Ajinomoto Co., Inc.

Consolidated Results

Third Quarter Ended December 31, 2013

This document has been translated from the original Japanese as a guide for non-Japanese investors. It contains forward-looking statements based on a number of assumptions and beliefs made by management in light of information currently available. Actual financial results may differ materially depending on a number of factors, including changing economic conditions, legislative and regulatory developments, delay in new product launches, and pricing and product initiatives of competitors.

AJINOMOTO®

SUMMARY OF FINANCIAL STATEMENTS (Consolidated)

Third quarter results for the year ending March 31, 2014

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

Stock Code: 2802		Listed exchanges:	Tokyo
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Scheduled date of submission of quarterly report:	February 14, 2014		Finance Department
Creation of supplementary quarterly results materials:	Yes		Telephone: 813 5250-8161
Quarterly results briefing:	No		Scheduled date of payment of dividend: N/A

1. Consolidated Financial Results for the Nine Months Ended December 31, 2013

1) Consolidated Operating Results

Millions of yen, rounded down

	Nine months ended December 31, 2013		Nine months ended December 31, 2012	
		Change %		Change %
Net sales	742,322	(0.6)	746,856	--
Operating income	50,812	(16.6)	60,931	(8.9)
Ordinary income	56,791	(13.6)	65,766	(6.0)
Net income	37,049	(32.0)	54,447	29.7
Net income per share (¥)	¥60.02		¥82.99	
Fully diluted earnings per share (¥)	--	--	--	--

Notes: "Change %" indicates the percentage change compared to the previous fiscal year.

Comprehensive income:

Nine months ended December 31, 2013: ¥70,020 million (-2.5%) Nine months ended December 31, 2012: ¥71,824 million (963.1%)

Note: Due to amounts being restated in accordance with a change in accounting policy, the YoY percentage change for the sales of the nine-month period ended December 31, 2012 has not been recorded.

2) Financial Position

Millions of yen, rounded down

	As of December 31, 2013	As of March 31, 2013
Total assets	1,115,328	1,091,741
Net assets	682,693	691,710
Shareholders' equity ratio (%)	55.9%	58.2%
Book value per share (¥)	¥1,020.06	¥1,004.38

Note: Shareholders' equity As of December 31, 2013: ¥ 623,815 million. As of March 31, 2013: ¥635,287 million

2. Dividends

	FY ended March 31, 2013	FY ending March 31, 2014	FY ending March 31, 2014 (forecast)
Dividend per share			
Interim	¥8.00	¥10.00	
Year-end	¥10.00		¥10.00
Annual	¥18.00		¥20.00

Note: Revisions to dividend forecasts in the period under review: None

3. Forecast for the Fiscal Year Ending March 31, 2014

Millions of yen, rounded down

	FY Ending March 31, 2014	Change %
Net sales	1,032,000	4.8
Operating income	68,000	(4.5)
Ordinary income	74,000	(4.1)
Net income	48,000	(0.8)
Net income per share	77.93	--

Note: “Change %” indicates the percentage change compared to the previous fiscal year.

Revisions to consolidated earnings forecasts in the period under review: No

Note: Due to a change in accounting policy, Net sales comparisons with the same period of the previous year are based on amounts restated in accordance with this method.

Note: Currently, consideration is still being given to the full-year forecasts for the year ending March 31, 2014, which will form part of the basis for the next medium-term plan. Any changes to the current forecasts, announced on November 6, 2013, will be announced promptly as they become available.

Notes:

1) **Transfer of important subsidiaries during the period** (transfer of specified subsidiaries resulting in changes in the scope of consolidation): None
2) **Adoption of special accounting methods for preparation of quarterly financial statements**: Yes

   Note: For more information, see page 8, “2. SUMMARY INFORMATION (NOTES) (2) Adoption of special accounting methods for preparation of quarterly financial statements.”
3) **Changes in accounting policy, changes in accounting estimates, and retrospective restatements**

   (1) Changes in line with revision to accounting standards: None

   (2) Other changes: Yes

   (3) Changes in accounting estimates: None

   (4) Retrospective restatements: None

   Note: For more information, see page 9 “2. SUMMARY INFORMATION (NOTES) (3) Changes in accounting policy, changes in accounting estimates, and retrospective restatements” for details.
4) **Number of shares outstanding (ordinary shares)**

   (1) Number of shares outstanding at end of period (including treasury shares):

   December 31, 2013: 614,115,654 shares; March 31, 2013: 635,010,654 shares

   (2) Number of treasury shares at end of period

   December 31, 2013: 2,566,645 shares; March 31, 2013: 2,496,068 shares

   (3) Average number of shares during period

   April 1, 2013 to December 31, 2013: 617,230,746 shares; April 1, 2012 to December 31, 2012: 656,072,344 shares

*Status of implementation of quarterly review procedures
This quarterly *kessan tanshin* document is outside the scope of quarterly review procedures based on the Financial Instruments and Exchange Act. As of the time of its disclosure, quarterly review procedures with respect to the quarterly financial statements were in the process of being implemented.

*Forward-looking statements, such as business forecasts, made in these financial statements are based on management’s estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations. For more information regarding our business forecasts, see page 8, “1. QUALITATIVE INFORMATION ON NINE-MONTH PERIOD CONSOLIDATED RESULTS, (3) Explanation of consolidated earnings forecasts”.

*Method of obtaining supplementary results materials
Supplementary results materials will be published on the Company’s website on Friday, January 31, 2014.

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1. QUALITATIVE INFORMATION ON NINE-MONTH PERIOD CONSOLIDATED RESULTS

From the first quarter of the current fiscal year, the Company has changed the accounting policy for the recording of gross figures for sales and cost of goods sold in the coffee and edible oils businesses and other sole agent sales transactions, and consequently, comparisons with the same period of the previous fiscal year are based on amounts restated in accordance with this method. For more information, please refer to page 9. "2. SUMMARY INFORMATION (NOTES), (3) Changes in accounting policy, changes in accounting estimates, and retrospective restatements.

(1) Explanation of operating results

Note: All comparisons are with same nine-month period of the previous fiscal year, unless stated otherwise.

In the nine-month period under review (April 1, 2013 to December 31, 2013), the global economy showed a weak overall recovery. Although there was a moderate upturn in the U.S. economy and signs of economic recovery in Europe, there was also some impact from an easing of growth rates in emerging markets.

In Japan, a mild economic recovery became apparent, supported by a correction of the yen's prolonged strength and signs of improving consumer sentiment and corporate capital expenditure.

In Japan, continued high costs for raw materials for foods meant that the business environment for the food industry remained challenging, despite moves to increase prices in some product areas.

The Ajinomoto Group ("the Group") has positioned the three-year period from 2011 as a period to focus on building a foundation to make the Group a "Genuine Global Company", and is endeavoring to drive growth under the two key themes of "Global growth" and "R&D leadership", while pursuing three policies for strengthening the business structure, namely, "From VOLUME to VALUE", "From PROFIT to CASH", and "Enhance capital efficiency to boost stockholder value".

As a result of the above, consolidated sales for the nine-month period decreased 0.6% (¥4.5 billion) to ¥742.3 billion, reflecting the positive impact of foreign exchange rates but also the exclusion of Calpis Co., Ltd. ("Calpis Co.") from the scope of consolidation since the third quarter of the previous fiscal year. Operating income decreased 16.6% (¥10.1 billion) to ¥50.8 billion, influenced by the exclusion of Calpis Co. products as well as weaker results from feed-use amino acids, etc., and ordinary income decreased 13.6% (¥8.9 billion) to ¥56.7 billion. Net income decreased 32.0% (¥17.3 billion) to ¥37.0 billion, reflecting the absence of an extraordinary gain that was recorded in the interim period of the previous year in association with the return of the substitutional portion of the welfare pension fund.

<u>Consolidated operating results by segment</u>

From the first quarter of the current fiscal year, the Company has changed its reportable segments, and consequently, comparisons between segments with the same period of the previous fiscal year shown below are based on amounts restated in accordance with the classifications following this change. For details, please see page 15, "(3) Notes to the consolidated financial statements, Segment Information (April 1, 2013 to December 31, 2013) 2. Changes to reporting segments."

Note: All comparisons are with same nine-month period of the previous fiscal year, unless stated otherwise.

Billions of yen, rounded down

	Net sales	YoY change -amount	YoY change - percent	Operating income	YoY change -amount	YoY change - percent
Domestic food products	254.9	(59.0)	(18.8%)	22.7	(6.4)	(21.9%)
Overseas food products	219.4	44.0	25.1%	19.7	4.3	27.9%
Bioscience products and fine chemicals	166.9	20.5	14.0%	5.0	(6.3)	(55.7%)
Pharmaceuticals	38.7	(17.1)	(30.6%)	2.8	(1.7)	(38.4%)
Other business	62.2	7.0	12.7%	0.4	0	16.5%
Total	742.3	(4.5)	(0.6%)	50.8	(10.1)	(16.6%)

Note 1: On October 1, 2012, the Company sold its shares in Calpis Co., and Calpis Co. was removed from the scope of consolidation as of the previous third-quarter period (October 1, 2012 to December 31, 2012). Results for Calpis Co. for the previous nine-month period are included in domestic food products.

Note 2: Domestic and overseas sales of ACTIVA® products to food processing companies, savory seasonings and frozen foods are included in domestic food products.

Note 3: From the first quarter of the current fiscal year, 'pharmaceutical fine chemicals' in the bioscience products and fine chemicals segment has been renamed 'pharmaceutical custom manufacturing'.

1) Domestic food products

Domestic food product sales decreased 18.8% (¥59.0 billion) to ¥254.9 billion, reflecting the removal of sales of Calpis Co. products from the third quarter of the previous year, along with other factors. Operating income decreased 21.9% (¥6.4 billion) to ¥22.7 billion. Excluding the impact of sales of Calpis Co. products, net sales increased 0.1% (¥0.3 billion) to ¥254.9 billion, influenced by factors such as growth in sales of frozen foods and a decline in sales of gift products. On the same basis, operating income decreased 6.7% (¥1.6 billion) to ¥22.7 billion, mainly due to factors such as higher raw ingredient costs and an increase in sales expenses.

Seasonings and processed foods: In seasonings and processed foods for the retail market, sales of hot pot soup cube *Nabe Cube*® increased significantly, and sales were also supported by increased contributions from tube-type Chinese seasoning paste *Cook Do*® Koumi Paste, Japanese and western-style menu seasoning *Cook Do*® *Kyo-no Ohzara,* and Chinese menu seasoning *Cook Do*®. However, sales of gift products decreased, which led to a decline in overall sales.

In seasonings and processed foods for the commercial market, sales increases were recorded for *ACTIVA*®, a food enzyme (transglutaminase), and savory seasonings products, reflecting strong overseas sales, foreign exchange rates and other factors. In seasoning products for restaurant use, sales decreased due to a decline in sales to large domestic customers, despite growth in sales of functional food products. However, overall commercial market sales increased compared to the previous nine-month period.

Frozen foods: In the retail market, although there was little progress in sales of products such as *Yawaraka Wakadori Kara-Age*, total sales were in line with the previous nine-month period due to an increase in sales of *Gyoza* and the *Yoshokutei*® *Hamburg Series* that were featured in television advertising. Total sales of products for the commercial market increased, overseas markets sales increased significantly with growth in North America. As a result, overall sales of frozen food increased.

2) Overseas food products

Overseas food product sales increased 25.1%, or ¥44.0 billion, to ¥219.4 billion, supported by foreign exchange rates along with higher sales on a local currency basis. Operating income increased 27.9%, or ¥4.3 billion, to ¥19.7 billion, with the impact of a decline in prices for umami seasonings for processed food manufacturers and certain other products offset by foreign exchange rates, higher revenues from consumer foods, and other factors.

Consumer foods: In Asia, overall sales increased significantly. Although sales of *Birdy®* canned coffee and other beverages declined on a local currency basis, overall sales benefitted from foreign exchange gain, along with higher sales on a local currency basis of umami seasoning *AJI-NO-MOTO®* in the Philippines and Vietnam, higher sales of flavor seasonings *Ros Dee®* in Thailand, *Masako®* in Indonesia, *Aji-ngon®* in Vietnam, and instant noodles.

In the Americas, sales increased significantly, reflecting foreign exchange rates and higher sales on a local currency basis of products such as flavor seasoning *Sazón®* in Brazil, and instant noodles.

In Europe and Africa, overall sales increased substantially. Sales of umami seasoning *AJI-NO-MOTO®* and instant noodles increased on a local currency basis, and sales were also supported by foreign exchange rates.

As a result of the above, overall consumer foods sales increased substantially.

Umami seasonings for processed food manufacturers: In Japan, sales of *AJI-NO-MOTO®* for the food processing industry and nucleotides decreased, reflecting a decline in both sales volumes and unit prices. In overseas markets, although market prices declined in response to increased production by competitors, total sales increased significantly due to higher sales volumes and foreign exchange rates, with the result that overall sales of umami seasonings for processed food manufacturers increased.

3) Bioscience products and fine chemicals

Bioscience products and fine chemicals sales increased 14.0%, or ¥20.5 billion, to ¥166.9 billion, reflecting the effect of foreign exchange rates and additional sales arising from the consolidation in the first quarter of Ajinomoto Althea, along with growth in sales of amino acids for pharmaceuticals and foods, and higher sales of specialty chemicals. Operating income decreased 55.7%, or ¥6.3 billion, to ¥5.0 billion, reflecting a significant impact from a fall in unit prices for feed-use amino acids, which was only partially offset by higher revenues from sales of amino acids for pharmaceuticals and foods and higher sales of specialty chemicals.

Feed-use amino acids: Unit prices for Lysine were significantly lower and sales volumes also decreased, resulting in lower revenues despite positive foreign exchange rate factors. Unit prices for Threonine decreased but sales volumes increased, and both sales volumes and unit prices of Tryptophan increased, leading to significantly higher revenues from both these products. Foreign exchange rates also contributed, with the result that overall feed-use amino acid revenues increased.

Amino acids: Sales of amino acids for pharmaceuticals and foods increased significantly, driven by higher sales mainly in North America and Europe and supported by foreign exchange rates. Sales of sweeteners also increased, supported by higher sales volumes in South America of powdered juice *RefrescoMID®*, which contains aspartame, as well as favorable foreign exchange rates, and other factors. In pharmaceutical custom manufacturing, sales increased significantly, supported by foreign exchange rates, growth in sales in Europe, and the inclusion of consolidated subsidiary Ajinomoto Althea from the first quarter of the current fiscal year. As a result, overall revenues increased significantly.

Specialty chemicals: Overall sales increased considerably, supported by higher sales of cosmetic ingredients to major customers, along with growth in sales of higher value products in insulation film for build-up printed wiring board used in computers, and the effect of foreign exchange rates.

4) Pharmaceuticals

Pharmaceutical sales decreased 30.6%, or ¥17.1 billion, to ¥38.7 billion. Operating income decreased 38.4%, or ¥1.7 billion, to ¥2.8 billion, reflecting decreased sales.

In self-distributed products, although sales were supported by factors such as the July 2012 start of sales of MARZULENE®, a newly introduced therapeutic agent for gastric inflammation and ulcers, and by the June 2013 launch of MOVIPREP®, an oral bowel cleansing agent, this was offset by the elimination of sales of infusion and dialysis business products from consolidated results due to the spin-off of these operations into equity method affiliate AY Pharma Co., Ltd. from the second quarter of the current fiscal year, and sales therefore decreased significantly.

In products sold through business tie-ups, sales fell significantly, due to a large decrease in sales of nateglinide products such as FASTIC® and risedronate products such as ACTONEL® for osteoporosis, due to the effects of competition, along with lower royalty income.

5) Other business

Other business sales increased 12.7%, or ¥7.0 billion, to ¥62.2 billion, with operating income increasing 16.5% to ¥0.4 billion.

(2) Explanation of financial position

Total assets as of December 31, 2013 were ¥1,115.3 billion, ¥23.5 billion more than the ¥1,091.7 billion recorded at the end of the previous fiscal year. This was primarily due to an increase in the yen values of the balance sheets of overseas subsidiaries after translation. Cash and equivalents decreased due to factors such as the repurchase of shares and the acquisition of all the shares of Althea Technologies. Goodwill increased, concomitant with the Althea Technologies acquisition.

Total debt increased ¥32.6 billion to ¥432.6 billion, compared to ¥400.0 billion at the end of the previous fiscal year. This was primarily due to an increase in liability for retirement benefits associated with the early adoption of a new accounting standard for retirement benefits. Total interest-bearing debt increased ¥19.8 billion from the end of the previous fiscal year, to ¥139.1 billion.

Net assets decreased ¥9.0 billion compared to the end of the previous fiscal year due to factors such as the retirement of shares and the early adoption of a new accounting standard for retirement benefits, and despite an increase in foreign currency translation adjustments due to the weaker yen. Shareholders' equity, which is net assets minus minority interests, was ¥623.8 billion, and the shareholders' equity ratio was 55.9%.

(3) Explanation of consolidated earnings forecasts

Currently, consideration is still being given to the full-year forecasts for the year ending March 31, 2014, which will form part of the basis for the next medium-term plan. Any changes to the current forecasts, announced on November 6, 2013, will be announced promptly as they become available.

2. SUMMARY INFORMATION (NOTES)

(1) Transfer of important subsidiaries in the quarterly period under review:
No applicable items

(2) **Adoption of special accounting methods for preparation of quarterly financial statements:**

Method of estimating tax expenses

The Company and its consolidated subsidiaries estimate tax expenses by making a reasonable estimation of the effective tax rate on net income before income taxes after the application of tax effect accounting for the fiscal year, including the nine-month period under review, and applying this rate to net income before income taxes for the nine-month period under review. However, for the Company and any subsidiaries for which calculating tax expenses using an estimation of the effective tax rate would significantly lack rationality, tax expenses are estimated by using the statutory effective tax rate and factoring in material additions or deductions.

(3) **Changes in accounting policy, changes in accounting estimates, and retrospective restatements:**

Adoption of Accounting Standard for Retirement Benefits

Concomitant with the Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan (ASBJ) Statement No. 26 of May 17, 2012), and Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25. of May 17, 2012), which became eligible for adoption from April 1, 2013, the Company has applied these standards as of the first quarter of the fiscal year ending March 31, 2014. Under the new standard, pension assets are deducted from retirement benefit obligations and the net amount is recognized as liability for retirement benefits, and previously unrecognized actuarial gains and losses and unrecognized prior services costs are recorded as liability for retirement benefit. The method of calculating retirement benefit obligations and service costs is revised, with the method of determination of the discount rate revised to a single weighted average discount rate reflecting the estimated timing and amount of benefit payment, and the method of attributing benefits to accounting periods changed from the straight-line method to the standard pension benefit formula basis.

In accordance with transitional accounting as stipulated in article 37 of the Accounting Standard for Retirement Benefits, liability for retirement benefits is recognized as the difference between pension assets and retirement benefit obligations at the beginning of the first-quarter period. The effect of the changes in accounting policies arising from initial application is recognized in accumulated adjustments for retirement benefit within the net asset section. For the amendments relating to determination of retirement benefit obligations and service costs, the effect of changes in accounting policies arising from initial application is recognized as an adjustment to retained earnings at the beginning of the first-quarter period.

As a result, “Total accumulated other comprehensive income” on the consolidated balance sheet has decreased by ¥26,887 million from the beginning of the first-quarter period of the current fiscal year, and retained earnings has decreased by ¥6,975 million. The effect on the operating income, ordinary income, and net income before taxes for the consolidated nine-month period under review is minimal.

Changes to the recording method of sole agent sales

Formerly, for the coffee and edible oils businesses and some other business, the gross figures for sales and cost of sales were recorded in the accounts but from the beginning of the first-quarter period of the current fiscal year this method was changed by netting off sales and cost of goods sales and recording the net figure in the accounts.

In accordance with the conclusion of the Company’s function as sole agent of some products, a contract and transaction review was conducted with regard to invoicing and recovery administration and other risk-bearing transactions, which found that the Company’s function hereafter is effectively that of an intermediary. This change in accounting methods was therefore adopted to reflect the Company’s function more appropriately by recording the net figure in the accounts rather than the gross figures for sales, with the aim of aligning operating results more closely with the business structure.

With the adoption of this accounting method, the results of the nine-month period of the previous year have been restated based on this change.
As a result, sales and cost of sales in the previous nine-month period have decreased by ¥143,836 million, while there is no impact on gross profit, operating income, ordinary income and income before income taxes. There is no cumulative impact on net assets recorded at the beginning of the previous first-quarter period, nor on per share information for the previous nine-month period.

For details regarding the impact of this change on segment information, please refer to P15 "(3) Notes to the consolidated financial statements, Segment Information".

AJINOMOTO®

3. CONSOLIDATED NINE-MONTH PERIOD FINANCIAL STATEMENTS
(1) Consolidated balance sheet

Millions of yen, rounded down

	As of end of third quarter (December 31, 2013)	As of end of previous fiscal year (March 31, 2013)
Assets		
Current assets		
Cash on hand and in banks	138,775	186,501
Notes and accounts receivable	204,889	197,568
Marketable securities	595	417
Goods and products	111,431	102,550
Goods in process	7,985	7,701
Raw materials and supplies	50,775	49,566
Deferred tax assets	10,734	9,077
Other	42,136	33,786
Allowance for doubtful accounts	(1,213)	(1,095)
Total current assets	566,110	586,074
Fixed assets		
Tangible fixed assets		
Buildings and structures	335,739	348,963
Accumulated depreciation and accumulated impairment losses	(218,286)	(215,961)
Net buildings and structures	137,453	133,002
Machinery and vehicles	562,622	528,879
Accumulated depreciation and accumulated impairment losses	(423,459)	(402,081)
Net machinery and vehicles	139,163	126,798
Land	46,906	51,065
Construction in progress	18,921	26,562
Other	72,627	74,926
Accumulated depreciation and accumulated impairment losses	(58,975)	(61,131)
Other (net amount)	13,652	13,795
Total tangible fixed assets	356,096	351,224
Intangible fixed assets		
Goodwill	20,092	4,779
Other	33,116	33,912
Total intangible fixed assets	53,208	38,691
Investments and other assets		
Investment in securities	112,103	94,357
Long-term loans receivable	524	601
Deferred tax assets	17,277	8,549
Other	10,905	13,135
Allowance for doubtful accounts	(281)	(278)
Allowance for investment losses	(618)	(616)
Total investment and other assets	139,911	115,749
Total fixed assets	549,217	505,666
Total Assets	**1,115,328**	**1,091,741**

(Continued)

	Millions of yen, rounded down	
	As of end of third quarter (December 31, 2013)	As of end of previous fiscal year (March 31, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable	112,750	108,903
Short-term borrowings	17,202	12,365
Commercial paper	20,000	--
Current portion of bonds	14,999	20,000
Current portion of long-term borrowings	7,011	3,411
Accrued income taxes	6,035	20,590
Bonus reserve	3,276	5,496
Bonus reserve for directors and others	204	325
Other	68,732	84,447
Total current liabilities	250,213	255,541
Long-term liabilities		
Bonds	34,993	49,992
Long-term debt	43,139	31,442
Deferred tax liabilities	13,839	11,244
Accrued officers' severance benefits	404	517
Allowance for environmental measures	347	380
Accrued employees' retirement benefits	--	28,796
Liability for retirement benefits	67,988	--
Asset retirement obligations	556	586
Other	21,151	21,528
Total long-term liabilities	182,420	144,489
Total liabilities	432,634	400,030
Net assets		
Shareholders' equity		
Common stock	79,863	79,863
Capital surplus	83,443	112,757
Retained earnings	550,175	482,501
Treasury stock	(3,601)	(2,817)
Total shareholders' equity	659,881	672,304
Accumulated other comprehensive income (loss)		
Unrealized holding gain on securities	15,146	9,419
Unrealized gain from hedging instruments	320	(141)
Translation adjustments	(26,768)	(46,295)
Accumulated adjustment for retirement benefit liabilities or assets	(24,763)	--
Total accumulated other comprehensive income (loss)	(36,065)	(37,017)
Minority interests	58,878	56,423
Total net assets	682,693	691,710
Total Liabilities and Net Assets	**1,115,328**	**1,091,741**

(2) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income

Millions of yen, rounded down

	Nine-month period (April 1, 2013 to December 31, 2013)	Nine-month period (April 1, 2012 to December 31, 2012)
Net sales	742,322	746,856
Cost of sales	473,943	447,557
Gross profit	268,378	299,298
Selling, general and administrative expenses	217,565	238,367
Operating income	50,812	60,931
Non-operating income		
Equity in earnings of non-consolidated subsidiaries and affiliates	3,120	2,702
Other	6,360	4,467
Total non-operating income	9,480	7,169
Non-operating expenses		
Interest expense	1,562	1,479
Other	1,939	855
Total non-operating expenses	3,501	2,334
Ordinary income	56,791	65,766
Extraordinary gains		
Insurance proceeds	1,184	1,701
Gain on transfer of benefit obligation relating to employees' pension fund	--	27,752
Gain on sale of shares in affiliated companies	2,267	18,201
Other	340	660
Total extraordinary income	3,792	48,315
Extraordinary losses		
Loss on retirement of fixed assets	920	842
Impairment loss	230	7,312
Loss on liquidation of subsidiaries	772	--
Other	878	3,648
Total extraordinary losses	2,802	11,802
Net income before income taxes	57,781	102,279
Income taxes	16,575	42,767
Refund of income taxes for prior periods	(1,533)	--
Net income before minority interests	42,739	59,511
Minority interests	5,690	5,063
Net income	**37,049**	**54,447**

Consolidated Statement of Comprehensive Income

	Millions of yen, rounded down	
	Nine-month period (April 1, 2013 to December 31, 2013)	Nine-month period (April 1, 2012 to December 31, 2012)
Net income before minority interests	42,739	59,511
Other comprehensive income		
Unrealized holding gain on securities	5,451	2,079
Unrealized gain from hedging instruments	167	3
Translation adjustments	19,245	10,231
Adjustment in pension liabilities of overseas subsidiaries	--	(25)
Adjustments for retirement benefits	2,108	--
Share of other comprehensive income of equity-method affiliates	307	25
Total other comprehensive income	27,280	12,312
Comprehensive income	70,020	71,824
(Breakdown)		
Comprehensive income attributable to parent company	64,888	64,864
Comprehensive income attributable to minority interests	5,131	6,959

(3) Notes to the consolidated financial statements

Notes regarding premise of a going concern

No applicable items

Notes regarding marked changes in amount of shareholders' equity

The Company resolved at a Board of Directors meeting on May 8, 2013 on matters pertaining to a share repurchase based on Article 156 of the Companies Act as applied pursuant to Article 165-3 of the same act. Subsequently, in the period from May 9, 2013 to July 8, 2013 the Company repurchased, in the market through a trust bank, 20,895,000 shares of common stock for ¥29,999 million.

The Company resolved at a Board of Directors meeting on August 27, 2013 on matters pertaining to the retirement of shares based on Article 178 of the Companies Act. Subsequently, on September 9, 2013 the Company retired 20,895,000 shares of common stock. As a result, capital surplus and treasury shares each decreased by ¥29,313 million respectively. The total number of outstanding shares became 614,115,654.

As of the first quarter of the fiscal year ending March 31, 2014, the Company has applied new Accounting Standards for Retirement Benefits. For details on the impact of this change, please refer to page 9, "Summary Information (NOTES), (3) Changes in accounting policy, changes in accounting estimates, and retrospective restatements."

Segment information

I. Nine-month period of the fiscal year ending March 31, 2014 (April 1, 2013 – December 31, 2013)

1. Information on sales and income or loss by reporting segment

Millions of yen, rounded down

	Reporting segment				Other Business *	Adjustment amount	Consolidated
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharma-ceuticals			
Sales							
(1) Sales to third parties.......	254,989	219,410	166,900	38,763	62,258	--	742,322
(2) Intra-group sales and transfers.........................	1,340	4,639	4,347	55	32,408	(42,792)	--
Total sales	256,330	224,049	171,247	38,819	94,666	(42,792)	742,322
Segment income (loss) (Operating income (loss))...	22,779	19,737	5,015	2,843	437	--	50,812

Note: Other Business includes the business tie-ups, the wellness business, the packaging business, the logistics business and other service businesses.

2. Changes to reporting segments

Formerly, for the coffee and edible oils businesses and some other businesses, the gross figures for sales and cost of goods sales were recorded in the accounts but from the first-quarter period, this method has changed by netting off sales and cost of goods sales and recording the net figure in the accounts. With the adoption of this accounting method, the results of the nine-month period of the previous year have been restated based on this change.

Due to the decrease in sales and reduction of the Business Tie-ups segment resulting from this change, from the first-quarter period, Business Tie-Ups are included in the Other Business, and classification into five segments: Domestic Food Products; Overseas Food Products; Bioscience Products and Fine Chemicals; Pharmaceuticals; Business Tie-Ups; and Other Business, have been replaced by classification into four segments: Domestic Food Products; Overseas Food Products; Bioscience Products and Fine Chemicals; Pharmaceuticals; and Other Business.

For details on the figures following the change, see "II. (April 1, 2012 – December 31, 2012) 1. Information on sales and income or loss by reporting segment."

3. Information by region

Millions of yen, rounded down

	"Japan"	"Asia"	"Americas"	"Europe"	Total
Sales	370,079	186,504	108,691	77,046	742,322
Percentage of total consolidated sales	49.9%	25.1%	14.6%	10.4%	100.0%

Note: Sales are based on the location of customers, and are classified by country or region.

4. Information on fixed assets, impairment losses and goodwill by reporting segment

No applicable items

II. Nine-month period of the fiscal year ended March 31, 2013 (April 1, 2012 – December 31, 2012)

1. Information on sales and income or loss by reporting segment

Millions of yen, rounded down

	Reporting segment				Other Business *1	Adjustment amount	Consolidated
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharma-ceuticals			
Sales							
(1) Sales to third parties.......	314,060	175,331	146,352	55,885	55,227	--	746,856
(2) Intra-group sales and transfers..........................	4,978	4,874	5,119	70	40,665	(55,708)	--
Total sales	319,038	180,205	151,472	55,955	95,892	(55,708)	746,856
Segment income (loss) (Operating income (loss))...	29,181	15,431	11,325	4,617	375	--	60,931

Note 1: Other Business includes the business tie-ups, the wellness business, the packaging business, the logistics business and other service businesses.

Note 2: The impact of the adoption of changes to the method for recording gross figures for sole agent transactions has been reflected in the figures for the nine-month period of the previous fiscal year. For details on the figures following the change, see "I. (April 1, 2013 – December 31, 2013) 2. Changes to reporting segments''

2. Information by region

Millions of yen, rounded down

	"Japan"	"Asia"	"Americas"	"Europe"	Total
Sales	440,859	152,427	88,896	64,672	746,856
Percentage of total consolidated sales	59.0%	20.4%	11.9%	8.7%	100.0%

Note 1: Sales are based on the location of customers, and are classified by country or region.

Note 2: The impact of the adoption of changes to the method for recording gross figures for sole agent transactions has been reflected in the figures for the nine-month period of the previous fiscal year.)

3. Information on fixed assets, impairment losses and goodwill by reporting segment

Material impairment loss on fix assets

In the Pharmaceuticals segment, an impairment loss has been recorded on pharmaceutical product manufacturing equipment. The amount of impairment loss recorded for the nine-month period ended December 31, 2012 is ¥7,280 million.

Material change in Goodwill

Concomitant with the sale of all the Company's shares in Calpis Co., Ltd., Calpis was removed from the scope of consolidation during the third quarter. Accordingly, the amount of goodwill recorded in the Domestic Food Products segment has decreased by ¥18,040 million.

(Reference)

Segment information by geographical area

Nine-month period of the fiscal year ending March 31, 2014 (April 1, 2013 to December 31, 2013)

Millions of yen, rounded down

	"Japan"	"Asia"	"Americas"	"Europe"	Consolidated
Sales to third parties	388,915	173,978	103,597	75,830	742,322
Operating income.......................................	27,789	19,349	4,021	(346)	50,812

Nine-month period of the fiscal year ending March 31, 2013 (April 1, 2012 to December 31, 2012)

Millions of yen, rounded down

	"Japan"	"Asia"	"Americas"	"Europe"	Consolidated
Sales to third parties	458,356	139,552	84,555	64,391	746,856
Operating income.......................................	33,161	16,640	7,861	3,268	60,931

Notes
1. Geographical area segments are categorized on the basis of geographic proximity and indicated in inverted commas.
2. Main countries and regions in segments other than "Japan":
   "Asia": Countries of East and Southeast Asia
   "Americas": Countries of North and South America
   "Europe": Countries of Europe and Africa
3. The impact of the adoption of changes to the method for recording gross figures for sole agent transactions has been reflected in the figures for the nine-month period of the previous fiscal year.)