

Ajinomoto Co., Inc. Consolidated Results for the First Quarter Ended June 30, 2023 (Page 1)

Revised

■ Consolidated Financial Statements

(Billion yen)

	Apr. - Jun. FY23	Apr. - Jun. FY22	YoY Change		FY23 Forecast	Progress
			Amount	%		
Sales	339.5	321.6	17.9	5%	1,465.0	23%
Share of profit of associates and joint ventures	0.7	2.1	-1.4	-65%	-	-
Business profit*	42.8	40.5	2.3	5%	150.0	28%
Gain on sale of fixed assets	0.1	0.8	-0.6	-78%	-	-
Other	1.0	2.1	-1.0	-49%	-	-
Other operating income	1.2	2.9	-1.7	-57%	-	-
Loss on disposal of fixed assets	0.4	0.5	-0.0	-13%	-	-
Other	3.0	1.3	1.7	128%	-	-
Other operating expenses	3.5	1.8	1.6	86%	-	-
Operating profit	40.5	41.6	-1.0	-2%	144.0	28%
Interest income	1.3	0.5	0.7	146%	-	-
Other	0.9	2.0	-1.1	-53%	-	-
Financial income	2.2	2.6	-0.3	-12%	-	-
Interest expenses	1.0	0.9	0.1	17%	-	-
Other	2.2	5.1	-2.9	-56%	-	-
Financial expenses	3.2	6.0	-2.7	-45%	-	-
Profit before income taxes	39.5	38.1	1.4	3%	139.0	28%
Income taxes	9.9	8.8	1.0	12%	37.8	26%
Tax rate	25.2%	23.3%			27.2%	
Profit	29.6	29.2	0.3	1%	101.2	29%
Attributable to owners of the parent company	27.2	27.7	-0.5	-1%	95.0	28%
Non-controlling interests	2.4	1.5	0.9	59%	6.2	38%

* 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)

■ Impact of Currency Translation

Foreign exchange rates	Apr. - Jun. FY23	Apr. - Jun. FY22	FY23 Forecast
JPY/USD	137.49	129.73	135.00
JPY/EUR	149.58	138.26	135.00
JPY/THB	3.99	3.77	3.75
JPY/BRL	27.81	26.41	25.96

(Billion yen)

Impact of currency translation	Apr. - Jun. FY23
Sales	+10.9
Business profit	+1.4

(Billion yen)

Excluding the impact of currency translation	Apr. - Jun. FY23	Apr. - Jun. FY22	YoY Change	
			Amount	%
Sales	328.6	321.6	6.9	2%
Seasonings and Foods	194.4	184.3	10.1	5%
Frozen Foods	61.3	60.8	0.5	0%
Healthcare and Others	69.3	73.6	-4.3	-5%
Other	3.4	2.7	0.6	22%
Business profit	41.3	40.5	0.8	2%
Seasonings and Foods	29.7	24.2	5.5	23%
Frozen Foods	3.8	1.1	2.7	240%
Healthcare and Others	6.6	14.1	-7.4	-52%
Other	1.0	1.0	-0.0	-0%

■ Impacts of Raw Materials

(Billion yen)

	Apr. - Jun. FY23	
	Raw materials (Domestic)	Fermentation raw materials and fuel prices
Seasonings and Foods	-2.9	Main raw materials: -0.4
Frozen Foods	-0.4	Sub raw materials: 0.6
Healthcare and Others		Energy: -0.0
Total	-3.3	0.2

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In the three months ended June 30, 2023, the Company's consolidated sales increased 5.6% year-on-year, or ¥17.9 billion, to ¥339.5 billion. This was due to increases in sales in the Seasonings and Foods segment and the Frozen Foods segment due to increases in unit sales prices, the effect of currency translation, and other factors, despite a decrease in sales in the Healthcare and Others segment owing to the impact of lower sales of electronic materials and other factors. Business profit increased 5.7% year-on-year, or ¥2.3 billion, to ¥42.8 billion primarily due to the increases in sales in the Seasonings and Foods segment and the Frozen Foods segment, despite the impact of lower sales in the Healthcare and Others segment, cost increases in raw materials, and other factors.

Consolidated Results by Segment

				(Billion yen)		Factors leading to year-on-year increases and decreases are listed in order, from the largest to the smallest.
	Apr.- Jun. FY23	Apr.- Jun. FY22	YoY Change	FY23 Forecast	Progress	
Sales	339.5	321.6	17.9	1,465.0	23%	Seasonings and Foods Sauce & Seasonings: Overall increase in revenue. In Japan, increase in revenue primarily due to increased unit sales prices. Overseas, increase in revenue primarily due to increased unit sales prices and the impact of currency translation.
Seasonings and Foods	200.1	184.3	15.7	823.8	24%	Quick Nourishment: Overall increase in revenue. In Japan, increase in revenue primarily due to increased unit sales prices of coffee products and soup. Reference: sales of coffee products (Japan): ¥19.6 billion Overseas, increase in revenue primarily due to increased sales of instant noodles and the impact of currency translation.
Sauce & Seasonings	101.6	90.9	10.7	393.8	25%	Solution & Ingredients: Overall, revenue was level with the previous year primarily due to decreased sales of umami seasonings for processed food manufacturers, despite increased sales of food service products, etc. Reference: sales of umami seasonings for processed food mfrs.: ¥18.7 billion
Quick Nourishment	52.0	47.1	4.9	230.1	22%	Frozen Foods Overall increase in revenue. In Japan, decrease in revenue due to decline in sales volume despite the effect of increased unit sales prices. Overseas, increase in revenue primarily due to the impact of currency translation and increased unit sales prices.
Solution & Ingredients (S&I)	46.3	46.3	0.0	199.7	23%	Healthcare and Others Bio-Pharma Services & Ingredients: Increase in revenue due to the impact of currency translation and increased sales of Bio-Pharma Services (CDMO services).
Frozen Foods	63.8	60.8	2.9	292.3	21%	Functional Materials (electronic materials and others): Large decrease in revenue primarily due to decreased sales of electronic materials.
Healthcare and Others	72.1	73.6	-1.4	330.1	21%	Others: Overall, revenue was level with the previous year.
Bio-Pharma Services & Ingredients	33.8	31.7	2.1	140.3	24%	
Amino acids for pharmaceuticals and foods	Approx. 13.5	Approx. 15.0	-1.2	-	-	
Bio-Pharma Services (CDMO services)	Approx. 20.5	Approx. 17.0	3.3	-	-	
Functional Materials (electronic materials and others)	13.5	17.3	-3.8	81.2	16%	
Others	24.7	24.5	0.2	108.6	22%	
Other	3.4	2.7	0.6	18.6	18%	
Business Profit	42.8	40.5	2.3	150.0	28%	Seasonings and Foods Sauce & Seasonings: Overall large increase in profit. In Japan, decrease in profit primarily due to the impact of cost increases, such as for raw materials, despite increased revenue. Overseas, large increase in profit primarily due to the impact of increased revenue, despite the impact of cost increases, such as for raw materials.
Seasonings and Foods	30.9	24.2	6.7	92.9	33%	Quick Nourishment: Overall decrease in profit. In Japan, decrease in profit due to the impact of cost increases, such as for raw materials, despite increased revenue. Reference: profit of coffee products (Japan): ¥1.6 billion Overseas, profit was level with the previous year due to the impact of cost increases, and despite increased revenue.
Sauce & Seasonings	21.5	16.2	5.2	67.7	31%	Solutions & Ingredients: Overall large increase in profit, mainly from umami seasonings for processed food manufacturers, despite revenue being overall level with the previous year. Reference: profit of umami seasonings for processed food mfrs.: increased ¥0.6 billion YoY
Quick Nourishment	3.5	4.3	-0.8	18.5	19%	Frozen Foods Overall large increase in profit. In Japan, increase in profit primarily due to the impact of increased unit sales prices and improved costs despite decreased revenue. Overseas, large increase in profit primarily due to the impact of increased revenue and structural reform despite the impact of cost increases, such as for raw materials
Solution & Ingredients (S&I)	8.0	6.8	1.1	24.5	32%	Healthcare and Others Bio-Pharma Services & Ingredients: Large decrease in profit, primarily due to the impact of decreased revenue from amino acids for pharmaceuticals and foods. Reference: profit of amino acids for pharmaceuticals and foods: decreased ¥ 2.0 billion YoY, Bio-Pharma Services (CDMO services): decreased ¥0.8 billion YoY
Shared companywide expenses	-3.0	-3.0	-0.0	-18.0	17%	Functional Materials (electronic materials and others): Large decrease in profit accompanying large decrease in revenue.
Frozen Foods	3.9	1.1	2.8	3.7	105%	Others: Overall decrease in profit primarily due to strategic expenses.
Frozen Foods	4.7	1.9	2.8	9.0	52%	
Shared companywide expenses	-0.7	-0.7	0.0	-5.2	14%	
Healthcare and Others	6.9	14.1	-7.2	54.1	12%	
Bio-Pharma Services & Ingredients	2.6	5.5	-2.9	20.7	12%	
Functional Materials (electronic materials and others)	5.2	8.7	-3.4	42.0	12%	
Others	1.9	2.3	-0.4	4.9	38%	
Shared companywide expenses	-2.8	-2.5	-0.2	-13.5	21%	
Other	1.0	1.0	-0.0	-0.8	-	
Shared companywide expenses	-0.0	-0.1	0.0	-0.9	7%	

Starting in FY2023, the method for allocating shared expenses such as R&D expenses is changed in order to better evaluate the business performance of each reportable segment. The above figures, including results for FY22, reflect this change.

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■ Business and Geographical Area

(1) Results by business & geographical area

(Billion yen)

	Japan			Asia			Americas			EMEA			Other			Total		
	Apr.-Jun. FY23	Apr.-Jun. FY22	YoY Change	Apr.-Jun. FY23	Apr.-Jun. FY22	YoY Change	Apr.-Jun. FY23	Apr.-Jun. FY22	YoY Change	Apr.-Jun. FY23	Apr.-Jun. FY22	YoY Change	Apr.-Jun. FY23	Apr.-Jun. FY22	YoY Change	Apr.-Jun. FY23	Apr.-Jun. FY22	YoY Change
Sales	119.2	118.9	0.3 (0%)	95.4	85.9	9.4 (11%)	84.2	81.4	2.7 (3%)	40.6	35.2	5.3 (15%)	-	-	-	339.5	321.6	17.9 (5%)
Seasonings and Foods	66.3	62.4	3.9 (6%)	92.0	82.3	9.7 (11%)	28.9	26.6	2.2 (8%)	12.7	12.9	-0.1 (-1%)	-	-	-	200.1	184.3	15.7 (8%)
Frozen Foods	21.7	22.4	-0.7 (-3%)	1.1	1.1	0.0 (4%)	36.6	33.9	2.7 (8%)	4.2	3.3	0.8 (26%)	-	-	-	63.8	60.8	2.9 (4%)
Healthcare and Others	27.7	31.2	-3.5 (-11%)	2.1	2.4	-0.3 (-12%)	18.6	20.9	-2.2 (-10%)	23.6	18.9	4.6 (24%)	-	-	-	72.1	73.6	-1.4 (-1%)
Other	3.3	2.7	0.6 (21%)	0.0	0.0	0.0 (444%)	-	-	-	0.0	0.0	0.0	-	-	-	3.4	2.7	0.6 (22%)
Business profit	15.2	16.8	-1.5 (-9%)	18.4	14.2	4.2 (29%)	6.1	5.3	0.7 (14%)	2.9	4.0	-1.1 (-27%)	-	-	-	42.8	40.5	2.3 (5%)
Seasonings and Foods	7.7	7.1	0.5 (8%)	19.6	14.6	4.9 (34%)	4.9	3.4	1.5 (46%)	1.2	1.9	-0.7 (-37%)	-2.6	-2.9	0.2 (-10%)	30.9	24.2	6.7 (27%)
Frozen Foods	1.9	1.5	0.3 (25%)	0.4	0.7	-0.2 (-31%)	2.0	-0.1	2.2	0.0	-0.1	0.2	-0.5	-0.8	0.2 (-28%)	3.9	1.1	2.8 (254%)
Healthcare and Others	6.1	9.4	-3.2 (-34%)	0.2	0.9	-0.6 (-70%)	0.9	3.7	-2.7 (-74%)	2.1	2.6	-0.5 (-19%)	-2.6	-2.6	0.0 (-1%)	6.9	14.1	-7.2 (-51%)
Other	1.0	1.0	-0.0 (-5%)	-0.0	-0.0	-0.0 (21%)	-	-	-	0.1	0.1	-0.0 (-16%)	-0.0	-0.1	0.0 (-45%)	1.0	1.0	-0.0 (-3%)
Shared companywide expenses	-1.6	-2.3	0.7 (-32%)	-1.8	-2.0	0.1 (-7%)	-1.8	-1.5	-0.2 (16%)	-0.6	-0.6	0.0 (6%)	5.9	6.5	-0.6 (-9%)	-	-	-

(2) Overseas sales growth rate on LC basis by country (selected)

Seasonings and Foods (Sauce & Seasonings and Quick Nourishment)*		Apr.-Jun. FY23
Asia	Thailand	+4%
	Indonesia	+12%
	Vietnam	+11%
	Phillippines	+8%
Americas	Brazil	+8%

*Overseas consumer products

(3) Sales progress by business & geographical area

(Billion yen)

	Japan			Asia			Americas			EMEA			Total		
	Apr.-Jun. FY23	FY23 Forecast	Progress	Apr.-Jun. FY23	FY23 Forecast	Progress	Apr.-Jun. FY23	FY23 Forecast	Progress	Apr.-Jun. FY23	FY23 Forecast	Progress	Apr.-Jun. FY23	FY23 Forecast	Progress
Sales	119.2	562.4	21%	95.4	361.9	26%	84.2	388.5	21%	40.6	152.0	26%	339.5	1,465.0	23%
Seasonings and Foods	66.3	300.2	22%	92.0	344.8	26%	28.9	120.0	24%	12.7	58.6	21%	200.1	823.8	24%
Frozen Foods	21.7	98.2	22%	1.1	5.3	21%	36.6	169.2	21%	4.2	19.5	21%	63.8	292.3	21%
Healthcare and Others	27.7	145.6	19%	2.1	11.4	18%	18.6	99.2	18%	23.6	73.8	32%	72.1	330.1	21%
Other	3.3	18.0	18%	0.0	0.3	2%	-	-	-	0.0	0.0	-	3.4	18.6	18%

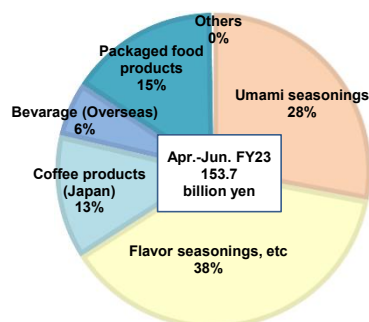
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Revised

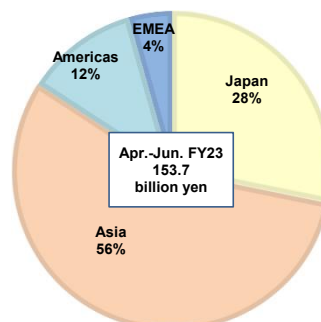
■ Seasonings and Foods

1. Sauce & Seasonings and Quick Nourishment (Domestic and Overseas)

(1) Percentage of sales for product categories



(2) Percentage of sales for Geographical Areas



(3) Coffee products

Percentage of sales for home-use products and restaurant and industrial-use products in Japanese market*

	FY21	FY22	Apr.-Jun. FY22	Apr.-Jun. FY23
Sales(Billion yen)	85.3	83.5	18.8	20.6
Home-use products	79%	75%	76%	73%
Restaurant and industrial-use products	21%	25%	24%	27%

*Figures are for Ajinomoto AGF, Inc. only.

(4) Share and position of main brands in the home-use products market (Ajinomoto Group estimates, consumer purchase basis)

Sauce & Seasonings (Japan)

(Billion yen)

Category	Brands	FY21		FY22			FY23	
		Market size	Market share (rank)	Market size	Market share (rank)	Apr.- Jun. Market share(rank)	Market size Forecast	Apr.- Jun. Market share(rank)
Umami seasonings	AJI-NO-MOTO®, Hi-Me®	5.3	94%(1)	5.5	93%(1)	94%(1)	5.7	94%(1)
Japanese flavor seasonings	HONDASHI®	37.1	56%(1)	34.5	55%(1)	56%(1)	33.5	56%(1)
Consomme	Ajinomoto KK Consomme	12.3	81%(1)	11.6	80%(1)	80%(1)	11.8	79%(1)
Mayonnaise	Pure Select®	59.4	25%(2)	65.6	24%(2)	23%(2)	66.5	26%(2)
Menu-specific seasonings	Cook Do®, Cook Do® Kyo-no Ohzara®	79.7	30%(1)	76.5	27%(1)	29%(1)	79.6	27%(1)

Sauce & Seasonings (Overseas)

Area	Country	Category	Brands	FY22 Market share (rank)
Asia	Thailand	Umami seasonings	AJI-NO-MOTO®, AJI-NO-MOTO PLUS	Approx.90%(1)
		Flavor seasonings	RosDee®	Approx.80%(1)
	Indonesia	Umami seasonings	AJI-NO-MOTO®	Approx.40%(1)
		Flavor seasonings	Masako®	Approx.50%(1)
	Vietnam	Umami seasonings	AJI-NO-MOTO®	Approx.60%(1)
	Philippines	Umami seasonings	AJI-NO-MOTO®	Approx.100%(1)
Americas	Brazil	Flavor seasonings	Tempero Sazon®	Approx.70%(1)

Quick Nourishment (Japan)

(Billion yen)

Category	Brands	FY21		FY22			FY23	
		Market size	Market share (rank)	Market size	Market share (rank)	Apr.- Jun. Market share(rank)	Market size Forecast	Apr.- Jun. Market share(rank)
Soup	Knorr®	113.4	30%(1)	115.7	29%(1)	28%(1)	118.0	30%(1)
Instant coffee	Blendy®, MAXIM®	80.0	22%(2)	79.6	22%(2)	22%(2)	78.0	22%(2)
Stick-type coffee	Blendy®, CAFÉ LATORY®	45.5	55%(1)	45.5	53%(1)	55%(1)	46.4	55%(1)
Regular coffee	Chyotto Zeitakuna Kohiten®, Blendy® (incl. Drip coffee)	54.6	13%(3)	59.2	13%(3)	12%(3)	60.4	13%(3)

Quick Nourishment (Overseas)

Area	Country	Category	Brands	FY22 Market share (rank)
Asia	Thailand	RTD Coffee	Birdy®	Approx.50%(1)

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Revised

2. Solution & Ingredients

Demand for MSG and nucleotides (Ajinomoto Group estimates)

(Thousand tons)

	FY21				FY22			
	China	Other	Total	Market share	China	Other	Total	Market share
MSG	1,710	1,620	3,330 ¹	Approx. 20%	1,760	1,700	3,460 ²	Approx. 20%
Nucleotides	-	-	63	Approx. 25%	-	-	65	Approx. 20%

1. Home-use: a little under 60%. industrial-use: a little over 40%

2. Home-use: a little under 60%. industrial-use: a little over 40%

■ Frozen Foods

(1) Percentage of sales for home-use products and restaurant and industrial-use products*

Japan	FY21	FY22	Apr.- Jun. FY22	Apr.- Jun. FY23
Sales(Billion yen)	89.3	90.3	22.3	21.2
Home-use products	67%	65%	66%	62%
Restaurant and industrial-use products	33%	35%	34%	38%

* Figures are for Ajinomoto Frozen Foods Co., Inc. only

(2) Market share and position of main brands in the home-use products market (Ajinomoto Group estimates, consumer purchase basis)

Japan

(Billion yen)

Category	Brands	FY21		FY22			FY223	
		Market size	Market share (rank)	Market size	Market share (rank)	Apr.- Jun.	Market size growth rate Forecast	Apr.- Jun.
						Market share(rank)		Market share(rank)
Gyoza	Gyoza, etc.	60.2	44%(1)	62.4	40%(1)	43%(1)	Approx.106%	31%(2)

North America

(Million USD)

Category	Brands	FY21		FY22		FY23
		Market size ²	Market share (rank)	Market size ²	Market share (rank)	Market size growth rate Forecast
Asian frozen food ¹	-	1,570	28%(1)	1,785	27%(1)	Approx.110%

1. Figures are for Ajinomoto Frozen Foods North America Inc. only

2. Excluding sales to private brands.

■ Information by Business Segment

(1) Depreciation and amortization*

(Billion yen)

	FY21	FY22	FY23 Forecast
Seasonings and Foods	30.9	34.1	35.8
Frozen Foods	10.9	12.7	12.9
Healthcare and Others	14.6	16.6	18.6
Other	2.8	0.9	0.8
All Company	6.7	7.2	7.4
Total	66.2	71.8	75.7

* Excluding discontinued operations.

(2) Capital Expenditure/Investment

(Billion yen)

	FY21	FY22	FY23 Forecast
Seasonings and Foods	36.7	29.1	34.5
Frozen Foods	10.5	11.5	11.0
Healthcare and Others	21.5	24.5	32.6
Other	0.6	0.7	0.7
All Company	4.5	3.7	3.9
Total	74.1	69.8	83.6

(3) R&D Expenses

(Billion yen)

	FY21	FY22	FY23 Forecast
Seasonings and Foods	6.4	6.8	8.0
Frozen Foods	1.2	1.4	1.9
Healthcare and Others	8.4	9.6	11.4
Other	0.3	0.3	0.3
All Company	8.5	7.6	12.4
Total	24.8	25.8	33.9

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(Reference) The product categories belonging to each reportable segment

Reportable Segments	Sub Segments	Main Products
Seasonings and Foods	Sauce & Seasonings	Umami seasonings AJI-NO-MOTO®, HON-DASHI®, Cook Do®, Ajinomoto KK Consommé, Pure Select® Mayonnaise, Ros Dee® (flavor seasoning), Masako® (flavor seasoning), Aji-ngon® (flavor seasoning), Sazón® (flavor seasoning), Sajiku® (menu-specific seasoning), CRISPY FRY® (menu-specific seasoning), etc.
	Quick Nourishment	Knorr® Cup Soup, YumYum® (instant noodles), Birdy® (coffee beverage), Birdy® 3in1 (powdered drink), Blendy® brand products (CAFÉ LATORY®, stick coffee, etc.), MAXIM® brand products, Chotto Zeitakuna Kohiten® brand products, various gift sets, office supplies (coffee vending machines, tea servers), etc.
	Solution & Ingredients	Umami seasoning AJI-NO-MOTO® for foodservice and processed food manufacturers in Japan, Seasonings and processed foods for foodservice, Seasonings for processed foods (savory seasonings, enzyme ACTIVA®), Drinks supplied to restaurants, Ingredients for industrial use, Delicatessen products, Bakery products, Nucleotides, Sweeteners (aspartame for industrial use, PAL SWEET® for retail use, etc.), and others
Frozen Foods	Frozen Foods	Chinese dumplings (Gyoza, Shoga Gyoza, POT STICKERS, etc.), Cooked rice (THE CHA-HAN, CHICKEN FRIED RICE, YAKITORI CHICKEN FRIED RICE, etc.), Noodles (YAKISOBA, RAMEN, etc.), Desserts (cakes for restaurant and industrial-use, MACARON, etc.), Shumai (THE SHUMAI, etc.), Processed chicken (Yawaraka Wakadori Kara-Age (fried chicken), THE KARAAGE, etc.), and others
Healthcare and Others	Bio-Pharma Services & Ingredients	
	Amino acids for pharmaceuticals and foods	Amino acids, culture media
	Bio-Pharma Services (CDMO services)	Contract development and manufacturing services of pharmaceutical intermediates and active ingredients, aseptic fill finish services, etc.
	Functional materials (electronic materials and others)	Electronic materials (Ajinomoto Build-up Film® (ABF) interlayer insulating material for semiconductor packages, etc.), Functional materials (adhesive PLENSET®, magnetic materials AFTINNOVA® Magnetic Film, etc.), activated carbon, release paper, etc.
	Others	Feed-use amino acids, Direct marketing (Fundamental Foods (Glyna®, Amino Aile®), etc.), Sports nutrition (Supplement (amino VITAL®), etc.), Personal care ingredients (amino acid-based mild surfactants Amisoft®, Amilite®, amino acid-based alternatives to plastic microbeads, the Amihope® SB series, etc.), Medical foods, Crop services, etc.