August 2015



*Muscle preservation support

Amino Aile®

Launched in April 2016



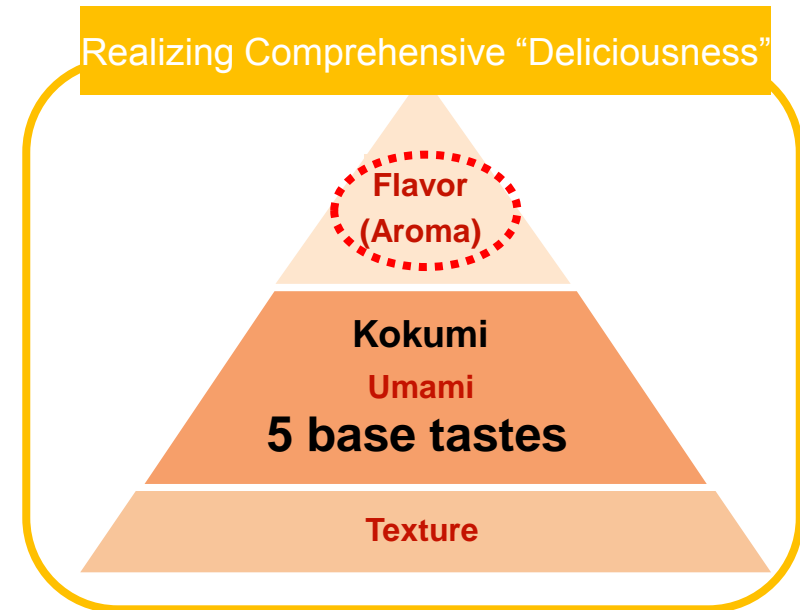
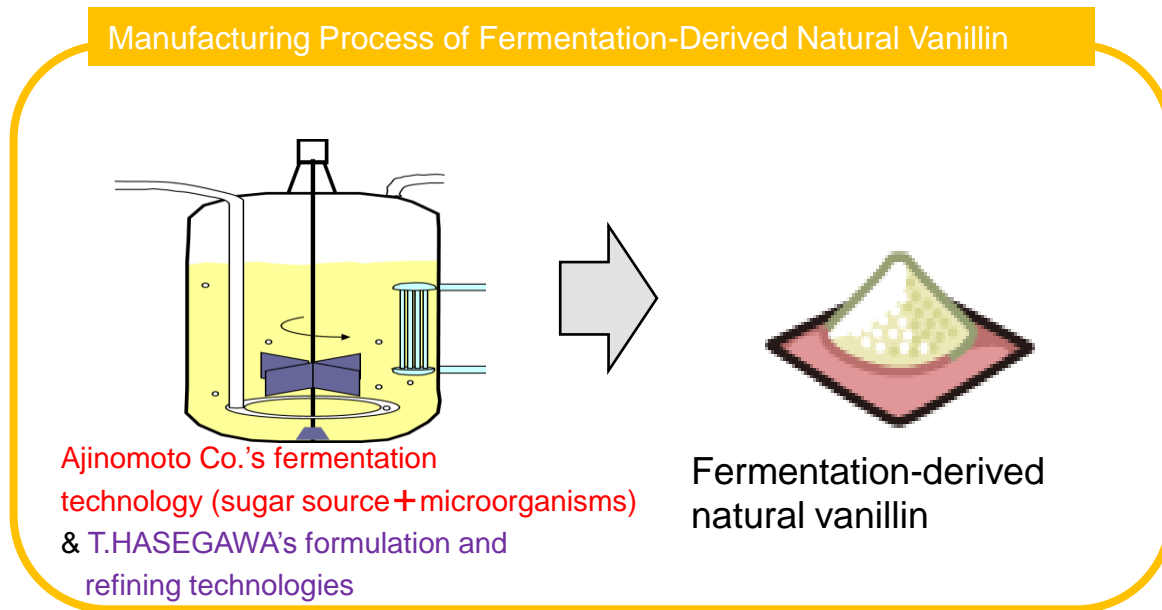
*Reduce fatigue (decline in mental clarity and attentiveness)

Mai Asa Histidine

Launch scheduled for spring 2017

(4)-1. Topics: Progress in Business Alliance with T.HASEGAWA CO., LTD.

Following successful lab-scale production of fermentation-derived natural flavor (vanillin), moving to commercial production stage. Aiming to provide samples in FY2017.



◆ The flavors market is growing, backed by the trend toward natural beverages and foods, especially in Western countries.

Estimates for 2020

- Total flavors market: USD 15,100 million (JPY 1.6 trillion), annual growth of 5-6%
- Natural flavors market: USD 6,000 million (JPY 630.0 billion), annual growth of 6%
→ Major confectionery and beverage makers in Western countries are increasingly

expressing an intention to switch to natural flavor.



(4)-2. Topics: Strengthening Business Foundation in Africa

- Acquisition of 33.33% Stake in Promasidor Holdings Limited

By combining Promasidor Holdings Limited's ("Promasidor"), strong sales foundation in Africa with our extensive product development capabilities and production technologies, we will strengthen our business foundation in all of Africa and establish a position as a leading player in the African market together with Promasidor in the medium to long term.

(November 8, 2016 press release)

*USD 1 = JPY 104.86 (as of Oct. 31, 2016)

Objectives of the Investment



Establish a position as a leading player in the African market together with Promasidor

“Contribute to well-being in Africa”

Overview of Promasidor Holdings Limited

- Established: 1979
- Net sales: USD 673 million (FY2015)
- Employees: Approx. 4,000 (as of October 2016)
- Business description: Production and sale of powdered milk, powdered beverages, flavor seasonings and cereals, etc.
- Purchase price: USD 532 mil. (approx. JPY 55.8 billion*)/33.33% of shares



III. FIT: Further Reinforcement of Business Structure

Animal Nutrition Business

Shift to Specialty Products in Bulk Commodities Business

Shift to Specialty Products in Animal Nutrition Business

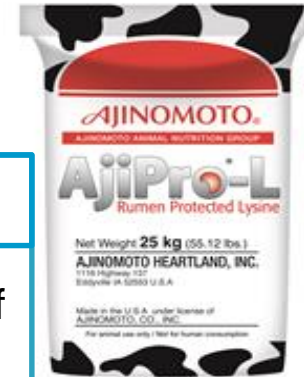
1. *AjiPro*[®]-L Initiatives

Market Environment

- Long-term slump in milk prices in North America, a key market, and stable low prices of blood meal
 - Sharp decrease in demand for high-priced protein raw materials (blood meal, etc.) due to long-term slump in milk prices
 - Formulation changes using *AjiPro*[®]-L as a blood meal substitute not proceeding as expected due to historically low blood meal prices
- Targeting acquisition of approval in the European market, where blood meal cannot be used

Sales Progress

- Fell well short of yearly sales volume target of 6,500 tons.
 - Introduced third-generation product with 25% greater Lysine availability (August)
 - Improved price acceptability with cost advantage over blood meal
 - Smaller grain size improves feed mixability (possibility of protein premix)
 - The increase in amount used by existing customers and the increase in new customers due to the above advantages are leading to sales volume expansion.



AjiPro[®]-L

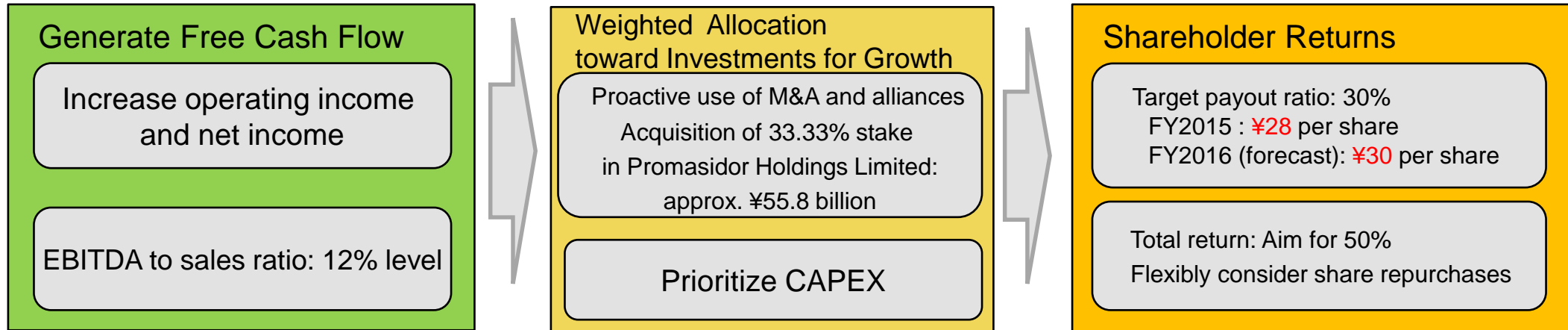
2. Will make further cost cuts and step up structural reforms in Lysine, Threonine and other commodity businesses

IV. FY2016 Financial Strategy

FY2016 Financial Strategy

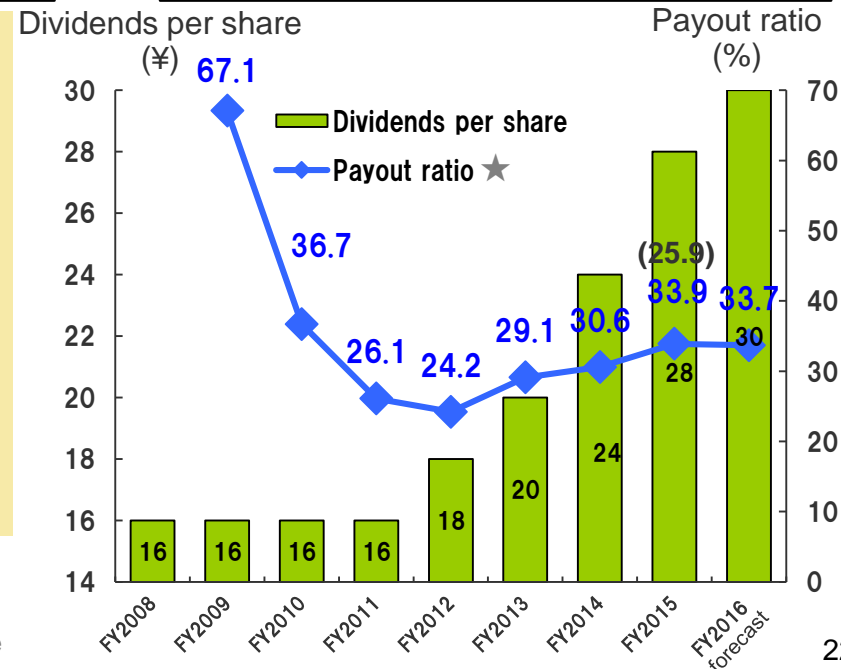
Investments for Growth and Shareholder Returns

No change from the policy in the FY2014-2016 Medium-Term Management Plan.
 Prioritize use of operating cash flow for investments for growth and schedule increases in dividends in FY2016.



Policies for Prioritizing Uses of Cash Flow and Shareholder Returns

- Investments for growth: Multiple projects under consideration
- Free cash flow target: ¥120 billion (3 years)
- Capital procurement: Interest-bearing debt (max. 50% net debt*/equity ratio)
 - * Net debt is interest-bearing debt - Cash on hand and in banks x 75%
- Payout ratio: 30% per single fiscal year
- Total shareholder returns: **Cumulative 71% expected** during FY2014-2016 Medium-Term Management Plan (3 years)
- Share repurchases: FY2014 ¥2.5 billion, FY2015 ¥30.0 billion
- Result of share repurchase: FY2016 ¥30.0 billion



★: Assumptions do not include extraordinary gain from the equity transfer of NISSIN-AJINOMOTO ALIMENTOS LTDA. in the denominator.

If extraordinary gain from the equity transfer of NISSIN-AJINOMOTO ALIMENTOS LTDA. is included in the denominator: 25.9%.

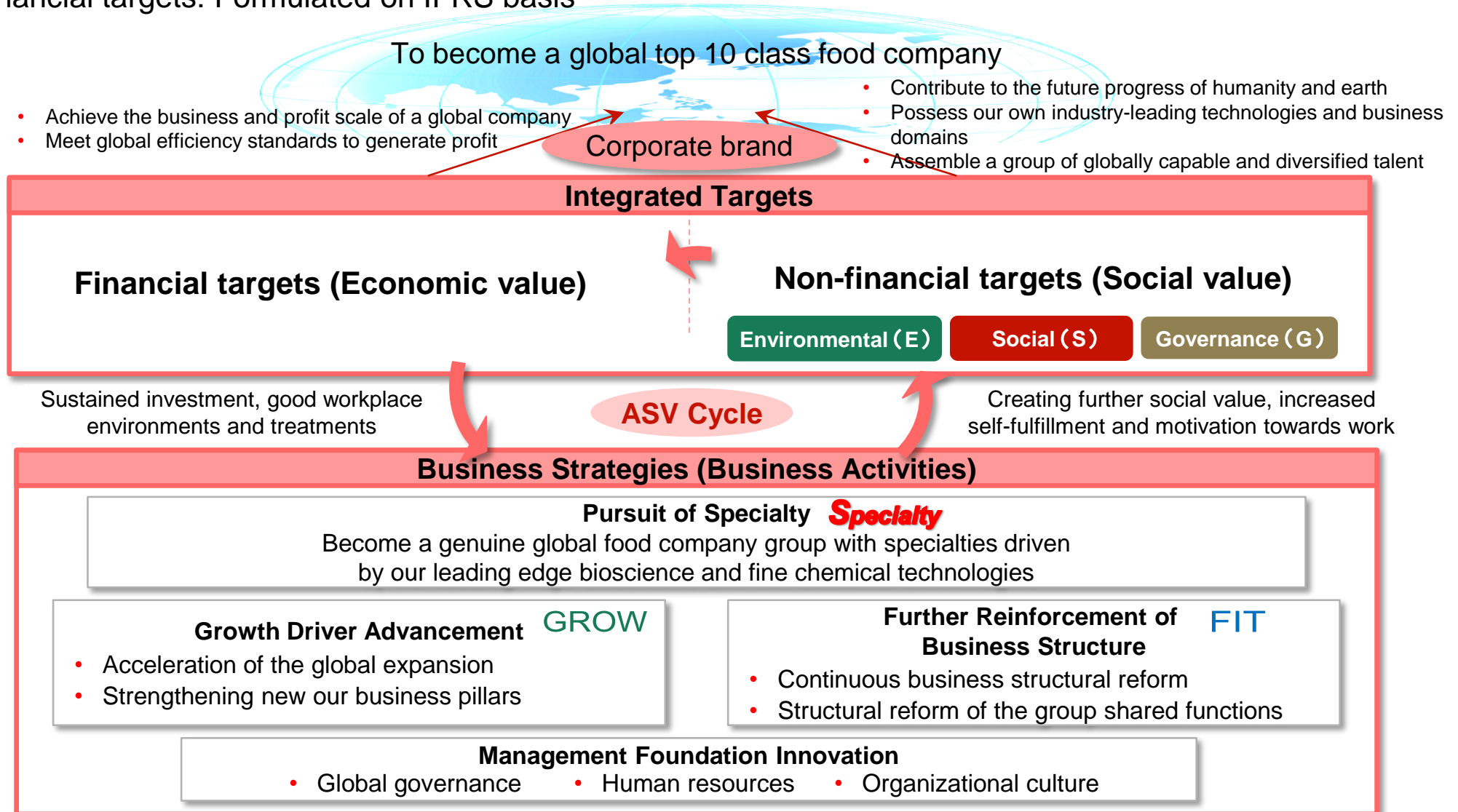
V. Next Medium-Term Management Plan

Toward the Formulation of the FY2017-2019 Medium-Term Management Plan

Formulate “Integrated ASV Targets” That Combine Financial and Non-Financial Targets

■ Announcement date: February 17, 2017

■ Financial targets: Formulated on IFRS basis



Reference

Shift to Specialty Products in Bulk Commodities Business: Reducing Dependence on Bulk Products

Animal Nutrition

Specialty products contributed despite slump in commodities

AjiPro®-L: Aiming to achieve sales expansion by accelerating customer acquisition.

Valine: Carrying out technical promotion for swine and broilers, and steadily expanding the market.

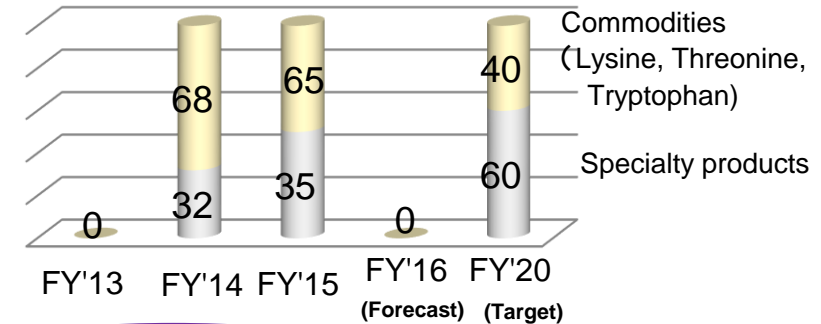
Umami Seasonings for Processed Food Mfrs.

70% in FY2015 ⇒ 71% in FY2016

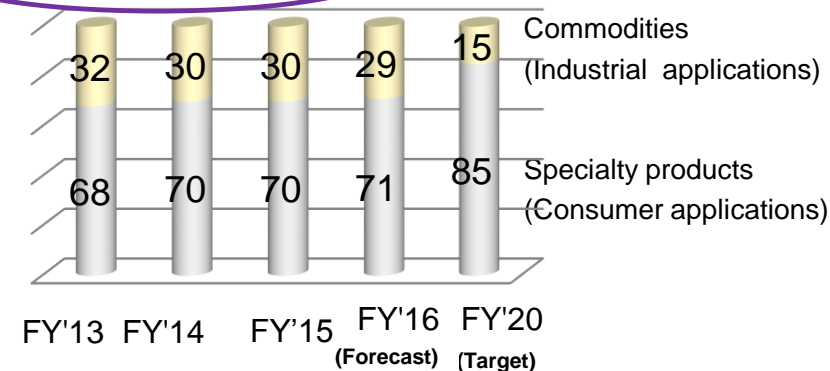
Growth of retail *AJI-NO-MOTO®*, flavor seasonings and menu-specific seasonings.

Continue strengthening structure of bulk business with cost reductions.

Animal Nutrition (% of operating income)

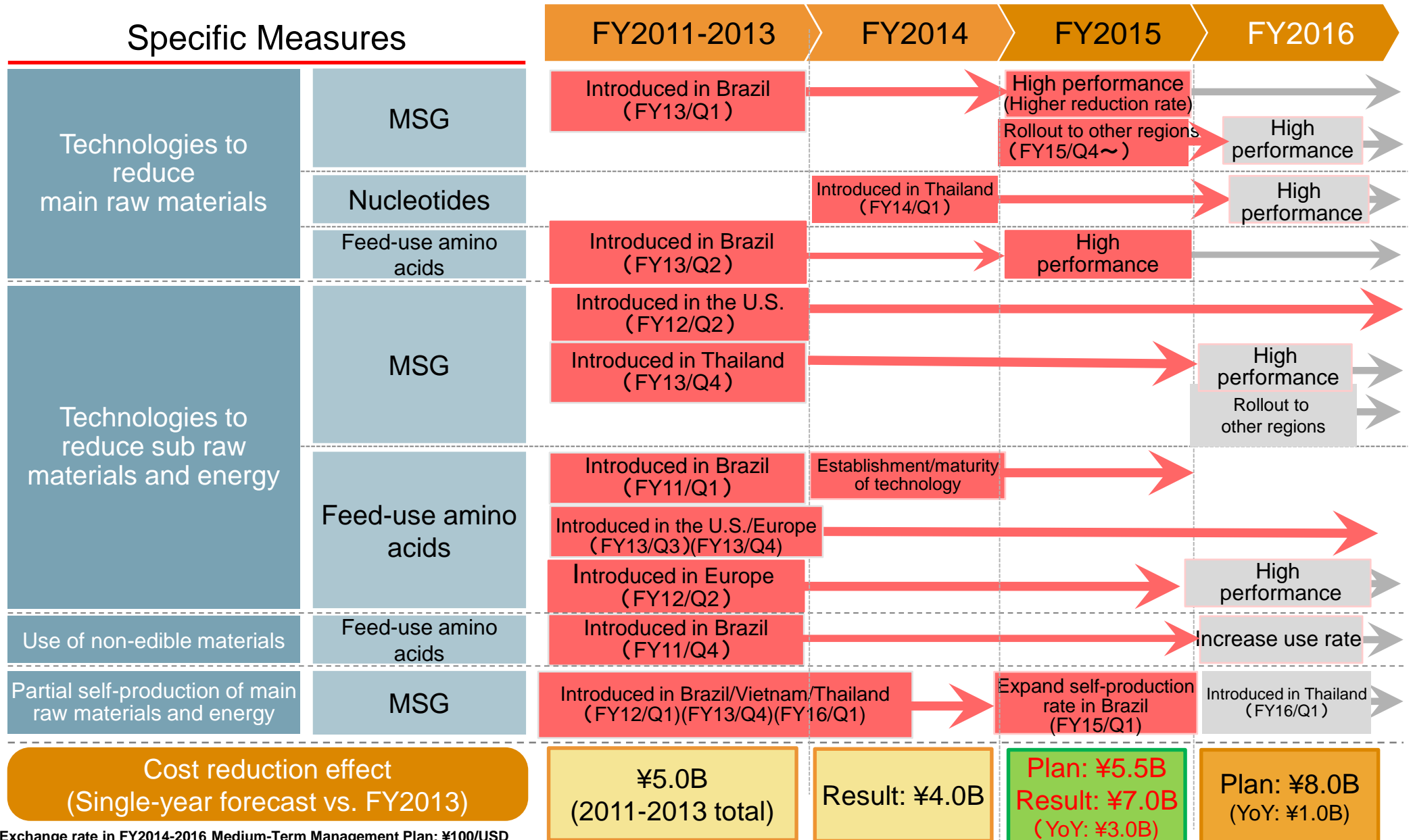


MSG (% based on weight)



Sweeteners: From FY2016, accelerate international household business expansion with a portfolio shift in international processed foods (powdered beverages)
 (Graph not presented due to changes in assumed figures)

Resource-Saving Fermentation Technologies (R&D Leadership): Cost reductions of ¥1.0 billion planned in FY2016



Exchange rate in FY2014-2016 Medium-Term Management Plan: ¥100/USD

[Reference] Assumptions of FY2016 Revised Forecast

Revised foreign exchange rates (vs JPY)

	Avg. rate	Sensitivity of translation effects to full year O.P.
USD	103.5	±¥1 → approx. ¥50 million
EUR	114.5	±¥1 → approx. ¥50 million
THB	2.95	±¥0.01 → approx. ¥100 million
BRL	28.7	±¥1 → approx. ¥250 million

Impact of exchange rate for trade

- 1 JPY vs. USD → approx. + ¥0 million
- 0.1 EUR vs. USD → approx. - ¥0 million
- 1 THB vs. USD → approx. + ¥500 million
- 0.1 BRL vs. USD → approx. + ¥200 million

Feed-use amino acids

Blue: Revised

1) Estimated market size (Thousand MT)

	FY2014	FY2015	FY2016 (Forecast)
Lysine	around 2,300	around 2,200	around 2,300
Threonine	around 445	around 480	around 520
Tryptophan	around 23	around 28	around 33

2) Sales volume of the Ajinomoto Group (Thousand MT)

	FY2014	FY2015	FY2016 (Forecast)
Lysine	around 350	around 320	around 330
Threonine	around 110	around 110	around 110
Tryptophan	around 5	around 5	around 7.5

3) Market price forecast (USD/kg, CIF)

	FY2015	FY2016 (Forecast)**		FY2016/ October
		1H	Full Year	
Lysine	1.25	around 1.35	around 1.35	1.35
Threonine	2.3	around 1.75	around 1.75	1.75
Tryptophan	10	around 8	around 8	8
Spread*	170	around 220	around 180-200	190

*Spread (USD/ST) is the price difference between soybean meal and corn on the Chicago Board of Trade (CBOT).

** Does not correspond with assumptions in Ajinomoto's forecast of results.

Impact of Exchange Rates for Trade

◆ If the **export base currency depreciates** against the trading currency, the **effect on operating income is positive**. The impact of exchange rates for trade in the first half was almost nil, as the 1Q and 2Q effects offset each other. The 1Q effect was on the profit side, with export/import base currency depreciation (BRL, THB), but the 2Q effect was on the **loss side** due to **export/import base currency appreciation**.

Export base	Trading currency	Actual rates (Upper row: FY2016; lower row: FY2015)	Rate trend (FY2016 vs FY2015)	Effect on operating income	Main import and export products
Brazil (BRL)	USD	USD 1 = BRL 3.37 USD 1 = BRL 3.31	USD up BRL down	positive	Umami seasonings for processed food mfrs., feed-use amino acids
	EUR	EUR 1 = BRL 3.78 EUR 1 = BRL 3.66	EUR up BRL down	positive	Umami seasonings for processed food mfrs., feed-use amino acids
Thailand (THB)	USD	USD 1 = THB 35.07 USD 1 = THB 34.14	USD up THB down	positive	Umami seasonings for processed food mfrs., feed-use amino acids
Japan (JPY)	USD	USD 1 = JPY 105.20 USD 1 = JPY 121.87	JPY up USD down	negative	Umami seasonings for processed food mfrs., specialty chemicals, sweeteners, frozen foods, amino acids for pharmaceuticals and foods
	EUR	EUR 1 = BRL 118.04 EUR 1 = BRL 135.11	JPY up EUR down	negative	Amino acids for pharmaceuticals and foods, feed-use amino acids
	JPY	THB 1 = JPY 3.00 THB 1 = JPY 3.57	JPY up THB down	positive	Frozen foods (exported to Japan, with manufacturing costs translated into JPY in Thailand)

Eat Well, Live Well.

AJINOMOTO®

- **Forward-looking statements, such as business performance forecasts, made in these materials are based on management's estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations.**
- **Unaudited figures are included in these materials for reference.**
- **Amounts presented in these materials are rounded off.**