

**Ajinomoto Co., Inc. (2802)
Forecast for the Fiscal Year
Ending March 31, 2015 (FY2014)
and Outlook**

November 10, 2014

**Masatoshi Ito
President & CEO**

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I. Overview of FY2014 Forecast

FY2014 Forecast

No change in Groupwide net sales, operating income or net income forecast from the beginning of FY2014. Operating income has been revised downward for pharmaceuticals and revised upward for overseas food products.

(¥ Billion)	FY2014 Forecast	FY2013 Results	YoY Change
Note: Net sales are based on a new standard.			
Net sales	1,008.0	951.4	+6.0%
Operating income	70.0	61.8	+13.3%
Net income	44.0	42.2	+4.4%
Net income per share (¥)	74.32	68.67	+8.2%

Revisions from Forecast at Beginning of FY2014

■ Net sales

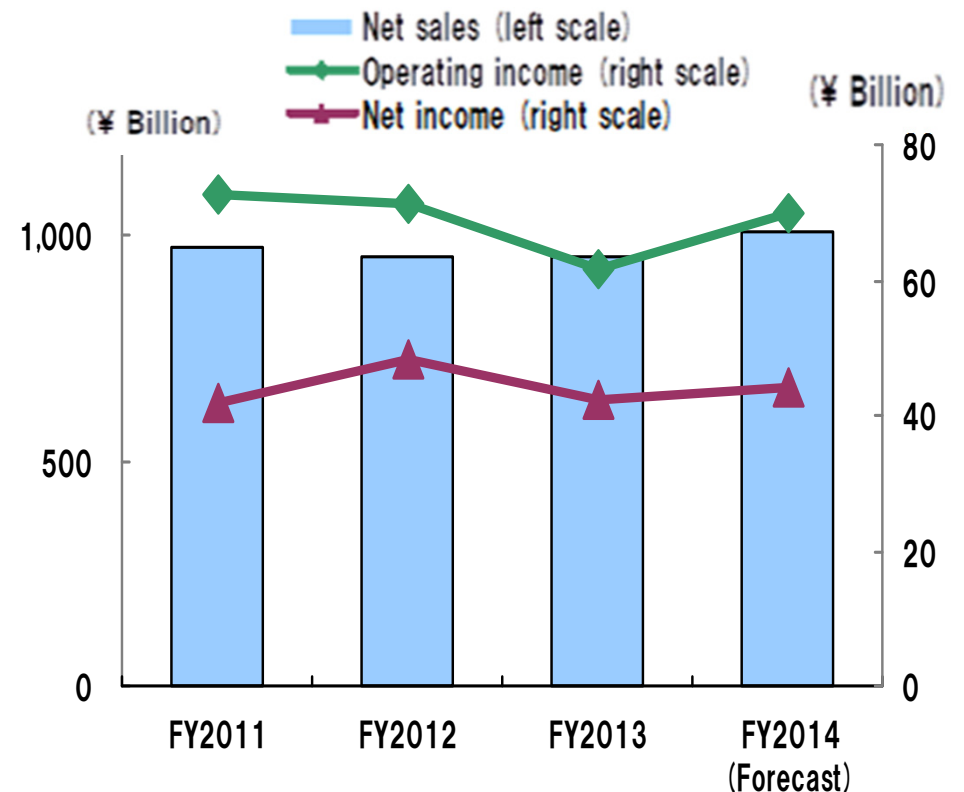
No change in Groupwide forecast from the beginning of FY2014.
 Reflected tough sales conditions for pharmaceuticals.

■ Operating income

+: Growth of overseas consumer foods in main countries, cost reductions for umami seasonings for processed food mfrs., etc.
 -: Sluggish sales of pharmaceuticals due to impact of generics and competing products.

■ Net income

No change in forecast from the beginning of FY2014



Impact of External Environment on FY2014 Operating Income

Assumed exchange rates are unchanged from the beginning of FY2014.

Regarding fermentation raw material and fuel prices, main raw materials, sub raw materials and energy are all expected to improve substantially from the forecast at the beginning of FY2014.

Assumed exchange rates (vs. JPY)

	FY2014 Forecast	1H FY2014 Results
USD	100.0	103.01
EUR	130.0	138.90
THB	3.2	3.19
BRL	44.0	45.76

Impact of exchange rates (YoY; ¥ Billion)

	FY2014 Forecast	1H FY2014 Results
Translation	-0.9	-0.1
Trade	-2.0	+1.0
Total	-2.9	+0.9

Effect of raw material and fuel price changes (YoY) (-: Cost increase; ¥ Billion)

	FY2014 Revised Forecast	FY2014 Initial Forecast	1H FY2014 Results
Fermentation main raw materials	5.2	-0.7	3.3
Fermentation sub raw materials	0.4	-0.3	1.3
Energy	1.1	-0.5	0.2
Raw materials for domestic food products	-1.0	-1.0	-0.6
Total	5.7	-2.5	4.2

Note: Assumptions are unchanged from forecast at beginning of FY2014 in consideration of recent rate fluctuations.

FY2014 Forecast by Segment

(¥ Billion)

	FY2014 Revised Forecast (A)	OP%	FY2014 Initial Forecast (B)	OP%	Difference	FY2013 Results	OP%	YoY Change	
								Amount (A)-(B)	% (A)/(B)
Net sales	1,008.0		1,008.0		0.0	951.4		56.6	6%
Domestic Food Products	312.3		312.3		0.0	299.9		12.4	4%
Overseas Food Products	322.2		322.2		0.0	292.4		29.8	10%
Bioscience Products & Fine Chemicals	238.4		238.4		0.0	228.1		10.3	5%
Pharmaceuticals	40.9		44.0		-3.1	51.2		-10.3	-20%
Other Business	94.2		91.1		3.1	79.7		14.5	18%
Operating income	70.0	6.9%	70.0	6.9%	0.0	61.8	6.5%	8.2	13%
Domestic Food Products	28.8	9.2%	28.8	9.2%	0.0	27.1	9.0%	1.7	6%
Overseas Food Products	29.4	9.1%	28.2	8.8%	1.2	25.0	8.6%	4.4	17%
Bioscience Products & Fine Chemicals	9.7	4.1%	9.7	4.1%	0.0	6.4	2.8%	3.3	52%
Pharmaceuticals	2.3	5.6%	3.5	8.0%	-1.2	3.8	7.4%	-1.5	-40%
Other Business	-0.2	-0.2%	-0.2	-0.2%	0.0	-0.5	-0.6%	0.3	-60%
Ordinary income	75.0		75.0		0.0	68.8		6.2	9%
Net income	44.0		44.0		0.0	42.2		1.8	4%
Exchange rate									
JPY/USD	100.0		100.0			100.17			
JPY/EUR	130.0		130.0			134.21			

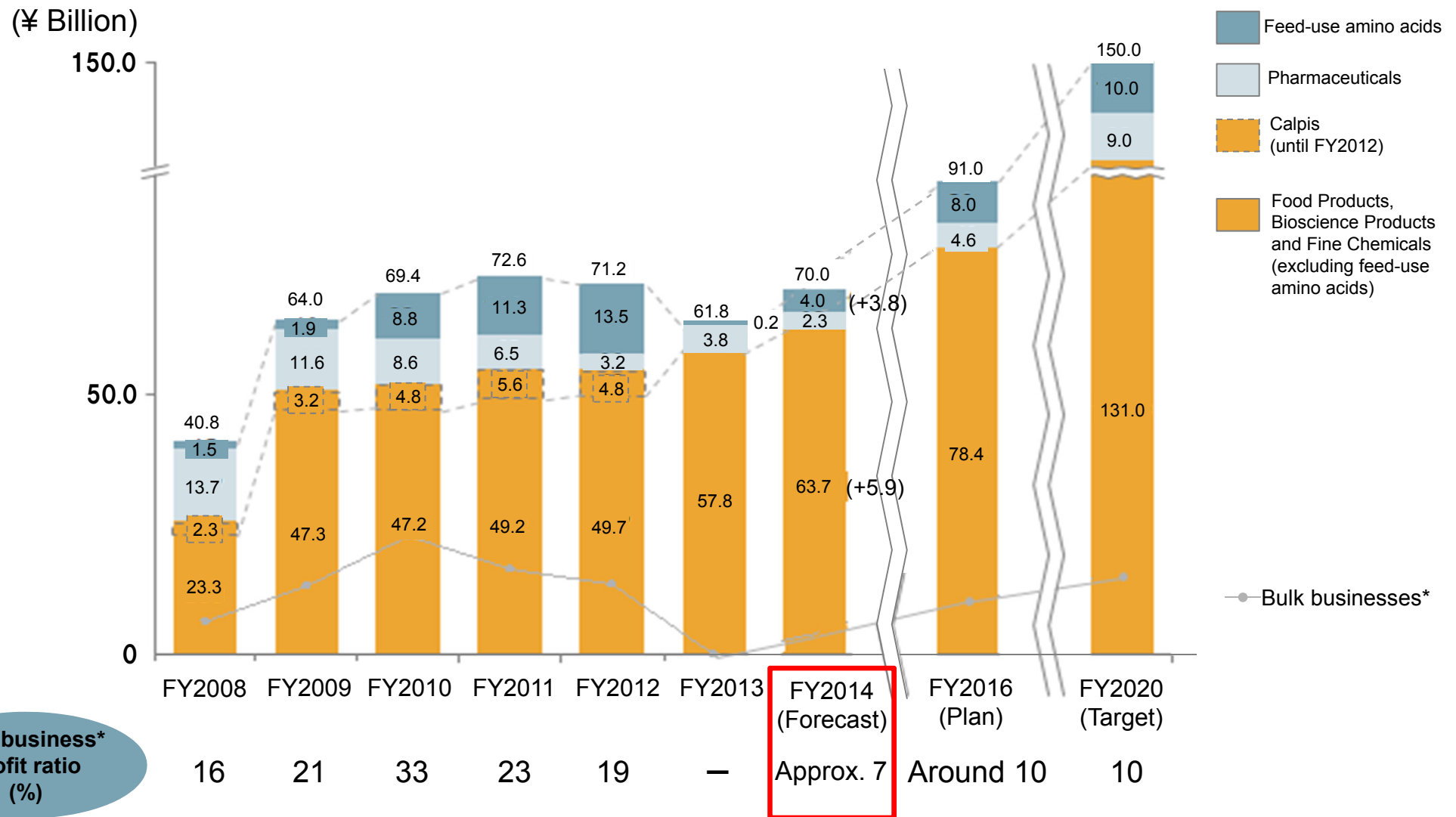
FY2014 Forecast - Ordinary Income and Net Income

No change in forecast for either extraordinary gains (losses) or net income from beginning of FY2014.

	FY2014 Forecast	FY2013 Results	Difference	Main Factors
Net sales	1,008.0	951.4	56.6	Net sales based on new standard from FY2014
Operating income	70.0	61.8	8.2	
Non-operating income (expenses)	5.0	7.0	-2.0	
Interest income	1.7	2.1	-0.4	
Dividend income	0.9	1.1	-0.2	
Equity in earnings of affiliates	4.1	3.4	0.7	
Interest expense	-2.2	-2.0	-0.2	
Other (net)	0.5	2.4	-1.9	
Ordinary income	75.0	68.8	6.2	
Extraordinary gains (losses)	-1.0	3.8	-4.8	
Gain on sale of fixed assets	1.0	3.1	-2.1	
Gain on sale of shares in affiliated company	0.0	2.3	-2.3	
Loss on sale of investments in affiliates	-2.4	-1.2	-1.2	
Other (net)	0.4	-0.4	0.8	
Net income before income taxes	74.0	72.6	1.4	
Net income	44.0	42.2	1.8	Effective tax rate FY2013: 31.5%, FY2014 forecast: 29.7%

Targeted Composition of Operating Income

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

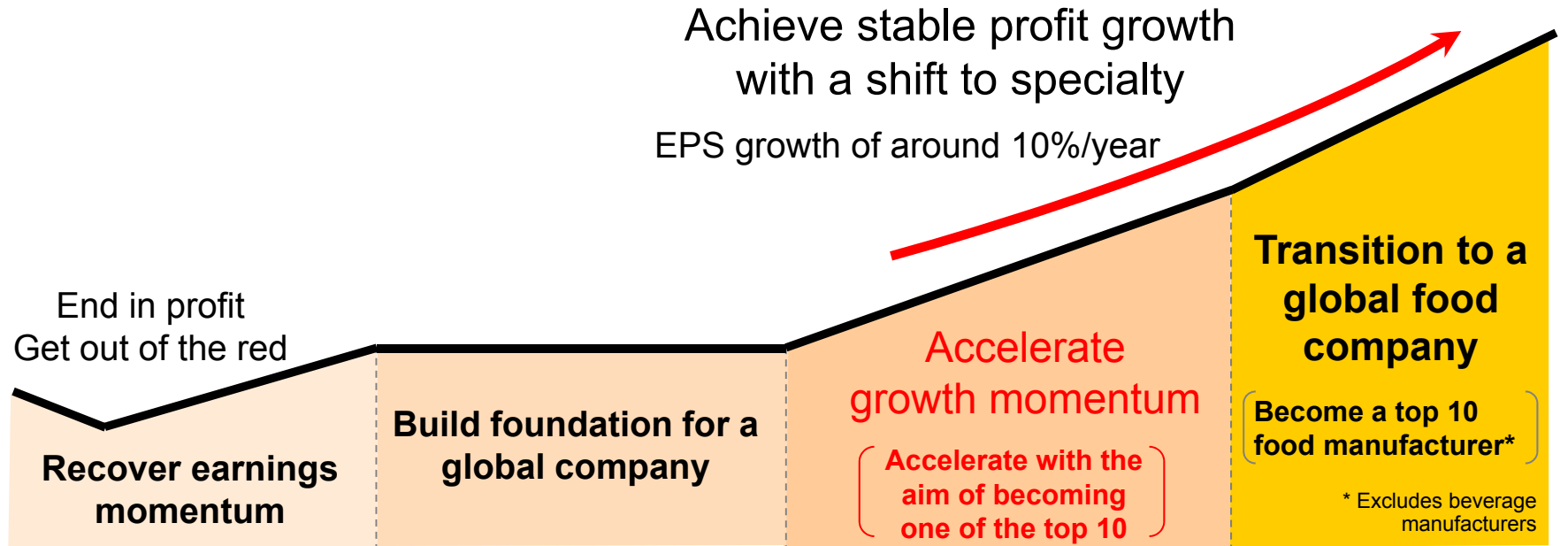


**Bulk business*
profit ratio
(%)**

• Bulk businesses: Umami seasonings for processed food manufacturers, feed-use amino acids, sweeteners

Roadmap to a Genuine Global Specialty Company

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



	FY2008 Actual	FY2011 Actual	FY2012 Actual	FY2013 Actual	FY2014 Forecast	FY2016 (Targets)	FY2020~ (Vision)
Operating profit (¥ Bil.)	40.8	72.6	71.2	61.8	70.0	91.0	150.0
OP margin¹	3.4%	7.5%	7.5%	6.5%	6.9%	8%	10%
OP margin excl. bulk businesses ²	3.6%	6.7%	7.0%	7.9%	7.9%	8.4%	10.5%
ROE	-1.7%	6.9%	7.8%	7.1%	7.1%	9%	10%~
EPS (¥)	-14.6	61.3	74.4	68.7	74.3	100	150
Market cap (¥ Bil.)	486.5	704.8	898.5	905.8	—	1,000.0~	1,500.0~
Bulk business profit ratio²	16%	23%	19%	—	Approx. 7%	Around 10%	10%

1. Net amount of total sales through all channels, including business tie-ups, after deduction of sales promotion costs from FY2011 onward.

2. Bulk businesses: Umami seasonings for processed food manufacturers, feed-use amino acids, sweeteners

II. GROW: Accelerate Growth Momentum

Consumer Foods

(1) Domestic Food Products

(2) Overseas Food Products

(1) Domestic Seasonings and Processed Foods

Sales trends after the consumption tax rate increase

Home-use: Impact of the last-minute surge in demand before the consumption tax rate increase ended in the first quarter and sales increased YoY from July.

Restaurant and delicatessen-use: Sales were higher YoY throughout the first half despite the impact of the consumption tax rate increase and adverse weather.

Home-use: Unchanged YoY in 1H

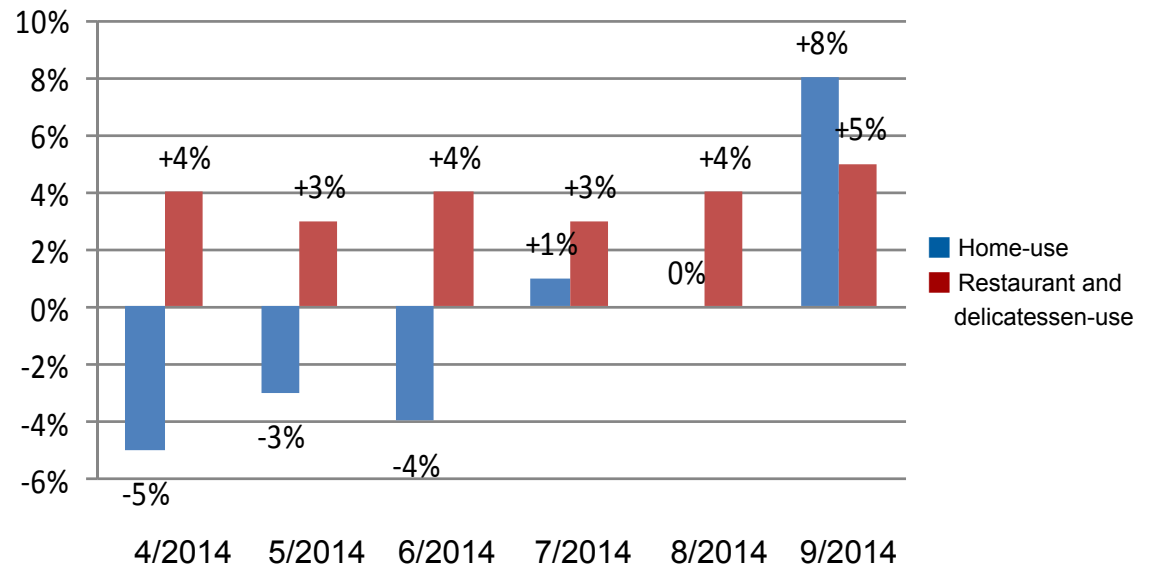
Counteracted impact of last-minute surge in demand before tax rate increase with measures to stimulate demand.

Restaurant and delicatessen-use:

+4% YoY in 1H

Achieved stable growth with increased sales of functional food products, etc.

Sales of domestic seasonings and processed foods vs. same month in previous year



Continuously create specialty products in the second half

Provide value adapted to users with original Ajinomoto technologies in both the home-use and restaurant and delicatessen-use categories.

Further expand range of products that create value for customers.

Full-year sales are expected to increase YoY, even with a pullback in demand in the second half following last year's last-minute surge in demand before the consumption tax rate increase.

(1) Domestic Seasonings and Processed Foods

Shift to specialty businesses using our ability to create value for customers.

New home-use product from autumn 2014

Nationwide launch of *Toss Sala*®

Developed product by collecting ideas from working women to meet their needs.

Desire for short preparation time, but with appealing results.
Tendency not to eat enough vegetables.

A new type of salad seasoning using original Ajinomoto technology
Powder compounding technology developed for *Knorr*® *Cup Soup*
Original Ajinomoto seasoning that brings out the flavor of vegetables



Italian basil flavor

Communication that conveys a new product domain in an easily understood manner

TV commercial aired from Oct. 4

A new salad seasoning with *Kona Dore* (powdered dressing) and toppings.
Just toss together with vegetables to make a better class of deli-style salad.



Upsurge in store turnover!



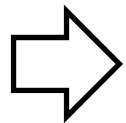
(1) Domestic Seasonings and Processed Foods

Shift to specialty businesses using our ability to create value for customers.

New home-use products from autumn 2014

Knorr® Cup Soup with 40% reduced sodium

Reducing salt usually also reduces thickness and body.

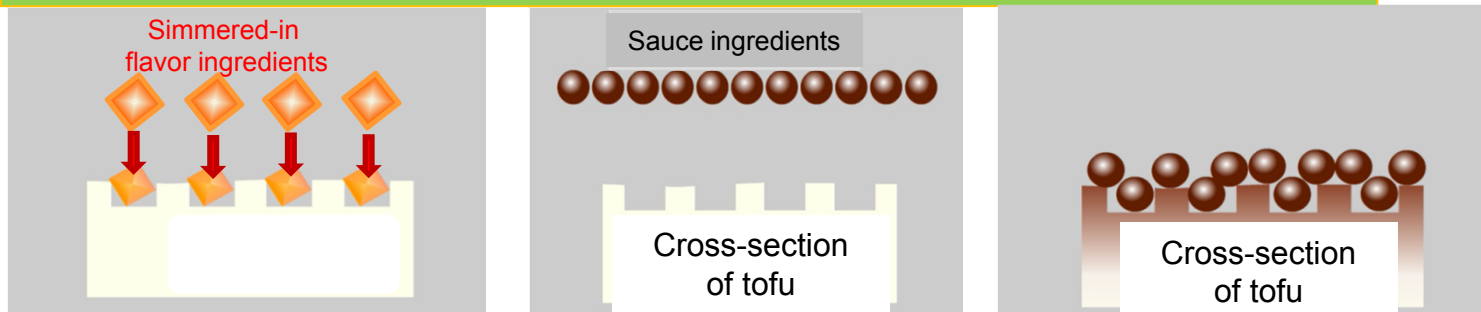


Achieves flavor close to regular product using original Ajinomoto compounding technology for organic acids, savory seasonings, amino acids and other ingredients.



Cook Do® Kyo-no Ohzara for meat and tofu stew with simmered-in flavor

Original Ajinomoto materials loosen bonds between proteins so the sauce ingredients permeate the tofu for simmered-in flavor with short cooking time.



(1) Domestic Food Products: Frozen Foods

Review of interim FY2014

Sales increased and income decreased in interim FY2014.

Basically in line with initial forecast because interim plan incorporated increase in raw material prices, etc.

Continued strong performance overseas.

Interim FY2014 sales conditions: **Net sales ¥54.6 billion (+5% YoY)**

	YoY change	Conditions
Home-use sales	0%	Strengthened products and expanded sales of <i>Gudakusan Ebi Pilaf</i> , which proposes a new eating style, but overall sales were unchanged YoY, on par with the market.
Restaurant and industrial-use sales	+5%	Firm sales as efforts with major customers progressed.
Domestic sales	+2%	
Overseas sales	+21%	Substantial expansion continued, mainly in North America.

Interim FY2014 operating income conditions: **Operating income ¥2.5 billion (-¥0.2 billion YoY)**

- Interim operating income was basically in line with initial plan of ¥2.5 billion, which assumed an increase in raw material prices.

(1) Domestic Food Products: Frozen Foods

Status of measures to restore profitability in FY2014

Working to further expand domestic and overseas sales and further reinforce the earnings structure. **Forecast operating income of approximately ¥ 6.5 billion.**

Further expand domestic and overseas sales

- Further expand domestic sales with sales promotion centered on domestically produced vegetables for Gyoza, which was renewed in autumn 2014, and by strengthening sales of restaurant-use desserts, etc.
- Further expand strong overseas sales, mainly in North America
Increase overseas sales ratio from 13% (FY2013) to 15% (excluding Windsor*)

Further reinforce the earnings structure

- Reorganize domestic production lines. Raise productivity of dessert lines by 20% with startup of production at new building at Kanto Plant; full-scale cost reduction effect in second half. Improve productivity at plant for rice products by concentrating lines.
- Accelerate local production and sales in Europe with establishment of Ajinomoto Jawo sp. z o.o.

Conduct measures to further improve earnings

- Price adjustments of home-use and restaurant-use products are scheduled from February due in part to the rapid depreciation of the yen, in addition to factors such as a surge in raw material prices for food products in general resulting from an increase in global demand.

* Windsor Quality Holdings, LP



Rollout of in-store activities linked to commercials for Gyoza



Fried rice for North America



Startup of production at new building at Kanto Plant



Establishment of new company with Jawo sp. z o.o.

(1) Domestic Food Products: Frozen Foods

Measures to achieve operating income plan for the second half of FY2014

Get back on a growth track by promoting continued expansion of domestic and overseas sales and further reinforcement of the earnings structure.

2H FY2013 Operating income: ¥2.3 billion

Increase in costs
(-¥0.6 billion)

Increased costs from surge in prices for shrimp, meat, etc., and depreciation of yen

Increase in marketing expenses, etc.
(-¥1.2 billion)

Focus on expanding sales of core products for home use and restaurant and industrial use

Increase in income due to growth in sales (+¥2.1 billion)

Further expansion of domestic and overseas sales (+8% YoY)

Cost reductions from plant productivity improvements, etc.
(+¥1.4 billion)

Improved productivity from startup of production at new building at Kanto Plant, cost reductions for raw materials, etc.

2H FY2014 Operating income: ¥4.0 billion (+¥1.5 billion)

Note: Figures are approximate.

GROW: Accelerate Growth Momentum (Consumer Foods)

(2) Overseas Food Products

Create country/area pillars to follow Japan with rapid growth originating in the core “Five Stars” countries where the Ajinomoto Group does business outside Japan.

“Five Stars” Aim for Doubling/Tripling Growth:

Average 10% growth rate in FY2014 sales in each country on a local currency basis

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

Expansion of mid/upper income segment
Modernization of eating habits/channels

Pursue “No.1 in Deliciousness”

Pursue “specialty” in product development using original Ajinomoto technologies
Continued double-digit growth in interim FY2014.

- ◆ Flavor seasonings: Continue measures for in-house production of meat extract emphasizing quality. Enhance product quality using original Ajinomoto technologies and ingredients.
 - *Masako*® in Indonesia: Substantial growth from enhancing product quality and communication. Also increase profitability.
 - *Aji-ngon*® in Vietnam: Enhance product quality with meat extract produced in-house
 - *PORKSAVOR*® in Philippines: Major new product. Use of meat extract (scheduled for in-house production)
- ◆ Menu-specific seasonings: Total of four new product varieties in interim FY2014 (four months)
 - Brazil: *Satis!*® for milanesa (can be prepared without using oil) pursues “deliciousness” with “convenience and health” using original Ajinomoto technologies.

Indonesia *Masako*®
Vietnam *Aji-ngon*®
Philippines *PORKSAVOR*®
Brazil *Satis!*® for milanesa

Expand sales in restaurant channel

In the dramatically growing restaurant market, conduct more thorough FTU activities and expand services tailored to user needs and the restaurant-use product lineup. Continued growth exceeding double digits in interim FY2014.

- ◆ Brazil: Hold sales convention for distributors. Aim to triple restaurant-use business from FY2012 to FY2016.
- ◆ Thailand: Launch *Krob Dee* coating for fried chicken for restaurant use. Growth on positive evaluation of product quality with long-lasting crispiness that lets restaurants add their own flavoring. Promote steady growth as the TT Sales Team opens up the food vendor market.
- ◆ Vietnam: Bring together users and present unique ways of and tips for using seasonings at restaurant chain seminars and events called “chef tours.” Continue offering comprehensive proposals from the perspective of users.

Thailand *Krob Dee*

(2) Overseas Food Products

Accelerate the creation of a foundation for rapid growth in the “Rising Stars.”

Core initiatives for “Rising Stars”

Africa/Middle East



- ◆ Rollout umami seasoning *AJI-NO-MOTO*® to neighboring countries. Continue efforts for market penetration.

Begin sales at Cameroon and Kenya branches through WASCO. Appoint a locally known consultant cook in Kenya as brand advisor for full-scale product promotion activities.



Kenyan cook
Susan Kamau

- ◆ Expand business in Turkey through Kükre A.Ş.
 - Build new factory in Adana province (startup scheduled for Nov. 2014), plan to produce and sell health drink *şalgam*.
 - Development of dressings and other liquid seasonings in progress. (Launch scheduled in March 2015)

Launch instant noodle business companies through a joint venture with Toyo Suisan Kaisha, Ltd. (Start of sales scheduled in FY2016)

- Brand: *A&M*
- Company names:
MARUCHAN AJINOMOTO
NIGERIA LIMITED

MARUCHAN AJINOMOTO
INDIA PRIVATE LIMITED



Smiles for All.
すべては、笑顔のために。

Europe/North America



North America



- ◆ Strengthen product potential/establish a sales foundation for frozen food and instant noodles in the restaurant channel.

- Accelerate business expansion in the EU centered on processed food.

Production of frozen gyoza in Poland
Establish Ajinomoto Jawo sp. z o.o., a joint venture to develop and manufacture frozen gyoza, in October 2014



- ◆ Expand mainstream frozen food lineup in North America
 - Jointly develop frozen noodles with Toyo Suisan in North America



Smiles for All.
すべては、笑顔のために。



Launch of frozen ramen (Oct. 2014)

(2) Overseas Food Products

Objectives after merger of Windsor

Achieve sales of ¥100 billion in the North American frozen food business by FY2020 and establish the Ajinomoto Group as the clear No. 1 manufacturer in the Japanese/Asian¹ frozen food category

Expand Share in a Growing Market

1. Restructure frozen food business and product portfolio

- ① Strengthen Windsor's mainstay products by introducing the Ajinomoto Group's product development and quality control technologies
- ② Strengthen the Asian food category by using Windsor's sales channels to expand sales of high-value-added AJINA² products (gyoza, noodle and rice products)
- ③ Strengthen the Mexican and Italian categories by reducing low-profit products and concentrating on competitive, high-value added products

2. Develop a new brand strategy

Based on product portfolio restructuring...

- ① strengthen existing Asian food brands
- ② create Japanese food brands
- ③ further strengthen Asian food brands by combining with Amoy Food

Reinforce Earnings Structure

- ① Improve productivity by introducing Ajinomoto Group production technologies
- ② Reinforce the earnings structure by optimizing the production systems of Windsor and AFU³
- ③ Raise the quality of existing products (create higher-value-added products) using the Ajinomoto Group's product development capabilities

1. Includes Chinese, Korean, Thai and Indian food

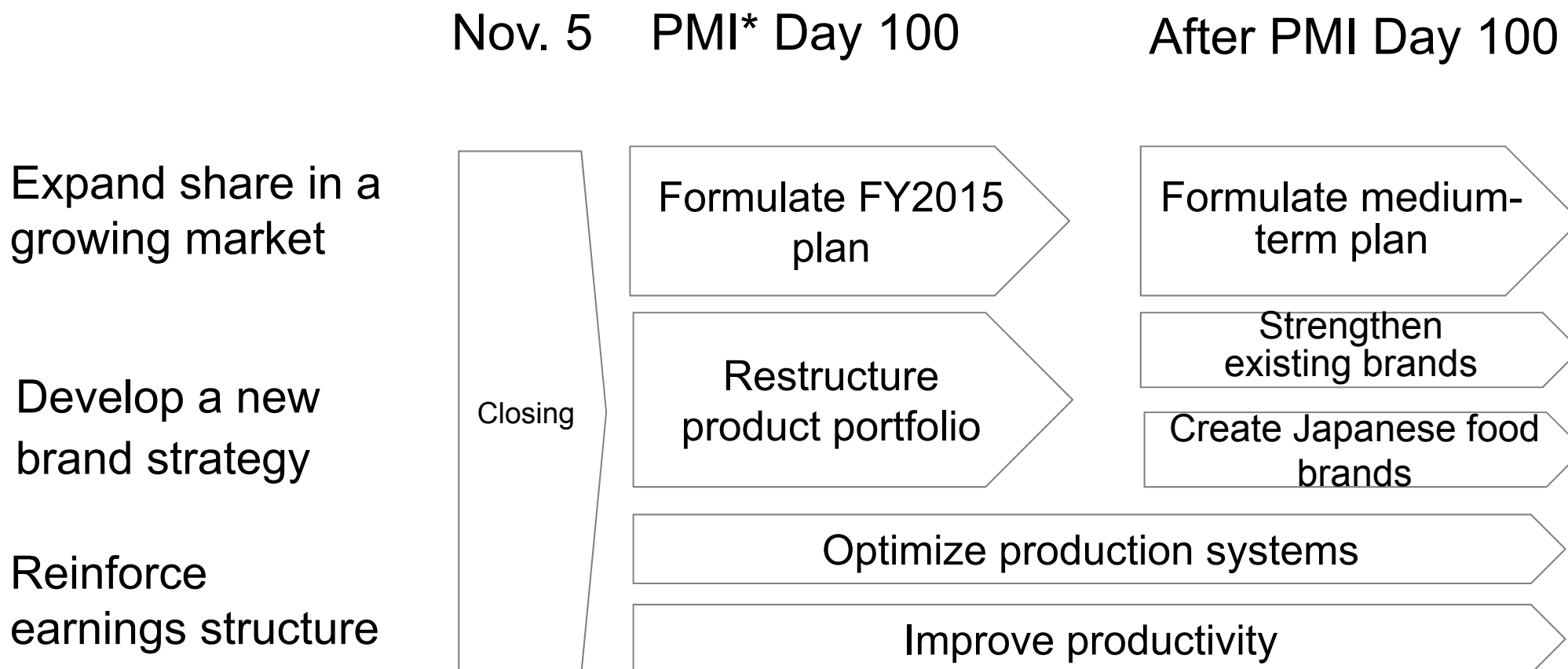
2. AJINA: Ajinomoto North America, Inc.

3. AFU: Ajinomoto Frozen Foods U.S.A., Inc.

(2) Overseas Food Products

Process for integration of Windsor

We have begun examining how to promote integration in stages after the closing.



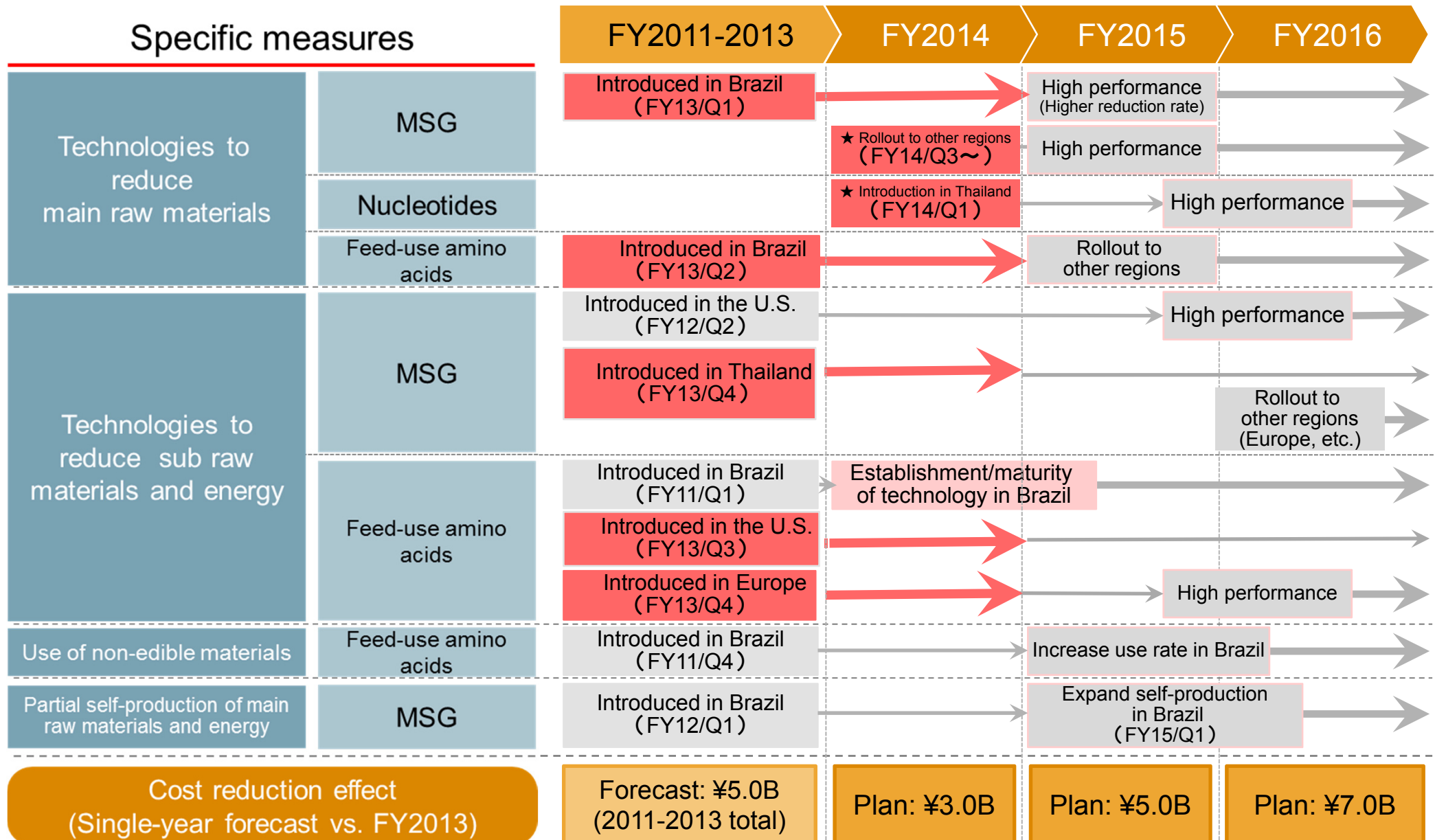
* Post-Merger Integration

III. FIT: Further Business Structure Reinforcement

Technology for Fermentation Using Fewer Resources

Progress of Fermentation Technology Using Fewer Resources (R&D Leadership)

Achieve ¥3.0 Billion in Cost Reductions in FY2014.

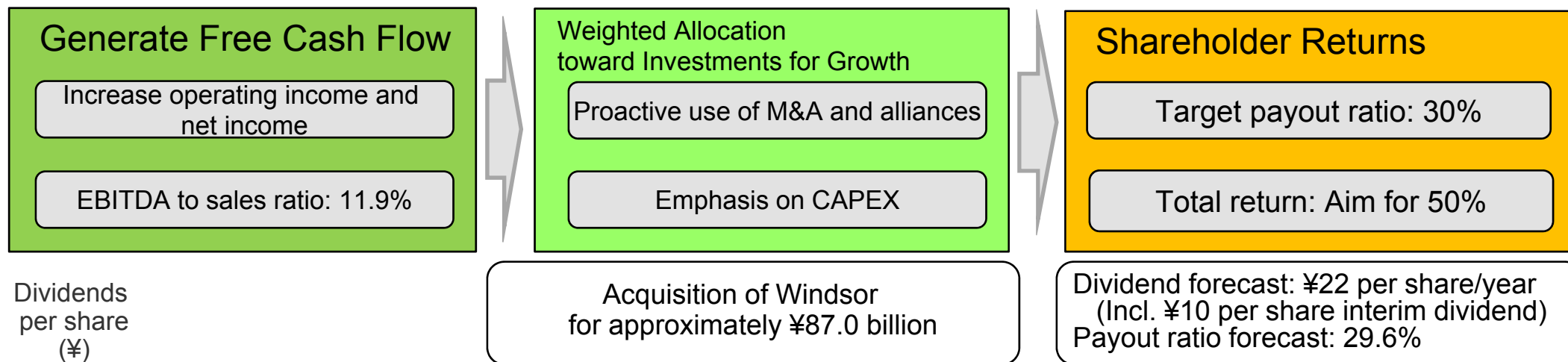


IV. FY2014 Financial Strategy

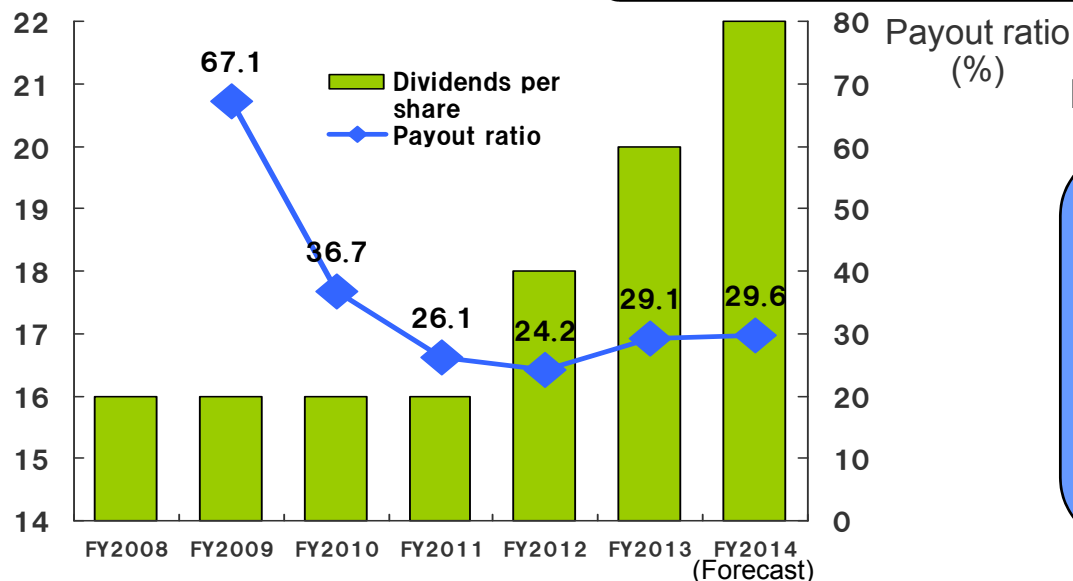
FY2014 Financial Strategy

Investments for Growth and Shareholder Returns: Further increase shareholder value.

Increase year-end dividend by ¥2 (¥10 → ¥12; full-year dividends ¥20 → ¥22) for a forecast payout ratio of approximately 30%.



Dividends per share (¥)



Priority of Uses of Cash and Shareholder Returns

Continue to examine investments for growth (D/E ratio around 50%).
 No change in policy of aiming for total return of 50% during the FY-2014-2016 Medium-Term Management Plan while targeting a payout ratio of 30% for each fiscal year.

V. Animal Nutrition Business
Market Environment and
Progress of Structural Reform in FY2014

November 10, 2014
Yoichiro Togashi, President
Ajinomoto Animal Nutrition Group, Inc.

Structural Reform of Animal Nutrition Business

Market Environment

		FY2014 Assumptions	FY2014 Forecast	Most recent
Spread (USD/ST)		Approx. 230	Approx. 230	Approx. 210
YoY Market Growth	Lysine	+5%	+5%	
	Threonine	+5%	+5%	
	Tryptophan	+35%	+60%	

		Interim FY2014 Review	Outlook
Commodity	Lysine/ Threonine	Production adjustments, particularly by Chinese manufacturers, decreased market inventory. Market prices trended toward improvement.	Underlying trend toward improvement in market prices expected to continue; respond carefully to rapid rebound, especially for Threonine price.
	Tryptophan	Increase in supply volume due to entry of competitor, but on the other hand growth in demand was substantial.	Work to expand demand and stabilize prices by further opening markets.
Specialty	Valine	Success in cultivating demand, with substantial growth, mainly in the European market.	Although the entry of a new competitor is expected, work to expand demand and stabilize prices by further opening markets.
	AjiPro®-L	Improved product performance and launched in September. Capacity expansion proceeding on schedule.	Accelerate development to further improve product performance. Formulate plan for next capacity expansion.

Structural Reform of Animal Nutrition Business

Progress of Structural Reform

- (1) Expand specialty businesses**
- (2) Strengthen competitiveness of commodity businesses**



Reduce volatility

(1) Expand specialty businesses

- AjiPro[®]-L
 - Introduce second-generation product (September)
 - = Increase Lysine availability
 - Complete capacity expansion (scheduled for December)
 - 1,500 tons/yr. ⇒ 6,500 tons/yr.
 - Further improvements in product performance and formulation of capacity expansion plan under consideration
- Expand sales for AminoGut[®] and other specialty products and focus investment in R&D

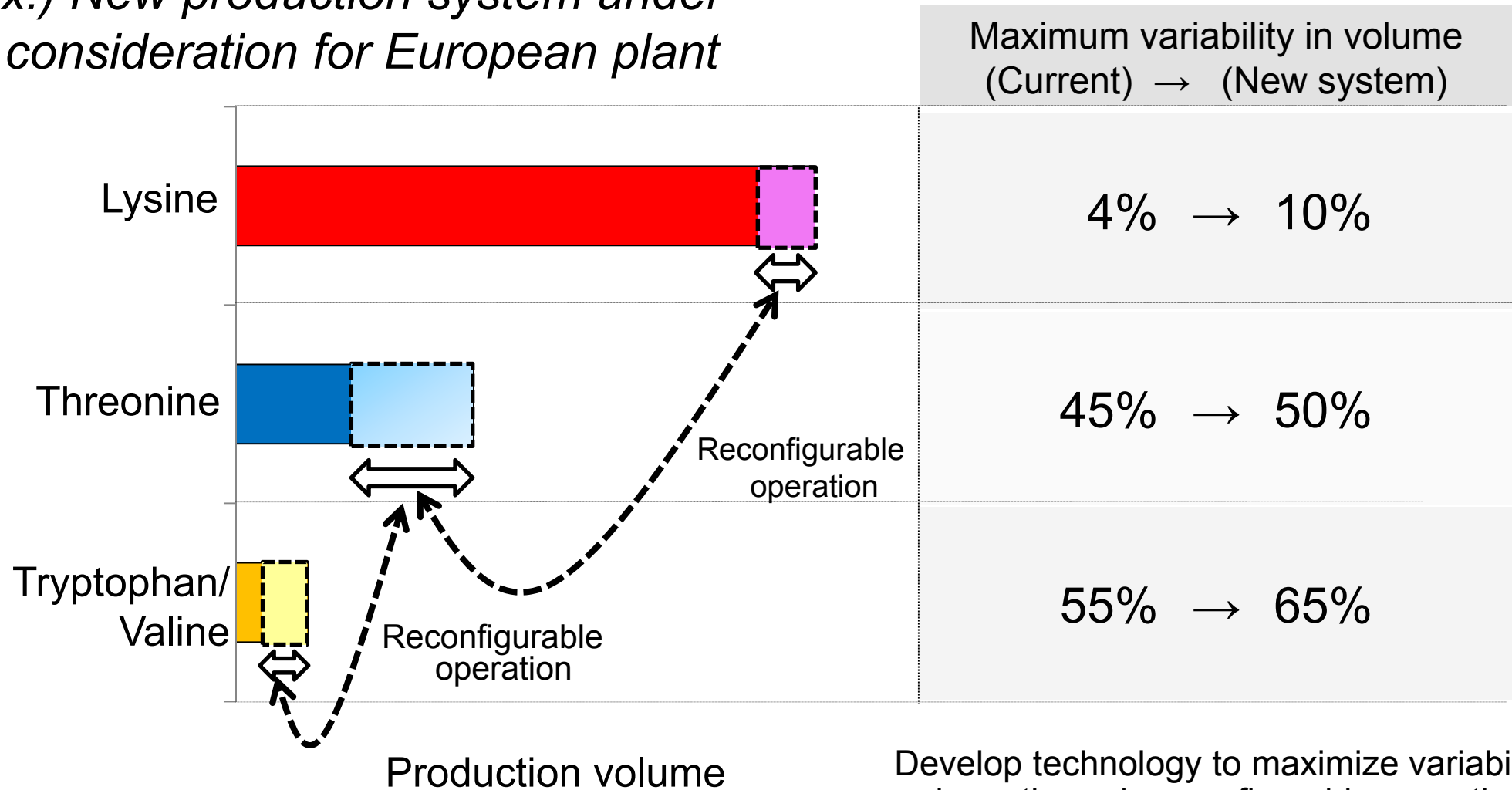
(2) Strengthen competitiveness of commodity businesses

- Introduce new technologies to increase productivity and reduce costs
 - Technology for fermentation using fewer resources
 - Proceeding smoothly toward cost reduction target
- Use external resources to increase efficiency
 - Proactively introduce OEM
- Use small investments to strengthen the flexible production system globally (Ex.) Further enhancements at European plant

Structural Reform of Animal Nutrition Business

Measures to Strengthen the Flexible Production System

(Ex.) New production system under consideration for European plant

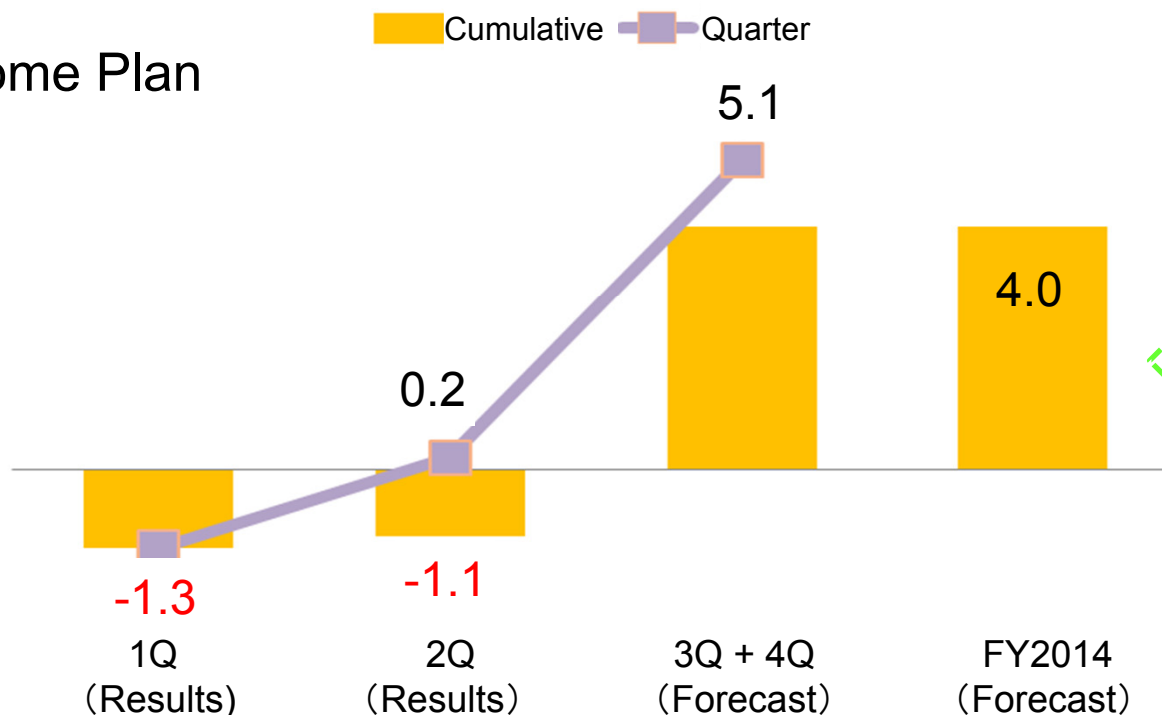


Develop technology to maximize variability in volume through reconfigurable operation to optimize operations in response to market conditions.

Structural Reform of Animal Nutrition Business

FY2014 Results and Forecast

Operating Income Plan (¥ Billion)



○ Specialty products ratio:
40% or higher
for the full year

Lysine price

- Increases in second quarter will continue through the third quarter.
- However, aim for sales at a reasonable price in response to market conditions due to expected increase in supply volume from the beginning of next year.

Net Sales	21.1	22.9	58.3	102.3 (¥ Billion)
Operating Income	-1.3	0.2	5.1	4.0 (¥ Billion)
Lysine market price	1.30	1.40	1.55	1.45 (USD /Kg)
Lysine market price (same period of previous year)	1.75	1.65	1.50	1.60 (USD /Kg)

VI. Pharmaceuticals Business

FY2014 Strategy

November 10, 2014

Takashi Nagamachi
President & CEO

AJINOMOTO PHARMACEUTICALS CO., LTD.

Specific Initiatives for FY2014

1) Interim FY2014 results

(¥ Billion)

	1H FY2013 Results	1H FY2014 Results	YoY Change	2H FY2014 Forecast	FY2014 Full-year Forecast
Net sales	27.9	18.8	-9.1	22.1	40.9
Gross profit	16.2	12.5	-3.7	15.0	27.4
Gross profit ratio	58.1%	66.5%	8.4 pt.	67.9%	67.0%
Operating income	1.5	0.2	-1.3	2.1	2.3
OP margin	5.4%	1.1%	-4.3 pt.	9.5%	5.6%

- 1) With the strong impact of the growth of generics in addition to the effect of NHI drug price revisions, net sales excluding the impact of the spin-off of the infusion and dialysis business units decreased ¥3.5 billion (including -¥1.0 billion from NHI drug price revisions) and operating income decreased ¥1.3 billion.
- 2) Operating income for the full fiscal year is expected to be limited to ¥2.3 billion despite expected lump-sum royalty income in the second half.

2) FY2014-2016 Medium-Term Management Plan

Basic Policy

Amid expansion of the Ajinomoto Group's food and health domains, handle specialized functions for business expansion in pharmaceuticals and peripheral domains

Problem-solving measures

- 1 Conduct thorough structural reform by revising the functions and rightsizing the organizations and employees of AJINOMOTO PHARMACEUTICALS CO., LTD.
- 2 Strengthen products/pipeline centered on the IBD* field **inflammatory bowel diseases*
- 3 Accelerate overseas development centered in Asia
- 4 Fully deploy specialized functions in the Ajinomoto Group's peripheral healthcare domains (related to cell culture media, AminoIndex[®], etc.)

Specific Initiatives for FY2014

3) Conduct thorough structural reform

Revise the functions and right-size the organizations and employees of
AJINOMOTO PHARMACEUTICALS CO., LTD.

Restructure
R&D functions

Restructuring to modulate functions

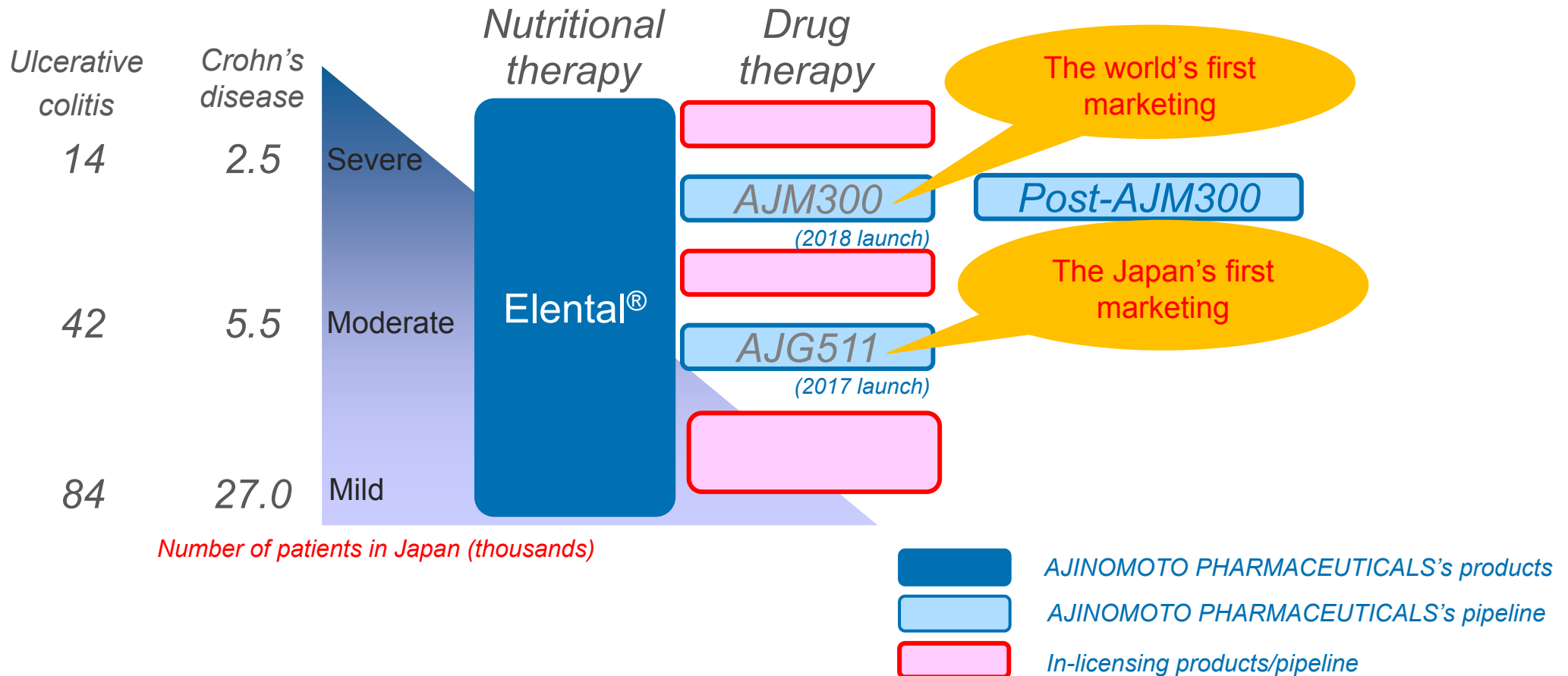
Research Institute staff: 175 ⇒ 99

- Streamline discovery functions by specializing in the IBD field
- Strengthen development functions to increase speed and success rate
- Make thorough use of academia and external resource
(accelerate open & linked innovation)

Shift investment from discovery to development and improve pipeline productivity with emphasis on potential

Specific Initiatives for FY2014

4) Strengthen products/pipeline [1]



Combine in-house projects and in-licensed compounds to strengthen products/pipeline in the IBD field

Specific Initiatives for FY2014

4) Strengthen products/pipeline [2] - Three measures and outlook -

1. In-house development

- AJG511: Start of Phase III in 2H FY2014 (launch planned for 2017)
(Steroid rectal foam for ulcerative colitis)
- AJM300: Scheduled start of Phase III
in 2H FY2014 (launch planned for 2018)
(Oral α 4 integrin antagonist for ulcerative colitis)
- AJG533: Phase II clinical trial under way (launch planned for 2018)
(Treatment for chronic constipation)

2. In-licensing of individual products

3. Comprehensive business tie-ups

Three measures

Proactive out-licensing
(including co-development/sales
in Japan)

Acquire products/pipeline
to strengthen digestive field

Comprehensive tie-ups
to strengthen the
fundamental product potential of
AJINOMOTO PHARMACEUTICALS

Incorporate the results of the Ajinomoto Group's cutting-edge R&D to be a manufacturer of pharmaceuticals that are distinctive to the Ajinomoto Group

Reference

Assumptions of FY2014 Forecast

【Reference】Assumptions of FY2014 Forecast

Foreign exchange rates (vs JPY)

	Avg. rate	Sensitivity of translation effects to full year O.P.
USD	100.0	±¥1 → approx. ¥50 million
EUR	130.0	±¥1 → approx. ¥50 million
THB	3.2	±¥0.01 → a little over ¥50 million
BRL	44.0	±¥1 → a little under ¥200 million

Feed-use amino acids

1) Estimated market size (Thousand MT)

	FY2012	FY2013	FY2014 (Forecast)
Lysine	1,950	2,100	around 2,200
Threonine	330	400	around 430
Tryptophan	9	14	around 23

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

	FY2012	FY2013	FY2014 (Forecast)
Lysine	350	350	around 350
Threonine	95	110	around 110
Tryptophan	4	5	around 5

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

	FY2013	FY2014 (Forecast)**	
		1H	Full year
Lysine	1.60	around 1.35	around 1.45
Threonine	2.05	around 2.20	around 2.50
Tryptophan	15	around 16	around 17
Spread*	255	around 280	around 230

*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.

Eat Well, Live Well.

AJINOMOTO®

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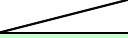
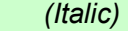
(Appendix)

Nov.6, 2014

FY2014 Forecast by Segments

(¥ Billion)	A	B	A-B	C	A-C	D	E	D-E	A-D	C-E	(A-D)-(C-E)	Reasons for Forecast Revision or YoY Change of 2H
	FY2014 Revised Forecast	FY2014 Initial Forecast	Difference	FY2013 Results	YoY Change	Interim FY2014	Interim FY2013	YoY Change	2H-FY14 Revised Forecast	2H-FY13 Results	YoY Change	
Domestic Food Products												
Net sales	312.3	312.3	0.0	299.9	12.4	147.3	144.3	3.0	165.0	155.6	9.4	<p>• Increases in sales and income from seasonings and processed foods expected in the second half from conducting ongoing measures to stimulate demand, etc., while further reducing costs and making more efficient use of expenses through prioritization of marketing expenses.</p> <p>• Increase in second-half sales of frozen food expected from promoting the use of domestic vegetable ingredients for home-use Gyoza and growth of overseas sales, mainly in North America. In addition, an increase in income is expected in the second half, with factors including the cost reduction effect from regular operation of the new Kanto Plant, where dessert production has been concentrated.</p>
Seasonings & processed foods			0.0	196.2	3.5	92.7	92.2	0.5		104.0	3.0	
Frozen foods			0.0	103.8	9.0	54.6	52.1	2.5		51.7	6.5	
Operating income	28.8	28.8	0.0	27.1	1.7	10.1	11.4	-1.3	18.7	15.7	3.0	
Seasonings & processed foods			0.0	29.2	1.5	11.6	12.1	-0.5		17.1	2.0	
Frozen foods			0.0	5.1	1.5	2.5	2.7	-0.2		2.3	1.5	
Shared companywide expenses	-8.5	-8.5	0.0	-7.2	-1.3	-4.0	-3.5	-0.5	-4.5	-3.8	-0.7	
Overseas Food Products												
Net sales	322.2	322.2	0.0	292.4	29.8	153.1	144.1	9.1	169.1	148.3	20.8	<p>• Upward revision of operating income from consumer foods due to further promotion of cost reductions and more efficient use of expenses.</p> <p>• Substantial increase in second-half sales of consumer foods expected due to further strengthening of sales promotion activities for top-line growth.</p> <p>• Upward revision of operating income from umami seasonings for processed food manufacturers due to strengthening of structural reinforcement including further promotion of cost reductions with technology for fermentation using fewer resources.</p>
Consumer foods	271.7	271.7	0.0	240.9	30.8	128.0	118.9	9.1	143.7	122.0	21.7	
Umami seasonings for processed food mfrs.	50.4	50.4	0.0	51.4	-1.0	25.1	25.2	-0.0	25.3	26.3	-1.0	
Operating income	29.4	28.2	1.2	25.0	4.4	16.4	12.8	3.6	13.0	12.2	0.7	
Consumer foods			0.5		5.2			3.6			1.6	
Umami seasonings for processed food mfrs.			0.7		1.0			0.6			0.3	
Shared companywide expenses	-11.6	-11.6	0.0	-9.6	-2.0	-5.4	-4.6	-0.8	-6.2	-5.0	-1.2	
Bioscience Products & Fine Chemicals												
Net sales	238.4	238.4	0.0	228.1	10.3	108.3	111.6	-3.4	130.1	116.5	13.7	<p>• Increases in second-half sales and operating income from feed-use amino acids expected due to higher selling prices and increased sales volume, mainly for Lysine and Threonine, cost reductions, lower raw material and fuel prices, the contribution from the effect of increased sales of specialty products, etc.</p>
Feed-use amino acids	102.3	102.3	0.0	94.1	8.2	43.9	47.5	-3.5	58.3	46.7	11.7	
Amino acids			0.0	85.7	2.5	41.1	39.2	1.9		46.5	1.0	
Amino acids for pharmaceuticals and foods				32.0		17.0	16.5	0.4		15.5		
Pharmaceutical fine chemicals				30.0		12.5	11.5	0.9		18.5		
Sweeteners				23.5		11.5	11.0	0.6		12.5		
Specialty chemicals			0.0	43.1	0.5	21.7	22.3	-0.6		20.8	1.0	
Other			0.0	5.2	-1.0	1.5	2.7	-1.1		2.5	0.0	
Operating income	9.7	9.7	0.0	6.4	3.3	2.6	3.9	-1.3	7.1	2.5	4.6	
Feed-use amino acids	4.0	4.0	0.0	0.2	3.8	-1.1	0.9	-1.9	5.1	-0.6	5.7	
Amino acids			0.0	5.5	0.5	2.8	2.1	0.7		3.4	-0.5	
Specialty chemicals			0.0	9.3	0.0	5.5	5.1	0.4		4.2	-0.0	
Other			0.0	-1.8	-0.0	-0.9	-0.8	-0.1		-0.9	-0.0	
Shared companywide expenses	-7.8	-7.8	0.0	-6.9	-0.9	-3.7	-3.3	-0.4	-4.1	-3.6	-0.5	

(¥ Billion)	A	B	A-B	C	A-C	D	E	D-E	A-D	C-E	(A-D)-(C-E)	
Pharmaceuticals	FY2014 Revised Forecast	FY2014 Initial Forecast	Difference	FY2013 Results	YoY Change	Interim FY2014	Interim FY2013	YoY Change	2H-FY14 Revised Forecast	2H-FY13 Results	YoY Change	Reasons for Forecast Revision or YoY Change of 2H
Net sales	40.9	44.0	-3.1	51.2	-10.3	18.8	27.9	-9.1	22.1	23.3	-1.2	* Downward revision of sales and operating income due to a larger than initially assumed impact from promotion of use of generics under medical system reforms during fiscal 2014.
Operating income	2.3	3.5	-1.2	3.8	-1.5	0.2	1.5	-1.3	2.1	2.3	-0.2	
Pharmaceuticals	3.9	5.1	-1.2	5.3	-1.4	0.9	2.3	-1.4	3.0	3.0	0.0	* The pharmaceuticals business aims to achieve the revised forecast with increased royalty income, sales promotion of self-distributed products and products sold through business tie-ups, and overall improvement of expenses.
Shared companywide expenses	-1.6	-1.6	0.0	-1.5	-0.1	-0.7	-0.8	0.1	-0.9	-0.7	-0.2	
Other Business	FY2014 Revised Forecast	FY2014 Initial Forecast	Difference	FY2013 Results	YoY Change	Interim FY2014	Interim FY2013	YoY Change	2H-FY14 Revised Forecast	2H-FY13 Results	YoY Change	Reasons for Forecast Revision or YoY Change of 2H
Net sales	94.2	91.1	3.1	79.7	14.5	40.1	41.0	-0.9	54.1	38.7	15.4	
Edible oils & Coffee products			0.0	2.3	0.0	1.0	1.1	-0.1		1.2	0.0	
Operating income	-0.2	-0.2	0.0	-0.5	0.3	-0.8	0.2	-0.9	0.6	-0.7	1.2	
Edible oils & Coffee products			0.0	2.2	-0.5	0.9	1.1	-0.2		1.1	-0.0	
Shared companywide expenses	-3.6	-3.6	0.0	-3.0	-0.6	-1.7	-1.5	-0.2	-2.0	-1.5	-0.5	
Consolidated	FY2014 Revised Forecast	FY2014 Initial Forecast	Difference	FY2013 Results	YoY Change	Interim FY2014	Interim FY2013	YoY Change	2H-FY14 Revised Forecast	2H-FY13 Results	YoY Change	
Net sales	1,008.0	1,008.0	0.0	951.4	56.6	467.6	468.9	-1.3	540.4	482.5	57.9	
Operating income	70.0	70.0	0.0	61.8	8.2	28.6	29.7	-1.2	41.4	32.1	9.3	

Notes:  Nondisclosure
 Approximation

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