

**Ajinomoto Co., Inc.
Forecast for the Fiscal Year
Ending March 31, 2014 (FY2013)
and Outlook**

November 8, 2013

**Masatoshi Ito
President & CEO**

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Appendix FY2013 Forecast by Segments

I. Summary of FY2013

FY2013 Forecast

Net sales: Upward revision of sales forecast because of positive effect of currency translation and expansion of high-value added business despite decrease in unit price of feed-use amino acids.
Operating income: Downward revision of operating income forecast because of worsening profitability in feed-use amino acids despite positive effect of currency translation.

(¥ Billion)	FY2013 Revised Forecast	FY2013 Initial Forecast	Difference	FY2012 Results
Net sales*	1,032.0	1,019.0	13.0	985.0
Operating income	68.0	75.0	-7.0	71.2
Net income	48.0	49.0	-1.0	48.4
Net income per share (¥)	77.93	79.52	-1.59	74.35

■ Net sales (Difference from FY13 Initial Forecast)

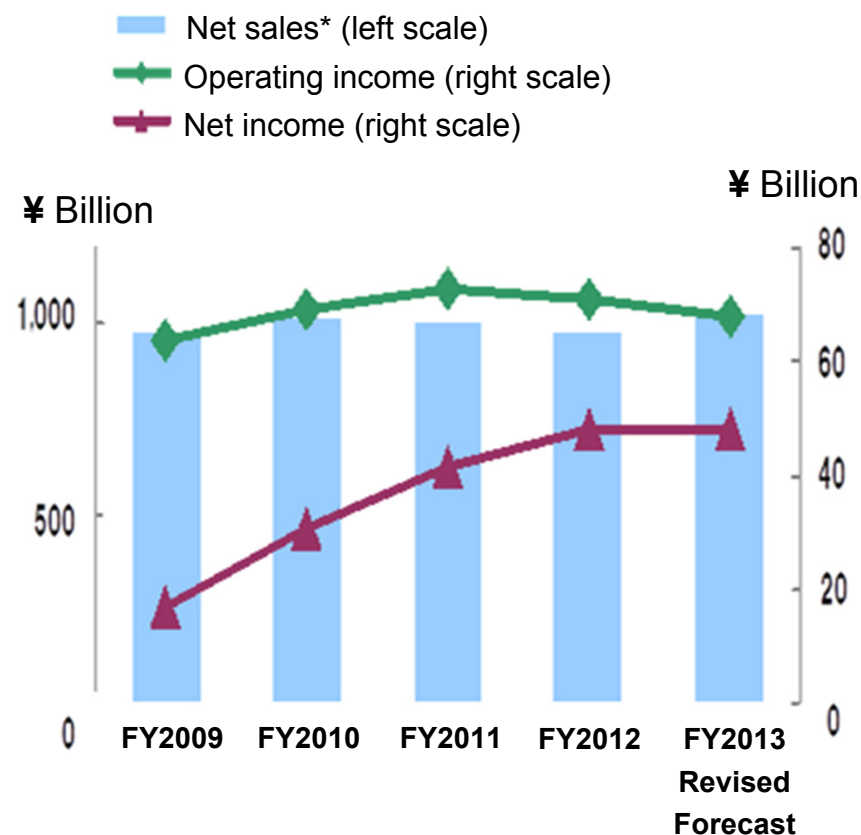
- + : Positive effect of currency translation in overseas food products
Expansion of sales of amino acids for pharmaceuticals and foods and pharmaceutical custom manufacturing
- : Decrease in unit price of feed-use amino acids
Decrease in sales of pharmaceutical products sold through business tie-ups

■ Operating income

- + : Positive effect of currency translation in overseas food products business
Improvement of profitability of amino acids for pharmaceuticals and foods and specialty chemicals
- : Decrease in unit price of feed-use amino acids

■ Net income

- + : Increase in extraordinary gains (Increase of asset efficiency through disposal of idle fixed assets)
- : Decrease in operating income



*Net sales are based on new standards.

Factors in Changes in FY2013 Operating Income Forecast

Downward revision of operating income due to effect of decrease in unit price of feed-use amino acids despite expansion of positive effect of currency translation and stabilization in price of fermentation raw materials

Factors in Changes in FY2013 Operating Income Forecast (¥ Billion)

FY2012 Results 71.2



FY2013 Initial Forecast 75.0



Decrease in unit price of feed-use amino acids -10.8

FY2013 Revised Forecast 68.0



Impact of exchange rates (¥ Billion)

Translation	Initial forecast	+4.6
	Revised forecast	+6.4
Trade	Initial forecast	-1.0
	Revised forecast	+0.0
Total	Initial forecast	+3.6
	Revised forecast	+6.4

* Business factors:
Sales volume increases, unit price adjustments, cost reductions, etc.

Exchange rate vs. JPY (ave.)

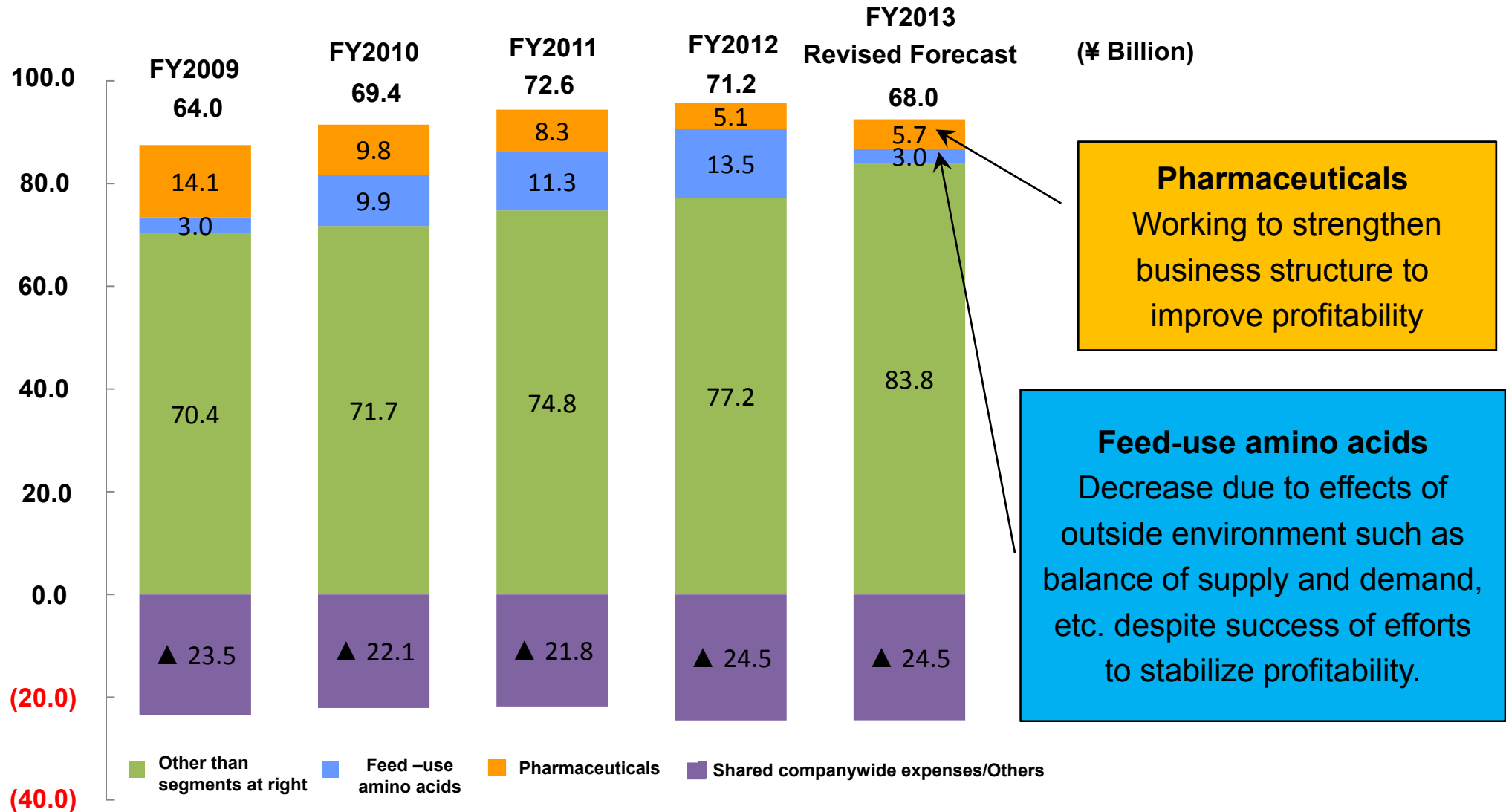
	FY2013 Revised Forecast	FY2013 Initial Forecast	1H-2013 Results	2012 Results
USD	98.0	90.0	98.86	82.91
EUR	131.0	118.0	129.98	106.78
THB	3.1	3.0	3.23	2.70
BRL	44.0	45.0	45.34	41.19

Effect of raw material and fuel price changes (YoY)

	FY2013 Revised Forecast	FY2013 Initial Forecast	1H-FY2013 Results
Fermentation main raw materials	0.0	1.7	-1.1
Fermentation sub raw materials	0.0	-2.4	0.2
Energy	0.0	-2.3	-0.1
Raw materials for domestic food products	-4.0	-1.7	-2.2
Total	-4.0	-4.7	-3.2

Breakdown of FY2013 Operating Income Forecast

Operating Income by Year and Segment (before allocation of shared companywide expenses)



FY2013 Forecast by Segment

(¥ Billion)

	FY2013 Forecast	O.P.%	FY2013 Initial Forecast	O.P.%	Difference	FY2012 Results	O.P.%	YoY Change	
								Amount	%
Net sales	1,032.0		1,019.0		13.0	985.0		47.0	5%
Domestic Food Products	340.5		338.5		2.0	391.6		-51.1	-13%
Overseas Food Products	317.2		303.9		13.3	245.4		71.8	29%
Bioscience Products & Fine Chemicals	238.3		232.8		5.5	204.2		34.1	17%
Pharmaceuticals	51.8		52.9		-1.1	71.5		-19.7	-28%
Other Business	84.2		90.9		-6.7	72.4		11.8	16%
Operating income	68.0	6.6%	75.0	7.4%	-7.0	71.2	7.2%	-3.2	-5%
Domestic Food Products	27.6	8.1%	28.3	8.4%	-0.7	32.6	8.3%	-5.0	-15%
Overseas Food Products	26.3	8.3%	23.1	7.6%	3.2	20.7	8.4%	5.6	27%
Bioscience Products & Fine Chemicals	9.4	3.9%	19.2	8.2%	-9.8	14.4	7.0%	-5.0	-35%
Pharmaceuticals	4.3	8.3%	4.3	8.1%	0.0	3.2	4.5%	1.1	35%
Other Business	0.4	0.5%	0.1	-	0.3	0.3	0.4%	0.1	23%
Ordinary income	74.0		79.0		-5.0	77.2		-3.2	-4%
Net income	48.0		49.0		-1.0	48.4		-0.4	-1%
Exchange rate									
JPY/USD	98.0		90.0			82.91			
JPY/EUR	131.0		118.0			106.78			

(¥ Billion)

	FY2013 Forecast	O.P.%	FY2013 (Initial Forecast)	O.P.%	Difference	FY2012 Results	O.P.%	YoY Change	
								Amount	%
Net sales									
Feed-use amino acids	99.7		108.5		-8.9	94.1		5.6	6%
Others	932.3		910.5		21.9	890.9		41.4	5%
Operating income									
Feed-use amino acids	3.0	3.0%	13.8	12.7%	-10.8	13.5	14.3%	-10.5	-78%
Others	65.0	7.0%	61.2	6.7%	3.8	57.7	6.5%	7.3	13%

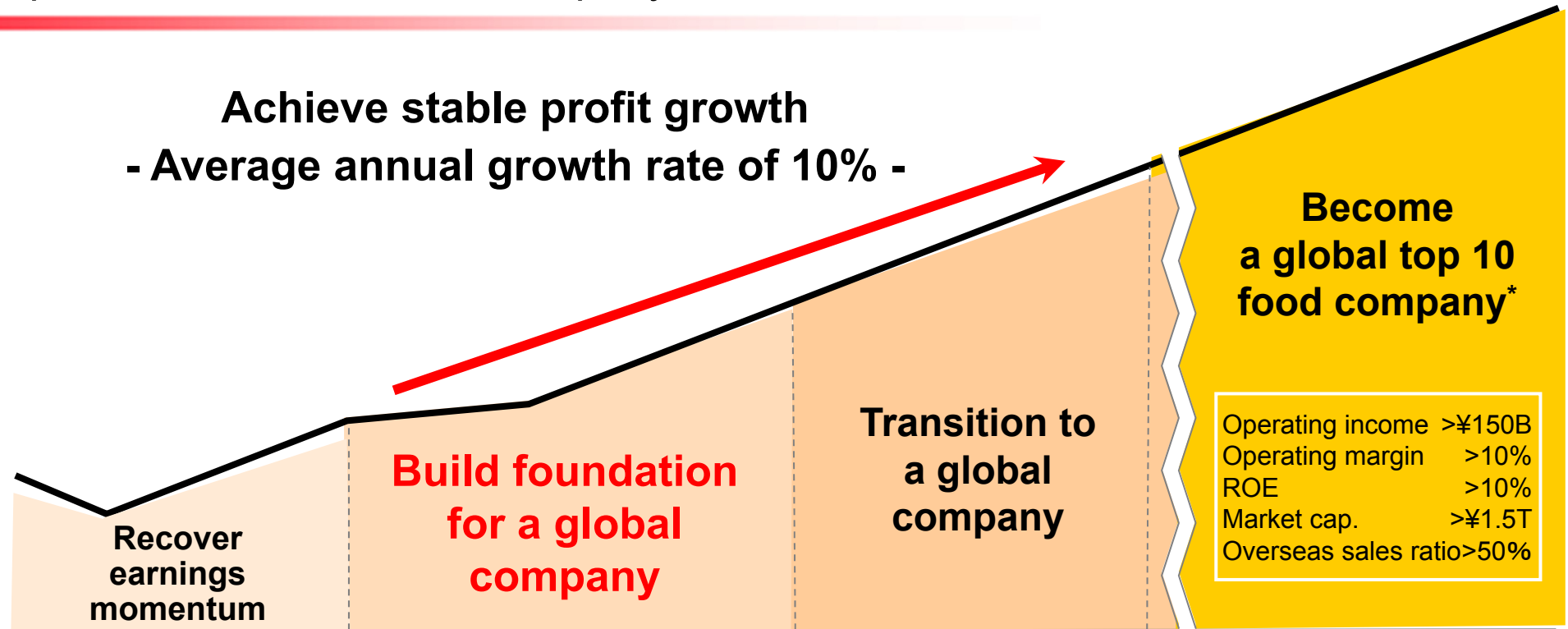
Non-operating income (expenses): Upward revision of ¥2.0 billion due to improvement in equity in earnings of affiliates, etc.

Extraordinary gains (losses): Upward revision of ¥2.0 billion in extraordinary gains due to disposal of idle fixed assets, liquidation of affiliates, etc.

Net income: Downward revision of ¥1.0 billion due to decrease in tax rate (including reversal of past fiscal year, etc.)

(¥ Billion)	FY2013 Revised Forecast	FY2013 Initial Forecast	Difference	Main Factors
Net sales	1,032.0	1,019.0	13.0	
Operating income	68.0	75.0	-7.0	
Non-operating income (expenses)	6.0	4.0	2.0	
Interest income	1.6	1.4	0.2	
Dividend income	0.9	0.7	0.2	
Equity in earnings of affiliates	4.4	3.9	0.5	
Interest expense	-2.3	-2.1	-0.2	
Other (net)	1.4	0.2	1.2	
Ordinary income	74.0	79.0	-5.0	
Extraordinary gains (losses)	1.0	-1.0	2.0	
Gain on sales of shares in affiliated company	2.3	0.0	2.3	Recorded in Q2-FY2013
Gain on disposal of fixed assets	1.8	0.2	1.6	Recorded in "Other (net)" in initial forecast
Loss on sales of investments in affiliates	-3.7	-3.8	0.1	
Other (net)	0.6	2.6	-2.0	
Net income before income taxes	75.0	78.0	-3.0	
Net income	48.0	49.0	-1.0	Effective tax rate FY2013 Initial Forecast: 27.1% FY2013 Revised Forecast: 25.7%

Roadmap to a "Genuine Global Company"



	FY2010 results	FY2011 results	FY2012 results	FY2013 revised forecast	FY2013 plan	FY2016
ROE	5.0%	6.9%	7.8%	~ 8.0%	8%	10%
O.P. margin	6.8%	7.2%	7.2%	6.6%	~7%	8%
Operating income	¥69.4 bn	¥72.6 bn	¥71.2 bn	¥68.0 bn	¥87.0 bn	¥100.0 bn+
Overseas profit ratio	53%	51%	52%	53%	56%	-
Overseas sales ratio	37%	38%	41%	49%	-	-
EPS	¥43.56	¥61.28	¥74.35	¥77.93	-	-

*Excluding beverage companies

Note: Presented under new standards from FY2013.

**II. Main Policy for Genuine Global Company:
In FY2013**

~ Growth Driver Development ~

(1) Global Growth

(2) R&D Leadership

(1) Global Growth: Expansion of Overseas Consumer Foods Business

Deepen Existing Business and Expand New Markets; Strengthen Production Capacity.

Point	Specific programs		FY2011	FY2012	FY2013
Deepen existing business	Increase production of mainstay products	Umami seasonings		MSG factory in Ayutthaya, Thailand (completion in March 2013) Investment approx. ¥17.0 bn	
				Capacity expansion (nucleotides) in Thailand (completion in Nov. 2011)	
				Expansion of factory in Apapa, Nigeria (completion in March 2013)	
				New factory in Yopougon, Côte d'Ivoire (completion in March 2013)	
		Flavor seasonings		Tongi factory in Bangladesh (operation from May 2012)	
		Flavor seasonings	Capacity expansion (<i>Ros Dee</i> ®) in Thailand (completion in June 2011)		
		Flavor seasonings	Capacity expansion (<i>Sazon</i> ®) in Brazil (completion in June 2013) Investment approx. ¥2.0 bn		
		Flavor seasonings	Karawang factory (<i>Masako</i> ®) in Indonesia (completion in September 2012) Investment approx. ¥3.5 bn		
		Flavor seasonings	New factory in Callao, Peru (food plant) (operation from April 2012)		
	Processed foods	Processed foods		Callao factory in Peru (new instant noodles line) (completion in October 2012)	
	Canned coffee	Canned coffee		Canned coffee capacity expansion (<i>Birdy</i> ®) in Thailand (completion in June 2013) Investment approx. ¥4.5 bn	
	Nurture next-generation products	Menu-specific seasonings		Capacity expansion (<i>Saori</i> ®) at Karawang factory in Indonesia (First stage completion in June 2014) Investment approx. ¥0.85 bn	
		Menu-specific seasonings		Long Thanh factory (new <i>Aji-Quick</i> ® line) in Vietnam (completion in April 2014) Investment approx. ¥0.5 bn	

Items implemented or decided since May 2013 in red

(1) Global Growth: Expansion of Overseas Consumer Foods Business

Deepen Existing Business and Expand New Markets; New Products

Point	Specific programs	FY2011	FY2012	FY2013
Deepen existing business	Nurture next-generation mainstay products	Menu-specific seasonings	Vietnam <i>Aji-ngon</i> [®] for vegetarians (August 2012) Thailand <i>Ros Dee</i> [®] Menu (November 2011) Thailand <i>Ros Dee</i> [®] Menu Total of 6 items added (October 2012, February 2013) Indonesia <i>Mayumi</i> [®] (May 2012) Vietnam <i>Phu Si</i> [®] (Soy sauce) (May 2012) <i>Aji-Mayo</i> [®] mild sweet (August 2012) India (<i>Hapima</i> for curry spice blended seasoning) (April 2011)	Philippines <i>Crispy fry</i> [®] (Frying batter) (April 2013) Brazil <i>Satis</i> [®] (Soy sauce) (July 2013) Thailand <i>Ros Dee</i> [®] Menu Total of 2 items added (October 2013) Mexico <i>AJI-SAZON</i> [®] (Restaurant-use) (October 2012) Peru <i>Aji-no-mix</i> [®] (Frying batter) (January 2013)
	Processed foods	Thailand <i>Yum Yum Jumbo</i> [®] (August 2012), <i>Jok Tem Kam</i> [®] 2 items (Retort pouch) (February 2013) Brazil <i>Caseirinho</i> (Mashed potato) (Home-use) (September 2012) Peru <i>Aji-no-men</i> [®] Pasta Rapida 3 items (May 2012) Thailand <i>Birdy</i> [®] Primo (Plastic bottled coffee) (January 2013) Brazil <i>Yakissoba</i> [®] (Restaurant-use) (June 2012)	Thailand <i>Birdy</i> [®] Primo (Plastic bottled coffee) (April 2013) Thailand <i>Jok Tem Kam</i> [®] 2 items (Rice porridge) (July 2013) Brazil <i>VONO</i> [®] Turma da Monica 3 items (Soup) (June 2013)	Poland <i>OYAKATA</i> [®] UMAMI NOODLES (Instant noodles) (October 2013)

Items implemented or decided since May 2013 in red

(1) Global Growth: Expansion of Overseas Consumer Foods Business

Deepen Existing Business and Expand New Markets

Point	Specific programs		FY2011	FY2012	FY2013
Expand new markets	Establish new operating bases	Asia	Establish subsidiary in Bangladesh (August 2011)	Myanmar: Study restart of business Pakistan: Study entry opportunities	
		Middle East and Africa	Establish subsidiaries in Turkey (July 2011) Egypt (October 2011) Côte d'Ivoire (January 2012)	North Africa: Study entry opportunities Kenya: Establish WASCO branch (September 2013) Cameroon: Establish WASCO branch (September 2013)	
Reinforce business base	Strengthen operating structure		Integrate European food products business (July 2011)	Strengthen sales force for Japanese/Asian ethnic restaurant market	Integration of North American consumer business in April 2013

Sales in Existing Countries and New Markets

Sales growth compared with Interim FY2012 in main countries (JPY basis): Thailand +28%, Brazil +26%, Indonesia +21%,
Sales growth compared with Interim FY2012 in main countries (local currency basis): Thailand +1%, Brazil +11%, Indonesia +5%

Approx. Sales (¥ Billion)	FY2011 Results	FY2012 Results	FY2013 Forecast	1H-FY2013 Results	FY2013 Plan	11-13 Mid-term Planned CAGR	FY2016 (Image)
Existing countries	167.0	182.5	242.0 (+33%)	110.0 (+31%)	210.0	+10%	250.0
New markets	17.0	17.0	23.0 (+35%)	11.0 (+11%)	30.0	+26%	50.0
Total	184.0	199.5	265.0 (+33%)	120.0 (+29%)	240.0	+11%	300.0

(1) Challenges for Acceleration of Global Growth

Policy Direction

1. Achieve dramatic expansion of business scale (top-line growth).

- Target: Thailand, Brazil, Indonesia, Vietnam, Philippines
(Provisional title: Five Stars)
- Goal: To double or triple sales in target area by FY2020 (vs. FY2012)
- Structure: Set up a project team to realize the goal (FY2013 Sept.)

Tangible action plan is scheduled for introduction in FY2014-16
Medium-Term Management Plan.

2. Achieve bursts of growth.

- Wider range of food business, not limited to **Ajinomoto's established field** of seasonings
- Active use of open innovation, business and technology partnerships and M&As

3. Expand into new markets and new channels.

- Continued expansion into new regions
- Further expansion and reinforcement of restaurant and delicatessen-use channel

Achieve Bursts of Growth

Acquisition of 50% Stake in Kükürer A.Ş., a Food Company in Turkey

Business tie-up with local partner having strong marketing power and high-quality brand recognized in Turkey. We will work to expand new business fields and accelerate business in the Turkey market.

1. Details of business tie-up

- Acquisition of 50% of shares of Kükürer A.Ş. (Head office: Turkey)
- Equity ownership: Ajinomoto Co., Inc. 50% Kükürer A.Ş. 50%
- Acquisition amount: 60 million Turkish lira (approx. ¥ 2.9 billion)
- Non-equity method affiliate

2. Beginning of capital tie-up

- Mid-December 2013

3. Kükürer's strengths

- Production and sales of seasonings (vinegars, fruit sauces) and pickles
- Widely recognized as a high-quality premium brand in Turkey for about 100 years, with marketing capabilities covering the entire country

4. Expected synergy

- We have positioned Kükürer as the core of business development in Turkey.
- By leveraging our marketing and product development capabilities cultivated in global markets and Kükürer's powerful brand and marketing capabilities, we aim to expand this business in Turkey and, in the future, expand it further to the markets of the Middle East and central Asia.
- We are targeting sales of ¥5.0 billion after five years.



(2) R&D Leadership: Progress of Lower Resource Fermentation Technology

Specific programs		FY2011	FY2012	FY2013	FY2014
Technology to reduce main raw materials	MSG	Start of commercial plant test in Brazil (April 2013)		Expansion to other regions (FY14 ~)	
		Full-scale implementation in Brazil (July 2013)			
Technology to reduce sub raw materials and energy	MSG	Introduction in U.S.A. (June 2012)		Introduction in ASEAN (FY13 Q3)	
	Feed-use Lysine	Full-scale introduction in Brazil		Introduction in U.S.A. (FY13 Q2)	
		Introduction in U.S.A. (FY13 Q2)		Introduction in Thailand (FY14 Q4)	
	Feed-use Tryptophan	Introduction in Europe (August 2012)		Introduction in Europe (FY13 Q4)	
Aspartame	Introduction in Japan (August 2012)				
Use of non-edible raw materials	Feed-use Lysine	Introduction in Brazil (January 2012)		Start of commercial plant test in Thailand (FY14 ~)	
		Introduction in U.S.A. -----			
Partial self-production of main raw materials and energy	MSG	Large-scale test facility in Thailand (introduction in January 2012)		Deployment of CP facility in Thailand in FY14	
	MSG	Introduction in Brazil (April 2012)			
Planned contribution to earnings (vs. FY10)		(Results) ¥ - bn	(Results) ¥1.5 bn	(Plan) ¥5.0 bn	(Plan) ¥7.5 bn

Items implemented, decided or deferred since May 2013 in red

III. Main Policy for Genuine Global Company in FY2013

~ Business Structure Reinforcement ~

(1) Domestic Food Products Business

(2) Animal Nutrition Business

(1) Business Structure Reinforcement Initiatives for Main Products in Domestic Food Products Business
Implementation of Price Revisions

Implementation of product size and price revisions because increased cost due to higher raw material prices and weakening yen exceeded cost reduction efforts.

	Target	Implemented	Context	Percentage increase
Mayonnaise	Main home-use products, restaurant- and institutional-use products	Aug. 2013	Higher crude oil price with lower yen	3-9%
Frozen foods	Mainly home-use products, and restaurant- and institutional-use products manufactured overseas	Aug. 2013	Higher procurement cost due to weakening yen and higher minimum wages in Thailand and China	Home-use: 8-17% Restaurant- and institutional use: 10-15%
<i>HONDASHI</i> [®]	Home-use products	Jan. 2014	Runup in prices of raw materials (bonito, packing materials, etc.) and weakening yen	6-7%

Revision of product sizes for a portion of frozen foods (home-use) and *HONDASHI*[®] (home-use)

Frozen foods: Revision of product size and price for 2 items

HONDASHI[®]: Revision of product size for 3 items; revision of product size and price for 2 items

⇒ **Work to preserve marketing opportunities by revising amount of contents to maintain a feeling that prices are reasonable**

Review price revisions for mayonnaise and frozen foods: Shipments within assumed levels.

(Context) Higher procurement cost due to lower yen affected a wide range of products including foods.

Companies continue to increase prices in the food industry, and we have the understanding of consumers.

(1) Policy for Dealing with the Rise in the Consumption Tax to 8% in April 2014

Assumed Effect

Effect on demand after the rise in the consumption tax is expected to be limited although a mild surge in last-minute demand is expected in advance of the tax increase.

Consumer behavior is expected to change based on an increase in budget-consciousness, but we will minimize the negative impact with demand-boosting measures in the home-use, restaurant-use and industrial-use areas.

Policy

We will reinforce demand-boosting measures with clients so that consumers can continue to experience rich lives after the rise in the consumption tax.

Home-use: We will work to boost demand by expanding and enhancing product lines with new products and new value proposals.

Restaurant-use and industrial-use: We will propose lower-cost menus by responding to the expansion of needs for seasonings and functional foods that help reduce costs.

(2) Business Structure Reinforcement Initiatives in Animal Nutrition Business

Maintaining and enhancing the value of businesses with a comprehensive strategy that applies the Ajinomoto Group's strengths from various aspects

Point	Specific programs		FY2011	FY2012	FY2013
Increase cost competitiveness	Shift from Brazil-based to regional supply base with four centers	Enhance regional supply capabilities by introducing new technology	North America Thailand France		
	Achieve fundamental improvements in production process via lower resource fermentation technology	Reduce volume of sub raw materials used (Expand from Brazil to other factories)	Introduce in U.S.A. (FY13 September) Introduce in France (Trp FY12 Q2, Lys FY13 Q4)		Introduce in Thailand (FY14~)
		Diversify main raw materials (Expand from France to other factories)	Introduce in Brazil (January 2012) Start of commercial plant test in Thailand (FY14~)		
Increase value-added products	Develop new high-value-added feed additives	Valine Isoleucine	Focus on market development and sales with priority on Valine Isoleucine market development		
	Develop new applications for feed-use amino acids	Lysine for dairy cows (AjiPro®-L)	Start of test marketing in U.S.A (FY11 April)	Double production capacity (FY13 May) Full-scale production capacity enhancement rollout (FY14 Q3)	
		Amino acids for fisheries, etc.			Study introduction
Strengthen business operating platforms	Establish wholly owned subsidiary for animal nutrition including feed-use amino acids		Establish wholly owned subsidiary (September 2011) Absorption demerger of Japan operations (supervision functions, etc.) and feed-use amino acids business in France and U.S.A. (November 2011)		Establish company in Singapore to consolidate sales in the Asia Pacific business region (FY13 April)
	Partially outsource production (Threonine: OEM contract with Fufeng Group (March 2011~))			Expansion of OEM, etc.	

IV. FY2013 Financial Strategy

FY2013 Financial Strategy

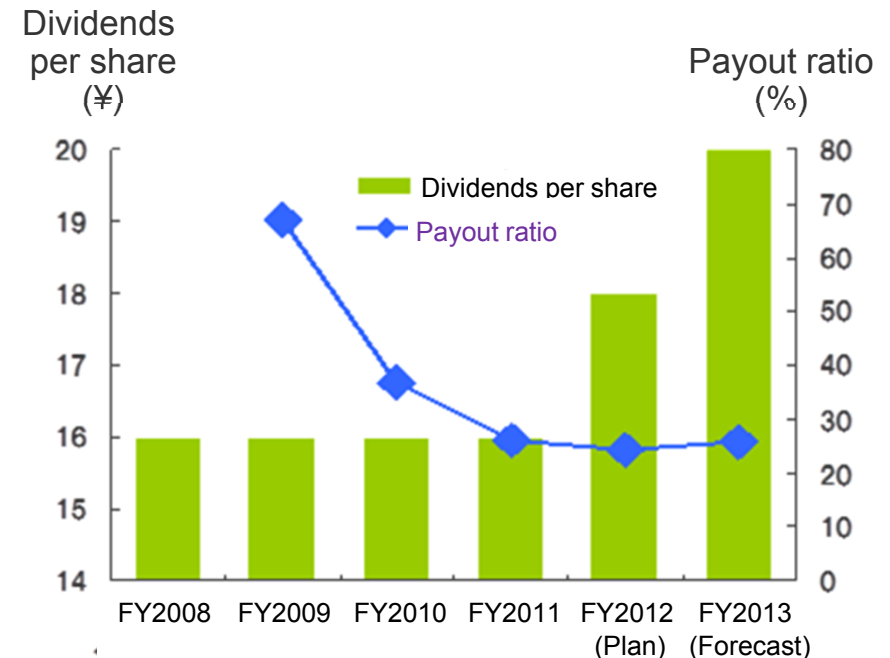
Develop growth drivers and fortify the business structure to strengthen cash flow generation.
 Use free cash flow for continuous and stable shareholder returns while prioritizing investments for growth.

- Generation of cash based on profit growth
 - Operating cash flow: Continue plan for ¥300 billion for 3 years from FY2011-FY2013.
- Investment in growth strategies
 - CAPEX: ¥180 billion ceiling for 3 years from FY2011-FY2013.
 FY2012 actual CAPEX: ¥61.6 billion
 FY2013 forecast CAPEX: ¥56.0 billion
 - Aim for investment opportunities intermittent growth in core fields.
- Shareholder returns policy

Ensure continuous and stable dividends, taking into consideration consolidated earnings for each period, from a medium-to-long-term management perspective.

 - Dividends (no change from beginning of FY2013)

FY2012	¥2 increase to ¥18 per share/year
FY2013 (forecast)	¥2 increase to ¥20 per share/year
 - Repurchased 21 million Company shares from May to July and retired all shares in September.



V. Strategy of Animal Nutrition Business in FY2013

November 8, 2013

Hiroshi Fukushi
Member of the Board & Corporate
Vice President

Market Environment

- Cereal crop environment and spread

Firm demand for Lysine, Threonine and Tryptophan

based on higher spread.

	FY2012	FY2013 (est.)
Spread (USD/st)	190	240
Market expansion ratio (YoY)	Lysine	115%
	Threonine	122%
	Tryptophan	150%
		110%
		115%
		144%

- Review of Interim FY2013

- Lysine and Threonine prices declined due to increased production by each company, resulting in oversupply.

- Tryptophan price weakened due to increased production and aggressive marketing of CJ group.

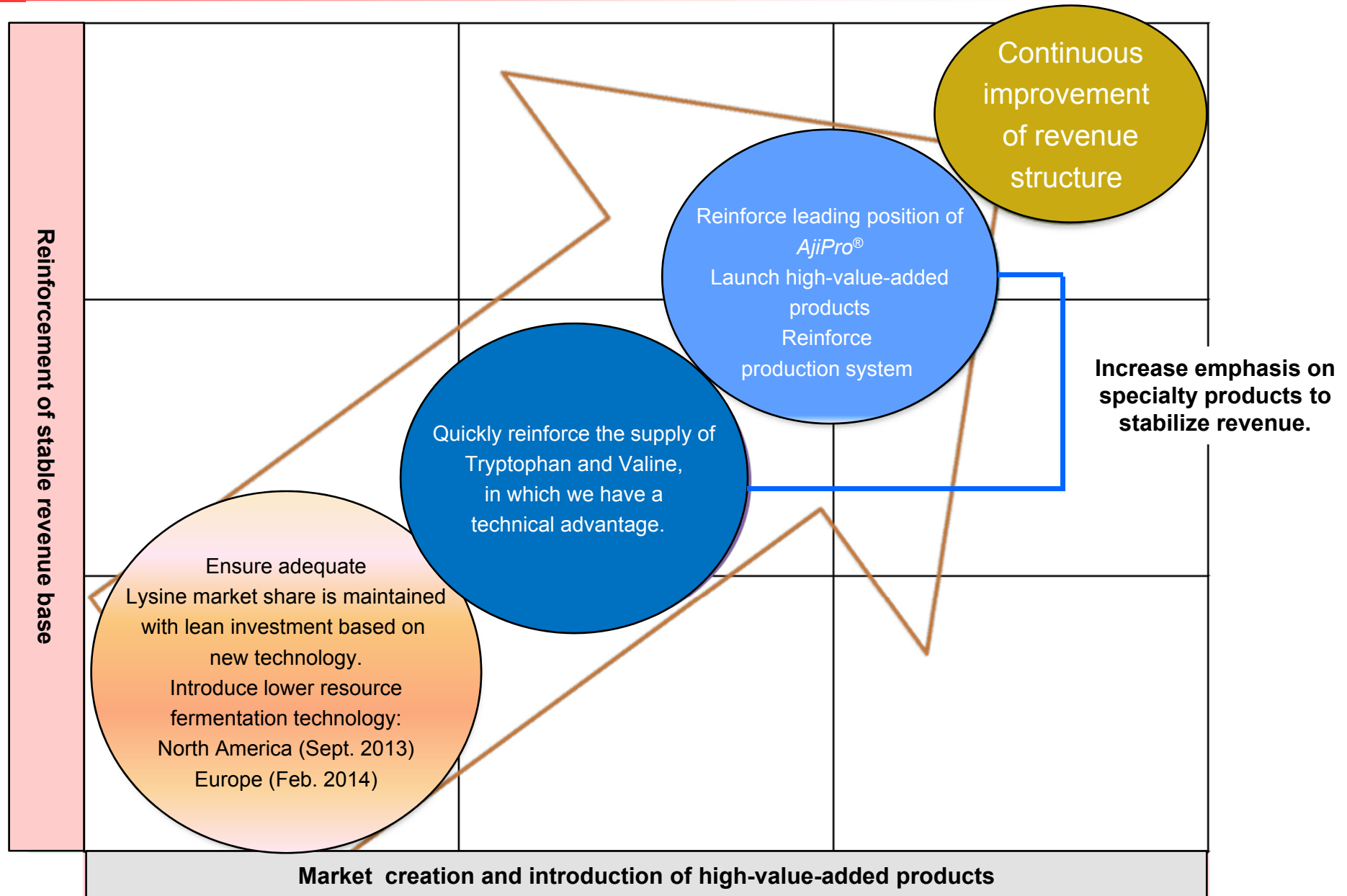
- Outlook

- We forecast improvement of the balance of supply and demand in the Lysine and Threonine markets due to the effect of production adjustments. We will work to optimize the sales prices.

- We will work to restore Tryptophan price by stimulating demand with technical service and forecast further demand expansion based on a higher spread.

	Price Estimates USD/kg CIF	
	FY2013-1H	FY2013-2H
Lysine	1.70	1.60
Threonine	2.15	2.00
Tryptophan	15	15

Business Structure Reinforcement Initiatives

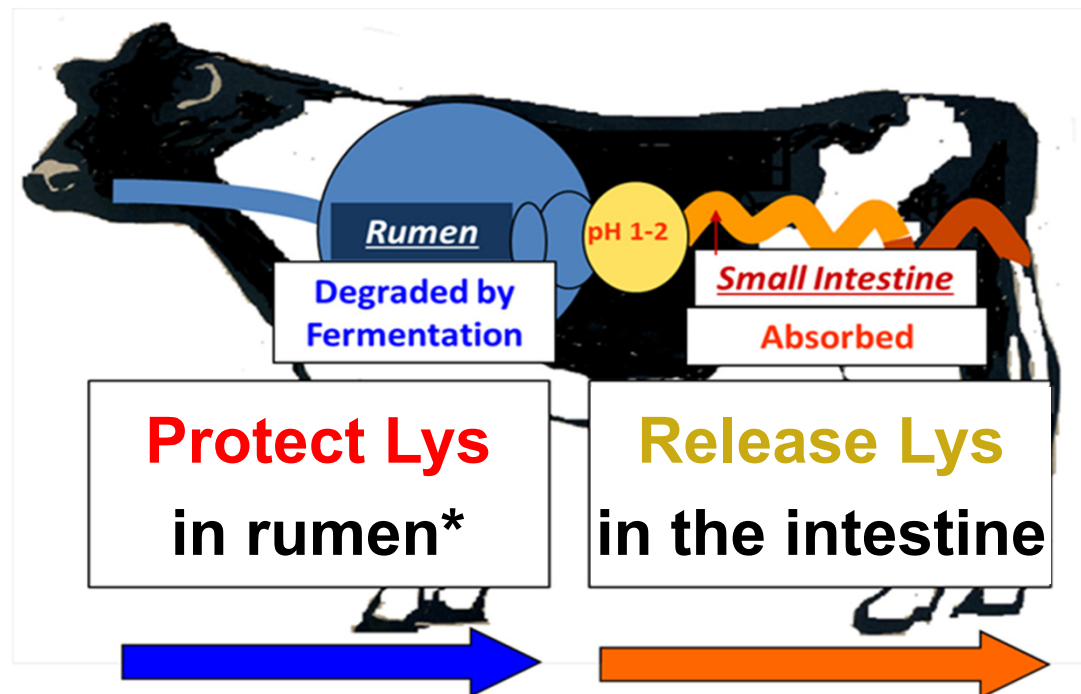


AjiPro®-L

Lysine for dairy cows, and its manufacturing process

- It is difficult to apply Lysine for poultry and swine to dairy cows.
- We developed original technology that protects Lysine in rumen and releases it in the intestine, thus making Lysine usable for dairy cows.

Product performance and evaluation



*The first belly of cud-chewer

- Increases milk yield and helps enhance quality
- Contributes to feed cost reduction
- Having received a good evaluation from clients, we are now creating a new market in North America.

Benefits of AjiPro®-L 100g supplementation

Milk yield	50kg/day → 52kg/day
Milk protein	2.8% → 2.85%
Milk fat	3.2% → 3.28%

VI. Strategy of Pharmaceutical Business in FY2013

November 8, 2013

**Takashi Nagamachi
President & CEO**

AJINOMOTO PHARMACEUTICALS CO., LTD.

Management challenges in the pharmaceuticals business and current situation

1. Management challenges and projects for solution

- 1) Strengthen the business scheme of infusion and dialysis business: The joint venture project with Yoshindo Inc. started smoothly with inauguration of AY Pharmaceuticals Co., Ltd.
- 2) Enrich the pipeline: POC* of AJM300 (ulcerative colitis treatment agent) was obtained. Alliance projects with other companies and in-licensing projects are promoted aggressively. *POC (Proof of Concept): Validation of medical efficiency by early stage clinical trial
- 3) Improve the operation efficacy (selling and general administrative expenses): A fundamental cost reduction project by operation improvement was started (Target: 5% improvement of SGA expense rates against sales)

2. FY2013 First half results

	FY2013 Q1 (Results)	FY2013 Q2 (Results)	FY2013 1H (Results) (A)	FY2012 1H (Results) (B)	Difference (A)-(B)
Net sales	16.8	11.2	27.9	36.0	-8.0
Gross income	8.7	7.6	16.2	19.4	-3.1
(Gross profit ratio)	51.5%	67.9%	58.1%	53.9%	
Operating income	0.4	1.1	1.5	1.8	-0.3

Sales : -80

- Fall in income due to spin-off of infusion and dialysis business -49
- Fall in income due to transfer of medical food business -18
- Fall in income in distribution alliance -20
- Launch of new products, sales increase of existing products distributed by Ajinomoto Pharmaceuticals itself +11

Operating income : -3

- Effects of spin-off of infusion and dialysis business
 - Completion of depreciation of Shimizu Pharmaceuticals
 - Improvements in royalty yields
 - Fall in sales of distribution alliance products
 - Fall in income due to transfer of medical food business
- } + about 18
} - about 21

Management challenges in the pharmaceuticals business and current situation

3. Enrich the pipeline

1) POC of AJM300 (ulcerative colitis treatment agent) was obtained.

➤ In the PIIa clinical study, AJM300 was demonstrated to be significantly effective in treatment of ulcerative colitis (remission introduction) as compared with placebo.

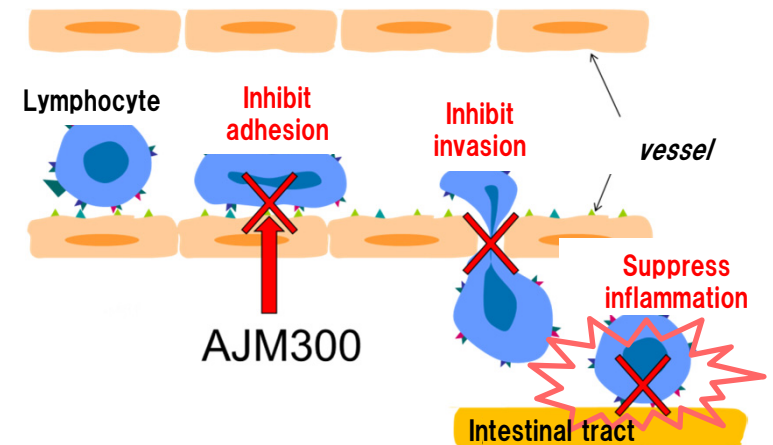
➤ AJM300 inhibits adhesion of lymphocytes on the vessel and prevents invasion into the inflamed site. POC was obtained first in the world as oral integrin[※] inhibitor in the inflammatory bowel disease (IBD).

Integrin[※]: Adhesion molecule to the vessel

➤ AJM300 is a low molecular weight orally available agent for treatment of moderate ulcerative colitis. Compared to antibody preparations, AJM300 is expected to increase patient's Quality of Life and reduce healthcare cost burden.

➤ Develop AJM300 to be a global-level new drug of Japan origin by acceleration of clinical studies in Japan and out-licensing to a global pharmaceutical company (Target year of launch in Japan: 2017)

AJM300 action mechanism



Management challenges in the pharmaceuticals business and current situation

MOVIPREP® for oral administration

2) “MOVIPREP® for oral administration”(launched in June 2013)

MOVIPREP® can cleanse the bowel effectively by only a half dose volume of existing bowel cleansing agents in a shorter cleansing time and reduce the burden on patients in bowel pre-treatment.



- MOVIPREP® is expected to increase cancer screening rates by colonoscopy and contribute to early detection and treatment of colon cancer.
- The sales achieved about ¥200 million in June-Sep. Aim to achieve ¥3 billion in FY2014.

<Colon cancer prevalence and mortality rate (per 100000 population)>

	Prevalence	Mortality rate
JP	31.5	11.8
USA	29.2	8.8
China	14.2	6.9

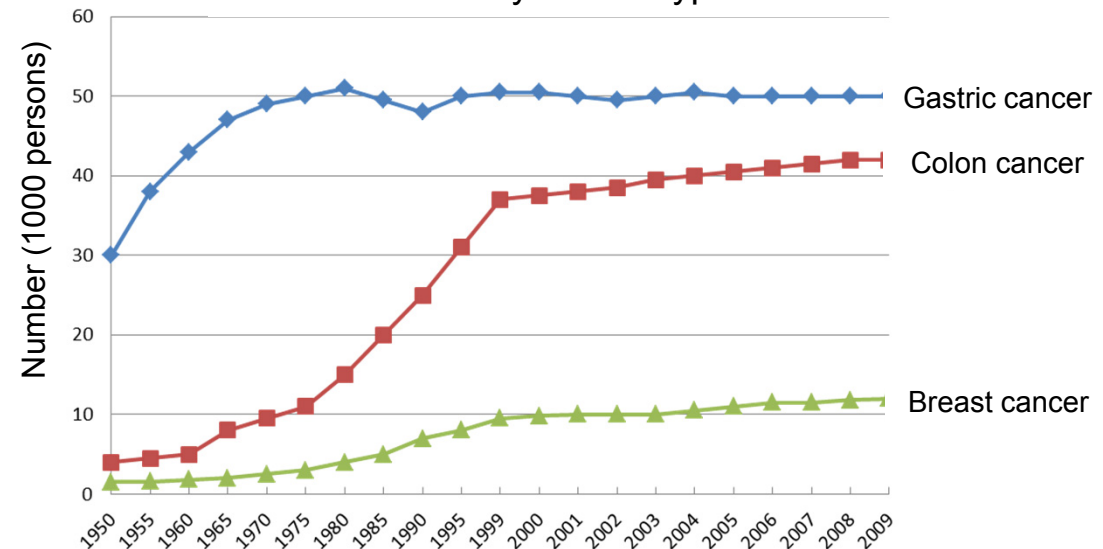
*Cause of death: colon cancer⇒

No. 1 in women, No. 3 in men (From:GLOBOCON2008)

**“Anticancer Projects Promotion Plan 2012”(MHLW)

⇒ Aim to increase colon cancer screening rates to 40% within 5 years (Screening rates of generations of 40 years old or above in 2010: Men 27%. women 21%)

Changes in number of deaths of cancer by cancer type



MHLW : Statistics of dynamic trends in population 2009

Reference

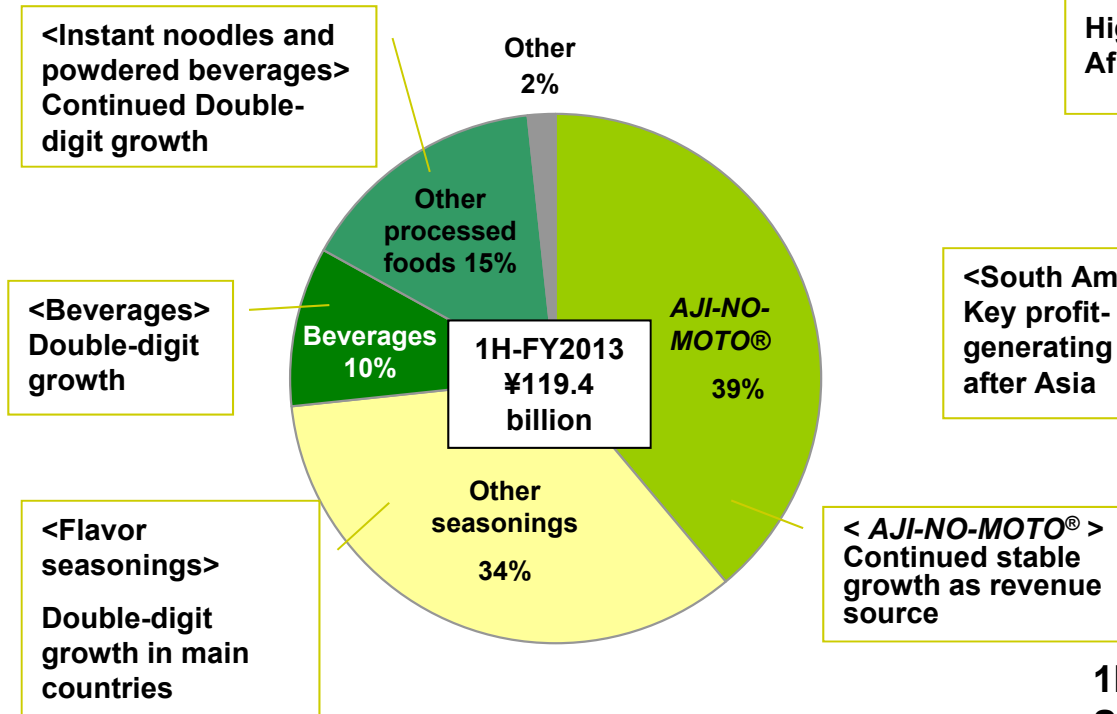
Trends in Overseas Consumer Food Products

Assumptions of FY2013 Forecast

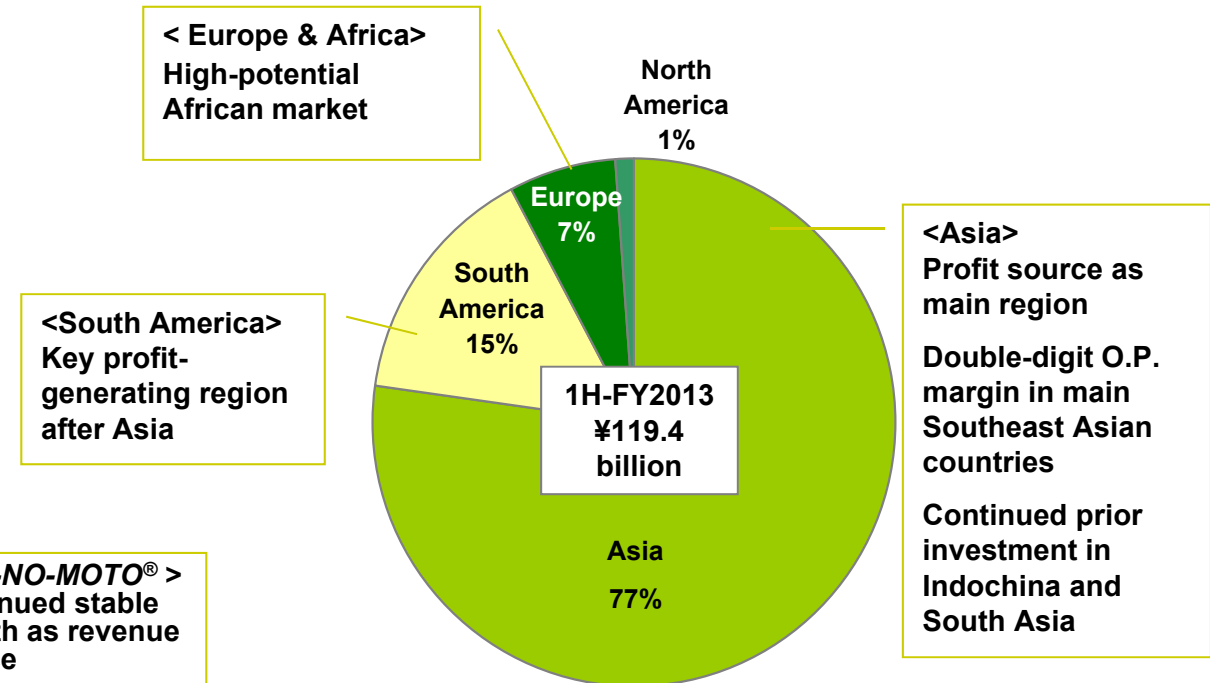
Feed-Use Lysine Market Price and CBOT Spread Trend

(Reference) Interim FY2013 Trends in Overseas Consumer Food Products

Sales by Product



Sales by Geographical Region



1H-FY2013 Overseas Consumer Food Products Sales in Main Countries

- Thailand: approx. THB 15.4 billion (+1% YoY, +29% on yen basis)
- Brazil: approx. BRL 0.3 billion (+10% YoY, +26% on yen basis)
- Indonesia: approx. IDR 1,293.1 billion (+7% YoY, +24% on yen basis)
- Vietnam: approx. VND 2,676.2 billion (+8% YoY, +34% on yen basis)

1H-FY2013 Overview by Product

- AJI-NO-MOTO sales volume stably grew about 3% YoY.
- Sales volume of flavor seasonings in main countries grew by double digits in Vietnam and Indonesia, and steadily in Thailand and Brazil.
- Sales volume of instant noodles expanded favorably.

(Reference) Assumptions of FY2013 Forecast

Foreign exchange rate (vs JPY)

	Avg. rate	Sensitivity of translation effects to full year O.P.
USD	98.0	±¥1 → approx. ¥50 million
EUR	131.0	±¥1 → approx. ¥50 million
THB	3.1	±¥0.01 → more than ¥50 million
BRL	44.0	±¥1 → less than ¥200 million

Feed-use amino acids

1) Estimated market size (Thousand MT)

	FY2011	FY2012	FY2013 est.
Lysine	1,700	1,950	±2,150
Threonine	270	330	±380
Tryptophan	6	9	± 13

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

	FY2011	FY2012	FY2013 est.
Lysine	330	350	±400
Threonine	87	95	±120
Tryptophan	2.5	4.0	±4.0

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

	FY2012	FY2013 est.**	
		1H	Full year
Lysine	2.15	±1.70	±1.65
Threonine	2.30	±2.15	±2.10
Tryptophan	17	±15	±15
Spread*	190	±230	±240

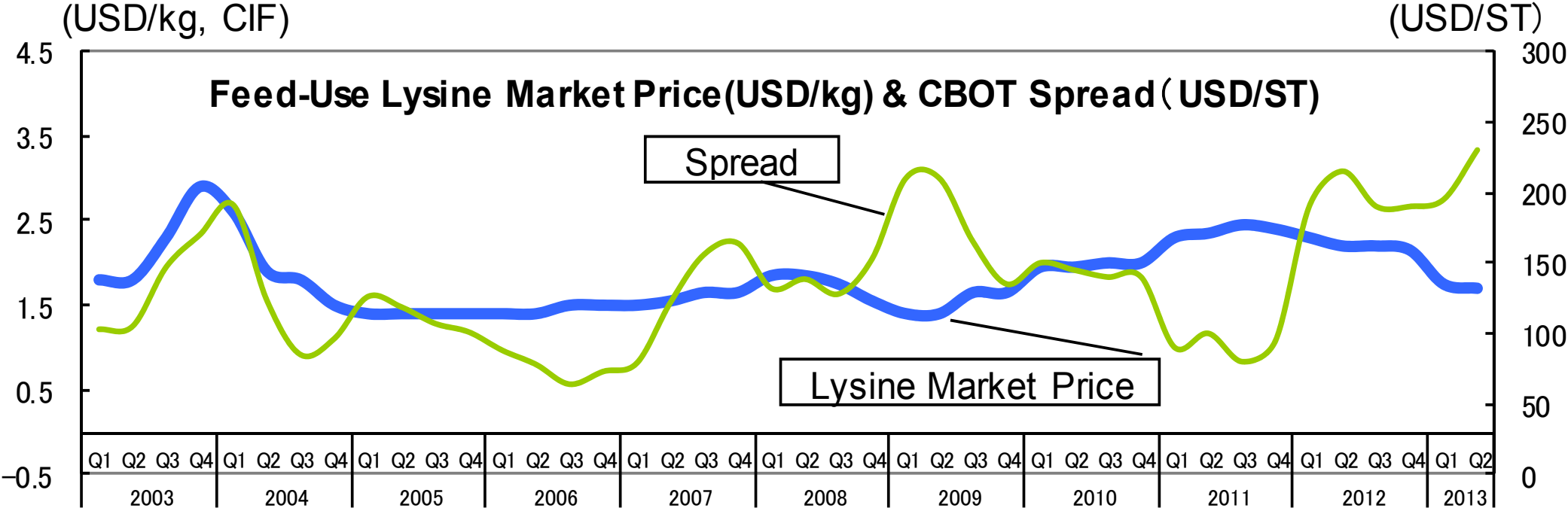
*Spread (USD/ST) is the price difference between soybean meal and corn on the Chicago Board of Trade (CBOT).

** Does not correspond with assumptions in Ajinomoto's forecast of results.

(Reference)

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).



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.

(Appendix)

Nov.6, 2013

FY2013 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
	FY2013 Revised Forecast	FY2013 Initial Forecast	Difference	FY2012 Results	YoY Change	Interim FY2013	Interim FY2012	YoY Change	2H-FY13 Revised Forecast	2H-FY12 Results	YoY Change	
Domestic Food Products												
Net sales	340.5	338.5	2.0	391.6	-51.1	161.2	221.2	-60.0	179.3	170.4	8.9	<p>* Increase in sales of seasonings and processed foods in second half because of growth in sales of core products, despite decrease due to effect of the end of sales of beverage gifts in the previous year. Increase in operating income in second half because of higher sales, cost reductions and lower marketing expenses due to end of sales of beverage gifts in the previous year, despite cost increases due to effect of higher raw material prices.</p> <p>* Downward revision of operating income for frozen foods due to effect of worsening cost of sales ratio resulting from depreciation of the yen, higher raw material prices, etc.</p> <p><u>Cost reduction targets:</u> Seasonings and processed foods approx. ¥1.1 billion; frozen foods approx. ¥0.7 billion.</p> <p><u>Impact of raw material prices (-: cost increase):</u> Seasonings and processed foods approx. -¥2.5 billion; frozen foods approx. -¥1.5 billion</p>
Seasonings & processed foods			1.0	217.4	2.0	101.3	104.8	-3.6		112.6	5.5	
Frozen foods			1.0	114.8	6.5	59.9	56.9	3.0		57.8	3.5	
Beverages ("Calpis")	0.0	0.0	0.0	59.4	-59.4	0.0	59.4	-59.4	0.0	0.0	0.0	
Operating income	27.6	28.3	-0.7	32.6	-5.0	11.0	17.3	-6.3	16.6	15.4	1.3	
Seasonings & processed foods			0.0	29.4	-0.5	11.9	13.5	-1.6		15.9	1.5	
Frozen foods			-1.0	7.5	-1.5	2.7	4.4	-1.7		3.1	0.0	
Beverages ("Calpis")	0.0	0.0	0.0	4.8	-4.8	0.0	4.8	-4.8	0.0	0.0	0.0	
Other												
Shared companywide expenses	-7.6	-7.6	0.0	-9.1	1.5	-3.6	-5.5	1.8	-3.9	-3.6	-0.3	

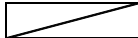

	FY2013 Revised Forecast	FY2013 Initial Forecast	Difference	FY2012 Results	YoY Change	Interim FY2013	Interim FY2012	YoY Change	2H-FY13 Revised Forecast	2H-FY12 Results	YoY Change	Reasons for Forecast Revision or YoY Change of 2H
Overseas Food Products												
Net sales	317.2	303.9	13.3	245.4	71.8	144.5	114.8	29.7	172.7	130.6	42.1	* Upward revision of sales and operating income mainly due to exchange rates for yen lower than initially forecast.
Consumer foods	264.8	254.5	10.3	199.3	65.5	119.4	93.1	26.2	145.5	106.2	39.3	* Continuing increase in sales and operating income for consumer foods in the second half because of positive effect of currency translation, aggressive marketing efforts, price revisions, etc.
Umami seasonings for processed food mfrs.	52.4	49.4	2.9	46.1	6.3	25.2	21.7	3.4	27.2	24.4	2.9	
Operating income	26.3	23.1	3.2	20.7	5.6	12.9	10.2	2.6	13.4	10.5	2.9	* Decrease in second half profit margin for umami seasonings for processed food manufacturers compared with the second half of the previous fiscal year is expected to be less than the decline in the first half profit margin compared with the first half of the previous fiscal year due to effect of currency translation, ongoing cost reductions from lower resource fermentation technology, etc.
Consumer foods			1.9		8.6			4.5			4.1	
Umami seasonings for processed food mfrs.			1.3		-1.6			-1.2			-0.4	
Shared companywide expenses	-9.5	-9.4	-0.2	-8.0	-1.4	-4.5	-3.9	-0.6	-4.9	-4.1	-0.8	

	FY2013 Revised Forecast	FY2013 Initial Forecast	Difference	FY2012 Results	YoY Change	Interim FY2013	Interim FY2012	YoY Change	2H-FY13 Revised Forecast	2H-FY12 Results	YoY Change	Reasons for Forecast Revision or YoY Change of 2H
Bioscience Products & Fine Chemicals												
Net sales	238.3	232.8	5.5	204.2	34.1	111.8	96.9	14.9	126.5	107.3	19.2	<p>* Downward revision of operating income for feed-use amino acids to reflect first-half results and market conditions.</p> <p>* Ajinomoto Group's sales volume estimation for feed-use amino acids (Figures in parentheses are FY2012 results): Lysine approx. 400,000 t (350,000 t); Threonine approx. 120,000 t (95,000 t); Tryptophan approx. 4,000 t (4,000 t)</p> <p>* Upward revision of operating income for amino acids due to strong performance of amino acids for pharmaceuticals and foods, despite downward revision for pharmaceutical custom manufacturing.</p> <p>* Upward revision of operating income for specialty chemicals mainly due to reflection of positive effect of exchange rate for trade.</p>
Feed-use amino acids	99.7	108.5	-8.9	94.1	5.6	47.5	45.2	2.2	52.2	48.8	3.4	
Amino acids			11.5	66.7	20.5	39.4	30.1	9.2		36.6	11.5	
Amino acids for pharmaceuticals and foods				25.5		16.5	12.5	3.9		13.0		
Pharmaceutical fine chemicals				18.5		11.5	7.0	4.6		11.5		
Sweeteners				23.0		11.5	10.5	0.8		12.5		
Specialty chemicals			3.0	38.2	7.0	22.3	19.3	3.0		18.9	4.0	
Other			0.0	5.2	1.0	2.7	2.2	0.4		3.0	0.5	
Operating income	9.4	19.2	-9.8	14.4	-5.0	3.9	7.3	-3.3	5.5	7.1	-1.6	
Feed-use amino acids	3.0	13.8	-10.8	13.5	-10.5	0.9	6.3	-5.5	2.1	7.2	-5.0	
Amino acids			1.0	2.5	3.5	2.1	1.9	0.2		0.6	3.0	
Specialty chemicals			0.5	6.5	2.5	5.1	3.5	1.6		3.0	1.0	
Other			-0.5	-2.4	0.0	-0.8	-1.6	0.7		-0.8	-0.5	
Shared companywide expenses	-6.5	-6.4	-0.0	-5.8	-0.7	-3.3	-2.9	-0.4	-3.2	-2.9	-0.3	

(¥ Billion)	A	B	A-B	C	A-C	D	E	D-E	A-D	C-E	(A-D)-(C-E)	
Pharmaceuticals	FY2013 Revised Forecast	FY2013 Initial Forecast	Difference	FY2012 Results	YoY Change	Interim FY2013	Interim FY2012	YoY Change	2H-FY13 Revised Forecast	2H-FY12 Results	YoY Change	Reasons for Forecast Revision or YoY Change of 2H
Net sales	51.8	52.9	-1.1	71.5	-19.7	27.9	35.9	-8.0	23.9	35.5	-11.6	* Downward revision of sales to reflect worsening sales of products sold through business tie-ups.
Operating income	4.3	4.3	0.0	3.2	1.1	1.5	1.8	-0.3	2.8	1.4	1.4	* Continuing efforts to strengthen sales of main self-distributed products LIVACT, ELENTAL, MARZUREN and MOVIPREP and increase efficiency of expenses.
Pharmaceuticals	5.7	5.7	-0.0	5.1	0.6	2.3	2.8	-0.5	3.4	2.3	1.1	
Shared companywide expenses	-1.4	-1.5	0.0	-1.9	0.5	-0.8	-1.0	0.3	-0.7	-0.9	0.2	Cost reduction target: approx. ¥1.0 billion

Other Business	FY2013 Revised Forecast	FY2013 Initial Forecast	Difference	FY2012 Results	YoY Change	Interim FY2013	Interim FY2012	YoY Change	2H-FY13 Revised Forecast	2H-FY12 Results	YoY Change	Reasons for Forecast Revision or YoY Change of 2H
Net sales	84.2	90.9	-6.7	72.4	11.8	41.7	37.1	4.6	42.5	35.3	7.2	
Edible oils & Coffee products			0.5	2.2	1.0	1.1	1.1	0.0		1.2	1.0	
Operating income	0.4	0.1	0.3	0.3	0.1	0.2	0.3	-0.1	0.2	0.0	0.2	
Edible oils & Coffee products			0.0	2.1	0.0	1.1	1.0	0.0		1.1	0.0	
Shared companywide expenses	-3.1	-3.2	0.1	-2.7	-0.4	-1.5	-1.4	-0.0	-1.6	-1.3	-0.3	

Consolidated	FY2013 Revised Forecast	FY2013 Initial Forecast	Difference	FY2012 Results	YoY Change	Interim FY2013	Interim FY2012	YoY Change	2H-FY13 Revised Forecast	2H-FY12 Results	YoY Change	
Net sales	1,032.0	1,019.0	13.0	985.0	47.0	487.1	505.9	-18.8	544.9	479.0	65.9	
Operating income	68.0	75.0	-7.0	71.2	-3.2	29.5	36.9	-7.4	38.5	34.3	4.1	

Notes:  Nondisclosure
 Approximation

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