

Ajinomoto Co., Inc.
FY2016-1H Consolidated Results

Note:

- Forward-looking statements, such as business forecasts, made in these financial statements are based on managements' estimates, assumptions and projections at the time of publication and do not represent a commitment from Ajinomoto Co., Inc. that they will be achieved. A number of factors could cause actual results to differ materially from expectations.
- "Net income" in these materials figures for "Profit(loss) attributable to owners of the parent."
- Unaudited figures are included in this material for reference.
- Yen amounts presented in these materials are truncated for amounts in millions and in billions.
- In these materials, "-" indicates that an amount has not been recognized, and "0" indicates a fractional amount due to rounding.

<Based on accounting policies and segments applied from FY2016>

*Change of product classification:

Other (NutritionCare) of Healthcar: from the Healthcar to Japan Food Products
Pharmaceuticals of Healthcar: from Pharmaceuticals(business classification is terminated) to Other

*Change of accounting policies:

- EA Pharma Co., Ltd. changes accounting policy to that applied by Eisai Co., Ltd.
- Revision of previous fiscal year's results due to retroactive application of purchase price allocation (PPA) related to the business combination (Ajinomoto General Foods, Inc.)

1. Financial Statement Overview

(in millions of JPY)

< Figures after 6months ended Sept. 15 are based on business segment and accounting policy applied from FY2016 >

	FY ending Mar.17 (projected)	6Months ended Sept.16	FY ended Mar.16	6Months ended Sept.15	FY ended Mar.15	FY ended Mar.14	FY ended Mar.13
(1) Operating Results							
①Net Sales	1,095,000	522,559	1,184,100	589,583	1,006,630	951,359	948,705
②Gross profit	386,000	184,027	414,870	204,558	347,121	315,765	348,075
③Operating income	81,500	39,157	90,880	47,244	74,519	61,807	71,232
④Ordinary profit	83,700	42,438	94,168	49,754	82,808	68,800	77,167
⑤Net income	44,500	25,036	63,427	41,957	46,495	42,159	48,373
⑥Earnings per share (JPY)	77.83	43.61	107.86	70.90	78.54	68.67	74.35
⑦Return on equity (ROE)	7.4%		9.8%		7.4%	7.1%	7.8%
⑧Ratio of net income to total assets	3.6%		5.0%		4.0%	3.8%	
⑨Ratio of operating income to net sales	7.4%	7.5%	7.7%	8.0%	7.4%	6.5%	7.5%
⑩Ratio of ordinary income to net sales	7.6%	8.1%	8.0%	8.4%	8.2%	7.2%	8.1%
⑪Ratio of net income to net sales	4.1%	4.8%	5.4%	7.1%	4.6%	4.4%	5.1%
(2) Dividends							
①Dividend per share (JPY)	30		28		24	20	18
②Payout ratio	38.5%		26.0%		30.6%	29.1%	24.2%
(3) Statement of Changes in Financial Position							
①Total assets	1,231,800	1,153,168	1,262,113	1,258,407	1,255,090	1,093,165	1,091,741
②Net assets	671,300	624,817	691,928	738,268	743,489	655,507	691,710
③Shareholders' equity	589,500	561,918	619,872	668,358	669,576	594,950	635,287
④Shareholders' equity ratio	47.9%	48.7%	49.1%	53.1%	53.3%	54.4%	58.2%
⑤Book value per share (JPY)	1,035.78	987.32	1,066.84	1,129.40	1,131.41	1,002.29	1,004.38
(4) Summary of Cash Flow Statement							
①Net cash provided by operating activities		35,028	125,219	60,488	109,259	63,017	88,501
②Net cash used in investing activities		-24,903	-53,824	-55,525	-140,391	-63,497	15,201
③Net cash used in financing activities		-48,033	-3,288	2,800	52,822	-55,248	-74,419
④Cash and cash equivalents at end of period		151,467	217,791	160,384	165,160	130,028	184,770

2. Number of Consolidated Subsidiaries/Affiliates

	FY ending Mar.17 (projected)	6Months ended Sept.16	FY ended Mar.16	6Months ended Sept.15	FY ended Mar.15	FY ended Mar.14	FY ended Mar.13
Consolidated domestic subsidiaries	39	40	42	42	39	39	38
Consolidated overseas subsidiaries	54	54	54	54	60	50	48
<i>Sub-Total</i>	93	94	96	96	99	89	86
Domestic affiliates subject to equity method	5	5	4	5	6	6	5
Overseas affiliates subject to equity method	0	0	0	1	5	6	6
<i>Sub-Total</i>	5	5	4	6	11	12	11
Parent company	1	1	1	1	1	1	1
<i>Total</i>	99	100	101	103	111	102	98

3. Change of Number of Consolidated Subsidiaries/Affiliates (from Mar.16 to Sept.16)

Increase(1)	Increase: Ajinomoto Animal Nutrition Do Brasil Ltda.
Decrease(3)	Decrease: AJINOMOTO PHARMACEUTICALS CO., LTD. (current EA Pharma Co., Ltd.), GABAN Co., Ltd., Gaban Spice Manufacturing (M) SDN. BHD.
Equity method	
Increase(1)	Increase: EA Pharma Co., Ltd.
Decrease(-)	Decrease:

Ajinomoto Co., Inc.
FY2016-1H Consolidated Results

4. Foreign Exchange Information

		FY ending Mar.17 (projected)	6Months ended Sept.16	FY ended Mar.16	6Months ended Sept.15	FY ended Mar.15	FY ended Mar.14	FY ended Mar.13
JPY/US Dollar	End of Period	102.0	101.12	112.68	119.96	120.17	102.92	94.05
	Average	103.5	105.20	120.15	121.87	109.76	100.17	82.91
JPY/Euro	End of Period	112.0	113.36	127.70	134.97	130.32	141.65	120.73
	Average	114.5	118.04	132.60	135.11	138.69	134.21	106.78
JPY/THB	End of Period	2.90	2.91	3.19	3.29	3.70	3.17	3.20
	Average	2.90	3.00	3.44	3.57	3.38	3.19	2.70
JPY/100IDR	End of Period	0.7	0.78	0.85	0.82	0.92	0.91	0.98
	Average	0.8	0.80	0.89	0.91	0.91	0.93	0.88
JPY/BRL	End of Period	28.0	31.02	31.27	29.53	37.21	45.52	46.52
	Average	28.7	31.20	33.48	36.87	44.35	44.55	41.19
JPY/RMB	End of Period	15.5	15.14	17.39	18.96	19.36	16.59	15.14
	Average	15.8	15.92	18.86	19.45	17.71	16.38	13.18

5. Number of Employees

	FY ending Mar.17 (projected)	6Months ended Sept.16	FY ended Mar.16	6Months ended Sept.15	FY ended Mar.15	FY ended Mar.14	FY ended Mar.13
Parent Company		3,484	3,477	3,509	3,484	3,398	3,343
(including expatriates)		4,208	4,183	4,220	4,220	4,199	4,211
Consolidated Basis		32,704	33,295	34,136	31,312	27,579	27,518

6. Interest-bearing Debts

(in millions of JPY)

	FY ending Mar.17 (projected)	6Months ended Sept.16	FY ended Mar.16	6Months ended Sept.15	FY ended Mar.15	FY ended Mar.14	FY ended Mar.13
Short-term borrowings and debt		17,109	18,253	35,214	121,446	37,327	36,764
Commercial paper		-	-	15,000	15,000	-	-
Bonds		89,996	89,995	19,995	19,994	34,993	49,992
Long-term debt		150,709	156,455	162,011	55,153	70,634	32,557
<i>Total</i>		257,815	264,704	232,220	211,594	142,954	119,314
Cash and deposits with bank		154,810	221,242	164,607	168,294	132,416	186,501
<i>Net</i>		103,004	43,462	67,612	43,299	10,538	-67,187

7. Depreciation

< Based on business segment and accounting policy applied from FY2016 > (in 100 mil of JPY)

	FY ending Mar.17 (projected)	6Months ended Sept.16
(1) Parent company	99	48
Subsidiaries	380	174
Adjustment	-	2
<i>Total</i>	479	225
(2) By business segment		
Japan Foods Products	113	52
International Food Products	175	83
Life Support	75	28
Healthcare	50	29
Other	25	10
All Company	39	21
<i>Total</i>	479	225

< Based on business segment applied from FY2015 >

(in 100 mil of JPY)

	FY ended Mar.16	6Months ended Sept.15
(1) Parent company	114	55
Subsidiaries	389	199
Adjustment	6	-1
<i>Total</i>	509	253
(2) By business segment		
Japan Foods Products	105	50
International Food Products	178	90
Life Support	75	38
Healthcare	73	36
Other	22	10
All Company	57	27
<i>Total</i>	509	253

8. Capital Expenditure/Investment

< Based on business segment and accounting policy applied from FY2016 > (in 100 mil of JPY)

	FY ending Mar.17 (projected)	6Months ended Sept.16
(1) Parent company	140	49
Subsidiaries	560	164
Adjustment	-	-10
<i>Total</i>	700	202
(2) By business segment		
Japan Foods Products	161	60
International Food Products	281	62
Life Support	103	31
Healthcare	99	27
Other	16	9
All Company	36	11
<i>Total</i>	700	202

< Based on business segment applied from FY2015 >

(in 100 mil of JPY)

	FY ended Mar.16	6Months ended Sept.15
(1) Parent company	116	46
Subsidiaries	472	142
Adjustment	-3	3
<i>Total</i>	585	191
(2) By business segment		
Japan Foods Products	173	62
International Food Products	198	62
Life Support	77	22
Healthcare	82	26
Other	18	6
All Company	36	11
<i>Total</i>	585	191

Ajinomoto Co., Inc.
FY2016-1H Consolidated Results

9. R&D Expenditure

< Based on business segment and accounting policy applied from FY2016 > (in 100 mil of JPY)

	FY ending Mar.17 (projected)	6Months ended Sept.16
(1) Parent company	231	117
Subsidiaries	55	28
<i>Total</i>	286	146
(2) By business segment		
Japan Foods Products	36	17
International Food Products	37	17
Life Support	57	26
Healthcare	21	11
Other	3	1
All Company	132	72
<i>Total</i>	286	146

< Based on business segment applied from FY2015 >

(in 100 mil of JPY)

	FY ended Mar.16	6Months ended Sept.15
(1) Parent company	241	117
Subsidiaries	84	38
<i>Total</i>	325	156
(2) By business segment		
Japan Foods Products	35	17
International Food Products	33	18
Life Support	50	23
Healthcare	85	32
Other	0	0
All Company	120	65
<i>Total</i>	325	156

10. Selling, G&A Expenses

< Based on business segment and accounting policy applied from FY2016 >

(in millions of JPY)

	FY ending Mar.17 (projected)	6Months ended Sept.16	FY ended Mar.16	6Months ended Sept.15
(1) Selling Expense				
①Transportation		21,084	47,508	24,030
②Advertisement		15,708	31,757	13,716
③Sales promotion expenses		11,637	28,412	12,356
④Sales commissions		1,307	3,253	1,668
<i>Total</i>		49,737	110,931	51,771
(2) General and Administrative Expenses				
①Salaries		23,572	54,659	27,348
②Bonuses and other allowances		10,029	21,700	10,948
③Periodic pension and severance cost		3,768	6,205	3,099
④Depreciation expense		4,985	12,301	6,065
⑤Amortization of goodwill	6,426	3,247	7,093	3,578
⑥Other		49,529	111,097	54,501
<i>Total</i>		95,132	213,057	105,543
<i>Total Selling, G&A expenses</i>	304,500	144,869	323,989	157,314

< Based on business segment applied from FY2015 >

	FY ended Mar.16	6Months ended Sept.15	FY ended Mar.15	FY ended Mar.14	FY ended Mar.13
(1) Selling Expense					
①Transportation	47,508	24,030	37,315	31,143	32,231
②Advertisement	31,757	13,716	25,278	21,938	22,322
③Sales promotion expenses	28,412	12,356	23,859	23,798	39,890
④Sales commissions	3,253	1,668	1,871	1,273	1,259
<i>Total</i>	110,931	51,771	88,325	78,155	95,703
(2) General and Administrative Expenses					
①Salaries	54,659	27,348	46,955	44,581	43,955
②Bonuses and other allowances	21,700	10,948	18,039	17,095	17,421
③Periodic pension and severance cost	6,205	3,099	7,333	5,781	6,561
④Depreciation expense	12,301	5,590	9,528	9,687	9,948
⑤Amortization of goodwill	7,093	3,745	2,201	1,589	2,265
⑥Other	113,177	54,782	100,217	97,066	100,989
<i>Total</i>	215,137	105,516	184,276	175,802	181,139
<i>Total Selling, G&A expenses</i>	326,069	157,287	272,601	253,957	276,842

11. Non-Operating Income & Loss

(in millions of JPY)

	FY ending Mar.17 (projected)	6Months ended Sept.16	FY ended Mar.16	6Months ended Sept.15	FY ended Mar.15	FY ended Mar.14	FY ended Mar.13
(1) Non-Operating Income							
①Interest income		1,501	2,847	1,437	2,873	2,129	1,857
②Dividend income		758	1,317	736	1,147	1,067	1,044
③Equity in earnings of affiliates		2,813	1,558	937	5,177	3,360	3,058
④Exchange gains		-	583	-	1,675	699	-
⑤Other		1,112	2,716	2,339	3,512	4,331	3,983
<i>Total</i>		6,186	9,023	5,451	14,384	11,588	9,944
(2) Non-Operating Expense							
①Interest expense		1,199	2,269	1,105	2,140	2,032	1,931
②Exchange losses		-	-	-	-	-	-
③Commission paid		-	72	-	675	328	-
④Other		1,706	3,394	1,834	3,281	2,234	2,077
<i>Total</i>		2,905	5,736	2,940	6,096	4,595	4,009

Ajinomoto Co., Inc.
FY2016-1H Consolidated Results

12. Extraordinary Items

(in millions of JPY)

	FY ending Mar.17 (projected)	6Months ended Sept.16	FY ended Mar.16	6Months ended Sept.15	FY ended Mar.15	FY ended Mar.14	FY ended Mar.13
(1) Extraordinary Gains							
① Gain on sale of fixed assets		-	-	-	-	3,081	908
② Gain on sales of investment securities		2,560	-	-	-	-	-
③ Gain on sales of shares in affiliated companies		-	24,872	-	-	2,315	18,201
④ Gain on step acquisitions		-	18,027	18,027	-	-	-
⑤ Insurance income		-	-	-	-	1,189	1,800
⑥ Gain on transfer of benefit obligation relating to employees' pension fund		-	-	-	-	236	27,752
⑦ Gain on liquidation of affiliated companies		-	-	-	-	1,005	-
⑧ Gain on termination of retirement benefit system		-	-	-	9,290	-	-
⑨ Other		894	2,438	318	3,568	792	479
<i>Total</i>		3,455	45,337	18,345	12,858	8,621	49,141
(2) Extraordinary Losses							
① Loss on disposal of fixed assets		1,188	2,799	819	1,757	1,222	2,951
② Loss on change in equity		1,139	-	-	-	-	-
③ Impairment losses		-	7,467	-	10,486	624	14,562
④ Loss on liquidation of affiliates		-	6,937	6,587	-	859	-
⑤ Compensation expenses		-	-	-	-	664	-
⑥ Pharmaceutical business structural reform expenses		-	16,623	-	-	-	-
⑦ Other		2,237	5,525	1,660	4,374	1,489	7,966
<i>Total</i>		4,564	39,352	9,067	16,617	4,860	25,481

13. Information by Business segment

< Based on business segment and accounting policy applied from FY2016 >

(in millions of JPY)

	FY ending Mar.17 (projected)	6Months ended Sept.16	FY ended Mar.16	6Months ended Sept.15
Japan Foods Products				
Sales to external customers	403,000	188,904	397,069	191,059
Y/Y %	101%	99%	-	-
Operating income	37,000	15,291	30,641	11,894
Y/Y %	121%	129%	-	-
International Food Products				
Sales to external customers	414,400	202,762	463,905	234,416
Y/Y %	89%	86%	-	-
Operating income	36,100	19,289	41,947	23,196
Y/Y %	86%	83%	-	-
Life Support				
Sales to external customers	124,500	59,920	142,416	74,498
Y/Y %	87%	80%	-	-
Operating income	4,500	1,668	11,806	8,309
Y/Y %	38%	20%	-	-
Healthcare				
Sales to external customers	91,600	42,164	89,596	44,757
Y/Y %	102%	94%	-	-
Operating income	6,300	3,374	5,709	3,211
Y/Y %	110%	105%	-	-
Other				
Sales to external customers	61,500	28,808	91,115	44,851
Y/Y %	67%	64%	-	-
Operating income	-2,400	-466	778	632
Y/Y %	-	-	-	-
Consolidated, Total				
Net Sales	1,095,000	522,559	1,184,100	589,583
Y/Y %	92%	89%	-	-
Operating income	81,500	39,157	90,880	47,244
Y/Y %	90%	83%	-	-

< Based on business segment applied from FY2015 >

(in millions of JPY)

	FY ended Mar.16	6Months ended Sept.15	FY ended Mar.15	FY ended Mar.14	FY ended Mar.13
Japan Foods Products					
Sales to external customers	394,408	189,665	289,084	286,088	346,687
Y/Y %	136%	137%	83%	83%	-
Operating income	31,390	12,967	24,799	26,075	32,510
Y/Y %	127%	136%	76%	80%	-
International Food Products					
Sales to external customers	463,905	234,416	384,102	329,766	277,881
Y/Y %	121%	135%	138%	119%	-
Operating income	41,969	23,204	31,984	25,186	19,110
Y/Y %	131%	141%	167%	132%	-
Life Support					
Sales to external customers	142,415	74,498	149,129	142,423	137,506
Y/Y %	95%	111%	108%	104%	-
Operating income	11,810	8,310	14,356	4,233	14,801
Y/Y %	82%	408%	97%	29%	-
Healthcare					
Sales to external customers	130,844	63,808	120,924	128,523	126,714
Y/Y %	108%	113%	95%	101%	-
Operating income	5,415	3,277	3,123	5,127	2,141
Y/Y %	173%	434%	146%	240%	-
Other					
Sales to external customers	54,406	27,458	63,390	64,558	59,917
Y/Y %	86%	86%	106%	108%	-
Operating income	460	320	257	1,185	2,671
Y/Y %	179%	-	10%	44%	-
Consolidated, Total					
Net Sales	1,185,980	589,848	1,006,630	951,359	948,705
Y/Y %	118%	126%	106%	100%	-
Operating income	91,045	48,081	74,519	61,807	71,232
Y/Y %	122%	168%	121%	87%	-

Ajinomoto Co., Inc.
FY2016-1H Consolidated Results

14. Information by Geographic segment

< Based on business segment and accounting policy applied from FY2016 >

(in millions of JPY)

	FY ending Mar.17 (projected)	6Months ended Sept.16	FY ended Mar.16	6Months ended Sept.15
Japan				
Sales to external customers	537,100	253,507	554,757	268,485
Y/Y %	97%	94%	-	-
Operating income	35,800	16,089	38,243	16,177
Y/Y %	94%	99%	-	-
Asia				
Sales to external customers	250,200	122,487	274,559	138,759
Y/Y %	91%	88%	-	-
Operating income	37,000	18,802	37,441	21,239
Y/Y %	99%	89%	-	-
Americas				
Sales to external customers	217,900	106,747	245,912	126,157
Y/Y %	89%	85%	-	-
Operating income	6,700	3,875	11,734	7,723
Y/Y %	56%	50%	-	-
Europe				
Sales to external customers	89,800	39,817	108,871	56,180
Y/Y %	82%	71%	-	-
Operating income	2,000	391	3,460	2,104
Y/Y %	58%	19%	-	-
Consolidated, Total				
Sales to external customers	1,095,000	522,559	1,184,100	589,583
Y/Y %	92%	89%	-	-
Operating income	81,500	39,157	90,881	47,244
Y/Y %	90%	83%	-	-

< Based on business segment applied from FY2016 >

(in millions of JPY)

	FY ended Mar.16	6Months ended Sept.15	FY ended Mar.15	FY ended Mar.14	FY ended Mar.13
Japan					
Sales to external customers	556,637	268,750	460,402	474,948	541,509
Y/Y %	121%	-	97%	88%	-
Operating income	38,408	17,013	29,625	32,723	34,350
Y/Y %	130%	-	91%	95%	-
Asia					
Sales to external customers	274,559	138,759	260,440	230,269	194,533
Y/Y %	105%	-	113%	118%	-
Operating income	37,441	21,239	30,458	24,848	22,105
Y/Y %	123%	-	123%	112%	-
Americas					
Sales to external customers	245,912	126,157	175,317	139,287	117,483
Y/Y %	140%	-	126%	119%	-
Operating income	11,734	7,724	11,656	4,197	9,285
Y/Y %	101%	-	278%	45%	-
Europe					
Sales to external customers	108,871	56,180	110,469	106,853	95,178
Y/Y %	99%	-	103%	112%	-
Operating income	3,460	2,104	2,778	37	5,491
Y/Y %	125%	-	7508%	1%	-
Consolidated, Total					
Sales to external customers	1,185,980	589,848	1,006,630	951,359	948,705
Y/Y %	118%	-	106%	100%	-
Operating income	91,045	48,081	74,519	61,807	71,232
Y/Y %	122%	-	121%	87%	-