

**Ajinomoto Co., Inc. (2802)**  
**Introduction of International Financial Reporting  
Standards (IFRS)**

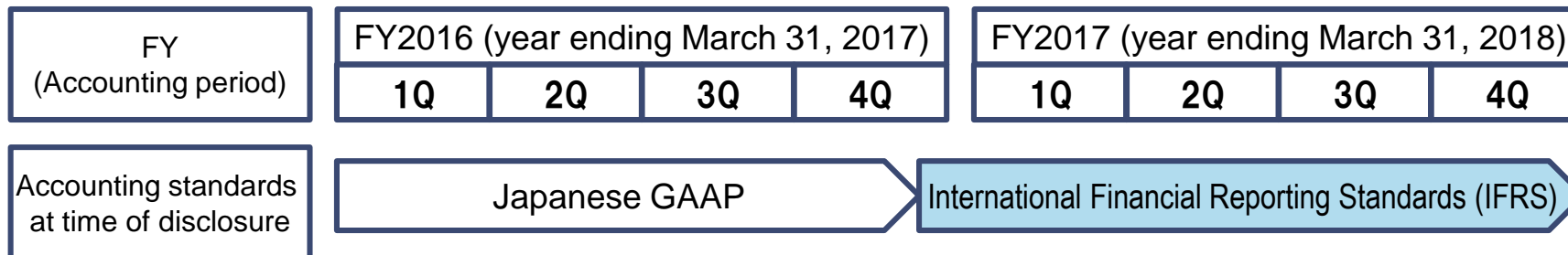
November 8, 2016

# 1. Introduction of IFRS

## ◆ Objectives of Voluntary Application of IFRS

- To enhance communication with shareholders, investors and other stakeholders
- To increase comparability of financial information internationally inside and outside the Group

## ◆ Disclosure Schedule



**Feb. 17, 2017**  
**Mid-May, 2017**

**FY2017-2019 Medium-Term Management Plan: IFRS**  
**Announcement of financial results: Japanese GAAP**  
**FY2017 performance forecast: IFRS**

**Late May, 2017**  
**Late June, 2017**

**Consolidated financial statements: Japanese GAAP**  
**From release of Securities Report: Application of IFRS**

## 2. Main impact of IFRS adoption (estimated)

	FY2016 Revised forecast J-GAAP	Impact of IFRS adoption	FY2016 Revised forecast IFRS <sub>(estimated)</sub>	
				(100M¥)
Net sales	10,950		10,950	Net sales
COGS/ SGA expenses	▲10,135	88	▲10,046	COGS/SGA expenses
		23	23	Equity in earnings of affiliates
<b>Operating income</b>	<b>815</b>	<b>※ 112</b>	<b>927</b>	<b>Business profit *</b>
		▲78	▲78	Other income/expenses
		34	849	Operating income
Equity in earnings of affiliates	28	▲28		
Non-operating income/expenses	▲6	9	3	Financial income/expenses
<b>Ordinary income</b>	<b>837</b>			
Extraordinary gains/losses	▲51	51		
<b>Income before income taxes</b>	<b>786</b>	<b>66</b>	<b>852</b>	<b>Income before income taxes</b>
Income taxes	▲244	▲11	▲255	Income taxes
<b>Net income</b>	<b>542</b>	<b>55</b>	<b>597</b>	<b>Net income</b>
Profit attributable to owners of parent	445	55	500	Profit attributable to owners of parent
Profit attributable to non-controlling interests	97	0	97	Profit attributable to non-controlling interests

### ※Detail of impact of IFRS adoption

- ①Reclassification: 28
- ②Recognition & measurement differences: 84
  - Adjustment to goodwill: 64
  - Equity in earnings of affiliates: ▲4
  - Adjustment to retirement benefit liabilities: 23
  - Other: 1

\* Business profit:

A profit indicator defined by Ajinomoto for administrative purposes

Net sales – Cost of sales – Selling, general and administrative expenses + Equity in earnings of non-consolidated subsidiaries and affiliates

### 3. Revised forecast for the FY2016 by Business Segment

(100M¥)

	J-GAAP	IFRS	Differences
<b>Net sales</b>			
Japan food products			
International food products			
Life support			
Healthcare			
Other business			
<b>Segment income/losses(※)</b>	<b>815</b>	<b>927</b>	<b>112</b>
Japan food products	370	411	41
International food products	361	394	33
Life support	45	47	2
Healthcare	63	79	16
Other business	▲24	▲4	20

No impact for Net sales

※J-GAAP: Operating income/ IFRS: Business profit\*

\* Business profit:

A profit indicator defined by Ajinomoto for administrative purposes. After application of IFRS, business profit will be used for segment profit and loss.  
 Net sales – Cost of sales – Selling, general and administrative expenses + Equity in earnings of non-consolidated subsidiaries and affiliates