



# **Consolidated Results First Quarter Ended June 30, 2014**

- 
1. Overview
  2. Financial Position
  3. Segment Information

**July 31, 2014  
Ajinomoto Co., Inc.**

# AJINOMOTO® 1. (1) Overview of Results

(¥ Billion)

	Apr.-June 2014 (A)	Apr.-June 2013	YoY Change		FY2014 (Forecast) (B)	Progress A/B
			Amount	%		
<b>Net sales</b>	<b>227.6</b>	<b>233.7</b>	<b>-6.1</b>	<b>-3%</b>	<b>1,008.0</b>	<b>23%</b>
<b>Domestic Food Products</b>	<b>71.0</b>	<b>70.1</b>	<b>0.8</b>	<b>1%</b>	<b>312.3</b>	<b>23%</b>
<b>Overseas Food Products</b>	<b>74.4</b>	<b>71.4</b>	<b>3.0</b>	<b>4%</b>	<b>322.2</b>	<b>23%</b>
<b>Bioscience Products &amp;   Fine Chemicals</b>	<b>53.2</b>	<b>55.0</b>	<b>-1.9</b>	<b>-3%</b>	<b>238.4</b>	<b>22%</b>
<b>Pharmaceuticals</b>	<b>9.4</b>	<b>16.8</b>	<b>-7.3</b>	<b>-44%</b>	<b>44.0</b>	<b>21%</b>
<b>Other Business</b>	<b>19.7</b>	<b>20.4</b>	<b>-0.7</b>	<b>-3%</b>	<b>91.1</b>	<b>22%</b>
<b>Operating income</b>	<b>13.3</b>	<b>15.3</b>	<b>-1.9</b>	<b>-13%</b>	<b>70.0</b>	<b>19%</b>
<b>Domestic Food Products</b>	<b>5.0</b>	<b>6.1</b>	<b>-1.2</b>	<b>-19%</b>	<b>28.8</b>	<b>17%</b>
<b>Overseas Food Products</b>	<b>7.8</b>	<b>6.1</b>	<b>1.6</b>	<b>26%</b>	<b>28.2</b>	<b>28%</b>
<b>Bioscience Products &amp;   Fine Chemicals</b>	<b>0.8</b>	<b>2.5</b>	<b>-1.7</b>	<b>-69%</b>	<b>9.7</b>	<b>8%</b>
<b>Pharmaceuticals</b>	<b>0.2</b>	<b>0.4</b>	<b>-0.2</b>	<b>-56%</b>	<b>3.5</b>	<b>5%</b>
<b>Other Business</b>	<b>-0.4</b>	<b>0.0</b>	<b>-0.4</b>	<b>-</b>	<b>-0.2</b>	<b>198%</b>
<b>Ordinary income</b>	<b>15.5</b>	<b>17.2</b>	<b>-1.7</b>	<b>-10%</b>	<b>75.0</b>	<b>21%</b>
<b>Net income</b>	<b>10.9</b>	<b>11.9</b>	<b>-1.0</b>	<b>-8%</b>	<b>44.0</b>	<b>25%</b>
<b>Exchange rate</b>	<b>JPY/USD</b>	<b>102.17</b>	<b>98.78</b>		<b>100.0</b>	
	<b>JPY/EUR</b>	<b>140.07</b>	<b>128.95</b>		<b>130.0</b>	

Notes:

1. From FY2014, sales promotion discounts, etc. are deducted from net sales rather than being recorded in selling, general and administrative expenses. In addition, under this accounting treatment the estimated amount is recorded when sales are recorded rather than when the amount to be paid is determined.
2. Results for FY2013 have been restated to reflect the above changes (for this and all following slides).

# 1. (2) Comments on Results for the First Three Months of FY2014

Net sales decreased overall due to impact of spin-off of infusion and dialysis business units in Pharmaceuticals and decrease in sales of feed-use amino acids, despite growth in sales of Overseas Food Products and Domestic Food Products.  
 Operating income decreased overall due to lower income in every segment except Overseas Food Products, where income grew strongly.

## Net sales / Operating income

	(¥ Billion)					
	Apr.-June 2014	Apr.-June 2013	Change		Full-year Forecast	Progress
			Amount	%		
<b>Net sales</b>	<b>227.6</b>	<b>233.7</b>	<b>-6.1</b>	<b>-3%</b>	<b>1,008.0</b>	<b>23%</b>
<b>Cost of sales</b>	<b>150.5</b>	<b>155.5</b>	<b>-5.0</b>	<b>-3%</b>	<b>-</b>	<b>-</b>
<b>SG&amp;A</b>	<b>63.8</b>	<b>62.9</b>	<b>0.8</b>	<b>1%</b>	<b>-</b>	<b>-</b>
<b>Operating income</b>	<b>13.3</b>	<b>15.3</b>	<b>-1.9</b>	<b>-13%</b>	<b>70.0</b>	<b>19%</b>

- |   |   |
|---|---|
| 1. Impact of exchange rate (YoY)              | Exchange rate for currency translation<br>Sales -¥0.8 billion; operating income -¥0.5 billion<br>Exchange rate for trade of main overseas subsidiaries<br>Sales approx. ¥1.0 billion; operating income approx. ¥1.0 billion |
| 2. Impact of raw material & fuel prices (YoY) | Fermentation raw materials and fuel prices approx. ¥1.0 billion<br>Domestic food products raw materials approx. -¥0.3 billion   |
| 3. Cost reductions (YoY)                      | Domestic food products approx. ¥0.6 billion<br>Pharmaceuticals approx. ¥0.4 billion<br>(-: Cost increase)   |

# 1. (3) Comments on Results for the First Three Months of FY2014

## Ordinary income

(¥ Billion)

	Apr.-June 2014	Apr.-June 2013	Change		Full-year Forecast	Progress
			Amount	%		
Non-operating income (net)	2.2	1.9	0.2	11%	-	-
Ordinary income	15.5	17.2	-1.7	-10%	75.0	21%

\* None

## Net income

(¥ Billion)

	Apr.-June 2014	Apr.-June 2013	Change		Full-year Forecast	Progress
			Amount	%		
Extraordinary gains *1	0.7	1.3	-0.6	-48%	-	-
Extraordinary losses *2	0.5	1.1	-0.6	-57%	-	-
Income taxes etc.	2.5	3.6	-1.1	-30%	-	-
Minority interests	2.2	1.9	0.3	17%	-	-
Net income	10.9	11.9	-1.0	-8%	44.0	25%

\*1 Insurance income  
¥0.0 billion (¥1.2 billion decrease)

\*1 Gain on bad debts recovered  
¥0.6 billion (¥0.6 billion increase)

\*2 Loss on liquidation of affiliates  
¥0.0 billion (¥0.6 billion decrease)

# AJINOMOTO® 2. Financial Position

(¥ Billion)

June 30, 2014: Total assets 1,087.0

Current assets 545.1	Liabilities 430.6
Fixed assets 541.9	Net assets 656.4
	Incl. Minority interests 59.2

Mar. 31, 2014: Total assets 1,093.2

Current assets 548.2	Liabilities 437.7
Fixed assets 545.0	Net assets 655.5
	Incl. Minority interests 60.6

¥6.2 billion decrease in total assets from March 31, 2014

\*Decrease in yen values of the balance sheets of overseas subsidiaries after currency translation

## Cash Flow

(¥ Billion)

	June 2014	June 2013	Change
1. CF from operating activities	23.0	-0.3	23.3
2. CF from investing activities	-10.0	-28.3	18.3
3. CF from financing activities	-2.8	-11.4	8.6
4. Cash and cash equivalents	140.0	144.5	-4.5
<b>FCF(1+2)</b>	<b>12.9</b>	<b>-28.6</b>	<b>41.6</b>

\*Cash out is shown with -.

Capital expenditures	-9.8	-13.5	3.6
Depreciation and amortization	10.5	11.3	-0.8

## Interest-bearing Debt

(¥ Billion)

<Reference>

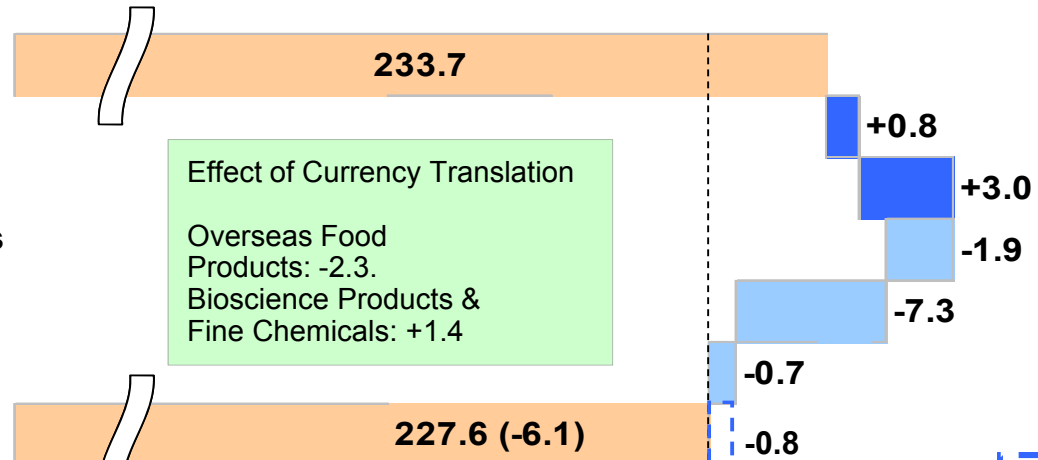
June 2014	June 2013	Change	June 2012
145.9	145.4	0.5	132.9

### 3. (1) Change by Business Segment

**Net sales**

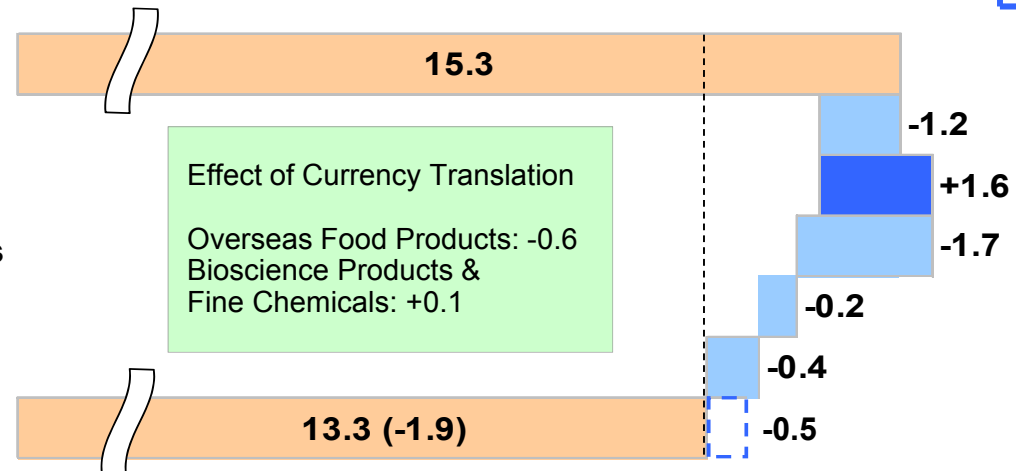
(¥ Billion)

Apr.-June 2013  
 Domestic Food Products  
 Overseas Food Products  
 Bioscience Products & Fine Chemicals  
 Pharmaceuticals  
 Other Business  
 Apr.-June 2014



**Operating income**

Apr.-June 2013  
 Domestic Food Products  
 Overseas Food Products  
 Bioscience Products & Fine Chemicals  
 Pharmaceuticals  
 Other Business  
 Apr.-June 2014



### 3. (2) Domestic Food Products

(¥ Billion)

	Apr.-June 2014	Full-year Forecast	Progress	Apr.-June 2013	Change
<b>Net sales</b>	<b>71.0</b>	<b>312.3</b>	<b>23%</b>	<b>70.1</b>	<b>0.8</b>
Seasonings & processed foods	44.3	-	-	44.8	-0.5 <sup>*1</sup>
Frozen foods	26.7	-	-	25.3	1.4 <sup>*2</sup>
<b>Operating income</b>	<b>5.0</b>	<b>28.8</b>	<b>17%</b>	<b>6.1</b>	<b>-1.2</b> <sup>*3</sup>
Seasonings & processed foods	5.7	-	-	6.5	-0.8
Frozen foods	1.3	-	-	1.3	-0.0
Shared companywide expenses	-2.0	-8.5	23%	-1.7	-0.3

<sup>\*1</sup> Decrease in sales due to pullback from last-minute surge in demand for household products at the previous fiscal year end in connection with an increase in the consumption tax, etc.

<sup>\*2</sup> Increase in overall sales due to slight increase in sales in Japan and growth in sales overseas, mainly in North America.

<sup>\*3</sup> Although income from frozen foods remained at the level of the previous first quarter as increased sales covered higher raw material prices, etc., income decreased overall due to lower sales of seasonings & processed foods, increased marketing expenses to stimulate the market, etc.

## AJINOMOTO® 3. (3) Overseas Food Products

(¥ Billion)

	Apr.-June 2014	Full-year Forecast	Progress	Apr.-June 2013	Change
<b>Net sales</b>	74.4	322.2	23%	71.4	3.0
Consumer foods	61.9	271.7	23%	58.2	3.8 *1
Umami seasonings for processed food mfrs.	12.4	50.4	25%	13.2	-0.8 *2
<b>Operating income</b>	7.8	28.2	28%	6.1	1.6 *3
Shared companywide expenses	-2.6	-11.6	23%	-2.2	-0.4

[Effect of currency translation]: Net sales -¥2.3 billion; operating income -¥0.6 billion

\*1 Increase in sales because of higher sales volume of umami seasoning *AJI-NO-MOTO*, flavor seasonings, etc., despite negative effect of currency translation.

\*2 Decrease in sales because of lower sales volume down of nucleotides, etc., despite positive effect of currency translation.

\*3 Increase in income as increase in sales volume of consumer foods and impact of cost reduction of umami seasonings, etc. offset negative effect of currency translation.

Reference: Consumer foods +¥1.4 billion; umami seasonings for processed food mfrs. ¥0.5 billion



## AJINOMOTO® 3. (4) Bioscience Products & Fine Chemicals

(¥ Billion)

	Apr.-June 2014	Full-year Forecast	Progress	Apr.-June 2013	Change
<b>Net sales</b>	<b>53.2</b>	<b>238.4</b>	<b>22%</b>	<b>55.0</b>	<b>-1.9</b>
Feed-use amino acids	21.1	102.3	21%	23.7	-2.6 *1
Amino acids	20.5	-	-	19.0	1.5 *2
Specialty chemicals	10.7	-	-	11.1	-0.4 *3
<b>Operating income</b>	<b>0.8</b>	<b>9.7</b>	<b>8%</b>	<b>2.5</b>	<b>-1.7</b> *4
Feed-use amino acids	-1.3	4.0	-32%	0.8	-2.0
Amino acids	1.4	-	-	1.2	0.2
Specialty chemicals	2.8	-	-	2.5	0.3
Shared companywide expenses	-1.8	-7.8	23%	-1.6	-0.2

[Effect of currency translation] : Net sales +¥1.4 billion; operating income +¥0.1 billion

\*1 Decrease in sales due to significant decrease in Lysine unit price, despite positive effect of currency translation.

\*2 Amino acids for pharmaceuticals and foods +¥0.3 billion; pharmaceutical custom manufacturing +¥0.8 billion; sweeteners +¥0.5 billion.

\*3 Sales of chemicals remained at the level of the previous first quarter, but sales of cosmetics decreased due to pullback from last-minute surge in demand at the previous fiscal year end in connection with an increase in the consumption tax, etc.

\*4 Decrease in income because higher income of amino acids for pharmaceuticals and foods and specialty chemicals, etc., did not offset lower income of feed-use amino acids.

Reference: Within amino acids, amino acids for pharmaceuticals and foods +¥0.4 billion; pharmaceutical custom manufacturing +¥0.2 billion; sweeteners -¥0.4 billion

## AJINOMOTO® 3. (5) Pharmaceuticals

(¥ Billion)

	Apr.-June 2014	Full-year Forecast	Progress	Apr.-June 2013	Change
Net sales	9.4	44.0	21%	16.8	-7.3
Operating income	0.2	3.5	5%	0.4	-0.2
Shared companywide expenses	-0.4	-1.6	22%	-0.5	0.1

\*1

\*2

\*1 Decrease in sales of self-distributed products due to impact of spin-off of infusion and dialysis business units as AY PHARMACEUTICALS Co., Ltd. in July 2013 (approx. ¥4.9 billion), the impact of NHI drug price revisions, etc.

Sales of products sold through business tie-ups decreased because of growth of competing products, including generics.

Sales based on AJINOMOTO PHARMACEUTICALS CO., LTD. estimated drug prices  
(% = change from previous fiscal year):

<i>LIVACT</i>	¥3.5 billion	(-6%)	<i>ELENTAL</i>	¥1.9 billion	(-2%)
<i>ATELEC</i>	¥3.2 billion	(-16%)	<i>ACTONEL</i>	¥2.2 billion	(-14%)
<i>FASTIC</i>	¥0.4 billion	(-25%)			

\*2 Decrease in income because improved operational efficiency and increased royalty income did not cover the impact of decreases in sales of self-distributed products and products sold through business tie-ups.

## AJINOMOTO® 3. (6) Other Business

(¥ Billion)

Other Business	Apr.-June 2014	Full-year Forecast	Progress	Apr.-June 2013	Change	
<b>Net sales</b>	19.7	91.1	22%	20.4	-0.7	*1
Edible oils & Coffee products	0.5	-	-	0.5	-0.1	
<b>Operating income</b>	-0.4	-0.2	198%	0.0	-0.4	*2
Edible oils & Coffee products	0.4	-	-	0.5	-0.1	
Shared companywide expenses	-0.8	-3.6	23%	-0.7	-0.1	

\*1 Decrease in sales due to a decrease in sales of logistics business etc.

\*2 Decrease in income due to lower income in logistics business, despite higher income in wellness business.

### 3. (7) Net Sales by Business & Geographical Area

Upper row: Apr.-June 2014; lower row: Apr.-June 2013  
 Figures in parentheses represent YoY change.

(¥ Billion)

	Japan	Asia	Americas	Europe	Total
Domestic Food Products	65.3 (-0.5)	1.4 (0.0)	3.4 (0.7)	0.9 (0.5)	71.0 (0.8)
	65.7	1.4	2.7	0.4	70.1
Overseas Food Products	2.3 (0.0)	50.0 (1.2)	14.8 (1.7)	7.3 (0.1)	74.4 (3.0)
	2.2	48.8	13.1	7.2	71.4
Bioscience Products & Fine Chemicals	15.4 (0.4)	4.2 (-0.7)	17.0 (-0.4)	16.6 (-1.1)	53.2 (-1.9)
	15.0	4.9	17.4	17.7	55.0
Pharmaceuticals	9.4 (-7.3)				9.4 (-7.3)
	16.8				16.8
Other Business	17.5 (-0.4)	2.2 (-0.3)	0.0 (0.0)		19.7 (-0.7)
	17.9	2.4	0.0		20.4
Total	109.8 (-7.8)	57.7 (0.3)	35.2 (2.0)	24.8 (-0.5)	227.6 (-6.1)
	117.7	57.5	33.3	25.3	233.7

### 3. (8) Operating Income by Business & Geographical Area

Upper row: Apr.-June 2014; lower row: Apr.-June 2013

Figures in parentheses represent YoY change.

(¥ Billion)

	Japan		Asia		Americas		Europe		Other <sup>*</sup>		Total	
Domestic Food Products	6.0	(-1.0)	0.5	(-0.0)	0.3	(0.0)	0.1	(0.0)	-1.9	(-0.2)	5.0	(-1.2)
	7.0		0.5		0.3		0.1		-1.8		6.1	
Overseas Food Products	-0.4	(0.1)	8.8	(1.3)	2.0	(0.4)	-0.1	(-0.1)	-2.6	(-0.0)	7.8	(1.6)
	-0.5		7.6		1.6		0.0		-2.6		6.1	
Bioscience Products & Fine Chemicals	2.2	(-1.1)	-0.3	(-0.7)	-0.7	(-0.6)	0.6	(-0.7)	-1.0	(1.4)	0.8	(-1.7)
	3.3		0.4		-0.0		1.2		-2.4		2.5	
Pharmaceuticals	0.5	(-0.4)							-0.4	(0.1)	0.2	(-0.2)
	0.9								-0.5		0.4	
Other Business	0.1	(-0.4)	0.3	(-0.1)	-0.0	(-0.0)	0.1	(0.1)	-0.9	(-0.0)	-0.4	(-0.4)
	0.5		0.4		0.0		-0.0		-0.9		0.0	
Shared companywide expenses, etc.	-3.1	(0.8)	-1.9	(0.3)	-1.0	(0.1)	-0.7	(0.1)	6.8	(-1.3)	0.0	
	-3.9		-2.2		-1.1		-0.8		8.0		0.0	
Total	5.3	(-2.0)	7.4	(0.7)	0.6	(-0.2)	-0.0	(-0.5)			13.3	(-1.9)
	7.4		6.7		0.8		0.5				15.3	

\* Other includes shared companywide expenses and unrealized gains and losses not reflected in any geographical area, etc.

### 3. (9) Comments on Operating Income by Business & Geographical Area

**Apr.-June FY2014 Change Compared with Same Period of Previous Year**

#### 1. Overseas Food Products

(¥ Billion)

[YoY change]

**Japan +0.1; Asia +1.3; Americas +0.4; Europe -0.1; Other\* -0.0; Total +1.6**

**Asia: Increase due to higher sales of consumer foods products, etc., despite negative effect of currency translation**

#### 2. Bioscience Products & Fine Chemicals

(¥ Billion)

[YoY change]

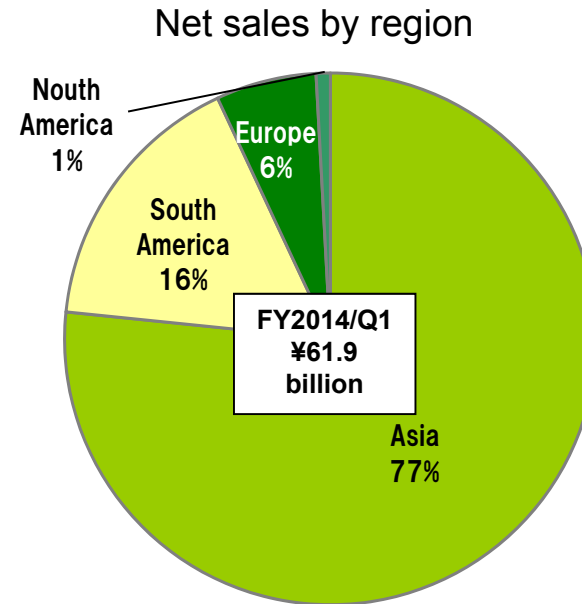
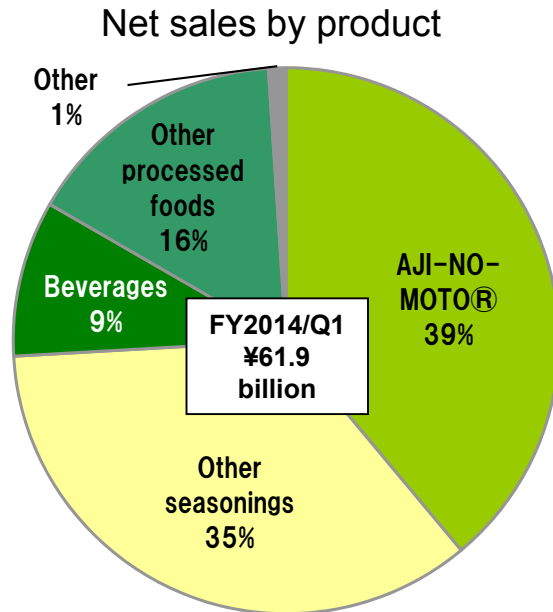
**Japan -1.1; Asia -0.7; Americas -0.6; Europe -0.7; Other\* 1.4; Total -1.7**

**(1) Japan: Decrease due to sweeteners, etc.**

**(2) Americas: Decrease mainly due to feed-use amino acids, etc.**

\* Shared companywide expenses and unrealized gains and losses not reflected in any geographical area, etc.

**AJINOMOTO® (Reference)**  
**FY2014/Q1 Trends in Overseas Consumer Food Products**

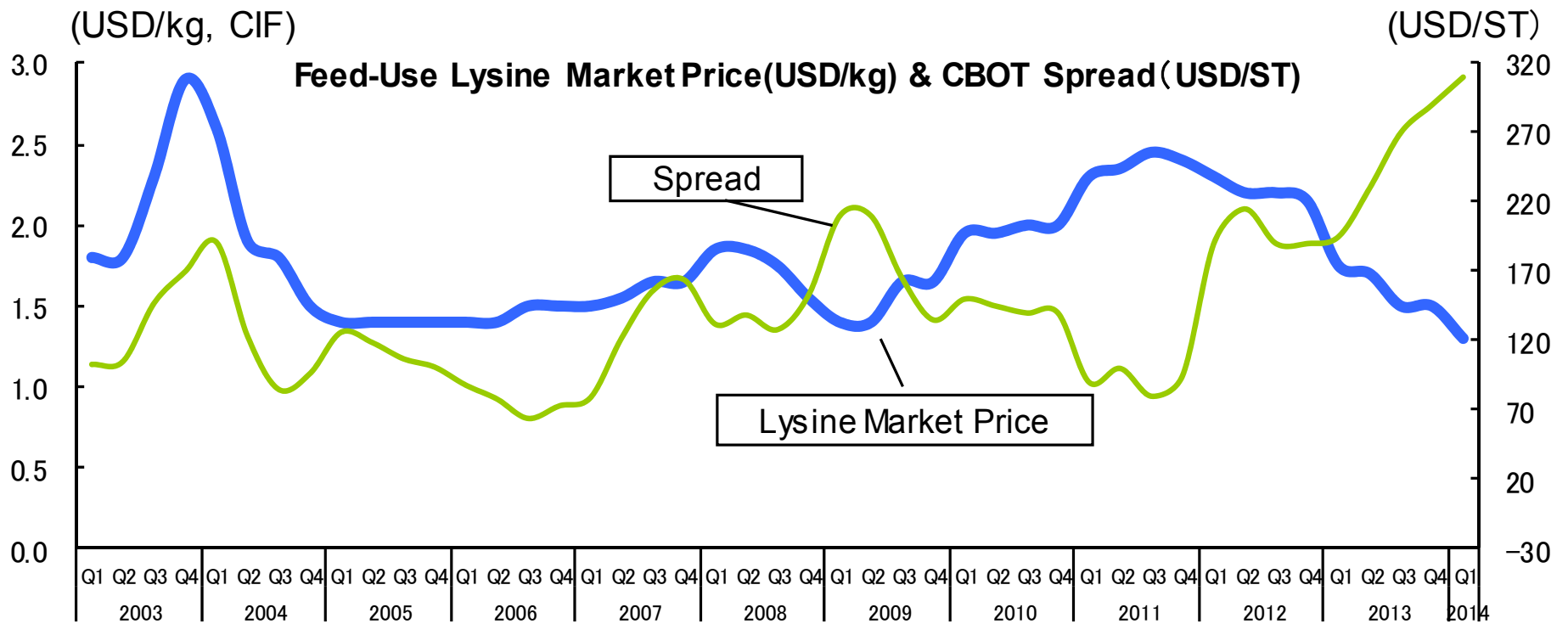


**FY2014/Q1 Overseas Consumer Food Products Sales in Main Countries**

- **Thailand:** approx. THB 7.9 billion  
 (+6% YoY, +1% on yen basis)
- **Brazil:** approx. BRL 0.17 billion  
 (+18% YoY, +13% on yen basis)
- **Vietnam:** approx. VND 1,359.0 billion  
 (+9% YoY, +12% on yen basis)
- **Indonesia:** approx. IDR 836.1 billion  
 (+45% YoY, +25% on yen basis)
- **Philippines:** approx. PHP 1.4 billion  
 (+12% YoY, +9% on yen basis)

**Feed-Use Lysine Market Price and CBOT Spread\* Trend**

\*The spread is the price difference between soybean meal and corn on the Chicago Board of Trade (CBOT).

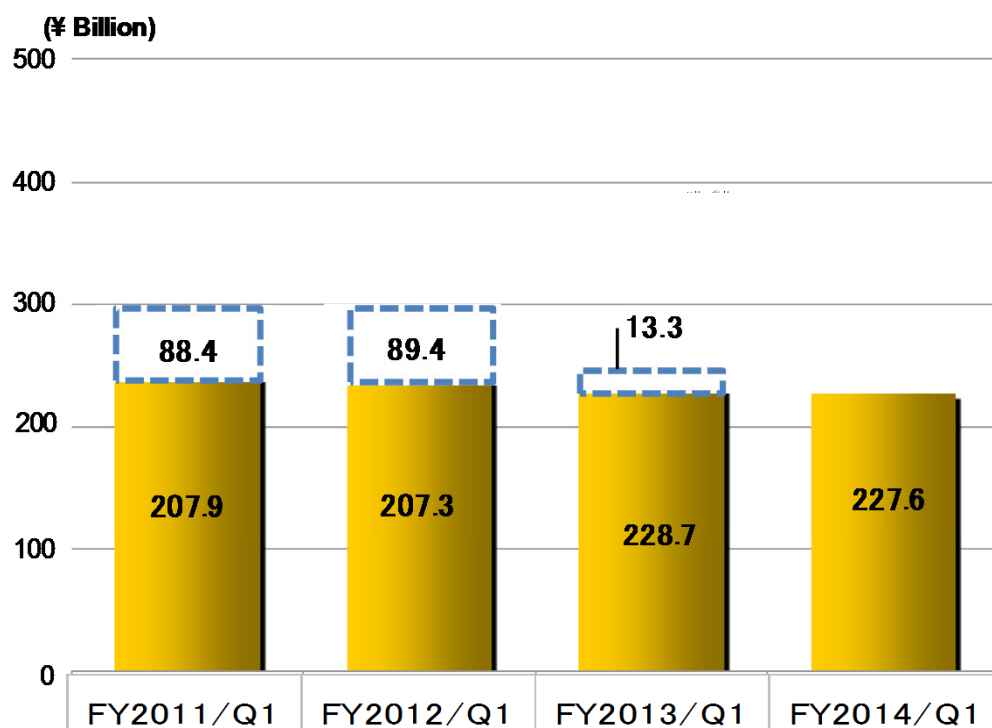




# AJINOMOTO® (Reference)

## Change in Consolidated First Quarter Net Sales

### Net sales



### < Factors Influencing Net Sales in Recent Years >

1. Disposal of Calpis shares in October 2012
2. Change to net figure method (the method of netting off sales and cost of goods sold and recording the net figure in the accounts) for business tie-ups in April 2013
3. Spin-off of infusion and dialysis business units as AY PHARMACEUTICALS Co., Ltd. in July 2013
4. Change in the method of recording sales promotion discounts, etc., in April 2014 (amounts of impact included are for reference only)

 ← Total impact of above 4 factors

Net sales	296.3	296.7	242.0	227.6
-----------	-------	-------	-------	-------



Eat Well, Live Well.  
**AJINOMOTO**®

- 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 off.