

Ajinomoto Co., Inc. Consolidated Results FY2017 Ended March 31, 2018①

■ Financial Statement and Impact of External Environment

(¥ Billion)

Consolidated Statement of Income	FY17 Results	FY16 Results	YoY Change		Jan.-Mar. 2018	Jan.-Mar. 2017	YoY Change		FY17 Forecast	Progress
			Amount	%			Amount	%		
Sales	1,150.2	1,091.1	59.0	5%	290.4	279.5	10.8	3%	1,187.0	96%
Share of profit of associates and joint ventures	3.9	2.5	1.4	56%	0.6	-0.0	0.7	-	-	-
Business profit*	97.3	96.8	0.4	0%	14.4	17.4	-2.9	-17%	102.0	95%
Other operating income	9.7	9.5	0.2	2%	4.4	6.1	-1.6	-28%	-	-
(Animal nutrition)	7.4	1.6	5.8	357%	7.4	1.6	5.8	357%	-	-
(Umami seasonings for processed food mfrs.)	2.6	-	2.6	-	2.6	-	2.6	-	-	-
(Others)	1.5	0.3	1.2	364%	0.4	0.0	0.3	400%	-	-
Impairment losses	11.6	1.9	9.7	494%	10.5	1.7	8.8	515%	-	-
Others	12.0	20.8	-8.7	-42%	5.8	13.4	-7.5	-57%	-	-
Other operating expenses	23.7	22.7	0.9	4%	16.4	15.1	1.2	8%	-	-
Operating profit	83.3	83.6	-0.2	-1%	2.4	8.4	-5.9	-71%	96.5	86%
Financial income	9.5	7.2	2.3	31%	4.6	-0.7	5.3	-	-	-
Financial expenses	7.4	4.2	3.2	76%	3.9	-1.3	5.3	-	-	-
Profit before income taxes	85.4	86.6	-1.2	-2%	3.1	9.0	-5.8	-65%	94.7	90%
Income taxes	16.6	21.7	-5.0	-24%	-3.0	0.4	-3.5	-	27.7	60%
Tax rate	19.4%	25.0%							29.2%	
Profit	68.7	64.9	3.8	5%	6.2	8.5	-2.3	-28%	67.0	102%
Attributable to owners of the parent company	60.7	53.0	7.6	14%	5.6	4.2	1.4	33%	57.0	106%
Non-controlling interests	8.0	11.9	-3.8	-33%	0.5	4.3	-3.7	-87%	10.0	80%

*A profit indicator defined by Ajinomoto for administrative purposes.

(Sales - Cost of sales - Selling expenses, Research & development expenses and General & administrative expenses + Share of profit of associates and joint ventures)

Excluding the Effect of currency translation	FY17 Results	FY16 Results	YoY Change		Jan.-Mar. 2018	Jan.-Mar. 2017	YoY Change	
			Amount	%			Amount	%
Japan Food Products	383.8	390.4	-6.6	-2%	91.5	92.2	-0.6	-1%
International Food Products	447.8	428.9	18.9	4%	117.7	113.2	4.4	4%
Life Support	129.4	124.0	5.3	4%	34.4	32.0	2.3	7%
Healthcare	100.0	89.5	10.5	11%	31.1	27.7	3.3	12%
Other	61.5	58.1	3.3	5%	15.0	14.1	0.8	6%
Sales	1,122.7	1,091.1	31.5	2%	289.9	279.5	10.3	3%
Japan Food Products	38.9	40.8	-1.8	-5%	5.0	6.6	-1.5	-24%
International Food Products	39.1	41.7	-2.5	-7%	7.5	7.1	0.4	6%
Life Support	9.4	5.8	3.6	61%	1.9	1.9	-0.0	-2%
Healthcare	7.5	8.1	-0.5	-8%	3.1	2.7	0.4	14%
Other	-0.9	0.2	-1.2	-	-3.1	-1.0	-2.0	-
Business profit	94.2	96.8	-2.6	-3%	14.6	17.4	-2.7	-17%

Impact of External Environment (YoY Change)	FY17 Results	Jan.-Mar. 2018
Effect of currency translation	Sales; +27.4 Business profit; +3.1	Sales; +0.4 Business profit; -0.1
Effect of trade*	Sales; approx.-0.0 Business profit; approx.-3.5	Sales; approx.-0.5 Business profit; approx.-0.0
Japan Food Products raw materials	-0.9 (Seasonings and processed foods; -0.4, Frozen foods; -0.5)	-0.1 (Seasonings and processed foods; -0.0, Frozen foods; -0.1)
Fermentation raw materials and fuel prices	-1.1 (Main raw materials; -0.6 Sub raw materials; -0.4, Energy; -0.1)	-1.7 (Main raw materials; -0.1 Sub raw materials; -1.5, Energy; -0.0)
Cost reductions (Japan Food Products)	+2.5 (Seasonings and processed foods; +0.9, Frozen foods; +1.5)	+0.5 (Seasonings and processed foods; +0.0, Frozen foods; +0.4)

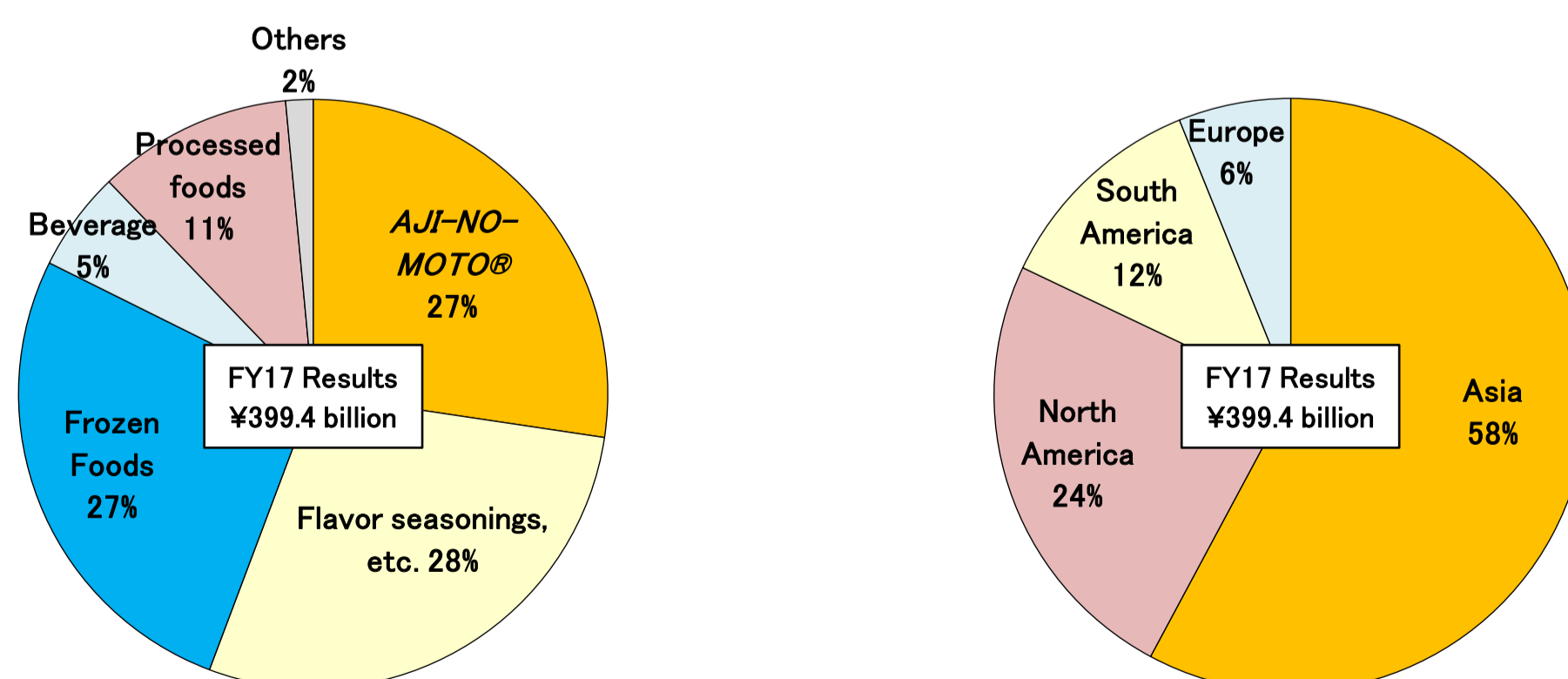
* Approximations to nearest ¥0.5 billion

Foreign Exchange Information	Apr.-June 2017	Apr.-June 2016	July-Sept. 2017	Apr.-Sept. 2016*	Oct.-Dec. 2017	Apr.-Dec. 2016*	Jan.-Mar. 2018	FY16	FY17 Forecast
JPY/USD	111.09	108.04	111.00	105.20	112.98	106.60	108.22	108.34	111.04
JPY/EUR	122.26	121.88	130.37	118.04	133.02	117.98	133.14	118.74	126.32
JPY/THB	3.24	3.06	3.32	3.00	3.42	3.03	3.43	3.08	3.28
JPY/BRL	34.54	30.83	35.09	31.20	34.79	31.85	33.37	32.86	34.81

*The rates shown are the average rates during this period because the fiscal year was processed according to J-GAAP.

■ Trends in International Food Products (Seasoning & Processed Foods and Frozen Foods) *

* Percentages are rounded off



FY2017 Sales in Five Stars and Frozen Foods (Overseas)

Thailand; approx. THB 31.9 billion (-2% on LC basis*, +6% on JPY basis) *Breakdown: Seasonings +1%, Processed foods; -6%

Indonesia; approx. IDR 5,046.9 billion (+9% on LC basis, +10% on JPY basis)

Brazil; approx. BRL 1.05 billion (+4% on LC basis, +10% on JPY basis)

Vietnam; approx. VND 7,962.0 billion (+8% on LC basis, +10% on JPY basis)

Philippines; approx. PHP 6.8 billion (+7% on LC basis, +4% on JPY basis)

Frozen foods (Overseas) Segment; +5% on LC basis, +8% on JPY basis

Ajinomoto Co., Inc. Consolidated Results FY2017 Ended March 31, 2018②

■ Consolidated Results by Segments

Japan Food Products

(¥ Billion)

	FY17 Results	FY17 Forecast	Change	FY16 Results	Change	Jan.-Mar. 2018	Jan.-Mar. 2017	Change
Sales	384.1	403.7	-19.5	390.4	-6.2	91.5	92.2	-0.6
Seasonings & processed foods	190.2	194.1	-3.8	191.7	*1 -1.5	45.7	45.0	0.6
Frozen foods (Japan)	100.8	101.6	-0.7	98.7	*2 2.1	24.0	23.9	0.0
Coffee products	93.0	107.9	-14.9	99.9	*3 -6.8	21.8	23.2	-1.4
Business profit	39.1	41.8	-2.6	40.8	*4 -1.6	5.1	6.6	-1.5
Seasonings & processed foods	34.8	-	-	35.6	-0.7	6.1	7.0	-0.9
Frozen foods (Japan)	7.8	-	-	8.4	-0.6	1.2	1.1	0.0
Coffee products	7.8	-	-	8.4	-0.5	1.1	1.4	-0.2
Shared companywide expenses	-11.4	-11.5	0.0	-11.6	0.2	-3.3	-2.9	-0.3

*1 Despite increase in sales primarily in soup in home-use products, overall sales were level with the previous period due to the negative effect of decreased sales in restaurant and industrial-use bakery products and the sale of a subsidiary, etc.

*2 Sales in home-use products increased due to expansion of major products such as *Gyoza* and *The★Chahan*, and contributions from new products. Sales in restaurant and industrial-use products were level with the previous period due to struggling sales of processed chicken meat products despite increased sales in the core categories such as desserts and gyoza. Overall sales increased.

*3 Decrease in overall sales due to decreased sales for CVS and the shrinking of the market and effect of stiff competition for home-use products and gift products, despite increased sales of stick-type coffee and restaurant and industrial-use coffee.

*4 Even though there was an increase in profit for home-use products in seasonings & processed foods, overall profit decreased due to decreased profit in restaurant and industrial-use bakery products and the effect of increased raw material prices, etc. Decrease in profit due to weakening yen and effect of increased raw material prices despite increased sales for frozen foods. Reduced overall profit from coffee products due to substantial decrease in profit from home-use products, and profit from restaurant and industrial-use products stopping at the level of the previous year, despite effect of elimination of royalty payments by obtaining the rights to the trademark.

International Food Products

(¥ Billion)

	FY17 Results	FY17 Forecast	Change	FY16 Results	Change	Jan.-Mar. 2018	Jan.-Mar. 2017	Change
Sales	464.7	480.1	-15.3	428.9	35.7	116.3	113.2	3.0
Seasonings & processed foods	293.1	310.4	-17.3	265.3	*1 27.7	72.4	69.9	2.5
Frozen foods (Overseas)	106.2	106.2	0.0	98.4	*2 7.8	27.5	26.2	1.2
Umami seasonings for processed food mfrs. & sweeteners	65.2	63.5	1.7	65.2	*3 0.0	16.3	17.1	-0.7
Business profit	41.6	45.5	-3.8	41.7	*4 -0.1	7.3	7.1	0.2
Frozen foods (Overseas)	2.3	4.3	-1.9	5.4	-3.0	-0.4	0.3	-0.7
Shared companywide expenses	-15.0	-14.1	-0.9	-13.9	-1.1	-4.4	-3.9	-0.5

<Seasonings & processed foods: Effect of currency translation>

FY17; Sales +¥11.7 billion; Business profit +¥2.2 billion

Jan.-Mar. 2018; Sales -¥0.4 billion; Business profit -¥0.0 billion

*1 Increase in sales due to effect of currency translation (+¥11.7 billion), new consolidation of subsidiary (approx. ¥6.5 billion) and strong sales of *AJI-NO-MOTO®* and flavor seasonings, etc.

*2 Increase in sales due to the effect of a newly consolidated European subsidiary (approx. +¥4.0 billion), effect of currency translation (approx. +¥2.6 billion), and expansion of Asian food products in the United States.

*3 Sales of umami seasonings for processed food mfrs. were level with the previous year primarily due to effect of lower prices overseas and trade, despite effect of increased sales from currency translation. Sales of sweeteners increased due to increased sales in Japan and effect of currency translation.

Reference: Umami seasonings for processed food mfrs. sales: ¥49.5 billion

*4 Increase in profit in seasonings & processed foods due to significant increase in profit in flavor seasonings and effect of currency translation (+¥2.2 billion) and new consolidation of a subsidiary, etc. despite significant decrease in profit in canned coffee business in Thailand due to stiffening competition. Large decrease in profit in frozen foods due to effect of steep rise in raw material and fuel prices and effect of transport restrictions in the U.S and increase of production costs accompanying the construction of a new production system. Large decrease in profit in umami seasonings for processed food mfrs. due to effect of trade in addition to decrease in unit sales price. Increase in profit in sweeteners due to cost reductions through stable production and effective use of SGA in addition to effect of trade.

Reference: Seasonings & processed foods +¥5.3 billion, Frozen food (overseas) -¥3.0 billion, Umami seasonings for processed food mfrs. -¥1.6 billion, Sweeteners +¥0.4 billion

Life Support

(¥ Billion)

	FY17 Results	FY17 Forecast	Change	FY16 Results	Change	Jan.-Mar. 2018	Jan.-Mar. 2017	Change
Sales	134.2	135.4	-1.1	124.0	10.1	34.7	32.0	2.6
Animal nutrition	87.0	90.8	-3.7	78.4	*1 8.6	22.8	20.6	2.2
Specialty chemicals	44.8	41.6	3.2	43.8	*2 1.0	11.2	10.8	0.4
Other	2.3	2.9	-0.6	1.8	0.5	0.5	0.5	0.0
Business profit	9.6	7.2	2.4	5.8	*3 3.7	2.0	1.9	0.0
Animal nutrition	3.0	1.5	1.5	0.6	2.4	1.1	1.1	0.0
Specialty chemicals	11.2	-	-	9.8	1.3	2.4	2.1	0.3
Other	-0.7	-	-	-0.9	0.1	-0.4	-0.3	-0.1
Shared companywide expenses	-3.8	-3.5	-0.3	-3.6	-0.1	-1.1	-0.9	-0.1

*1 Increase in overall sales due to effect of currency translation and large increase of sales of tryptophan and *AjiPro®-L*.

*2 Increase in overall sales due to increase in sales of the materials of healthcare products and chemicals, despite effect of transfer of personal healthcare retail (*JINO®*) segment from Life Support to Healthcare.

*3 Large increase in profit primarily due to effect of increased sales of tryptophan in animal nutrition, increase in unit sales price of chemicals, and effect of trade.

Healthcare

(¥ Billion)

	FY17 Results	FY17 Forecast	Change	FY16 Results	Change	Jan.-Mar. 2018	Jan.-Mar. 2017	Change
Sales	104.2	104.8	-0.5	89.5	14.7	32.2	27.7	4.4
Amino acids	79.2	77.7	1.5	71.2	*1 8.0	26.6	23.3	3.2
Other	24.9	26.9	-2.0	18.2	*2 6.7	5.6	4.4	1.1
Business profit	7.9	7.4	0.5	8.1	-0.1	3.2	2.7	0.5
Amino acids	9.0	-	-	10.5	*3 -1.4	4.0	3.1	0.8
Other	2.4	-	-	0.6	*4 1.7	0.4	0.4	-0.0
Shared companywide expenses	-3.5	-3.3	-0.2	-3.0	-0.5	-1.1	-0.9	-0.2

*1 Overall increase in sales due to effect of currency translation and effect of new consolidation of a subsidiary (approx. ¥2.0 billion) in amino acids for pharmaceuticals and foods and pharmaceutical custom manufacturing.

Reference: Amino acids for pharmaceuticals and foods +¥0.6 billion, Pharmaceutical custom manufacturing +¥7.4 billion

*2 Increase in sales primarily due to effect of transfer of personal healthcare retail (*JINO®*) segment from Life Support to Healthcare and expanded sales of Foods with Function Claims.

*3 Significant decrease in profit due to inclusion of M&A related expenses in addition to major customers adjusting inventory of amino acids for pharmaceuticals and foods. Increase in profit in Pharmaceutical custom manufacturing due to effect of increased sales and effect of currency translation despite investment for the future.

Reference: Amino acids for pharmaceuticals and foods -¥1.5 billion, Pharmaceutical custom manufacturing +¥0.1 billion

*4 Increased profit accompanying increased sales.

Other

(¥ Billion)

	FY17 Results	FY17 Forecast	Change	FY16 Results	Change	Jan.-Mar. 2018	Jan.-Mar. 2017	Change
Sales	62.7	63.0	-0.2	58.1	*1 4.5	15.4	14.1	1.2
Business profit	-1.0	0.1	-1.1	0.2	*2 -1.3	-3.2	-1.0	*2 -2.2
Shared companywide expenses	-2.9	-3.1	0.1	-3.2	0.3	-0.7	-0.8	0.1

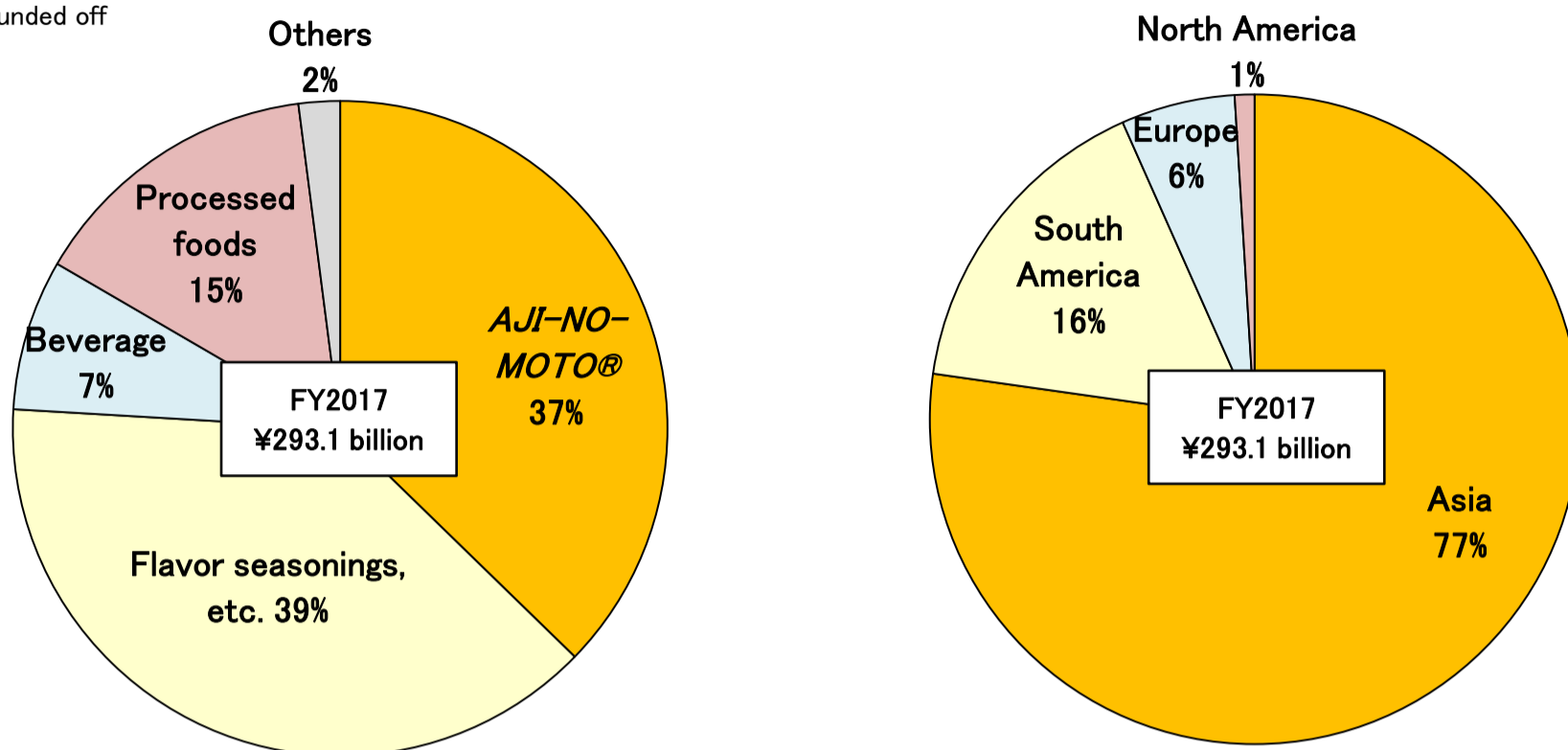
*1 Increase in sales mainly due to increase in sales of engineering business and package business.

*2 Significant decrease in profit due to effect of the write-downs of inventories, etc. (▲¥1.3 billion) at affiliated companies related to packaging business.

Ajinomoto Co., Inc. Consolidated Results FY2017 Ended March 31, 2018③

(Reference 1) Trends in International Food Products (Seasoning & Processed Foods) *

* Percentages are rounded off



(Reference 2) Results by Business & Geographical Area

(¥ Billion)

Sales	Japan	Asia	Americas	Europe	Total
Japan Food Products	375.6 (-7.6)	3.6 (0.4)	2.6 (0.4)	2.1 (0.4)	384.1 (-6.2)
International Food Products	15.3 (-0.2)	240.7 (16.8)	169.2 (7.8)	39.3 (11.2)	464.7 (35.7)
Life Support	43.7 (1.8)	14.9 (0.8)	43.5 (2.7)	31.9 (4.7)	134.2 (10.1)
Healthcare	36.6 (5.7)	2.6 (-0.5)	23.6 (1.1)	41.3 (8.4)	104.2 (14.7)
Other	50.8 (3.0)	11.8 (1.5)	-	-	62.7 (4.5)
Total	522.3 (2.7)	273.9 (19.2)	239.1 (12.1)	114.7 (24.8)	1,150.2 (59.0)
	519.5	254.7	226.9	89.9	1,091.1

Upper row; FY2017, lower row; FY2016. Figures in parentheses represent Y o Y change.

(¥ Billion)

Business profit	Japan	Asia	Americas	Europe	Other	Total
Japan Food Products	47.2 (-2.3)	2.3 (0.4)	0.4 (0.1)	0.6 (0.1)	-11.5 (-0.0)	39.1 (-1.6)
International Food Products	0.8 (0.4)	42.2 (2.0)	12.7 (-1.2)	1.4 (0.4)	-15.6 (-1.7)	41.6 (-0.1)
Life Support	10.8 (2.7)	-0.0 (-0.9)	1.3 (1.4)	1.4 (0.7)	-3.8 (-0.3)	9.6 (3.7)
Healthcare	3.5 (0.8)	0.2 (-0.5)	3.3 (-1.2)	3.8 (0.7)	-3.1 (0.0)	7.9 (-0.1)
Other	2.9 (0.4)	-0.9 (-1.8)	-	0.1 (0.0)	-3.2 (0.0)	-1.0 (-1.3)
Shared companywide expenses, etc.	-18.8 (-0.1)	-8.9 (-0.7)	-6.5 (-0.4)	-3.1 (-0.7)	37.4 (2.1)	0.0 (0.0)
Total	46.7 (2.0)	34.9 (-1.6)	11.3 (-1.3)	4.3 (1.3)	0.0 (0.0)	97.3 (0.4)
	44.6	36.5	12.6	2.9	0.0	96.8

Upper row; FY2017, lower row; FY2016. Figures in parentheses represent Y o Y change.

* Includes shared companywide expenses and unrealized gains and losses etc.

- 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 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.
- Unaudited figures are included in these materials for reference.
- Amounts presented in these materials are rounded down.