Financial Report 2015

For the year ended March 31, 2015

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Eat Well, Live Well.
AJINOMOTO®

Snapshot

FY2014 Financial Highlights

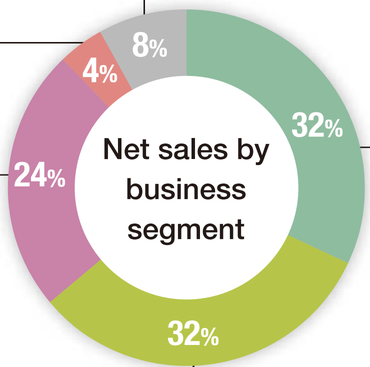
Net Sales	Operating Income	Net Income	Net Income per Share
¥1,006.6 billion	¥74.5 billion	¥46.4 billion	¥78.5

ROE	Total Assets	Interest-Bearing Debt	Dividends per Share
7.4%	¥1,255.0 billion	¥211.5 billion	24 yen

By Business

Pharmaceuticals
¥39.7 billion

Bioscience Products and Fine Chemicals
¥239.5 billion



Other Business
¥78.7 billion

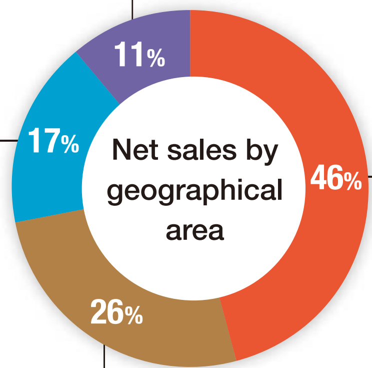
Domestic Food Products
¥321.8 billion

Overseas Food Products
¥326.7 billion

By Geographical Area

Europe
¥110.4 billion

Americas
¥175.3 billion



Japan
¥460.4 billion

Asia
¥260.4 billion

The Ajinomoto Group's Unique Ways to Create Value

Ajinomoto Group Philosophy

We create better lives globally by contributing to significant advances in Food and Health and by working for Life.

Ajinomoto Group Vision

We aim to be "a group of companies that contributes to human health globally" by continually creating unique value to benefit customers.

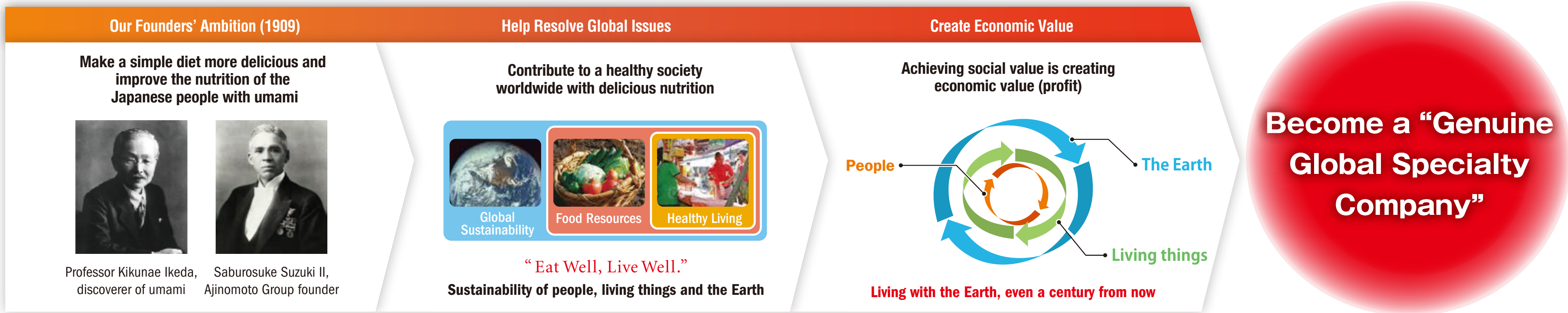
ASV (Ajinomoto Group Creating Shared Value)

Efforts linked to the creation of economic value and growth by contributing to the resolution of social issues through the businesses the Ajinomoto Group has been conducting since its establishment to create value together with society and local communities.

In 1908, Professor Kikunae Ikeda discovered glutamic acid, a component of umami, a patent was granted on a method for manufacturing umami seasonings using glutamic acid, and Saburosuke Suzuki II started sales of umami seasoning *AJI-NO-MOTO*®. These two men aspired to promote the health of the Japanese people by improving nutrition with umami. Carrying on the ambition of the founders, the Ajinomoto Group helps to resolve global social issues throughout its entire business value chain as it operates the broadly based businesses of Food Products, Seasonings and AminoScience.

Through our businesses, we work to resolve the issues of global sustainability, securing food resources and healthy living. In our FY2014-2016 Medium-Term Management Plan, our "Specialty," derived from the Ajinomoto Group's unique technologies and expertise, is specified as the way to resolve these issues and to contribute to society, and in doing so, create economic value. The value we create through these activities will increase our growth momentum.

We define this approach as the "Ajinomoto Group Creating Shared Value" ("ASV") initiative, and we believe that its vigorous promotion will lead us to become a "Genuine Global Specialty Company."



Overview of the FY2014-2016 Medium-Term Management Plan

In its FY2014-2016 Medium-Term Management Plan, the Ajinomoto Group has set the goal of becoming a "Genuine Global Specialty Company." We are reinforcing our business structure and accelerating growth to become a top 10 global food company by 2020.

Pursuit of Specialty — Specialty

Become a food company group with specialties driven by cutting-edge bioscience and fine chemical technologies

1 Growth Driver Advancement — GROW

Global growth

Be each country's No. 1 in deliciousness through assimilation with customers/countries (regions)

- Japan Food Products for ONE: Create value for increasingly personalized/diverse customers
- International Food Products for ALL: Rapid growth centered on the "Five Stars"

R&D leadership

World No. 1 in seasonings:

- Deepen our ability to define and design deliciousness in three dimensions
- Expand into adjacent product categories

Original cutting-edge biotechnology platform:

- New business model in the specialty materials and healthcare fields

2 Further Reinforcement of Business Structure — FIT

Structural reform centered on a shift from commodities to specialty

- Shift from bulk to specialty businesses based on our strengths in materials and technologies and our ability to identify customer needs and create customer value
- Strengthen cost competitiveness centered on resource-saving fermentation
- Further structural reform of Pharmaceuticals including collaboration, alliances, etc.

Enhance capital efficiency to boost shareholder value/ROE

- Focus on a value-added value chain
- Cash management (improve efficiency of working capital, etc.)
- Optimize business portfolio and functional value chains (production/distribution/shared functions)

3 Evolution of the Management Foundation (Management Innovation)

- Corporate governance: Increase flexibility by expanding delegation of authority to ASEAN and Latin America for "an HQ that leads" and "local operations that can run on their own"
- Solid and large class of global human resources: Diversify internally and externally with 200 next-stage global management personnel and local specialist resources
- Open New Sky: Daily efforts to flexibly use external capabilities and expand into adjacent domains with a wider approach

Message from President & CEO Takaaki Nishii

Takaaki Nishii
Representative Director
President & CEO

We will complete the FY2014-2016 Medium-Term Management Plan and achieve profit growth to become a "Genuine Global Specialty Company."

On Becoming President & CEO

I feel the gravity of being entrusted with steering the Ajinomoto Group through this crucial period of transformation. I will be resolute in successfully achieving the targets of the FY2014-2016 Medium-Term Management Plan, and make it a touchstone on our way to becoming one of the world's great companies.

I am Takaaki Nishii, the new President and CEO of Ajinomoto Co., Inc. The baton has been passed to me from Masatoshi Ito, our former president and current Chairman of the Board.

The Ajinomoto Group is working for both growth driver advancement and further reinforcement of its business structure through the pursuit of specialty under its FY2014-2016 Medium-Term Management Plan (hereafter, the "Medium-Term Plan"). Looking beyond these objectives, we have set a vision of becoming one of the top 10 global food companies by fiscal 2020, the year ending March 2021. I feel the gravity of my responsibility in steering the Ajinomoto Group through this crucial period. I will quickly proceed with the completion of the foundation for the reforms Chairman Ito took on.

In the more than 30 years since I entered the Ajinomoto Group, I have had experience in a variety of duties including domestic sales, marketing, management of Ajinomoto Frozen

Foods Co., Inc. and General Manager of the Personnel Department. In 2013, I became a director in charge of the Latin America Division as well as president of our subsidiary there. As a member of the Board, I was deeply involved in the formulation and promotion of the Medium-Term Plan under the direction of Chairman Ito, and I intend to carry it through tenaciously, taking strength from our experience in working with the same ambition to become a "Genuine Global Specialty Company" that will succeed in global competition.

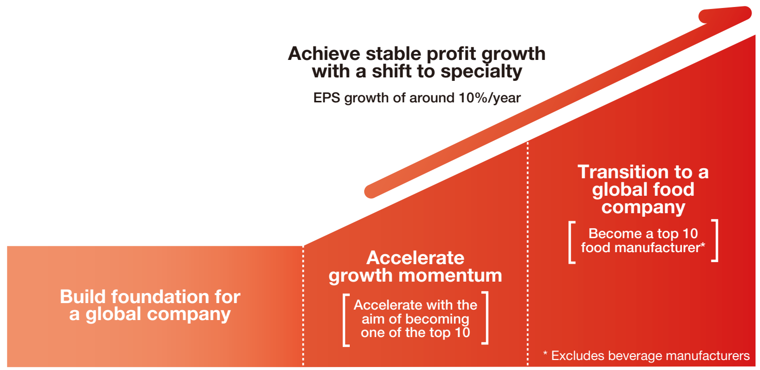
Moreover, the Ajinomoto Group Corporate Philosophy – "We create better lives globally by contributing to significant advances in Food and Health and by working for Life" – is a fundamental stance that I have come to hold dear and rely upon heavily since entering the Group. I have renewed my commitment to successfully completing the Medium-Term Plan, and thereafter making the Ajinomoto Group one of the top 10 global food companies by tackling head-on the global issues that the Ajinomoto Group is uniquely suited to help resolve. In doing so, we aim to become a company that both we and others regard as having joined the ranks of the world's great companies.

Progress of the Medium-Term Plan and Future Initiatives

In fiscal 2014, the first year of the Medium-Term Plan, we achieved record-high operating income of ¥74.5 billion while raising the quality of our profits by pursuing specialty in all our businesses. By accomplishing both "FIT" (business structure reform) and "GROW" (growth), we are on a clear course for stable profit growth.

Operating income is a key performance indicator for the Ajinomoto Group, and we achieved record-high operating income of ¥74.5 billion in fiscal 2014, a 20.6% increase compared with the previous fiscal year. The operating profit margin was 7.4%. The Medium-Term Plan has a target of ¥91.0 billion in operating income for an operating profit margin of 8% in fiscal 2016 and a vision of ¥150.0 billion in operating income for an operating profit margin of 10% in fiscal 2020 and thereafter. I believe we are off to a good start in which our efforts for "FIT" (business structure reform) and "GROW" (growth) are leading to steady results. In addition, we achieved our target of annual growth of around 10% in earnings per share, which gives me confidence that successfully completing the Medium-Term Plan will lead to stable profit growth.

■Roadmap to a "Genuine Global Specialty Company"



	FY2011 Actual	FY2012 Actual	FY2013 Actual	FY2014 Actual	FY2015 Forecast	FY2016 (Targets)	FY2020~ (Vision)
Operating income (¥ Bil.)/OP margin (%)	72.6/7.5	71.2/7.5	61.8/6.5	74.5/7.4	82.0/6.5	91.0/8	150.0/10
ROE	6.9%	7.8%	7.1%	7.4%	7.5%	9%	10%~
EPS (¥)	61.3	74.4	68.7	78.5	84.5	100	150
Operating profit excl. goodwill, etc. (¥ Bil.)[1] /OP margin (%)				75.3/7.5	89.0/7.0		
ROE excl. goodwill, etc.[1]				7.4%	8.0%		
EPS excl. goodwill, etc.[1] (¥)				79.4	93.5		
Bulk business profit ratio[2]	23%	19%	—	15%	11%	Around 10%	10%

1. Reference data excluding amortization of goodwill and intangible fixed assets of Windsor and AGF.
2. Bulk businesses: Umami seasonings for processed food manufacturers, animal nutrition, sweeteners

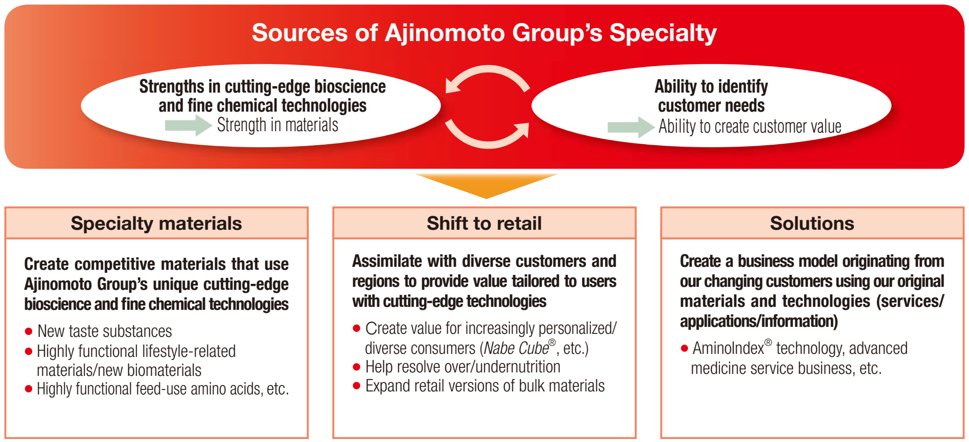
"Specialty": Creating Value from the Pursuit of Specialty

The "Specialty" of the Ajinomoto Group will resolve the issues affecting its customers and improve their diets, using the Group's unique deliciousness and the utility of amino acids, by deepening the world's foremost amino acid fermentation and seasoning technologies. In retrospect, I could sense what differentiated us from other companies from my first job after entering the company, when I visited supermarkets and other stores in the Nagoya area to sell new products. I learned that our products were backed up by amino acid knowledge and technologies, and came to take pride in a job that delighted customers with products and services that only the Ajinomoto Group could provide.

"GROW": Growth Driver Advancement

"GROW" (growth) aims for profit growth driven by global growth and R&D leadership. It sets forth our objective of reinforcing the profit structure in each of our businesses.

■Pursuit of "Specialty"



To begin with, the Japanese market is our largest business base. We have been launching distinctive products that demonstrate the Ajinomoto Group's strengths, including *Nabe Cube*®, *Cook Do*® *Koumi Paste* and *Toss Sala*®. By continuing to promote specialty through our unique ingredients and technologies, we will focus on creating new categories that capture trends in consumption as our customers become increasingly personalized and diverse, thus achieving stable growth in the Japanese market. For international foods, we will create country and area pillars to follow Japan in the "Five Stars" (Thailand, Brazil, Indonesia, Vietnam and the Philippines), which are the main countries where the Ajinomoto Group does business outside Japan. To do so, we are working for sales growth there by being "number one in deliciousness" in each country. In addition, we are building a base for dramatic growth in the "Rising Stars" countries in Africa, Europe, North America and elsewhere.

Under our policy of also working for inorganic growth, we acquired Windsor Quality Holdings, LP (currently Ajinomoto Windsor, Inc.; hereafter, "AWI") of the United States through our consolidated subsidiary AJINOMOTO NORTH AMERICA, INC. during fiscal 2014. This acquisition further fortifies our business base for becoming the clear number one in the Japanese food and Asian/Ethnic food categories[1] in the massive North American frozen foods market. In addition, Ajinomoto Toyo Frozen Noodles Inc. (hereafter, "ATFN"), a frozen noodle production company established in April 2015 by the Ajinomoto Group and Toyo Suisan Kaisha, Ltd., is planning to build a frozen noodle production plant that is scheduled to start operation in July 2016. The Ajinomoto Group's current frozen foods lineup centers on products such as gyoza, spring rolls and fried rice, and demand for Japanese-style ramen is booming in North America, centered on urban areas. We plan to expand our entire frozen foods business by rolling out high-quality, specialty frozen noodles through AWI's powerful sales network, which covers all of North America.

1. Chinese, Korean, Thai and Indian food

In addition, we made Ajinomoto General Foods, Inc. (hereafter, "AGF") a consolidated subsidiary through a share acquisition in April 2015. In cooperation with AGF, we will be able to provide a more substantive range of coffee and other non-alcoholic beverages and a wider lineup of powdered drinks throughout the Ajinomoto Group globally.

On the other hand, our R&D leadership provides support for the "FIT & GROW" strategy as a whole. An example is glutamyl-valyl-glycine, a kokumi substance we have successfully industrialized after many years of research into flavor and amino acids that will be a source of growth in the near future. It received approval as a food additive from the Ministry of Health, Labour and Welfare in August 2014. We have already introduced it in some products after obtaining FEMA GRAS[2] approval overseas and receiving a "no safety concern" evaluation from JECFA,[3] and plan to introduce it in various other products starting in fiscal 2015. Glutamyl-valyl-glycine is a naturally occurring kokumi substance that modifies the basic tastes of sweet, bitter, sour, salty and umami, increases the depth and spread of flavor, and improves taste. We expect this substance to contribute to increasing the value of the consumer food products of Ajinomoto Group companies.

Another example in the field of AminoScience is *StemFit® AK03* cell culture medium for iPS and other stem cells. We succeeded in developing this product jointly with the Center for iPS Cell Research and Application at Kyoto University in fiscal 2013 and have provided it for compensation to approximately 50 advanced research organization facilities to date. With *StemFit® AK03*, we applied our unique, cutting-edge biotechnologies to develop a culture medium for highly stable propagation of iPS cells with a higher level of safety that is completely free of animal- and human-derived serum and other components. We are diligently promoting its industrialization and plan to begin sales worldwide during fiscal 2015. By providing a high-quality stem cell culture medium, we will contribute to the future development of regenerative medicine.

2. Generally Recognized As Safe by the Flavor and Extract Manufacturers Association of the U.S.
3. JECFA: Joint FAO/WHO Expert Committee on Food Additives (FAO: Food and Agriculture Organization of the United Nations/ WHO: World Health Organization)

"FIT": Further Reinforcement of Business Structure

With "FIT" (business structure reform), we are promoting acceleration of our shift from commodities to specialty and improvement of capital efficiency. During fiscal 2014, we worked to reduce our over-reliance on bulk products by expanding sales volume of specialty products such as Valine and AjiPro®-L rumen protected Lysine in the animal nutrition field, and promoting more flexible production and sales of the commodity products Lysine and Threonine. As a result, the ratio of specialty products was 32% in fiscal 2014, and we plan to raise that ratio to 50% or higher in fiscal 2015.

We intend to reduce the ratio of bulk commodities in the umami seasonings for processed food manufacturers business and sweeteners business as well by continuing to increase the ratio of specialty products. For the pharmaceuticals business, we are promoting further reforms that include collaborations and alliances.

Evolution of the Management Foundation

For our goal of becoming one of the top 10 global food companies, I believe strong corporate governance befitting a top global company and global human resources management will be essential. These two issues are taken up in the Medium-Term Plan, and to strengthen corporate governance, we have formulated and enacted our Global Governance Policy (GGP) and have begun proactive Group corporate governance based on the concepts of "a global headquarters that leads" and "individual companies that can run on their own." I want to promote the further evolution of these concepts throughout the Ajinomoto Group. Moreover, the most important part of our management infrastructure is our human resources. In implementing corporate governance in line with the GGP, we will promote human resources management that allows global personnel exchange among the main Group companies.

The Ajinomoto Group Creating Shared Value (ASV) Initiative and Becoming One of the Top 10 Global Food Companies

We want to increase ASV as we become one of the top 10 global food companies. To do so, we need to set numerical environment, society and governance (ESG) targets linked to our business strategies.

I believe there is no way we will become one of the top 10 global food companies as long as we view this objective in vague terms. We have set unambiguous numerical targets, and after reaching the targets of the Medium-Term Plan, we intend to achieve our fiscal 2020 vision of operating income of ¥150 billion and ROE of 10% or higher.

The Medium-Term Plan announced the ASV initiative, which aims for growth from creating social and economic value through our businesses. Under ASV, we have begun working through our businesses to help resolve the issues facing 21st century society: global sustainability, food resources and healthy living. By creating value that only the Ajinomoto Group can provide to deal with these three global issues together with local communities and society, we will achieve sustainable and stable growth.

Take Brazil for example. Twenty years ago, half of its population of approximately 200 million lived in poverty, and undernutrition was a problem. Since 2000, economic growth has increased incomes and alleviated poverty, but now health problems caused by excessive intake of sodium and sugar and overnutrition are a growing issue. The lack of dietary education on how to eat for proper nutrition is currently a major social problem. While I was President of Ajinomoto do Brasil Industria e Comércio de Alimentos Ltda., I held dialogues with approximately 3,000 employees over a year and a half to narrow down ASV targets for the country and deal with these nutritional problems. The Ajinomoto Group's business activities, with foods and amino acids at their core, will help improve nutrition globally. In addition to contributing to the healthy lives of people, our business activities also lead to nutritional improvements for livestock and crops as the by-products (co-products) generated along with products from our resource-saving fermentation technologies are returned to farmland. With its technologies for and knowledge of both foods and amino acids, the Ajinomoto Group is uniquely suited to conducting measures to improve nutrition while expanding its business. These measures to improve basic nutrition cannot be accomplished without the cooperation of local communities. I believe an approach that involves coexistence by voluntarily joining forces with society is the most appropriate way for the Ajinomoto Group to grow.

For our goal of becoming a top 10 global food company, I think it is important to share with employees how the Ajinomoto Group differs from the top 10 companies from the perspective of increasing ASV. Looking at food companies that are currently among the top three in the industry, the difference is not merely a matter of scale. These companies have clear strategies from the perspective of ESG, which they skillfully align with their business targets. I believe the Ajinomoto Group must raise the level of its management quality, and to do so, we need to have specific ESG targets in our next Medium-Term Plan. Setting down specific numerical targets for ESG is not easy, but without them it will be impossible to align our values with investors. Consequently, I will work to build a consensus with our shareholders and investors.

Increasing Shareholder Value and Shareholder Returns

We will continue to pay dividends to shareholders in accordance with our basic policy on shareholder returns, and I intend to emphasize an approach of sharing the Ajinomoto Group's medium-to-long-term growth with our shareholders and investors.

With high-quality profit growth under the Medium-Term Plan, we will unswervingly carry out our shareholder returns policy of a targeted payout ratio of 30% for each fiscal year and targeted total shareholder returns of 50% over the three-year period with consideration of flexible share buy-backs. Moreover, I believe former President Ito's approach of emphasizing dialogue with shareholders and investors has substantially improved our relationship with them. Based on the Corporate Governance Code that was applied in June 2015, I will make it my mission to promote the further evolution of this relationship, sharing the Ajinomoto Group's medium-to-long-term growth with our shareholders and investors and listening to their opinions as we move forward.

In closing, my motto: "Sincerity, the Highest Good, Perseverance and Strenuous Effort." Based on this motto, I want to resolutely take on challenges with a continuing ambition to be "a person who perseveres and strives with all his might to achieve the highest target (good) with a sincere heart in his destined path through life." I am prepared to give my all to maximize our value creation by contributing to better nutrition for people, livestock and crops in the many countries and regions where the Ajinomoto Group does business. We will accomplish this objective by further combining our seasonings and food development technologies with our materials development capabilities generated from cutting-edge bioscience and fine chemical technologies.

I ask our shareholders and investors to attend closely to the uniqueness and advantages of Ajinomoto Group, and to look forward to our rapid progress.

July 2015

Takaaki Nishii
Representative Director
President & Chief Executive Officer

Technology

WEB Sustainability Report

Creating Value with Bio-cycles for Sustainable Production

The Ajinomoto Group is dedicated to the sustainable production and supply of amino acids using local agricultural raw materials, by recycling resources in bio-cycles for amino acid production.

The Group operates amino acid plants throughout the world including in Asia, Europe, and the Americas. It manufactures amino acids from agricultural raw materials that are readily available in each region in order to make amino acid products such as the umami seasoning *AJI-NO-MOTO*®.

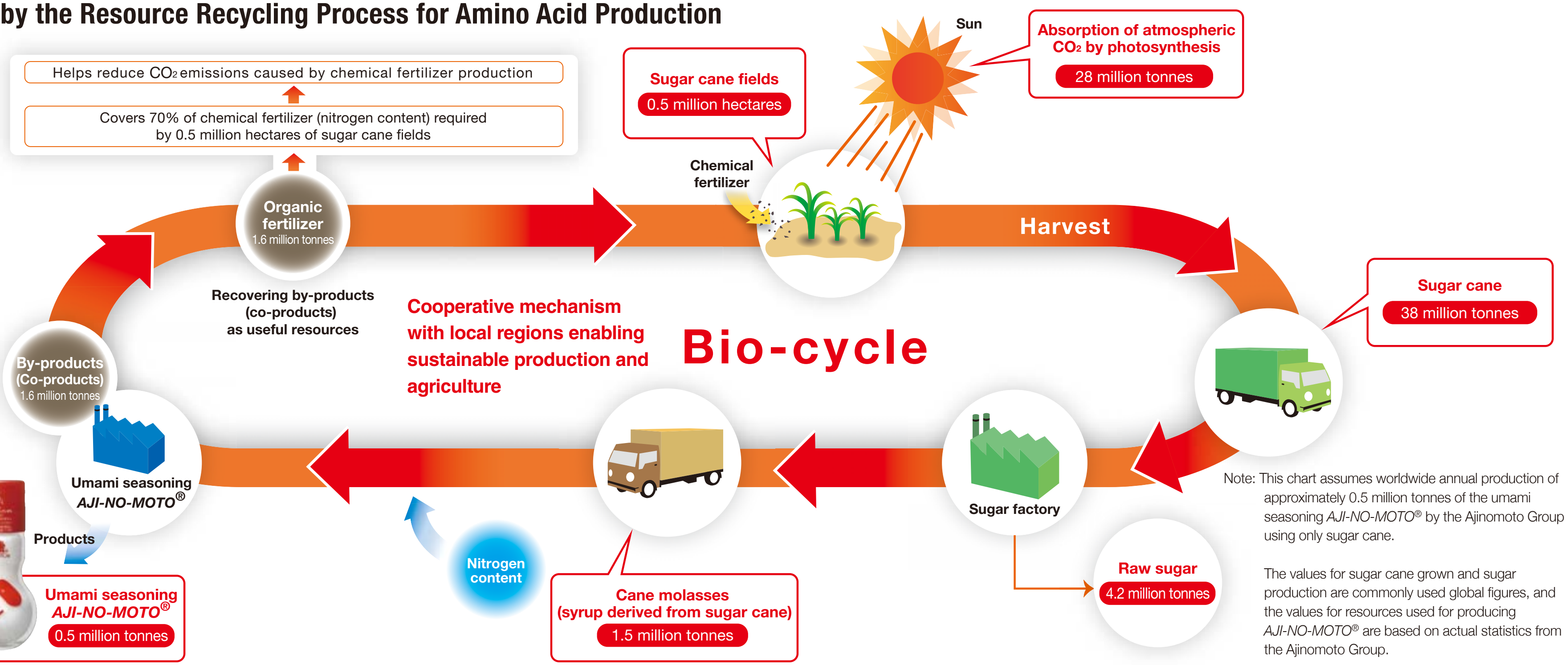
Agricultural raw materials are fermented to produce amino acids. After the amino acids are extracted, nutritionally rich by-products (co-products) are left behind. These by-products are not wasted; they are recycled as organic fertilizer used in local agriculture, helping farmers to improve their productivity.

For more than 30 years, the Ajinomoto Group has been employing these bio-cycles at its fermentation plants worldwide, practicing sustainable procurement of agricultural raw materials and supporting local agriculture.

Bio-cycle Created by the Resource Recycling Process for Amino Acid Production

Spraying a high-value-added co-product

High-Value-Added Co-Products



Note: This chart assumes worldwide annual production of approximately 0.5 million tonnes of the umami seasoning *AJI-NO-MOTO*® by the Ajinomoto Group using only sugar cane.

The values for sugar cane grown and sugar production are commonly used global figures, and the values for resources used for producing *AJI-NO-MOTO*® are based on actual statistics from the Ajinomoto Group.

Creating Value with Resource-Saving Fermentation Technologies

As a global manufacturer of amino acids, the Ajinomoto Group has a social responsibility to continue developing production methods with even lower impact on the environment. Over the years, we have pursued diverse R&D to develop advanced biotechnology for resource-saving fermentation, to ensure the efficient production of amino acids using less raw material and energy.

Roadmap for Development of Resource-Saving Fermentation Processes

During the FY2014-2016 Medium-Term Management Plan, the Ajinomoto Group aims to further reduce costs by introducing measures including (1) technologies to reduce raw materials used by maximizing fermentation production efficiency, (2) technologies to reduce sub raw materials (acids, alkalis) and wastewater, and (3) partial self-production of fermentation raw materials and technologies for the use of bagasse fuel obtained from their by-product biomass. With the establishment and maturation of technologies introduced in the previous fiscal year, we achieved ¥4.0 billion in cost reductions in fiscal 2014, exceeding our plan for ¥3.0 billion.

■ Progress of Resource-Saving Fermentation Technology

Specific Measures		FY2011-FY2013	FY2014	FY2015	FY2016
Technologies to reduce main raw materials	MSG	Introduced in Brazil (FY2013/Q1)	→	High performance (Higher reduction rate)	→
	MSG		★ Rollout to other regions (FY2014/Q3~) →	High performance	→
	Nucleotides		★ Introduced in Thailand (FY2014/Q1) →	→	High performance →
	Feed-use amino acids	Introduced in Brazil (FY2013/Q2)	→	High performance	→
Technologies to reduce sub raw materials and energy	MSG	Introduced in the U.S. (FY2012/Q2)	→	→	High performance →
	MSG	Introduced in Thailand (FY2013/Q4)	→	→	→
	MSG				Rollout to other regions →
	Feed-use amino acids	Introduced in Brazil (FY2011/Q1)	Establishment/maturity of technology	→	→
	Feed-use amino acids	Introduced in the U.S. (FY2013/Q3)	→	→	→
	Feed-use amino acids	Introduced in Europe (FY2013/Q4)	→	→	High performance →
Use of non-edible materials	Feed-use amino acids	Introduced in Brazil (FY2011/Q4)	→	Increase usage rate in Brazil	→
Partial self-production of main raw materials and energy	MSG	Introduced in Brazil/Vietnam (FY2012/Q1)(FY2013/Q4)	→	Expand self-production rate in Brazil (FY2015/Q1)	→
Cost reduction effect (Single-year forecast vs. FY2013) Exchange rate: JPY 100/USD 1		¥5.0 billion (FY2011-FY2013 total)	Plan: ¥3.0 billion Actual: ¥4.0 billion	Initial Plan ¥5.0 billion Revised Plan ¥5.5 billion	Plan: ¥7.0 billion

★Measures in Fiscal 2014

Human Resources

WEB Sustainability Report

Becoming a Genuine Global Specialty Company requires an appropriate organization and the development of human resources. The FY2014-2016 Medium-Term Management Plan sets out the Ajinomoto Group's strategy to establish a solid base of global human resources by forming a group of next-stage global management personnel, hiring local corporate officers outside Japan and promoting more women to management positions. By steadily carrying out these measures, the Ajinomoto Group is well on the way to becoming a "Genuine Global Specialty Company."

A Solid Base of Global Human Resources

Form a group of 200 "next-stage global management personnel" (by FY2016)

- Select, hire and develop global management and local specialist human resources to establish the foundation for diversity management (by FY2016)
- Ratio of locally hired overseas corporate officers 50%
- Ratio of female managers 20%

Internal training/external hiring using new "Global HR System"

- **Implement from FY2016**

"Global HR System"
- New evaluation/compensation system
- Personnel selection and leader development program

Hire: External specialists

Select: HR system of each Group company

Select: HR system of Ajinomoto Co., Inc.

Establishing a Solid Base of Global Human Resources

Develop Leaders

- Select manager candidates at Group companies and conduct training
- Establish a shared global system for evaluation and development
- Promote local hiring of corporate officers at overseas companies

Hire/Develop Highly Specialized Human Resources

- Formulate individualized development plans that make the most of each employee's characteristics
- Proactively hire highly specialized human resources, mainly at Head Office divisions
- Conduct cross-Group HR development programs by function

Promote the Active Participation of Women

- Create work environments that make it easy for women to continue working by introducing a new flex-time system and telecommuting system and measures to change attitudes
- Establish promotion leaders in 2015 to further enhance measures to promote the active participation of women

■ Measures to Promote the Active Participation of Women at Ajinomoto Co., Inc.

1992
- Introduced parenting leave (leave can be taken until the last day of April following the child's first birthday)
- Introduced part-time parenting and work system (allows leave of up to two hours and 30 minutes per day until the child enters the fourth grade of elementary school)

2009
- Introduced re-employment system (allows applications for re-employment within five years after retirement)

2014
- **Introduced new flex-time system (core time discontinued)**

October 2014
- **Introduced telecommuting system (enabled working at home) 140 employees already using this system**

Results

	Fiscal year	2010		2011		2012		2013		2014	
	Gender	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Parenting leave	Number of employees using the system	11	86	11	120	7	101	4	103	7	112
Part-time parenting and work	Number of employees using the system	0	107	0	124	0	160	0	149	2	179

■ Number of Ajinomoto Group Managers by Region

Status in FY2014

		Male	Female	Total	Percentage of Females
Japan	Ajinomoto Co., Inc.	969	79	1,048	7.5%
	Group companies	1,307	57	1,364	4.2%
Japan total		2,276	136	2,412	5.6%
Asia		744	307	1,051	29.2%
Europe (incl. Africa)		227	74	301	24.6%
Americas		325	114	728*	26.0%
International total		1,296	495	2,080	27.6%
Ajinomoto Group total		3,572	631	4,492	15.0%

*Including 289 unclassified managers

Targets in FY2016

Percentage of Females
20%

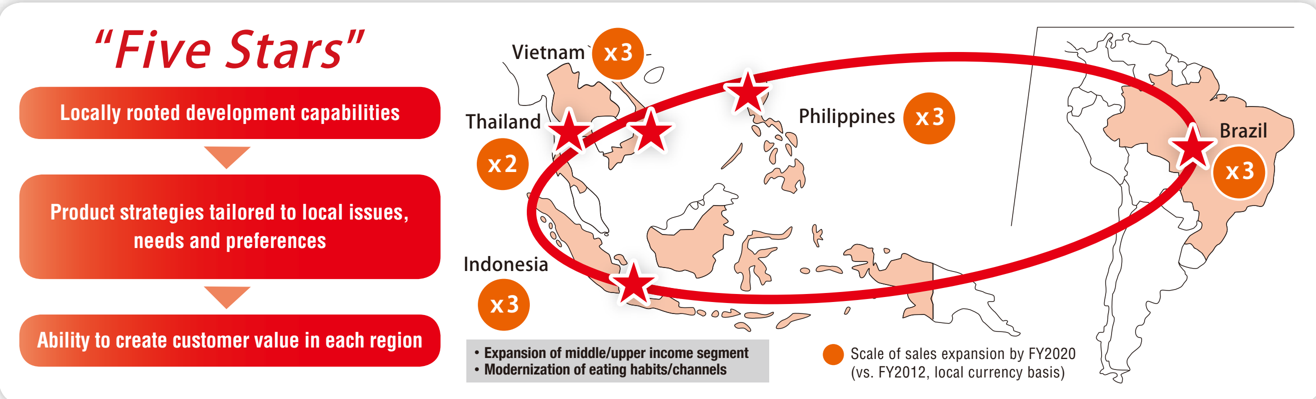
Customer Satisfaction

WEB Sustainability Report

The Ability to Create Customer Value Globally “for ALL”

The Ajinomoto Group sells its products in over 130 countries and regions. In its International Food Products business, the Group strives to create new value “for ALL” by leveraging cutting-edge technologies and adapting to the tastes of each region’s individual consumers. While developing unique products tailored to regional tastes and preferences, the Group is also developing new sales channels in the restaurant and other industries.

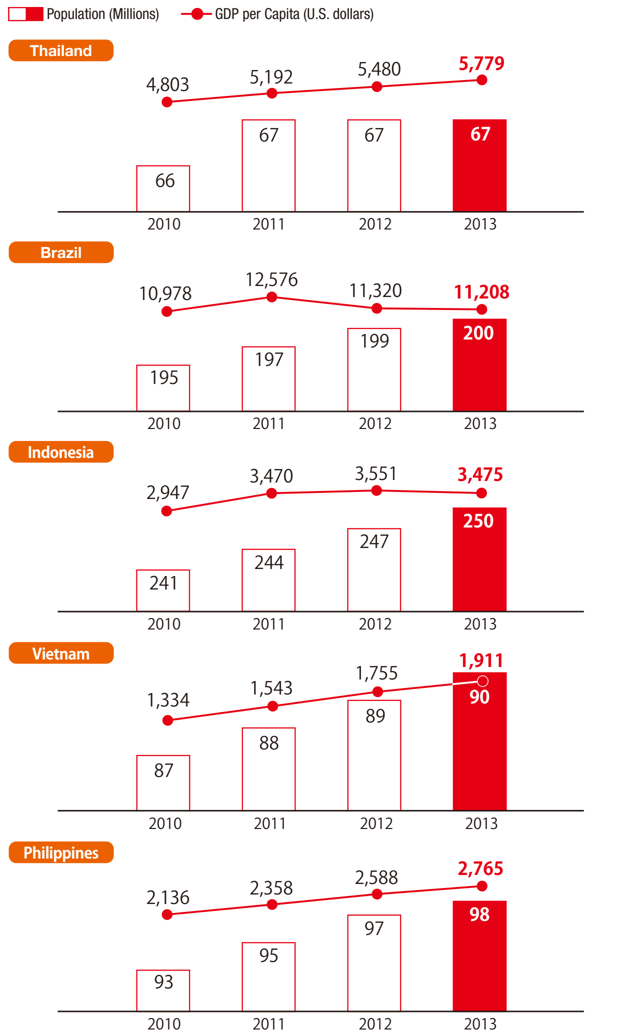
The Ajinomoto Group’s “Five Stars” consist of Thailand, Indonesia, Vietnam and the Philippines in Southeast Asia and Brazil in South America, where the Group already has a strong business base. While developing markets in the Middle East and Africa, the Group is giving these “Five Stars” countries the core position in its efforts to use population growth, the expanding middle income segment, and the modernization of eating habits and retailing as business opportunities. The Group aims for rapid growth toward fiscal 2020 sales in the “Five Stars” double to triple that of fiscal 2012.



Main Strategies for Doubling/Tripling Growth in the “Five Stars”

Existing core fields	Next-generation core fields	Channel expansion	Rollout to adjacent countries	Inorganic growth
Strengthen and newly expand core seasoning field	Introduce local core products in each country, including horizontal product rollouts	Expand business foundation from solid traditional channels to restaurant channel/modern channels	Expand business out from the “Five Stars” into adjacent countries	Strengthen functions to handle inorganic growth at regional headquarters in ASEAN and Latin America

The “Five Stars”: A Market of 700 Million and Growing



Source: World Bank data

Corporate Governance

WEB Sustainability Report

Basic Philosophy concerning Corporate Governance

Ajinomoto Co., Inc. has passed down the spirit of continually improving people's nutrition through umami seasonings since its founding. We are committed to help in the resolution of the issues that are faced by 21st century human society, most notably global sustainability, food resources, and healthy living. Through the enhancement and strengthening of corporate governance, we will make progress toward our goal of becoming a "Genuine Global Specialty Company" by building positive relationships with stakeholders, including shareholders, customers, employees, local communities, and others; achieving sustainable corporate growth; and increasing corporate value.

Corporate Governance Organization

Management, audits and supervision

The Board of Directors comprises 14 directors, including three outside directors. As the highest decision-making body within the management structure, the Board of Directors decides matters stipulated in laws or the Articles of Association and other important matters, and also supervises the execution of duties by directors and executive officers. The number of directors is kept within 15 per the provisions of the Articles of Association.

The Board of Directors decides upon candidates for director and executive officer based on the report of the Nominating Advisory Committee comprising four directors, including three outside directors, and decides upon compensation for directors and executive officers based on the report of the Compensation Advisory Committee comprising five directors, including three outside directors.

The Corporate Auditors conduct audits involving five corporate auditors, including three outside corporate auditors.

The Board of Corporate Auditors screens proposals for the Board of Directors in advance, sharing and discussing the status of activities and reporting on the activities of each corporate auditor.

The Internal Auditing Department, following the Internal Auditing Regulations and audit plan, carries out operational audits of business management organizations and management audits/operational audits of affiliated companies.

Execution of duties

Ajinomoto Co., Inc. has adopted the executive officer system in which management and execution are separated using a structure where directors make decisions pertaining to management and executive officers are in charge of carrying out these decisions and other duties.

As the Chief Executive Officer, the President of Ajinomoto Co., Inc. executes resolutions passed by the Board of Directors and supervises all of the Company's business operations. Other standing directors also serve concurrently as executive officers, excluding the Chairman of the Board and directors primarily responsible for supervising the execution of duties by executive officers. Corporate executive officers carry out the business operations of the Company separately in accordance with the authorization of the Board of Directors.

The Management Committee comprises directors who serve concurrently as senior corporate executive officers and deliberates on basic policies concerning the management of the Company and determines important matters concerning the execution of the Company's business operations.

Business management organizations are separated into the Corporate Sector and Operational Sector and each business management organization carries out the operations for which it is delegated under the direction and supervision of the executive officer in charge. Directors who serve concurrently as senior corporate executive officers manage all operations related to the organization for which they are responsible as lead representatives to the Management Committee.

WEB Sustainability Report

Internal control and risk management

Ajinomoto Co., Inc. is working to reinforce its internal control and risk management through the following committees it has established.

The Business Conduct Committee works to make the Ajinomoto Group Standards of Business Conduct known to all and checks to make sure that management and corporate activities are carried out in compliance with these standards. It also carries out measures that address issues.

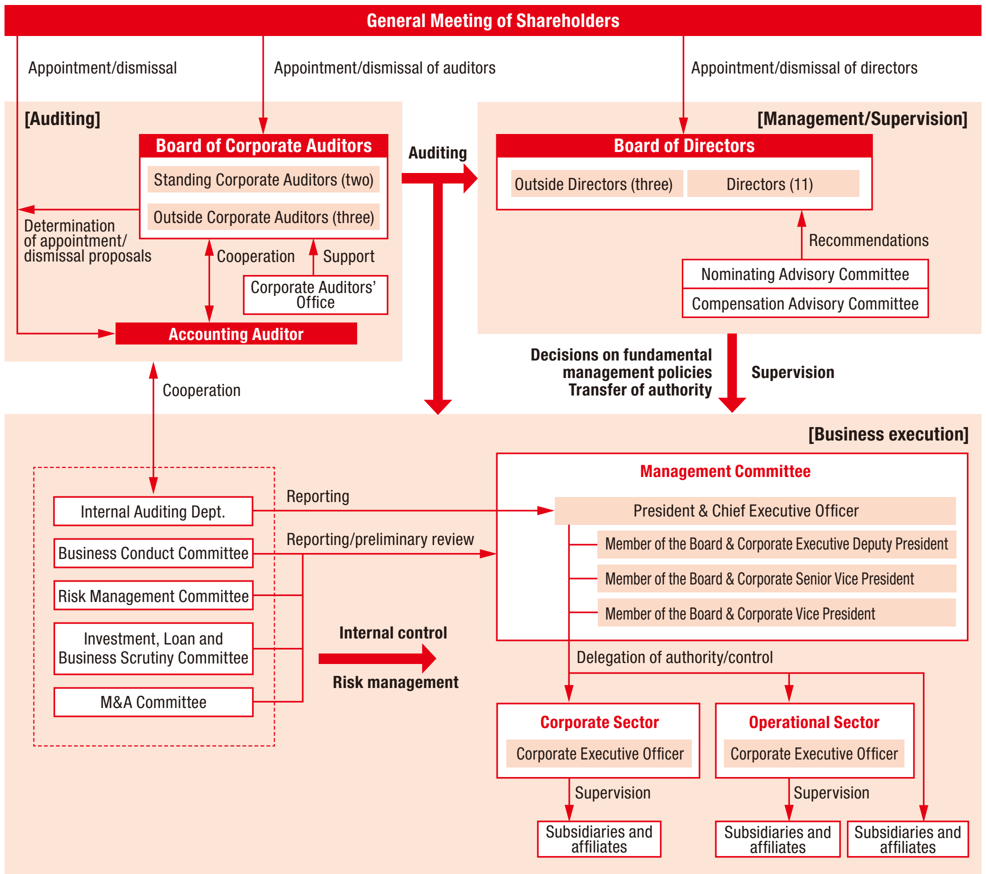
The Risk Management Committee carries out measures that make the Ajinomoto Group's corporate structure more resilient to risk and crises through strategic risk management.

The Investment, Loan, and Business Scrutiny Committee carries out multifaceted reviews of investment and loan decisions, revitalization of unprofitable businesses, and exits from unprofitable businesses, prior to deliberations by the Management Committee.

The M&A Committee carries out multifaceted reviews of M&A deals prior to deliberations by the Management Committee.

The corporate governance organization of Ajinomoto Co., Inc. is as shown in the chart on the left.

■ Corporate Governance Organization (As of June 30, 2015)



Officer Compensation and Determination Method

The compensation of directors, excluding outside directors, comprises monthly compensation and company performance-linked compensation. The ratio that company performance-based compensation accounts for varies from around 25% at the very least to around 40% at the very most.

Additionally, directors contribute between about 12% and 14% of their monthly compensation to the executive officer stock ownership plan, which ensures that medium- to long-term stock price trends are linked to director compensation.

For the procedures used to determine compensation, the Board of Directors determines the compensation amount of directors based on the report of deliberations by the Compensation Advisory Committee. The committee is composed of five directors, including three outside directors, and evaluates and advises on the Company's performance. The performance is used as a criterion for

WEB Sustainability Report

determining the company performance-linked component of compensation.

Compensation for outside directors consists of monthly compensation only and the Board of Directors determines the compensation amount individually based on the report of the Compensation Advisory Committee.

The total amount of compensation for the 137th fiscal year was ¥849 million for 15 directors, of which total compensation of ¥25 million was paid to the two outside directors.

For officers receiving compensation of ¥100 million or more, the amount of compensation is disclosed in the Securities Report. Individual disclosures for the 137th fiscal year are as follows.

Chairman of the Board Norio Yamaguchi
Amount of compensation: ¥100 million (including ¥61 million in monthly compensation and ¥38 million in company performance-linked compensation)

President & Chief Executive Officer Masatoshi Ito
Amount of compensation: ¥136 million (including ¥83 million in monthly compensation and ¥53 million in company performance-linked compensation)

■ Amount of Compensation Paid to Directors and Corporate Auditors

	Number of Eligible Officers	Total Amount of Compensation by Type (Millions of yen)		Total Amount of Compensation (Millions of yen)
		Monthly	Company Performance-linked	
Directors (excluding Outside Directors	13	504	319	824
Corporate Auditors (excluding Outside Auditors)	2	77	–	77
Outside Directors and Outside Auditors	5	69	–	69

Notes: 1.The above total amount includes the provision of reserve for bonuses for officers booked in the 137th fiscal year.
2.The maximum amount of director compensation was capped at no more than ¥1.2 billion per annum (not including individual pay as an employee when the director serves concurrently as an employee of the company) for directors, excluding outside directors, at the 129th Ordinary General Meeting of Shareholders held on June 28, 2007. Outside director compensation was capped at no more than ¥50 million per annum at this same meeting.
3.The maximum amount of corporate auditor compensation was capped at no more than ¥190 million per annum at the 129th Ordinary General Meeting of Shareholders held on June 28, 2007.

Timely Disclosure of Corporate Information

We have set forth “Information Management Regulations” as internal regulations. These regulations are designed to prevent information leaks and unauthorized use of information, and ensure the appropriate handling of personal information through the clarification of the Company’s information-related policies and establishment of basic rules for the handling of information.

Regarding the disclosure of corporate information in particular, we have “Detailed Regulations Concerning Disclosure of Corporate Information” as bylaws of the above regulations. These regulations bind the Company to provide information on the management philosophy, financial results, and future earnings potential of Ajinomoto Co., Inc. and its Group companies, and thereby obtain investors’ confidence in and their fair evaluation of the Company.

The status of corporate governance of Ajinomoto Co., Inc. is also disclosed in its Corporate Governance Policies, available at the following URL.

WEB Corporate Governance/ Management

Directors, Corporate Auditors and Corporate Executive Officers

(As of June 26, 2015)

WEB Corporate data ▸ Officers

Directors

Masatoshi Ito
Representative Director, Chairman of the Board

Takaaki Nishii
Representative Director President & Chief Executive Officer

Tamotsu Iwamoto
Representative Director, Member of the Board & Corporate Executive Deputy President
Internal Auditing; Secretarial Office; General Affairs & Risk Management; Legal; Public Communications; Human Resources

Koji Igarashi
Member of the Board & Corporate Senior Vice President
Management of Technology & Production

Etsuhiro Takato
Member of the Board & Corporate Senior Vice President
General Manager, ASEAN Division

Hideaki Shinada
Member of the Board & Corporate Senior Vice President
General Manager, Food Products Division; Logistics Planning; Advertising; China Division; Latin America Division

Hiroshi Fukushi
Member of the Board & Corporate Senior Vice President
General Manager, AminoScience Division; Europe & Africa Division; North America Division

Hiromichi Ono
Member of the Board & Corporate Vice President
Finance; Group Procurement Center; CSR

Takeshi Kimura
Member of the Board & Corporate Vice President
Management of R&D; Intellectual Property; Institute for Innovation; Quality Assurance & External Scientific Affairs

Masaya Tochio
Member of the Board & Corporate Vice President
Information System Planning; Corporate Planning

Makoto Murabayashi
Member of the Board & Corporate Vice President
Business Strategy and Development

Sakie T. Fukushima
Outside Director

Yasuo Saito
Outside Director

Takashi Nawa
Outside Director

Corporate Auditors

Yasushi Akasaka
Standing Corporate Auditor

Shizuo Tanaka
Standing Corporate Auditor

Rieko Sato
Outside Auditor
Attorney-at-law

Masato Tsukahara
Outside Auditor
Certified Public Accountant

Kiyoshi Fujimura
Outside Auditor

Corporate Vice Presidents

Toshihisa Kato
(General Manager, Institute for Innovation)

Kazuya Onomichi
(General Manager, R&D Planning Dept.)

Shunichi Komatsu
(General Manager, Europe & Africa Division)

Chiaki Nosaka
(General Manager, Institute of Food Sciences and Technologies)

Haruo Kurata
(General Manager, North America Division)

Hiroyuki Kojima
(General Manager, Research Institute for Bioscience Products & Fine Chemicals)

Corporate Executive Officers

Alain Vrillon
(President, AJINOMOTO FOODS EUROPE S.A.S.)

Shinji Suzuki
(General Manager, Health & Wellness Business Dept.)

Tadanori Umezawa
(Deputy General Manager, Food Products Division)

Masaya Sugimori
(General Manager, China Division)

Yoshimasa Yoshimiya
(General Manager, Human Resources Dept.)

Eiji Majima
(Deputy President, AJINOMOTO EUROPE S.A.S.)

Hiroshi Motoyama
(General Manager, Food Ingredients Dept.)

Hideki Takeuchi
(General Manager, Tokyo Branch)

Masahiro Tani
(General Manager, Food Production & Technology Administration Center)

Taro Fujie
(General Manager, Latin America Division)

Daniel Bercovici
(President, AJINOMOTO EUROLYSINE S.A.S.)

George Gwinnett Bompas
(General Manager, Pharmaceutical Custom Manufacturing Dept.)

Kaoru Kurashima
(General Manager, Jakarta Office, ASEAN Division)

Masayoshi Kurosaki
(Deputy General Manager, Food Products Division)

Jiro Sakamoto
(General Manager, Technology Development Center, Institute of Food Sciences and Technologies)

Chika Morishima
(General Manager, Consumer Foods & Seasonings Dept.)

Koji Tamura
(General Manager, Production & Technology Administration Center)

Takayuki Koda
(General Manager, Production Management Dept.)

Ten-Year Summary of Selected Financial Data

Ajinomoto Co., Inc. and Consolidated Subsidiaries for the years ended March 31

Millions of yen	FY2014	FY2013	FY2012	FY2011	FY2010	FY2009	FY2008	FY2007	FY2006	FY2005
For the year:										
Net sales[1]	**¥1,006,630**	¥ 951,359	¥ 948,705	¥ 972,648	¥1,015,215	¥1,170,876	¥1,190,371	¥1,216,572	¥1,158,510	¥1,106,807
Cost of sales	**659,509**	635,594	600,630	603,420	612,237	785,578	833,123	856,974	828,050	795,007
Gross profit	**347,121**	315,765	348,076	369,228	402,978	385,298	357,247	359,597	330,459	311,799
Selling, general and administrative expenses	**272,601**	253,957	276,844	296,644	333,604	321,264	316,420	299,074	266,658	251,476
Operating income	**74,519**	61,807	71,232	72,584	69,374	64,034	40,827	60,523	63,800	60,322
Other income (expenses)	**4,529**	10,754	29,595	(493)	(20,929)	(19,242)	(37,570)	(11,216)	(15,804)	(3,153)
Income before income taxes and minority interests	**79,049**	72,561	100,828	72,091	48,444	44,791	3,256	51,849	55,721	57,169
Net income (loss)	**46,495**	42,159	48,373	41,754	30,400	16,646	(10,227)	28,229	30,229	34,912
Capital expenditures	**50,927**	50,602	61,590	56,778	45,772	44,117	58,293	62,780	76,386	79,162
Depreciation and amortization	**43,376**	45,746	42,463	43,717	49,825	55,382	55,192	55,189	45,138	40,341
At year-end:										
Shareholders' equity[2]	**¥ 669,576**	¥ 594,950	¥ 635,287	¥ 605,349	¥ 608,191	¥ 602,769	¥ 585,234	¥ 628,325	¥ 563,446	¥ 528,762
Total assets	**1,255,090**	1,093,165	1,091,741	1,097,057	1,077,418	1,082,238	1,057,786	1,100,709	1,061,688	997,405
Interest-bearing debt	**211,594**	142,954	119,314	130,040	133,391	149,902	149,402	144,328	151,223	145,644
Per share (yen):										
Net income (loss)	**¥ 78.5**	¥ 68.7	¥ 74.4	¥ 61.3	¥ 43.6	¥ 23.9	¥ (14.6)	¥ 41.9	¥ 46.7	¥ 53.6
Shareholders' equity[2]	**1,131.4**	1,002.3	1,004.4	894.6	871.6	863.7	838.5	899.4	870.0	815.8
Cash dividends	**24.0**	20.0	18.0	16.0	16.0	16.0	16.0	16.0	15.0	14.0
Value indicators:										
Liquidity ratios:										
Gross debt/equity ratio (%)[3]	**31.6**	24.0	18.8	21.5	21.9	24.5	25.5	23.0	26.8	27.5
Interest coverage ratio (times)[4]	**36.7**	32.0	38.4	34.8	29.3	19.1	9.0	13.3	13.3	19.1
Investment indicators:										
Price/earnings ratio (times)[5]	**33.5**	21.2	19.0	16.9	19.9	38.8	—	24.1	29.0	23.4
Price/book value (times)[6]	**2.3**	1.5	1.4	1.2	1.0	1.1	0.8	1.1	1.6	1.5
Return indicators:										
Return on assets (%)[7]	**4.0**	3.9	4.4	3.8	2.8	1.6	(0.9)	2.6	2.9	3.7
Return on equity (%)[8]	**7.4**	7.1	7.8	6.9	5.0	2.8	(1.7)	4.7	5.5	7.0
Number of employees	**31,312**	27,579	27,518	28,245	28,084	27,215	26,869	25,893	24,733	26,049

Notes:
1. For the coffee and edible oils business and some other businesses, the gross figures for sales and cost of goods sold were recorded in the accounts but from FY2013 this method changed to netting off sales and cost of goods sold and recording the net figure in the accounts. Post-reclassification basis from FY2010. The following changes in accounting policies were implemented in FY2014. Sales promotion discounts paid to customers to expand sales are deducted from net sales. Figures for FY2011 and subsequent fiscal years have been restated.
2. Shareholders' equity for FY2006 to FY2014 = Net assets - Minority interests
3. Gross debt/equity ratio = Interest-bearing debt/Shareholders' equity
4. Interest coverage ratio = (Operating income + Interest and dividend income) ÷ Interest expense
5. PER = Year-end share price ÷ Net income per share
6. PBR = Year-end share price ÷ Shareholders' equity per share
7. ROA = Net income (or loss) ÷ Average total assets
8. ROE = Net income (or loss) ÷ Average total shareholders' equity

Message from Hiromichi Ono, Corporate Vice President in Charge of Finance

The Ajinomoto Group is steadily working toward its targets for fiscal 2016, ending March 31, 2017, based on the roadmap to a "Genuine Global Specialty Company" in its FY2014-2016 Medium-Term Management Plan (hereafter, the "Medium-Term Plan"). During fiscal 2014, ended March 31, 2015, we were able to achieve results that generally exceeded our targets.

Hiromichi Ono
Member of the Board & Corporate Vice President

Generating Free Cash Flow

One aim of the Medium-Term Plan is to generate operating cash flow at the ¥300 billion level over its three years. Due to significant growth in operating income in fiscal 2014, we generated ¥109.2 billion in operating cash flow, exceeding our target for the year of ¥100 billion. In addition to capital expenditures, investing activities included the acquisition of Windsor Quality Holdings, LP (currently Ajinomoto Windsor, Inc.) of the United States for approximately ¥87.0 billion through consolidated subsidiary AJINOMOTO NORTH AMERICA, INC. However, we ultimately allocated much of that amount from internal funds to maintain free cash flow at negative ¥31.1 billion.

Investment for Growth and Further Business Structure Reinforcement

We were also able to conduct significant M&A under a policy of preferentially investing in growth to enhance our ability to generate cash. Ajinomoto Windsor, Inc. and Ajinomoto General Foods, Inc. (AGF) became consolidated subsidiaries.* A key point is the extent to which they will expand their business value by 2020.

We believe we can use the powerful sales network of Ajinomoto Windsor, Inc. to accelerate the penetration of the "Ajinomoto brand" and expand sales in North America. From a financial standpoint, there is a downside to procuring raw materials to produce goods in Japan while the yen is weak. Business expansion overseas will let us use foreign exchange to our advantage, and will help stabilize our operations by minimizing the impact of exchange rate fluctuations. In addition, AGF intends to use powdered and processed products as a common core for generating synergy in Japan and overseas. As Japan's market structure changes, we can expect further increases in sales by utilizing AGF's innovative corporate culture to create and provide new value that meets customer needs.

As for further business structure reinforcement, we achieved a cost reduction of approximately ¥4.0 billion in fiscal 2014 from the introduction of resource-saving fermentation technology. We will continue working to reduce costs and reinforce our business structure through technological innovation.

* Closing date of Ajinomoto General Foods, Inc. share acquisition: April 23, 2015

Outlook

On our path to becoming a global top 10 food company, we will focus on decisively achieving our numerical targets and increasing our market capitalization. Moreover, we intend to improve profitability by achieving structural reform and growth through specialty.

Management's Discussion and Analysis

Ajinomoto Co., Inc. and Consolidated Subsidiaries for fiscal 2014, ended March 31, 2015

Review of Operations

Operating Environment

In fiscal 2014, ended March 31, 2015, the global economy showed a weak overall recovery. Although there was a moderate recovery 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 is underway, supported by an improving employment environment, despite there being only small improvements in areas such as corporate capital expenditure and consumer sentiment.

In the Japanese food industry, costs for raw materials for foods remained high, and there was some impact felt as a result of a pullback from a last-minute surge in demand that preceded the consumption tax increase.

Business Overview

In this environment, the Ajinomoto Group is engaging in its 2014-2016 Medium-Term Management Plan with the aim of becoming a "Genuine Global Specialty Company," pursuing specialization and "Evolution of the Management Foundation" under the strategic themes of "Growth Driver Advancement" and "Further Reinforcement of Business Structure."

Consolidated net sales for fiscal 2014 increased 5.8% (¥55.2 billion) year on year to ¥1,006.6 billion. Although this outcome reflects the negative impact on consolidated sales arising from the spinoff of the infusions and dialysis business units into equity method affiliate AY Pharmaceuticals Co., Ltd. on July 1, 2013, this was offset by the impact of foreign exchange rates along with other factors such as higher sales on a local currency basis of consumer foods in foreign markets and the increased sales arising from the consolidation of U.S. frozen foods manufacturer and distributor Windsor Quality Holdings, LP (currently Ajinomoto Windsor, Inc., "Windsor") following the acquisition of full equity interest in Windsor on November 5, 2014. Operating income increased 20.6% (¥12.7 billion) to ¥74.5 billion, reflecting significant growth in profits from feed-use amino acids and overseas consumer food sales. Net income increased 10.3% (¥4.3 billion) to ¥46.4 billion.

Financial Review

Note: All comparisons are with the previous fiscal year, ended March 31, 2014, unless stated otherwise.

Net Sales

Net sales increased 5.8%, or ¥55.2 billion, year on year to ¥1,006.6 billion. By region, sales in Japan decreased 3.1%, or ¥14.5 billion, to ¥460.4 billion, as growth in sales of frozen foods and amino acids failed to offset a decline in sales of pharmaceuticals and other factors. Sales overseas increased significantly, up 14.7%, or ¥69.8 billion, year on year to ¥546.2 billion due to an increase in sales of frozen foods, which included net sales at Windsor, higher sales of consumer foods, feed-use amino acids and amino acids, and also the impact of the exchange rate. Sales increased 13.1% to ¥260.4 billion in Asia, 25.9% to ¥175.3 billion in the Americas and 3.4% to ¥110.4 billion in Europe. The overseas sales ratio was 54.3%, compared to 50.1% in the previous year.

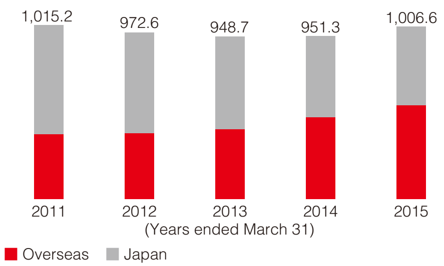
Cost of Sales / Selling, General and Administrative Expenses

Cost of sales increased 3.8%, or ¥23.9 billion, to ¥659.5 billion in accordance with the growth in net sales. The ratio of the cost of sales to net sales improved by 1.3 percentage points to 65.5%, mainly due to an increase in the unit sales price of feed-use amino acids. Selling, general and administrative expenses increased 7.3%, or ¥18.6 billion, from the previous fiscal year to ¥272.6 billion, impacted by an increase in consolidated subsidiaries, and despite efforts to reduce sales promotion expenses.

Operating Income

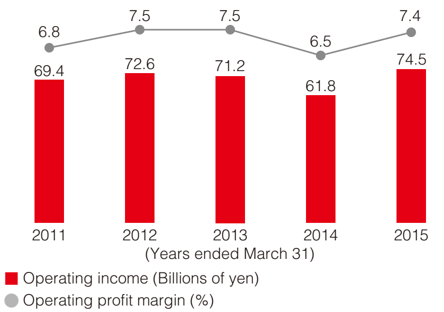
Operating income increased 20.6%, or ¥12.7 billion, from the previous fiscal year to a record-high ¥74.5 billion. By region, operating income in Japan decreased

Domestic and Overseas Sales
(Billions of yen)

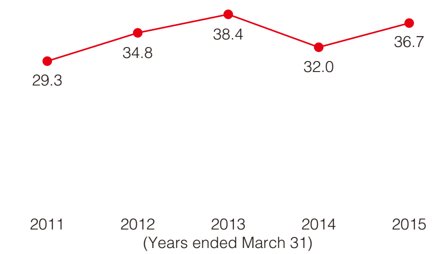


Note: Excludes interarea sales and transfers

Operating Income & Operating Profit Margin



Interest Coverage Ratio
(Times)



9.5% to ¥29.6 billion, while operating income from operations overseas increased 54.4% to ¥44.8 billion.

In Japan, there was an overall decrease in operating income due to a substantial decline in income from pharmaceuticals, despite contributions from amino acids and specialty chemicals. In overseas regions, there was a significant overall increase in operating income compared to the previous fiscal year, due to contributions from feed-use amino acids, pharmaceutical custom manufacturing, and consumer foods, combined with the effect of exchange rates. Operating income increased 22.6% to ¥30.4 billion in Asia, increased 177.7% to ¥11.6 billion in the Americas, and increased to ¥2.7 billion in Europe. The overseas operating income ratio was 60.2%, compared to 47.1% in the previous fiscal year.

Other Income (Expenses)

Other income totaled ¥4.5 billion, compared with other income of ¥10.7 billion in the previous fiscal year. The main factors in this decrease were an increase in loss on impairment of fixed assets, mainly for facilities of overseas subsidiaries and goodwill, and the absence of gain on sales of investment in affiliates, which was recorded in the previous fiscal year, despite a gain from the abolishment of a retirement benefit plan at some domestic consolidated subsidiaries and affiliates.

Net Income

Net income for fiscal 2014 increased 10.3%, or ¥4.3 billion, to ¥46.4 billion. Net income per share for the year was ¥78.54, compared to ¥68.67 for the previous year.

Costs, Expenses and Income as Percentages of Net Sales

Years ended March 31	2015		2014		2013	
	Percentage	Change	Percentage	Change	Percentage	Change
Cost of sales	65.5%	(1.3)	66.8%	3.5	63.3%	1.3
Gross profit	34.5	1.3	33.2	(3.5)	36.7	(1.3)
SG&A expenses	27.1	0.4	26.7	(2.5)	29.2	(1.3)
Operating income	7.4	0.9	6.5	(1.0)	7.5	0.0
Income before income taxes and minority interests	7.9	0.3	7.6	(3.0)	10.6	3.2
Net income	4.6	0.2	4.4	(0.7)	5.1	0.8

Note: Change represents change in percentage points from the previous fiscal year.

Segment Information

Note: All comparisons are with the previous fiscal year, ended March 31, 2014, unless stated otherwise.

Domestic Food Products

Domestic food product sales increased 7.3%, or ¥21.8 billion, to ¥321.8 billion, as frozen foods grew significantly due to the inclusion of Windsor in the scope of consolidation and other factors, while seasonings and processed foods remained in line with the previous year mainly due to a pullback from a last-minute surge in demand that preceded the consumption tax increase. Operating income decreased 11.9%, or ¥3.2 billion, to ¥23.8 billion, mainly due to expenses related to the acquisition of Windsor and other factors.

Seasonings and Processed Foods: In seasonings and processed foods for the retail market, sales of *HONDASHI*® and mayonnaise products decreased as a result of a pullback from a last-minute surge in demand that preceded the consumption tax increase. However this was offset by a significant increase in sales of new products such as *Toss Sala*®, in addition to Japanese and western-style menu seasoning *Cook Do*® *Kyo-no Ohzara* and *Nabe Cube*®, which benefitted from TV advertising and related marketing initiatives, and tube-type Chinese seasoning paste *Cook Do*® *Koumi Paste*. As a result, overall sales were largely in line with the previous year.

In seasonings and processed foods for restaurant and institutional use, sales of seasoning products for restaurant use increased due to growth in functional food products used to enhance texture and quality and draw out the flavors of rice and meat. Sales of *ACTIVA*®, a food enzyme (transglutaminase), and savory seasoning products also increased compared to the previous period, reflecting strong overseas sales, resulting in an overall increase in restaurant and institutional use sales.

As a result, overall sales of seasonings and processed foods were in line with the previous year.

Frozen Foods: Overall sales of products for the retail market increased, as sales of *Gudakusan Ebi Pilaf* grew significantly in response to product revisions, and sales of products such as *Yawaraka Wakadori Kara-Age* and *Gyoza* also increased compared to the previous year.

Overall sales of products for restaurant and institutional use increased, due to an increase in sales to large domestic customers.

Overseas, in addition to the inclusion of Windsor in the scope of consolidation, sales of rice products and noodle products such as yakisoba increased significantly in North America, leading to a significant increase in overall sales.

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

Overseas Food Products

Overseas food product sales increased 11.8%, or ¥34.4 billion, to ¥326.7 billion supported by higher sales of consumer foods on a local currency basis, and the impact of exchange rates. Operating income increased 36.4%, or ¥9.1 billion, to ¥34.1 billion, due to contributions from higher revenues from consumer foods and umami seasonings for processed food manufacturers, and the impact of exchange rates.

Consumer Foods: In Asia, overall sales increased, benefitting from higher sales on a local currency basis of umami seasoning *AJI-NO-MOTO*® in Vietnam, Indonesia and Thailand, higher sales of flavor seasonings *Masako*® in Indonesia, and *Ros Dee*® in Thailand, and instant noodles, as well as the effect of exchange rates.

In the Americas, sales increased, reflecting higher sales on a local currency basis of products such as flavor seasoning *Sazón*® in Brazil.

In Europe and Africa, overall sales decreased, reflecting a decline in sales of *AJI-NO-MOTO*® in Africa, which was not completely offset by an increase in sales of

Market Share in Main Product Areas (Household Market in Japan) FY2015

Product Area	Brand	Market Size (Billions of yen)	Ajinomoto Group Share (Position)
Umami seasonings	*AJI-NO-MOTO*®, *Hi-Me*®	6.2	92% (1)
Japanese flavor seasonings	*HONDASHI*®	40.6	57% (1)
Consommé	*Ajinomoto KK Consomme*	12.1	67% (1)
Soup	*Knorr*®	87.9	36% (1)
Mayonnaise and mayonnaise-type dressings	*Pure Select*®	45.3	26% (2)
Menu seasonings	*Cook Do*®, *Cook Do*® *Kyo-no Ohzara*	78.7	28% (1)

Note: Market size is based on consumer purchase prices.

products such as instant noodles in Poland.

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

Umami Seasonings for Processed Food Manufacturers: Sales of umami seasoning *AJI-NO-MOTO*® for the food processing industry increased, reflecting the positive impact of exchange rates and an increase in sales volumes in Japan, which offset a decline in unit prices in both Japan and overseas.

Sales of nucleotides increased, reflecting the effect of exchange rates, which offset the impact of a fall in unit prices in both Japan and overseas.

As a result, overall sales of umami seasonings for processed food manufacturers increased.

Bioscience Products and Fine Chemicals

Bioscience products and fine chemicals sales increased 5.0%, or ¥11.4 billion, to ¥239.5 billion, reflecting growth in sales of feed-use amino acids, amino acids for pharmaceuticals and foods, sweeteners, and pharmaceutical custom manufacturing, which involves the commissioned manufacture and development of pharmaceutical ingredients and intermediates, in addition to the effect of exchange rates. Operating income increased 167.1%, or ¥10.6 billion, to ¥17.0 billion, due to a significant increase in profits of feed-use amino acids, amino acids for pharmaceuticals and foods, and custom pharmaceutical manufacturing, and higher profits of specialty chemicals and sweeteners, as well as the effect of exchange rates.

Feed-Use Amino Acids: Sales volumes of Lysine were in line with the previous fiscal year, while unit prices were below the previous year, resulting in a decrease in sales. Sales of Threonine increased significantly due to a significant increase in unit prices despite sales volumes being in line with the previous fiscal year, and sales of Tryptophan increased due to an increase in unit prices despite a decline in sales volumes. Sales from specialty products such as Valine also increased as a result of efforts to expand sales.

As a result of the above, overall feed-use amino acid sales increased.

Amino Acids: Sales of amino acids for pharmaceuticals and foods increased both in Japan and overseas.

Sales of sweeteners increased, supported by the effect of exchange rates, in addition to higher sales on a local currency basis in South America of powdered juice *RefrescoMID*®, which contains aspartame. In pharmaceutical custom manufacturing, sales increased, supported by exchange rates and an increase in sales in North America and Europe.

As a result, overall sales of amino acids increased.

Specialty Chemicals: Overall sales decreased, as an increase in sales of cosmetics ingredients, and growth in sales of insulation film for build-up printed wiring board used in computers stemming from higher sales of value-added products, failed to offset a significant decline in amino acid-based *JINO*® cosmetics, which were impacted by a slow recovery from a pullback following the last-minute surge in demand that preceded the consumption tax increase.

Market Size of Feed-Use Amino Acids and the Ajinomoto Group's Shares

(Thousands of metric tons)

Years ended March 31	2015	2014	2013	2012	2011
Lysine	2,300 (approx.)	2,100	1,950	1,700	1,580
The Ajinomoto Group's share	15% (approx.)	15-20%	20% (approx.)	20% (approx.)	20% (approx.)
Threonine	approx. 445	400	330	270	245
The Ajinomoto Group's share	25% (approx.)	30% (approx.)	30% (approx.)	30% (approx.)	35% (approx.)
Tryptophan	23 approx.	14	9	6	4.8
The Ajinomoto Group's share	20% (approx.)	35% (approx.)	45% (approx.)	40% (approx.)	55% (approx.)

(Ajinomoto Group estimate)

Pharmaceuticals

Pharmaceutical sales decreased 22.5%, or ¥11.5 billion, to ¥39.7 billion despite an increase in royalty income, reflecting the elimination of sales of infusion and dialysis business products from the consolidated results due to the spin-off of these operations into equity method affiliate AY Pharmaceuticals Co., Ltd. on July 1, 2013, as well as the impact of NHI drug price revisions and generic drugs. Operating income decreased 43.5%, or ¥1.6 billion, to ¥2.1 billion.

In self-distributed products, although sales of *MOVIPREP*®, an oral bowel cleansing agent, were substantially higher than in the previous fiscal year, this was offset by the elimination of sales of infusion and dialysis business products from consolidated results, NHI drug price

AJINOMOTO PHARMACEUTICALS CO. LTD.'s Sales by Main Product

(Ajinomoto Group estimate)
(Billions of yen)

Field	Main Products	Launch Date	Indication or Formulation	Marketing Company	Sales (Years ended March 31) 2015	2014	2013
Gastrointestinal diseases	*LIVACT*®	May 1996	Amino acid formula for treatment of liver cirrhosis	AJINOMOTO PHARMACEUTICALS CO., LTD.	12.5	14.8	14.9
	ELENTAL®	Sep. 1981	Elemental diet	AJINOMOTO PHARMACEUTICALS CO., LTD.	7.6	7.7	7.7
	MARZUREN®	July 2012	Antigastritis and anti-ulcer drugs	AJINOMOTO PHARMACEUTICALS CO., LTD.	2.8	3.5	2.8
	NIFLEC®	June 1992	Oral cleaning solution for the intestine	AJINOMOTO PHARMACEUTICALS CO., LTD.	1.6	2.2	2.3
	HEPAN ED®	Sep. 1991	Elemental diet for hepatic failure	AJINOMOTO PHARMACEUTICALS CO., LTD.	0.7	0.9	0.9
	MOVIPREP®	June 2013	Bowel preparation prior to colonoscopy and colon surgery	AJINOMOTO PHARMACEUTICALS CO., LTD.	2.5	0.8	-
Metabolic diseases, etc.	*ATELEC*®	Dec. 1995	Long-acting calcium channel blocker	Mochida Pharmaceutical Co., Ltd.	11.7	14.6	15.1
	ACTONEL®	May 2002	Osteoporosis treatment	Eisai Co., Ltd.	9.0	10.0	11.7
	FASTIC®	Aug. 1999	Fast-acting postprandial antihypoglycemic agent	Mochida Pharmaceutical Co., Ltd.	1.3	1.8	2.4
	ATEDIO®	May 2014	Selective AT1 receptor blocker/long-acting calcium antagonist	Mochida Pharmaceutical Co., Ltd.	0.7	—	—

Note: National Health Insurance (NHI) reimbursement price basis. Effect of NHI price revision implemented April 2012: approx. -6%; April 2014: approx. -6%

AJINOMOTO PHARMACEUTICALS CO.'s Product Pipeline

(May 2015)

Field	Name	Development Status	Indication	Notes
Gastrointestinal diseases	AJG511	Phase III	Ulcerative colitis	In-license (Dr. Falk Pharma)
	AJM300	Phase III	Ulcerative colitis	
Metabolic diseases	AJG533	Phase II	Chronic constipation	In-license (Albireo)
	NE-58095NF (risedronate)	Phase II/III	Osteoporosis	"Additional formulation; change of the dosage and administration"

Note: Clinical studies are being conducted by Sanofi (worldwide exclusive licensee for the rights to develop, manufacture and sell the drugs).

Net Sales by Business and Region

(Figures in parentheses represent YoY change)
(Billions of yen)

Years ended March 31		Japan	Asia	Americas	Europe	Total
Domestic Food Products	2015	281.9 (1.6)	6.3 (0.9)	29.5 (16.9)	4.0 (2.3)	321.8 (21.8)
	2014	280.2	5.3	12.5	1.7	299.9
Overseas Food Products	2015	10.0 (0.6)	224.3 (26.8)	62.7 (8.1)	29.6 (-1.1)	326.7 (34.4)
	2014	9.4	197.4	54.6	30.7	292.3
Bioscience Products and Fine Chemicals	2015	59.5 (-4.3)	20.2 (2.4)	82.9 (10.8)	76.8 (2.4)	239.5 (11.4)
	2014	63.8	17.8	72.0	74.3	228.1
Pharmaceuticals	2015	39.7 (-11.5)	—	—	—	39.7 (-11.5)
	2014	51.2	—	—	—	51.2
Other Business	2015	69.1 (-0.9)	9.4 (-0.0)	0.1 (0.0)	0.0 (0.0)	78.7 (-0.9)
	2014	70.1	9.5	0.0	0.0	79.7
Total	2015	460.4 (-14.5)	260.4 (30.1)	175.3 (36.0)	110.4 (3.6)	1,006.6 (55.2)
	2014	474.9	230.2	139.2	106.8	951.3

Note: Unaudited figures; for reference only.
The following change in accounting policies was made in the year ended March 31, 2015.
Sales promotion discounts paid to customers to expand sales are deducted from net sales. (Figures for the year ended March 31, 2014 have been restated.)

revisions, and generic drugs. Sales therefore decreased significantly.

In products sold through business tie-ups, despite contributions from new hypertension treatment *ATEDIO*®, which was launched in May 2014, overall sales fell significantly, with a large decrease in sales of risedronate products such as *ACTONEL*® for osteoporosis, and *ATELEC*®, an antihypertensive calcium channel blocker, due to the effects of generic drugs and competitor products.

Other Business

Other business sales decreased 1.2%, or ¥0.9 billion, to ¥78.7 billion, with operating loss increasing ¥2.1 billion to ¥2.6 billion.

Liquidity and Financial Condition

Assets

Total assets as of March 31, 2015 were ¥1,255.0 billion, ¥161.9 billion more than the ¥1,093.1 billion recorded one year earlier.

This was primarily due to the inclusion of Windsor in the scope of consolidation as of the end of the third quarter, resulting from the acquisition of full equity interest of Windsor by the Company's consolidated subsidiary AJINOMOTO NORTH AMERICA, INC. on November 5, 2014. There was also an increase in the yen values of the balance sheets of overseas subsidiaries after translation, due to depreciation of the yen.

Liabilities

Total liabilities were ¥511.6 billion, ¥73.9 billion more than the ¥437.6 billion recorded on March 31, 2014. This was largely due to an increase in short-term borrowings resulting from the acquisition of Windsor. Total interest-bearing debt increased ¥68.6 billion from the end of the previous fiscal year, to ¥211.5 billion.

Net Assets

Net assets increased ¥87.9 billion compared to the end of the previous fiscal year, due to an increase in translation adjustments resulting from the depreciation of the yen, and in retained earnings. Shareholders' equity, which is net assets minus minority interests, was ¥669.5 billion, and the shareholders' equity ratio was 53.3%.

Cash Flows

Net cash provided by operating activities was ¥109.2 billion compared to ¥63.0 billion in the previous year. This was mainly attributable to an increase in income before income taxes and minority interests, and a significant decrease in income taxes paid to ¥11.3 billion.

Net cash used in investing activities was ¥140.3 billion compared to an outflow of ¥63.4 billion in the previous year. This was mainly attributable to the use of cash in the acquisition of tangible fixed assets and the acquisition of full

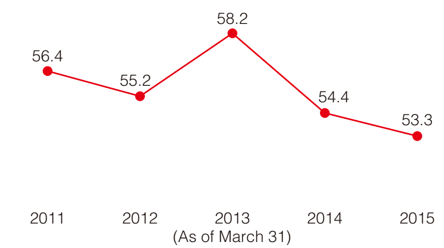
Balance Sheets (Excerpts)

(Millions of yen)
(Ratio to total assets)

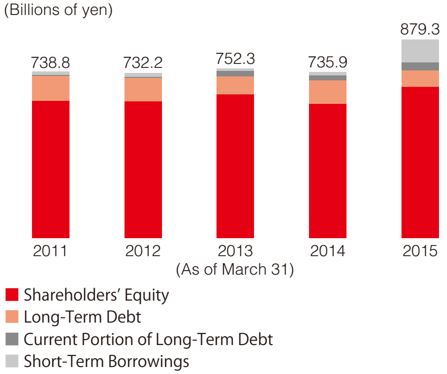
As of March 31	2015	2014
Total assets	1,255,090 (100%)	1,093,165 (100%)
Notes and accounts receivable	202,980 (16.2)	200,115 (18.3)
Cash and cash equivalents	165,160 (13.2)	130,028 (11.9)
Inventories*	183,661 (14.6)	163,528 (15.0)
Investments and long-term advances	139,258 (11.1)	121,591 (11.1)
Property, plant and equipment	383,269 (30.5)	359,370 (32.9)
Total liabilities	511,600 (40.8)	437,657 (40.0)
Notes and accounts payable	115,066 (9.2)	105,699 (9.7)
Short-term borrowings	102,191 (8.1)	14,641 (1.3)
Current portion of long-term debt	33,677 (2.7)	22,011 (2.0)
Accrued income taxes	7,725 (0.6)	8,497 (0.8)
Long-term debt	74,147 (5.9)	104,429 (9.6)
Shareholders' equity*	669,576 (53.3)	594,950 (54.8)

Note: Shareholders' equity = Net assets - Minority interests

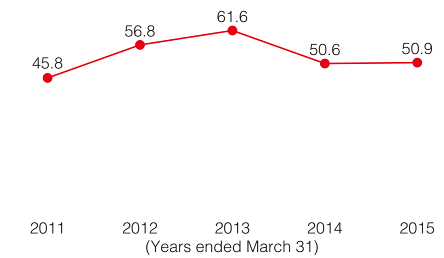
Shareholders' Equity Ratio
(%)



Total Capital
(Billions of yen)



Capital Expenditures
(Billions of yen)



equity interest in Windsor by the Company's consolidated subsidiary AJINOMOTO NORTH AMERICA, INC. during the period, compared to cash provided by the acquisition of shares in Althea Technologies, Inc. (currently Ajinomoto Althea, Inc.) in the previous year.

Net cash provided by financing activities was ¥52.8 billion compared to an outflow of ¥55.2 billion in the previous period. While cash dividends paid reduced net cash, the net inflow was mainly attributable to an increase in short-term borrowings.

As a result of the foregoing, cash and cash equivalents at March 31, 2015 was ¥165.1 billion, an increase of ¥35.1 billion compared to March 31, 2014.

Shareholder Returns

The Company adopts the basic principle of ensuring continuous and stable dividends, taking into consideration its consolidated earnings, with a target payout ratio of 30% for the 2014-2016 Medium-Term Management Plan.

For fiscal 2014, the Company paid a dividend of ¥24 per share, including an interim dividend of ¥10 per share. For fiscal 2015, ending March 31, 2016, the Company plans to pay an annual dividend of ¥26 per share, including an interim dividend payment of ¥13.

Credit Rating

Ajinomoto Co., Inc. emphasizes maintaining a sound financial condition for efficient and stable procurement of the investment capital required for global growth. For this purpose, we control interest-bearing debt with a focus on the D/E ratio, and as a result we maintain high credit ratings.

Currently, Ajinomoto Co., Inc. is rated by two credit rating agencies: Standard & Poor's (S&P) and Rating and Investment Information, Inc. (R&I).

Credit Ratings

Credit Rating Agencies	Ratings for the Long-term Debt of Ajinomoto Co., Inc.
Standard & Poor's	A+
Rating and Investment Information, Inc.	AA

Outlook for Fiscal 2015

Operating Environment

Although the United States economy is showing a moderate recovery and there are early signs of a turnaround in Europe, the outlook for the global economy remains clouded by a number

Cash Flow Highlights

(Millions of yen)

Years ended March 31	2015	2014	2013	2012
Net cash provided by operating activities	109,259	63,017	88,501	93,312
Net cash provided by (used in) investing activities	(140,391)	(63,497)	15,201	(41,701)
Net cash used in financing activities	52,822	(55,248)	(74,419)	(37,456)
Cash and cash equivalents at end of year	165,160	130,028	184,770	146,647

of uncertainties, including the impact of weaker growth in emerging economies. The Group's operating environment is expected to remain difficult, due to unstable foreign exchange markets and intensifying competition in our bulk and other businesses.

Strategy

Under this environment, for fiscal 2015, Ajinomoto Co., Inc. is engaging in its 2014-2016 Medium-Term Management Plan with the aim of becoming a "Genuine Global Specialty Company," pursuing specialization and "Evolution of the Management Foundation" under the strategic themes of "Growth Driver Advancement" and "Further Reinforcement of Business Structure."

Forecast of Business Results

As a result of these initiatives, Ajinomoto forecasts that consolidated net sales for fiscal 2015 will increase 25.5% to ¥1,263 billion, operating income will increase 10.0% to ¥82.0 billion, and ordinary income will increase 2.6% to ¥85.0 billion. Profit (loss) attributable to owners of parent is forecasted to increase 7.5% to ¥50.0 billion.

These forecasts are based on an assumed exchange rate of ¥115.0 to the U.S. dollar.

IFRS

The Company is currently investigating adopting International Financial Reporting Standards (IFRS) for fiscal 2016, ending March 31, 2017, with the aim of enabling international comparison of Group and external financial information and improving communication with shareholders.

Operational Risk

Operational risks faced by the Ajinomoto Group that could affect its performance and financial position are outlined as follows. However, this is not an all-inclusive list of risks, and risks that cannot be foreseen or are not viewed as material at present may have an impact in the future. The Group has developed various responses and mechanisms to minimize such management and operational risks. Future risks outlined in this document are as judged by the Group as of March 31, 2015.

(1) Risks Related to the Operating Environment

Impact of Exchange Rate Fluctuations

The Ajinomoto Group is working to establish and strengthen its global manufacturing and supply structure. The Group operates in 26 countries and regions including Japan, with manufacturing plants at 128 sites in 21 of these countries and regions. The relative importance of overseas operations is therefore very high.

In fiscal 2013 and fiscal 2014, sales to outside customers in regions other than Japan (i.e., Asia, and the Americas and Europe) were ¥476.4 billion and ¥546.2 billion, respectively, comprising 50.1% and 54.3% of consolidated sales. Operating income derived from these regions in the same periods was ¥29.0 billion and ¥44.8 billion, comprising 47.1% and 60.2% of consolidated operating income, respectively. Because the local currency-denominated financial statements of overseas Group companies are converted into yen, the consolidated financial statements are impacted by fluctuations in exchange rates. The Group hedges these associated exchange risks with forward exchange contracts and other mechanisms for receivables and payables denominated in foreign currencies, but exchange rate fluctuations could have an impact on the Group's business results.

Impact of Natural Disasters, etc.

In addition to conducting business in Japan, the Ajinomoto Group proactively develops markets overseas. Some of the risks accompanying this development of business operations are as follows. These events could have an adverse impact on the Group's business results if they occur.

- A decrease in production output or other effect resulting from a lack of water resources associated with climate change or other cause
- The occurrence of a natural disaster

such as an earthquake, typhoon, hurricane, cyclone or flood
- Interruption of service due to a large-scale power outage or other cause
- Social disruption brought about by an epidemic or other event

Occurrence of Unforeseen Adverse Economic or Political Factors

The Ajinomoto Group conducts business globally, and various potential economic, political and legal impediments overseas such as political instability due to terrorism, conflict or other reasons, uncertainty in economic trends, difficulties related to religious or cultural differences or business practices, changes in regulations for investment, overseas remittances, import and export, foreign exchange or other areas, and confiscation of property could have an adverse impact on the Group's business results.

Impact of Price Fluctuations for Raw Materials and Fuel

The prices of certain raw materials and energy resources including crude oil used by the Ajinomoto Group are liable to fluctuate according to market conditions. The number of factors influencing fluctuations in raw material and fuel prices is increasing, including poor crop harvests due to inclement weather resulting from global warming and higher prices of grain caused by rising demand for ethanol, as well as these commodities becoming subject to speculative trading. Cases where higher manufacturing costs resulting from significant raw material and fuel price increases cannot be absorbed through cost reductions from introduction of new technologies or other measures, or situations where higher costs cannot be reflected in unit prices could have an adverse impact on the Group's business results.

(2) Risks Related to Business Activities

Impact of Changes in Market Conditions

In the bioscience products and fine chemicals business, the Ajinomoto Group handles feed-use amino acids. Unit prices for products in this market tend to be affected by changes in the grain market and by supply and demand trends for feed-use amino acids. The Group seeks to reduce and diversify such risks by handling a variety of amino acids (Lysine, Threonine and Tryptophan, etc.), while also promoting specialty with high-value-added materials such as AjiPro®-L rumen protected Lysine for dairy cows and working to stabilize and improve profitability by reducing costs related to fermentation technologies. However, the effects of fluctuations in the grain market and supply and demand trends for feed-use amino acids could have an impact on the Group's business results.

Matters Affecting Food Safety

The Ajinomoto Group makes extensive efforts to maintain the reliability and safety on which its business foundations are built. These efforts include further strengthening its original, strict quality control system and focusing on conducting Group-wide product quality audits and building a product traceability system that tracks product information at each stage from production and processing to logistics.

In particular, in response to food safety-related incidents that have recently occurred in Japan, the Group is working to minimize risk throughout the entire supply chain and further strengthen its own food safety structure by reviewing and reinforcing tangible items such as manufacturing facilities and intangible items such as product quality standards and guidelines with a positive organizational environment, including labor and human rights issues, as its priority.

The possibility remains, however, that new universal issues affecting product quality throughout the Group may arise, or that problems may arise outside those areas controlled by the processes outlined above, and such events could have an adverse impact on the Group's business results.

Impact of Information Leaks, etc.

The Ajinomoto Group obtains a substantial quantity of customer information through mail-order services, marketing campaigns and other activities. To prevent the leakage or other misuse of personal data and other such information, the Group has formulated the Ajinomoto Group Information Security Policy, and through measures such as distributing an internal Information Handling Guidebook and training programs is implementing appropriate measures to maintain information security, including the security of IT systems. However, risks such as those from hacking, unauthorized access or other information leakage or manipulation remain. Furthermore, computer viruses and so forth could temporarily damage the Group's computer systems. The occurrence of such events could create an obstacle to business activities, and have an adverse impact on the Group's business results.

Capital Procurement

Disorder or suspension of capital markets, lowering of the Company's ratings by credit rating organizations, or changes in financial judgement or policy of financial institutions or other bodies could have an impact on the Ajinomoto Group's capital procurement and worsen liquidity by increasing the cost of capital it procures; i.e., the Group may be unable to procure the required amount of capital when necessary.

Bankruptcy of Customers

The Ajinomoto Group focuses on credit preservation, including through information gathering and credit management, in order to prevent the occurrence of uncollectible receivables. The possibility remains, however, that unforeseen bankruptcies of customers, including overseas customers, may arise, and such events could have an adverse impact on the Group's financial position and business results.

Acquisition and Continued Employment of Personnel with a High Level of Expertise

The business operations of the Ajinomoto Group are handled by personnel with a high level of expertise in each country and occupational category, and the acquisition and training of such personnel are indispensable for achieving growth in the future. The Group is developing a solid and large class of human resources by setting up a system to accelerate the development of its next generation of management personnel and increasing diversity through measures including appointing locally hired employees as officers of overseas subsidiaries and appointing women as managers. However, as competition for acquisition of personnel intensifies, the Group could become unable to acquire and keep personnel with a high level of expertise.

(3) Laws and Regulations, Litigation, etc.

Impact of Laws, Regulations and Other Rules

As it conducts business on a global basis, the Ajinomoto Group endeavors to comply with all laws, regulations and other rules within Japan and overseas relating to food sanitation, pharmaceuticals, intellectual property, the environment and recycling, permission to operate or invest, import and export, foreign exchange and foreign trade control, and various tax-related laws. In these areas, the Group also makes every possible effort to secure its rights through legal means. The possibility exists, however, that legal changes may be introduced that cannot currently be foreseen, and that risks may arise due to the diversity of interpretations of laws. Complying with any such changes may restrict the Group's operations and could have an impact on the Group's business results.

Impact of Litigation, etc.

The Ajinomoto Group is involved in lawsuits and other civil litigation in and outside of Japan. In addition, the Group conducts a wide range of business in a larger number of countries and thus there is a possibility that the Group will be involved in unexpected new lawsuits, claims and other litigation. The institution of a major lawsuit could have a negative impact on the Group's business results and reputation.

Impact Related to the Tax System

The introduction of a new tax system or the abolition of an existing tax system could have an impact on the Ajinomoto Group's performance and financial position. Based on the Ajinomoto Group Standards of Business Conduct, the Group conducts its business activities in strict compliance with the applicable tax laws of each country worldwide. However, particularly outside Japan, frequent revisions of tax systems, changes in the tax administration or differences in opinion with tax authorities regarding tax filings could lead to a tax burden for the Group beyond its expectations.

Environmental Laws, Regulations and Other Rules

Various environmental laws, regulations and other rules related to air pollution, water pollution associated with wastewater and other factors, noise, harmful substances such as asbestos, wastes, pollution of soil and groundwater and other matters are applicable to the Ajinomoto Group. Such environmental laws, regulations and other rules may be applicable not only to the current business activities of the Group, but also to its past business activities and the past activities of a business it has taken over from another company through a corporate acquisition or other means. There is also a risk in the Group's business of violations of the law in the supply chain. For this purpose, the Group has formulated CSR procurement guidelines and is practicing procurement in consideration of CSR throughout its supply chain. The Group applies an environmental management system that conforms to ISO 14001 at each Group site inside and outside Japan to deal with environmental laws, regulations and other rules according to the country or region, prevent environmental issues and promote measures for environmental improvement. Based on this management system, the Group closely follows trends in revision of laws and is strengthening its structure for observing without fail laws, regulations and other rules throughout the Group and the entire supply chain. However, the burden of environment-related expenses due to observance of environmental laws, regulations and other rules in the future, strengthening of measures for environmental improvement or other factors could have an adverse impact on the Group's business results.

(4) Other Risks

Impact from Application of Impairment Accounting

The Ajinomoto Group owns various tangible and intangible fixed assets such as facilities and real estate used in the business and goodwill acquired through a corporate acquisition or other means. If it is estimated that the investment amount can no longer be recovered due to a decline in profitability such as a decline in market value or when cash flow can no longer be generated as expected, impairment accounting may have to be applied to these assets, and impairment losses may occur, which could have an adverse impact on the Group's financial position and business results.

Deferred Tax Assets, etc.

The Ajinomoto Group records deferred tax assets, etc. after careful consideration of their realizability based on projections and assumptions of future taxable income and others. The possibility remains, however, that as a result of future business trends and so forth, situations may arise in which the realizability of all or part of the deferred tax assets, etc. is deemed unlikely and their amount therefore needs to be revised, which could have an impact on the Group's financial position and business results.

Consolidated Balance Sheets

Ajinomoto Co., Inc. and Consolidated Subsidiaries

Excel File Download

	March 31,	
	2015	2014
	(Millions of yen)	
Assets		
Current assets:		
Cash and cash equivalents	¥ 165,160	¥ 130,028
Time deposits and short-term investments	3,742	2,681
Notes and accounts receivable	202,980	200,115
Goods and products	117,297	103,543
Goods in process	8,871	8,076
Raw materials and supplies	57,493	51,908
Deferred tax assets *(Note 7)*	8,706	8,919
Other	44,959	44,309
Allowance for doubtful accounts	(1,291)	(1,375)
Total current assets	607,919	548,209
Fixed assets:		
Buildings and structures *(Note 6)*	377,948	358,043
Accumulated depreciation and accumulated impairment losses	(229,556)	(218,630)
Net buildings and structures	148,391	139,412
Machinery and vehicles	609,015	562,769
Accumulated depreciation and accumulated impairment losses	(456,824)	(420,605)
Net machinery and vehicles	152,191	142,163
Tools, furniture and fixtures	71,812	67,563
Accumulated depreciation and accumulated impairment losses	(58,259)	(56,086)
Net tools, furniture and fixtures	13,553	11,477
Land *(Note 6)*	47,583	47,068
Leased assets	4,865	4,051
Accumulated depreciation and accumulated impairment losses	(3,135)	(2,491)
Net leased assets	1,729	1,559
Construction in progress	19,819	17,689
Goodwill	71,396	19,327
Investments in securities *(Note 20)*	125,440	107,621
Long-term loans receivable	2,820	3,559
Deferred tax assets *(Note 7)*	3,986	11,671
Net defined benefit assets	698	339
Allowance for doubtful accounts	(299)	(303)
Allowance for investment losses	(186)	(152)
Other	60,043	43,521
Total fixed assets	647,170	544,956
Total assets	¥1,255,090	¥1,093,165

	March 31,	
	2015	2014
	(Millions of yen)	
Liabilities and net assets		
Current liabilities:		
Notes and accounts payable	¥ 114,488	¥ 104,711
Short-term borrowings	87,191	14,641
Commercial paper	15,000	—
Current portion of corporate bonds	15,000	14,999
Current portion of long-term borrowings	18,677	7,011
Accrued income taxes	7,725	8,497
Provision for bonuses	7,601	5,953
Provision for bonuses of directors and corporate auditors	420	319
Provision for shareholder special benefit program	200	—
Other	92,288	79,394
Total current liabilities	358,594	235,529
Long-term liabilities:		
Corporate bonds *(Note 5)*	19,994	34,993
Long-term borrowings *(Note 5)*	54,152	69,435
Deferred tax liabilities *(Note 7)*	13,028	13,423
Accrued retirement benefits for directors and others	427	415
Provision for loss on guarantees	564	—
Allowance for environmental measures	648	342
Liability for retirement benefit *(Note 8)*	43,631	61,845
Asset retirement obligations	509	555
Other	20,048	21,117
Total long-term liabilities	153,006	202,128
Net assets:		
Shareholders' equity *(Notes 9 and 10)*:		
Common stock:		
Authorized: 2015 and 2014 – 1,000,000,000 shares		
Issued: 2015 – 594,470,654 shares	79,863	—
2014 – 614,115,654 shares	—	79,863
Capital surplus	53,725	83,443
Retained earnings	536,170	501,945
Treasury stock at cost:		
2,663,656 shares in 2015 and 20,523,658 shares in 2014	(4,070)	(31,085)
Total shareholders' equity	665,689	634,168
Accumulated other comprehensive income:		
Unrealized holding gain (loss) on securities	22,783	13,043
Unrealized gain (loss) from hedging instruments	223	(26)
Translation adjustments	(4,655)	(31,668)
Adjustments for retirement benefits	(14,465)	(20,567)
Total accumulated other comprehensive income	3,886	(39,218)
Minority interests	73,913	60,557
Total net assets	743,489	655,507
Contingent liabilities *(Note 16)*		
Total liabilities and net assets	¥1,255,090	¥1,093,165

See accompanying notes to consolidated financial statements.

Consolidated Statements of Income/Consolidated Statements of Comprehensive Income

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Ajinomoto Co., Inc. and Consolidated Subsidiaries

	Year ended March 31,	
	2015	2014
	(Millions of yen)	
Net sales	¥1,006,630	¥951,359
Cost of sales *(Note 11)*	659,509	635,594
Gross profit	347,121	315,765
Selling, general and administrative expenses *(Note 12)*	272,601	253,957
Operating income	74,519	61,807
Other income (expenses)		
Interest income	2,873	2,129
Dividend income	1,147	1,067
Equity in earnings of non-consolidated subsidiaries and affiliates	5,177	3,360
Foreign exchange gain	1,675	699
Interest expense	(2,140)	(2,032)
Commission fee	(675)	(328)
Gain on abolishment of retirement benefit plan	9,290	—
Gain on transfer of benefit obligation relating to employees' pension fund	—	236
Gain on sale of shares in affiliated companies	—	2,315
Gain on liquidation of affiliated companies	—	1,005
Impairment losses *(Note 13)*	(10,486)	(624)
Loss on disposal of fixed assets	(1,757)	(1,222)
Loss on liquidation of affiliated companies	—	(859)
Payments for compensation	—	(664)
Other, net	(574)	5,670
	4,529	10,754
Income before income taxes and minority interests	79,049	72,561
Income taxes *(Note 7)*:		
Current	18,932	16,896
Deferred	4,741	7,679
Refund of income taxes for prior periods	—	(1,603)
	23,673	22,972
Minority interests	(8,880)	(7,429)
Net income *(Note 17)*	¥ 46,495	¥ 42,159

See accompanying notes to consolidated financial statements.

	Year ended March 31,	
	2015	2014
	(Millions of yen)	
Income before minority interests	¥ 55,375	¥49,588
Other comprehensive income		
Unrealized holding gain (loss) on securities	8,929	3,479
Unrealized gain (loss) from hedging instruments	143	10
Translation adjustments	34,129	14,793
Adjustments for retirement benefits	6,110	5,650
Share of other comprehensive income of equity-method affiliates	1,459	722
Total other comprehensive income	50,771	24,657
Comprehensive income *(Note 14)*	¥106,147	¥74,245
(Breakdown)		
Comprehensive income attributable to Ajinomoto Co., Inc.'s shareholders	¥ 89,900	¥66,846
Comprehensive income attributable to minority interests	¥ 16,247	¥ 7,399

See accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Net Assets

Ajinomoto Co., Inc. and Consolidated Subsidiaries

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	Common stock	Capital surplus	Retained earnings	Treasury stock	Unrealized holding gain (loss) on securities	Unrealized gain (loss) from hedging instruments	Translation adjustments	Adjustments for retirement benefits	Minority interests	Total net assets
	(Millions of yen)									
Balance at April 1, 2013	¥79,863	¥112,757	¥482,501	¥ (2,817)	¥ 9,419	¥(141)	¥(46,295)	—	¥56,423	¥691,710
Cumulative effects of changes in accounting policies			(10,315)				0	¥(26,887)	(185)	(37,388)
Restated balance at April 1, 2013	¥79,863	¥112,757	¥472,185	¥ (2,817)	¥ 9,419	¥(141)	¥(46,294)	¥(26,887)	¥56,237	¥654,322
Changes for the year ended March 31, 2014										
Cash dividends paid			(12,440)							(12,440)
Net income			42,159							42,159
Change in scope of consolidation			41							41
Purchases of treasury stock				(57,584)						(57,584)
Disposal of treasury stock		(29,313)		29,316						2
Net changes in items other than those in shareholders' equity					3,624	115	14,625	6,320	4,320	29,006
Total changes for the year ended March 31, 2014	—	(29,313)	29,759	(28,267)	3,624	115	14,625	6,320	4,320	1,185
Balance at March 31, 2014	¥79,863	¥ 83,443	¥501,945	¥(31,085)	¥13,043	¥ (26)	¥(31,668)	¥(20,567)	¥60,557	¥655,507
Balance at April 1, 2014	¥79,863	¥ 83,443	¥501,945	¥(31,085)	¥13,043	¥ (26)	¥(31,668)	¥(20,567)	¥60,557	¥655,507
Cumulative effects of changes in accounting policies										
Restated balance at April 1, 2014	¥79,863	¥ 83,443	¥501,945	¥(31,085)	¥13,043	¥ (26)	¥(31,668)	¥(20,567)	¥60,557	¥655,507
Changes for the year ended March 31, 2015										
Cash dividends paid			(11,854)							(11,854)
Net income			46,495							46,495
Change in scope of consolidation			(310)					(300)		(611)
Change in scope of equity method			(57)							(57)
Change in retained earnings at subsidiaries resulting from change in fiscal year end			(47)							(47)
Purchases of treasury stock				(2,706)						(2,706)
Disposal of treasury stock		(29,718)		29,721						2
Net changes in items other than those in shareholders' equity					9,739	249	27,013	6,402	13,355	56,760
Total changes for the year ended March 31, 2015	—	(29,718)	34,224	27,014	9,739	249	27,013	6,102	13,355	87,981
Balance at March 31, 2015	¥79,863	¥ 53,725	¥536,170	¥ (4,070)	¥22,783	¥ 223	¥ (4,655)	¥(14,465)	¥73,913	¥743,489

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Consolidated Statements of Cash Flows

Ajinomoto Co., Inc. and Consolidated Subsidiaries

	Year ended March 31, 2015 (Millions of yen)	2014
I. Cash flows from operating activities		
Income before income taxes and minority interests	¥ 79,049	¥ 72,561
Depreciation and amortization	43,376	45,746
Loss on impairment of fixed assets	10,486	624
Amortization of goodwill and negative goodwill	2,201	1,589
Insurance income	(330)	(1,189)
Increase (decrease) in allowance for doubtful accounts	(56)	252
Increase (decrease) in provision for bonuses	1,461	354
Increase (decrease) in provision for bonuses of directors and corporate auditors	97	(5)
Increase (decrease) in liabilities for retirement benefits	(1,957)	(3,005)
Increase (decrease) in allowance for directors' retirement benefits	12	(103)
Increase (decrease) in allowance for environmental measures	306	(38)
Increase (decrease) in allowance for investment losses	90	152
Increase (decrease) in provision for loss on guarantees	564	—
Interest and dividend income	(4,020)	(3,196)
Interest expense	2,140	2,032
Equity in earnings of non-consolidated subsidiaries and affiliates	(5,177)	(3,360)
Loss (gain) on sales of investment securities	(12)	(54)
Loss (gain) on revaluation of investment securities	3	52
Loss (gain) on sales and disposal of tangible fixed assets	598	(1,430)
Loss (gain) on sales of shares in affiliates	—	(2,315)
Loss (gain) on liquidation of affiliates	—	(1,005)
Loss (gain) on transfer of benefit obligation relating to employees pension fund	—	(236)
Gain on abolishment of retirement benefit plan	(9,290)	—
Decrease (increase) in notes and accounts receivable	92	2,095
Increase (decrease) in notes and accounts payable	2,605	(6,212)
Decrease (increase) in inventories	(4,768)	(1,377)
Increase (decrease) in accrued consumption tax	3,258	2,501
Decrease (increase) in other current assets	(9,232)	5,073
Increase (decrease) in other current liabilities	1,642	(6,986)
Other	4,129	(1,447)
Subtotal	117,270	101,070
Insurance fees received	100	1,189
Retirement benefits for employment transfers paid, etc.	—	(3,080)
Interest and dividends received	5,370	4,559
Interest paid	(2,166)	(2,034)
Income taxes paid	(11,344)	(40,214)
Refund of income taxes for prior periods	28	1,526
Net cash provided by operating activities	109,259	63,017

	Year ended March 31, 2015 (Millions of yen)	2014
II. Cash flows from investing activities		
Acquisition of tangible fixed assets	(45,056)	(47,864)
Proceeds from sales of tangible fixed assets	1,819	6,448
Acquisition of intangible assets	(3,875)	(5,391)
Acquisition of investment securities	(129)	(62)
Proceeds from sales of investment securities	15	101
Acquisition of investments by subsidiaries resulting in change in scope of consolidation	(91,461)	—
Acquisition of investments in subsidiaries resulting in change in scope of consolidation	—	(15,708)
Acquisition of shares of affiliates	(2,456)	(5,104)
Proceeds from sales of shares in affiliates	—	7,572
Decrease (increase) in term deposits	(572)	502
Payments for long-term loans receivable	(150)	(3,942)
Other	1,475	(46)
Net cash used in investing activities	(140,391)	(63,497)
III. Cash flows from financing activities		
Net change in short-term borrowings	72,939	376
Commercial paper	15,000	—
Proceeds from long-term debt	3,022	45,000
Repayment of long-term debt	(7,025)	(4,137)
Redemption of bonds	(15,000)	(20,000)
Cash dividends paid	(11,855)	(12,437)
Distribution of dividends to minority shareholders	(2,794)	(2,840)
Decrease (increase) in money held in trusts for repurchase of treasury stock	2,520	(2,520)
Acquisition of treasury stock	(2,707)	(57,584)
Sales of treasury stock	2	2
Other	(1,279)	(1,108)
Net cash provided by (used in) financing activities	52,822	(55,248)
IV. Effect of exchange rate changes on cash and cash equivalents	12,071	958
V. (Decrease) increase in cash and cash equivalents	33,762	(54,770)
VI. Cash and cash equivalents at the beginning of the year	130,028	184,770
Increase in cash and cash equivalents on merger of nonconsolidated subsidiaries	1,356	28
Increase in cash and cash equivalents resulting from change in fiscal year end of consolidated subsidiaries	13	—
VII. Cash and cash equivalents at the end of the year	¥165,160	¥130,028

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Ajinomoto Co., Inc. and Consolidated Subsidiaries
March 31, 2015

1. Notes regarding Significant Items for the Preparation of Consolidated Financial Statements

a. Basis of presentation

The accompanying consolidated financial statements of Ajinomoto Co., Inc. (the "Company") and its consolidated subsidiaries are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan and are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

As permitted by the Financial Instruments and Exchange Law, amounts of less than one million yen have been omitted. Consequently, the totals shown in the accompanying consolidated financial statements do not necessarily agree with the sum of the individual amounts.

Certain amounts in the prior years' financial statements have been reclassified to conform to the current year's presentation.

b. Scope of consolidation

(1) Number of consolidated subsidiaries

99 companies

(2) Names of main non-consolidated subsidiaries

Ajinomoto Genexine Co., Ltd.

(Reasons for exclusion from scope of consolidation)

Subsidiaries classified as non-consolidated are all small, and none has total assets, sales, current year net income (corresponding to the percentage of shares held), retained earnings (corresponding to the percentage of shares held), etc. that materially impact the consolidated financial statements.

(3) The newly acquired Windsor Quality Holdings, LP (hereafter "Windsor") and its 8 subsidiaries have been included in the scope of consolidated subsidiaries. KYODO ACE LOGISTICS CORPORATION and PT Ajinomoto Sales Indonesia have been included in the scope of consolidated subsidiaries as they have become more material. FREC DESSERT CO., LTD. has been removed from the scope of consolidated subsidiaries as a result of liquidation.

c. Scope of application of the equity method

(1) Number of non-consolidated subsidiaries accounted for by the equity method

3 overseas companies

Names of main companies:

Si Ayutthaya Realestate Co., Ltd., Erawan Industrial Development Co., Ltd.

(2) Number of affiliated companies accounted for by the equity method

8 companies

Names of main companies:

Ajinomoto General Foods, Inc., J-OIL MILLS, INC., Nissin-Ajinomoto Alimentos Ltda.

(3) As consolidated net income and retained earnings (corresponding to the percentage of shares held) of non-consolidated subsidiaries not accounted for by the equity method (such as Ajinomoto Genexine Co., Ltd.) and affiliated companies not accounted for by the equity method (such as Kükre A.⊠.) are immaterial to the consolidated results and therefore these companies have immaterial impact, they are not included in the scope of the equity method.

(4) AET Manufacturing Co., Ltd. has been removed from the scope of the equity method, as it has commenced liquidation proceedings, and has become immaterial to the consolidated financial statements.

d. Fiscal year, etc. of consolidated subsidiaries and affiliated companies accounted for by the equity method

The fiscal year end of Windsor and 23 other consolidated subsidiaries is December 31. Of these, 15 companies prepare their financial statements as of March 31 for consolidation purposes. With regard to the other companies, the Company used their financial statements as of their own fiscal year end in the preparation of the consolidated financial statements, making adjustments, if necessary, for significant transactions that occurred in the period from their fiscal year end to the consolidated fiscal year end.

From the fiscal year ended March 31, 2015, in order to provide more appropriate disclosures in the consolidated financial statements, Ajinomoto-Genetika Research Institute has changed to a method in which it prepares provisional financial statements as of the consolidated fiscal year end of March 31, for consolidation purposes. In accordance with this change, profit or loss for the period from January 1, 2014 to March 31, 2014 has been incorporated as an adjustment of retained earnings, and cash flow has been recorded as an increase in cash and cash equivalents resulting from the change in fiscal year end of consolidated subsidiaries.

Of the companies accounted for by the equity method, Nissin-Ajinomoto Alimentos Ltda. and 1 other company have a fiscal year end of December 31. Of this total, 1 company prepares its financial statements as of March 31 for consolidation purposes. With regard to the other companies, the companies used their financial statements as of their own fiscal year end in the preparation of the consolidated financial statements, making adjustments, if necessary, for significant transactions that occurred in the period from their fiscal year end to the consolidated fiscal year end.

e. Accounting policies

(1) Valuation standards and methods for significant assets

1) Marketable securities

Other securities:

Other securities for which market value is available are stated at market value at the fiscal year end and the changes in market value, net of applicable income taxes, are directly charged or credited to net assets. The cost of such securities sold is mainly determined by the moving-average method.

Other securities for which a price is not available are stated at cost, mainly determined by the moving-average method.

2) Derivatives

Derivatives are carried out at fair value. However, with respect to interest rate swaps for which criteria for special treatment are met, special treatment is, in principle, applied. Total treatment is applied with respect to interest rate and currency swaps, in cases where criteria for total treatment (special treatment, appropriated treatment) are met.

3) Inventories

Inventories of the Company and its domestic consolidated subsidiaries are mainly stated at cost determined by the average method (in cases where the profitability has declined, the book value is reduced accordingly). Inventories of overseas consolidated subsidiaries are mainly stated at the lower of cost or market, cost being determined by the average method.

(2) Depreciation and amortization of significant depreciable assets

1) Tangible fixed assets (excluding leased assets)

The Company and its consolidated subsidiaries recognize their depreciation expense mainly by using the straight-line method. The range of useful life is from 3 to 50 years for buildings and structures and from 2 to 20 years for machinery and vehicles.

2) Intangible fixed assets (excluding leased assets)

Amortization of intangible fixed assets is mainly calculated by the straight-line method for the Company and its consolidated subsidiaries. Computer software held by the Company and its domestic consolidated subsidiaries for internal use is amortized by the straight-line method over the estimated useful life (5 years).

3) Leased assets

The straight-line method is applied with the useful life of the asset being the lease term and the residual value being zero. Finance lease transactions that do not transfer ownership, for which the starting date of the lease was March 31, 2008 or earlier, are accounted for as operating leases.

(3) Accounting for significant reserves

1) Allowance for doubtful accounts

An allowance for doubtful accounts is provided for possible bad debts at the amount estimated based on historical bad debt experience for normal receivables and by reference to the individual collectability of specific doubtful receivables.

2) Provision for bonuses

At certain consolidated subsidiaries, a provision for bonuses for employees has been provided based on the estimated amount to be paid to employees.

3) Accrued retirement benefits for directors and others

At the Company and certain domestic consolidated subsidiaries, accrued retirement benefits for directors and others are provided at the amount required to be paid in accordance with internal rules in order to provide for payment of severance benefits to those directors and others.

The Company abolished the system of payment of severance benefits to directors in June 2007, and has decided to pay severance benefits at the time of retirement with respect to the period in which the system was applied.

4) Provision for loss on guarantees

In preparation for payment relating to loss on guarantees, an allowance has been recorded for the estimated amount of loss to be incurred in consideration of the financial position of the guaranteed parties and other factors.

5) Provision for bonuses of directors and corporate auditors

In preparation for the payment of provision for bonuses of directors and corporate auditors, a provision for bonuses of directors and corporate auditors has been provided for the amount of payment expected for the fiscal year ended March 31, 2015.

6) Allowance for environmental measures

In preparation for payment relating to disposal of polychlorinated biphenyl (PCB) and other wastes, an allowance for environmental measures has been provided for the amount of costs expected to be incurred.

7) Provision for shareholder special benefit program

In preparation for payment relating to the shareholder special benefit program, a provision for shareholder special benefit program has been provided for the amount of payment expected, based on past results, to be incurred in the fiscal year ending March 31, 2016.

(4) Accounting for retirement benefits for employees

1) Method of attributing expected benefit to periods

In calculating retirement benefit obligations, the method of attributing expected benefit to the fiscal year is based on the benefit formula.

2) Method for processing actuarial gains and losses and prior service cost

Prior service cost is amortized by the straight-line method over a period within the average remaining service years for employees (mainly 10 years) at the time of recognition. Actuarial gain and loss is amortized by the straight-line method over a period within the average remaining service years for employees (mainly 10 years) at the time of recognition, and allocated proportionately from the fiscal year following the respective fiscal year of recognition.

(Additional information)

On January 31, 2015, the Ajinomoto Group employees' pension fund, of which a number of consolidated subsidiaries and affiliate companies are members, received approval for its dissolution from the Minister of Health, Labour and Welfare under the Employees' Pension Insurance Act. Accordingly, on February 1, 2015, these consolidated subsidiaries and affiliate companies shifted from the pension fund plan to principally, a defined contribution pension plan.

As a result, other income of ¥9,290 million was recorded in the fiscal year ended March 31, 2015.

(5) Translation of significant assets and liabilities denominated in foreign currencies into yen

Monetary assets and liabilities denominated in foreign currencies have been translated into yen at the rates of exchange in effect at the fiscal year end. The resulting exchange gain or loss is charged or credited to income. Assets and liabilities of overseas subsidiaries have been translated into yen at the exchange rates in effect as of the fiscal year end, and revenues and expenses of overseas subsidiaries have been translated into yen at the average rates prevailing during the fiscal year. The resulting translation differences are included in minority interests and translation adjustments in net assets.

(6) Hedge accounting

1) Hedge accounting method

The Company and its consolidated subsidiaries adopt deferred hedge accounting.

Special treatment is, in principle, applied with respect to interest rate swaps, in cases where criteria for special treatment are met. Total treatment is applied with respect to interest rate and currency swaps, in cases where criteria for total treatment (special treatment, appropriated treatment) are met.

2) Means of hedging and transactions subject to hedging

Foreign exchange forward contracts	Forecasted transactions and sales transactions pertaining to the acquisition of stock of or investments in affiliated companies denominated in foreign currencies
Interest rate swaps	Interest paid on borrowings
Interest rate and currency swaps	Interest paid on borrowings, foreign currency borrowings

3) Hedging policy

The Company and some of its consolidated subsidiaries hedge foreign exchange rate risk and interest rate risk for certain transactions, mainly those that are financially significant and that can be recognized individually, based on internal rules for derivative transactions.

4) Methods for evaluating the effectiveness of hedges

Assessment of hedge effectiveness is not undertaken for forward exchange contracts, as the material conditions pertaining to the hedging instrument and the hedged item are identical. For interest rate swaps and interest rate and currency swaps for which special treatment is applied, evaluation of effectiveness is not conducted.

(7) Amortization of goodwill

As a general rule, goodwill is amortized on a straight-line basis over its estimated useful life. However, immaterial goodwill is charged or credited to expense or income at the time of acquisition.

(8) Scope of "Cash and cash equivalents" in the consolidated statements of cash flows

"Cash and cash equivalents" covers cash on hand, deposits with immediate liquidity, and easily convertible short term investments with low risk of price fluctuation that mature within three months of acquisition.

(9) Other significant items for the preparation of consolidated financial statements

1) Accounting for consumption taxes

Transactions of the Company and domestic consolidated subsidiaries subject to consumption tax and/or regional consumption tax are recorded at amounts exclusive of the consumption tax. Unearned consumption tax is included in 'Current assets – Other', while unpaid consumption tax is included in 'Current liabilities – Other.'

2) Adoption of consolidated tax accounting system

The Company and some of its consolidated subsidiaries adopt the consolidated taxation system, with Ajinomoto Co., Inc. as the consolidated taxable parent company.

3) Recognition of revenue from finance lease transactions

Revenue from finance lease transactions is not recorded in sales, but instead recorded by allocating the corresponding amount of interest to each period.

2. Changes in Accounting Policies, Changes in Accounting Estimates and Retrospective Restatements

Changes in Internal Standards for Recording Sales

Some discounts provided to customers for sales promotion purposes (hereafter "sales promotion discounts, etc.") mainly by the home-use business and restaurant-use business in the domestic food products segment, were previously recorded as sales commissions in selling, general and administrative expenses at the time that the payment amount was fixed. However, from the fiscal year ended March 31, 2015, the Group has changed to the same method used in the overseas food products segment and the bioscience products and fine chemicals segment, in which sales promotion discounts, etc., are deducted from gross sales at the time the sales are recorded.

Under the Group's management policy of further promoting global expansion, and amid an environment in which the ratio of overseas sales is increasing from year to year, this change has been implemented based on the recognition of a greater need to improve its ability to compare actual business conditions across each segment and each region, conduct more detailed business management practices, and present operating results more adequately. Based on this recognition, a factual investigation was conducted across the Group regarding the definition of sales promotion discounts, etc., their scope, the accounting methods used and other matters, with the aim of unifying standards for recording net sales—an important indicator of business performance across all segments. After making progress with regard to the consideration of necessary administrative processes and system development, as of the fiscal year ended March 31, 2015, preparation for this change in the internal standards of recording sales has been completed.

This accounting change has been applied retrospectively and the consolidated financial statements for the fiscal year ended March 31, 2014, have been restated.

As a result of this change, for the fiscal year ended March 31, 2014, sales and gross profit have decreased by ¥39,973 million, selling, general and administrative expenses have decreased by ¥39,232 million, and operating income, ordinary income and income before income taxes have each decreased by ¥740 million. Additionally, in the consolidated balance sheet for the fiscal year ended March 31, 2014, other current liabilities and deferred tax assets (current assets) have increased by ¥5,495 million and by ¥1,515 million, respectively.

The impact on net assets at the beginning of the fiscal year ended March 31, 2014, has been reflected as an adjustment, resulting in a decrease of ¥3,339 million in retained earnings.

Details regarding the impact of this change on segment information and per share information and are stated in the "*Segment Information*" and "*Per Share Information*" sections.

Changes in Accounting Policies for Items Difficult to Distinguish from Changes in Accounting Estimates

Changes in Method for Calculation of Depreciation of Tangible Fixed Assets, and Revision of Useful Lives

Formerly, the Company and its domestic consolidated subsidiaries determined depreciation of tangible fixed assets principally using the declining-balance method. However, from the fiscal year ended March 31, 2015, the Company and its domestic consolidated subsidiaries have changed to the straight-line method. At the same time, revisions have been made to the useful lives of tangible fixed assets of the Company and its domestic and overseas consolidated subsidiaries, in accordance with their actual status of physical and functional use.

Under the Group's management policy of further promoting global expansion, and amid an environment in which the ratio of overseas sales is increasing each year, progress is being made to strengthen overseas production functions. In these circumstances, in the formulation of the 2014-2016 Medium-Term Management Plan the Company decided to revise the depreciation method based on the business conditions across all domestic and overseas businesses, with the objective of improving its ability to compare actual business conditions across each segment and each region.

As a result, with operations at both domestic and overseas production facilities expected to remain stable, the Company decided that allocating depreciation expenses equally over the course of the useful lifespan of the tangible fixed assets using the straight-line method would be a more appropriate representation of the Group's actual situation.

With these changes in accounting policies and revision of accounting estimates, operating income for the fiscal year ended March 31, 2015, has increased by ¥3,302 million, and ordinary income and income before income taxes have each increased by ¥3,758 million compared to the previously used method.

For details regarding the impact of this change on segment information, please refer to the "*Segment Information*" section.

3. Standards Issued but Not Yet Effective

- Accounting Standard for Business Combinations (Accounting Standards Board of Japan (ASBJ) Statement No. 21 of September 13, 2013)
- Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10 of September 13, 2013)
- Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22 of September 13, 2013)
- Accounting Standard for Business Divestitures (ASBJ Statement No. 7 of September 13, 2013)
- Accounting Standard for Earnings Per Share (ASBJ Statement No. 2 of September 13, 2013)
- Guidance on Accounting Standard for Earnings Per Share (ASBJ Guidance No. 4 of September 13, 2013)

(1) Outline

The main revisions are as follows.

- In cases where the parent company continues to have control, differences arising from changes in holdings of equity-method subsidiaries are now recorded in capital surplus. The previous accounting standard category of 'minority interests' has changed to 'non-controlling interests' under the new standard.
- Acquisition expenses for business combinations are now treated as expenses in the consolidated financial statements for the year in which they arise.
- In cases where provisional accounting treatments are confirmed in the fiscal year following the year in which the business combination occurs, when consolidated financial statements for both years are presented, any change to the allocation of the acquisition price arising from confirmation of the provisional accounting treatment must be reflected in the consolidated financial statements for the year in which the business combination occurred.
- The previous accounting standard category of "net income before minority interests" has changed to 'net income' under the new standard. Concomitant with this change, the previous accounting standard category of "net income" has changed to "profit (loss) attributable to owners of parent."

(2) Scheduled date of adoption

These accounting standards and guidance will be adopted from the start of the fiscal year ending March 31, 2016. Provisional accounting treatment will be applied to business combinations that are implemented on or after the start of the fiscal year ending March 31, 2016.

(3) Impact of adoption of these accounting standards and guidance

The Company is currently evaluating the impact on the consolidated financial statements as a result of the adoption of these accounting standards and guidance.

4. Supplementary Cash Flow Information

The following is a summary of the assets acquired and liabilities assumed of Windsor Quality Holdings, LP as of the acquisition date, which were included in consolidation upon the acquisition of all outstanding shares of Windsor Quality Holdings, LP during the year ended March 31, 2015.

	2015
	(Millions of yen)
Current assets	¥17,316
Fixed assets	32,567
Total assets	¥49,884
Current liabilities	¥ 9,644
Total liabilities	¥ 9,644

5. Short-Term Borrowings and Long-Term Debt

Short-term borrowings at March 31, 2015 and 2014 consisted of the following:

	2015	2014
	(Millions of yen)	
Short-term borrowings	¥ 87,191	¥14,641
Commercial paper	15,000	–
	¥102,191	¥14,641

The average annual interest rate applicable to the short-term borrowings at March 31, 2015 was 0.53 %.

Long-term debt at March 31, 2015 and 2014 consisted of the following:

	2015	2014
	(Millions of yen)	
Bonds without collateral:		
0.71% bonds due 2016	¥ 15,000	¥ 15,000
1.37% bonds due 2015	–	14,999
1.89% bonds due 2021	19,994	19,993
Loans from banks, insurance companies and government-sponsored agencies:		
With collateral	–	23
Without collateral	72,830	76,424
	107,824	126,438
Current portion	(33,677)	(22,011)
	¥ 74,147	¥104,429

The annual maturities of long-term debt subsequent to March 31, 2015 are summarized as follows:

Year ending March 31,	(Millions of yen)
2016	¥ 33,677
2017	3,611
2018	16,612
2019	3,609
2020 and thereafter	50,315
	¥107,824

Other interest-bearing debt at March 31, 2015 and 2014 was as follows:

	2015	2014
	(Millions of yen)	
Lease obligations (current)	¥ 585	¥ 679
Lease obligations (non-current)	1,014	1,220
	¥1,599	¥1,899

The annual maturities of lease obligations subsequent to March 31, 2015 are summarized as follows:

Year ending March 31,	(Millions of yen)
2016	¥ 585
2017	406
2018	261
2019	190
2020 and thereafter	157
	¥1,599

6. Pledged Assets

The assets pledged as collateral for the current portion of long-term debt, and long-term debt at March 31, 2015 and 2014 consisted of the following:

	2015	2014
	(Millions of yen)	
Buildings and structures (Book value)	¥—	¥175
Land (Book value)	—	499
Total	¥—	¥674

7. Income Taxes

The Company and its domestic consolidated subsidiaries are subject to a number of taxes based on income which, in the aggregate, resulted in statutory tax rates of 35.6% and 38.0% for the years ended March 31, 2015 and 2014, respectively. Income taxes of the foreign consolidated subsidiaries are based generally on the tax rates applicable in their countries of incorporation.

The effective tax rates reflected in the consolidated statements of income and comprehensive income for the years ended March 31, 2015 and 2014 differ from the statutory tax rates for the following reasons:

	2015	2014
Statutory tax rates	35.6%	38.0%
Effect of:		
Amortization of goodwill	1.0	0.8
Equity in earnings of affiliates	(2.3)	(1.8)
Special deduction of income taxes	(0.8)	(0.2)
Different tax rates applied to income of foreign consolidated subsidiaries	(8.4)	(9.9)
Impairment loss	1.3	—
Changes in tax rate for income and other taxes	0.3	1.1
Other, net	3.3	3.5
Effective tax rates	29.9%	31.7%

The significant components of deferred tax assets and liabilities at March 31, 2015 and 2014 were as follows:

	2015	2014
	(Millions of yen)	
Deferred tax assets:		
Liability for retirement benefits, etc.	¥ 12,340	¥ 18,324
Loss carried forward	12,271	13,174
Loss on impairment of fixed assets	5,801	6,233
Consolidated eliminations	4,723	2,465
Accrued bonuses for employees, etc.	4,161	4,090
Period expenses	3,113	3,094
Depreciable assets, etc.	2,416	2,615
Loss on devaluation of securities	1,916	1,913
Other	8,016	6,119
Gross deferred tax assets	54,761	58,030
Valuation allowance	(20,815)	(19,328)
Total deferred tax assets	33,946	38,701
Deferred tax liabilities:		
Reserves under Special Taxation Measures Law	(14,628)	(14,749)
Unrealized holding gain (loss) on securities	(5,863)	(3,394)
Reserve for advanced depreciation of fixed assets	(4,824)	(5,586)
Gain (loss) on land under consolidation	(2,398)	(2,390)
Other	(7,788)	(5,503)
Total deferred tax liabilities	(35,504)	(31,625)
Net deferred tax assets	¥ (1,558)	¥ 7,076

Note: As outlined in Notes to the Consolidated Financial Statements, 2. Changes in Accounting Policies, Changes in Accounting Estimates and Retrospective Restatements, amounts have been restated retrospectively in accordance with a change in internal standards for the recording of sales. The impact of changes in internal standards for recording sales has been reflected in the figures for "Period expenses" of the fiscal year ended March 31, 2014.

Adjustment of amounts of deferred tax assets and deferred tax liabilities due to changes in tax rate for income taxes

In line with the promulgation on March 31, 2015 of the "Act on Partial Revision of the Income Tax Act, etc." (Act No. 9) and the "Act on Partial Revision of the Local Tax Act, etc." (Act No. 2), the corporate tax rate imposed on the Company and its domestic consolidated subsidiaries shall be amended from the year beginning April 1, 2015. As a result, the normal effective statutory tax rate, which is used in the calculation of deferred tax assets and deferred tax liabilities, has changed from 35.6% to 33.1% for temporary differences expected to be realized during the year ended March 31, 2016, and 32.3% thereafter.

The effect of this change was to reduce deferred tax assets (net of deferred tax liabilities) and "Adjustments for retirement benefits" by ¥36 million and ¥184 million, respectively, while increasing "Income taxes-deferred," "Unrealized gain (loss) from hedging instruments" and "Unrealized holding gain (loss) on securities" by ¥219 million, ¥65 million and ¥302 million, respectively, as of and for the year ended March 31, 2015.

8. Retirement Benefit Plans

1. Outline of adopted retirement benefit plans

The Company and its domestic consolidated subsidiaries have defined benefit plans, i.e., corporate pension fund plans, welfare pension fund plans and lump-sum payment plans. Some consolidated subsidiaries use the simplified method for the calculation of liabilities for retirement benefits and retirement benefit cost. The Company and certain consolidated subsidiaries have defined contribution plans in addition to defined benefit plans.

On January 31, 2015, the Ajinomoto Group employees' pension fund, of which a number of consolidated subsidiaries and affiliate companies are members, received approval for its dissolution from the Minister of Health, Labour and Welfare under the Employees' Pension Insurance Act. Accordingly, on February 1, 2015, these consolidated subsidiaries and affiliate companies shifted from the pension fund plan to principally, a defined contribution pension plan.

As a result, other income of ¥9,290 million was recorded in the fiscal year ended March 31, 2015.

2. Defined benefit plans

(1) Changes of beginning and ending balances of retirement benefit obligation

	2015	2014
	(Millions of yen)	
Beginning balance of retirement benefit obligation	¥242,729	¥263,769
Service cost	6,845	7,004
Interest cost	2,806	2,732
Actuarial gain or loss	7,102	2,197
Payment of retirement benefits	(12,067)	(12,331)
Decrease due to abolishment of retirement benefit plan	(23,652)	—
Decrease due to transfer of benefit obligation relating to welfare pension fund	—	(21,309)
Change in scope of consolidation	1,457	—
Other	1,475	667
Ending balance of retirement benefit obligation	¥226,696	¥242,729

(2) Changes of beginning and ending balances of plan assets

	2015	2014
	(Millions of yen)	
Beginning balance of pension assets	¥181,223	¥190,682
Expected return on plan assets	4,442	4,202
Actuarial gain or loss	9,744	6,348
Contributions by the Company	12,102	12,051
Payment of retirement benefits	(11,373)	(11,914)
Decrease due to abolishment of retirement benefit plan	(13,064)	—
Decrease due to transfer of benefit obligation relating to welfare pension fund	—	(21,073)
Other	689	927
Ending balance of pension assets	¥183,763	¥181,223

(3) Reconciliation of the ending balance of retirement benefit obligation and pension assets, and the book value of liabilities and assets for retirement benefits

	2015	2014
	(Millions of yen)	
Funded retirement benefit obligation	¥ 216,861	¥ 233,713
Pension assets	(183,763)	(181,223)
	33,097	52,489
Unfunded retirement benefit obligation	9,835	9,016
Net amount of liabilities and assets in consolidated balance sheet	42,932	61,505
Liabilities for retirement benefits	43,631	61,845
Assets for retirement benefits	(698)	(339)
Net amount of liabilities and assets in consolidated balance sheet	¥ 42,932	¥ 61,505

Note:1. The public portion of welfare pension fund plans is included in the figures for the fiscal year ended March 31, 2014.

(4) Retirement benefit costs and other details

	2015	2014
	(Millions of yen)	
Service cost	¥ 6,845	¥ 7,004
Interest cost	2,806	2,732
Expected return on plan assets	(4,442)	(4,202)
Amortization of prior service cost	31	(1,478)
Amortization of actuarial gain or loss	5,071	5,106
Other	286	74
Retirement benefit costs for defined benefit plans	¥10,599	¥ 9,237

Notes: 1. Employee contributions to the welfare pension fund plans are not included in the amounts shown.
2. Retirement benefit costs at consolidated subsidiaries using the simplified method are recorded in "Service cost."
3. In addition to the above, other income of ¥9,290 million is recorded due to the abolishment of the Ajinomoto Group employees' pension fund.

(5) Adjustments for retirement benefits included in other comprehensive income

The amounts before tax effect consisted of the following:

	2015	2014
	(Millions of yen)	
Prior service cost	¥ 31	¥(1,454)
Actuarial gain or loss	8,685	9,283
Other	(27)	—
Total	¥8,689	¥ 7,829

(6) Adjustments for retirement benefits included in accumulated other comprehensive income

The amounts before tax effect consisted of the following:

	2015	2014
	(Millions of yen)	
Unrecognized prior service cost	¥ (681)	¥ (712)
Unrecognized actuarial gain or loss	(18,127)	(26,386)
Total	¥(18,808)	¥(27,098)

(7) Pension assets

① Details of main pension assets

The breakdown of plan assets for each major classification

	2015	2014
	(%)	
Fixed income securities	54	50
Equity securities	25	24
Insurance company general accounts	19	19
Cash and deposits	1	1
Other	1	6
Total	100	100

② Long-term expected rate of return on plan assets

Long-term expected rate of return on plan assets is determined considering the pension asset allocation and long-term expected return on plan assets composed of various kinds of assets, at the present and in the future.

(8) Basis of actuarial calculation

	As of March 31, 2015
Discount rate	Mainly 0.9%
Long-term expected return on plan assets	Mainly 2.5%

3. Defined contribution plans

The Company and its consolidated subsidiaries were obligated to contribute ¥944 million and ¥960 million to the plan for the years ended March 31, 2015 and 2014, respectively.

9. Shareholders' Equity

The Corporation Law of Japan provides that an amount equal to 10% of the amount to be distributed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the common stock account. Such distributions can be made at any time by resolution of the shareholders or by the Board of Directors if certain conditions are met, but neither the capital reserve nor the legal reserve is available for distributions.

10. Dividends

Dividends paid for the years ended March 31, 2015 and 2014 are outlined as follows:

Year ended March 31, 2015					
Resolution	Type of shares	Total amount of dividends	Dividends per share	Record date	Effective date
		Millions of yen	Yen		
Annual general meeting of the shareholders on June 27, 2014	Common stock	¥5,935	¥10	March 31, 2014	June 30, 2014
Meeting of the Board of Directors on November 6, 2014	Common stock	¥5,918	¥10	September 30, 2014	December 3, 2014

Year ended March 31, 2014					
Resolution	Type of shares	Total amount of dividends	Dividends per share	Record date	Effective date
		Millions of yen	Yen		
Annual general meeting of the shareholders on June 27, 2013	Common stock	¥6,325	¥10	March 31, 2013	June 28, 2013
Meeting of the Board of Directors on November 6, 2013	Common stock	¥6,115	¥10	September 30, 2013	December 4, 2013

The following dividends have a record date during the year ended March 31, 2015 but an effective date during the year ending March 31, 2016:

Resolution	Type of shares	Total amount of dividends	Dividends per share	Record date	Effective date
		Millions of yen	Yen		
Annual general meeting of the shareholders on June 26, 2015	Common stock	¥8,285	¥14	March 31, 2015	June 29, 2015

11. Cost of Sales

Inventories as of March 31, 2015 were written down due to lower profitability and unrealized loss on inventories included in cost of sales was ¥1,716 million. There was a reversal of write-down as of March 31, 2014 and unrealized gain on inventories included in cost of sales was ¥365 million.

12. Selling, General and Administrative Expenses

"Selling, general and administrative expenses" consisted of the following:

	2015	2014
	(Millions of yen)	
Logistics expenses	¥ 37,315	¥ 31,143
Advertising expenses	25,278	21,421
Sales promotion expenses	23,859	24,316
Sales commissions	1,871	1,273
Salaries	46,955	43,989
Provision for accrued bonuses	18,039	17,097
Retirement benefit expenses	7,333	5,782
Depreciation and amortization	9,528	9,687
Research and development expenses	32,228	31,962
Amortization of goodwill	2,201	1,589
Other	67,989	65,693
Total	¥272,601	¥253,957

Research and development expenses included in manufacturing costs and selling, general and administrative expenses for the years ended March 31, 2015 and 2014 were ¥32,228 million and ¥31,962 million, respectively.

13. Impairment Loss

Year ended March 31, 2015

The main assets with respect to which impairment losses were recorded in the fiscal year ended March 31, 2015 are as follows. In addition to these, other impairment losses of ¥440 million were also recorded.

Location	Use	Classification
France	Manufacturing facilities	Buildings and structures, Machinery and vehicles, etc.
China (Hong Kong, other)	Other	Goodwill
Belgium	Manufacturing facilities	Buildings and structures, Machinery and vehicles, etc.

The Ajinomoto Group mainly groups assets in accordance with management accounting business categories. Furthermore, important idle assets and assets leased to others are grouped according to each individual asset.

With respect to the manufacturing facilities of the umami seasonings business, etc. in France, as demand in European markets has cooled and decreases in sales revenue due to intensified competition with other companies continue to create losses, and as prospects for future recovery are currently poor, the book value has been reduced to the recoverable amount. The amount, recorded as other expenses under impairment losses, is ¥5,900 million, broken down into buildings and structures, ¥1,438 million, machinery and vehicles, ¥4,284 million, and other, ¥177 million. The recoverable amount was determined based on value in use, with future cash flow calculated at a 8.7% discount.

With respect to goodwill recorded in the overseas food business and domestic food business at the time of the acquisition of a Chinese liquid seasoning and frozen foods business in China (Hong Kong, other), as their prospects for generating additional earnings power are poor, the book value of the aforementioned businesses has been reduced in full, with an impairment loss of ¥2,887 million recorded.

With respect to the pharmaceutical custom manufacturing business in Belgium, amid considerations to transfer a portion of the business, the difference between the book value and the recoverable amount of relating assets has been recorded as other expenses under impairment losses. The amount of the impairment loss recorded is ¥1,257 million, broken down into buildings and structures of ¥369 million, machinery and vehicles of ¥731 million, and other of ¥156 million. The recoverable amount was determined based on the net selling value, which was estimated based on the scheduled transfer amount.

14. Consolidated Statements of Comprehensive Income

Reclassification adjustments and tax effects relating to other comprehensive income for the years ended March 31, 2015 and 2014 are as follows.

	2015	2014
	(Millions of yen)	
Unrealized holding gain (loss) on securities:		
Amount arising during the year	¥11,567	¥ 4,101
Reclassification adjustments	(44)	(9)
Before tax effect	11,522	4,092
Tax effect	(2,593)	(612)
Unrealized holding gain (loss) on securities	8,929	3,479
Unrealized gain (loss) from hedging instruments:		
Amount arising during the year	137	15
Reclassification adjustments	—	—
Before tax effect	137	15
Tax effect	6	(5)
Unrealized gain (loss) from hedging instruments	143	10
Translation adjustments:		
Amount arising during the year	34,129	15,483
Reclassification adjustments	—	(1,005)
Before tax effect	34,129	14,477
Tax effect	—	315
Translation adjustments	34,129	14,793
Adjustments for retirement benefits:		
Amount arising during the year	3,312	3,950
Reclassification adjustments	5,376	3,878
Before tax effect	8,689	7,829
Tax effect	(2,578)	(2,178)
Adjustments for retirement benefits:	6,110	5,650
Share of other comprehensive income of equity-method affiliates:		
Amount arising during the year	1,539	492
Reclassification adjustments	(80)	230
Share of other comprehensive income of equity-method affiliates	1,459	722
Total other comprehensive income	¥50,771	¥24,657

15. Lease Transactions

a. Lessees' Accounting

The following pro forma amounts represent the acquisition costs, accumulated depreciation and net book value of the leased assets at March 31, 2015 and 2014, which would have been reflected in the consolidated balance sheets if finance lease accounting had been applied to the finance leases currently accounted for as operating leases:

	March 31, 2015			
	Acquisition costs	Accumulated depreciation	Accumulated impairment loss	Net book value
	(Millions of yen)			
Buildings and structures	¥1,310	¥ 57	¥1,187	¥ 65
Machinery	101	70	—	31
Equipment	133	96	—	37
Other	—	—	—	—
Total	¥1,545	¥223	¥1,187	¥133

	March 31, 2014			
	Acquisition costs	Accumulated depreciation	Accumulated impairment loss	Net book value
	(Millions of yen)			
Buildings and structures	¥1,326	¥ 65	¥1,187	¥ 73
Machinery	297	233	—	64
Equipment	252	165	—	86
Other	—	—	—	—
Total	¥1,876	¥464	¥1,187	¥225

Lease payments relating to finance leases accounted for as operating leases in the accompanying consolidated financial statements amounted to ¥50 million and ¥102 million, which were equal to the depreciation of the leased assets computed by the straight-line method over the respective lease terms, for the years ended March 31, 2015 and 2014, respectively. The reversals of impairment loss applicable to the above lease payments for the years ended March 31, 2015 and 2014 amounted to ¥52 million and ¥68 million, respectively.

Future minimum lease payments (including the interest portion thereon) subsequent to March 31, 2015 for finance leases accounted for as operating leases are summarized as follows:

Year ending March 31,	(Millions of yen)
2016	¥ 93
2017 and thereafter	728
Total	¥821
Accumulated impairment loss on leased assets	¥678

Future minimum lease payments subsequent to March 31, 2015 for operating leases are summarized as follows:

Year ending March 31,	(Millions of yen)
2016	¥ 2,197
2017 and thereafter	12,114
Total	¥14,312

b. Lessors' Accounting

Future minimum lease income subsequent to March 31, 2015 for operating leases is summarized as follows:

Year ending March 31,	(Millions of yen)
2016	¥178
2017 and thereafter	229
Total	¥408

16. Contingent Liabilities

At March 31, 2015 and 2014, the Company and its consolidated subsidiaries had the following contingent liabilities. Guarantees are for loans from financial institutions undertaken by unconsolidated subsidiaries or employees.

	2015	2014
	(Millions of yen)	
As guarantor of indebtedness of unconsolidated subsidiaries, affiliates and employees:		
Granules OmniChem Private Ltd.	¥2,345	¥2,549
Healthcare Committee Inc.	340	491
New Season Foods	240	154
Employees	7	11
Ajinomoto de Mexico S. de R.L.. de C.V.	6	6
Kyodo Ace Butsuryu	—	1
	¥2,939	¥3,214

17. Amounts Per Share

Amounts per share as of and for the years ended March 31, 2015 and 2014 were as follows:

	2015	2014
	(Yen)	
Net income	¥ 78.54	¥ 68.67
Net assets	1,131.41	1,002.29

Net income per share is computed based on the net income available for distribution to shareholders of common stock and the weighted average number of shares of common stock outstanding during the year, and amounts per share of net assets are computed based on the net assets excluding minority interests and the number of shares of common stock outstanding at the year end.

Note: As outlined in Notes to the Consolidated Financial Statements, 2. Changes in Accounting Policies, Changes in Accounting Estimates and Retrospective Restatements, amounts have been restated retrospectively in accordance with a change in internal standards for the recording of sales. As a result of this change, for the fiscal year ended March 31, 2014, "Total net assets on the balance sheet" has decreased by ¥3,979 million, "Net assets per share" has decreased by ¥6.69, "Net income" and "Net income attributable to common stock" have each decreased by ¥636 million, and "Net income per share" has decreased by ¥1.3.

18. Related Party Transactions

For the year ended March 31, 2015

Attribute	Name	Domicile	Capitalization (Millions of yen)	Nature of operation	Equity ownership by the Company	Relationship: Operational relationship	Nature of transaction	Transaction amount (Millions of yen)	Account	Balance at year end (Millions of yen)
Affiliate	Ajinomoto General Foods, Inc.	Shinjuku-ku, Tokyo	¥3,862	Beverages	50.0% Direct	Purchase of goods and resale Interlocking and secondment of directors	Purchasing goods, etc.	¥128,697	Notes and accounts payable	¥23,472

Terms and policies of transaction, etc.

The Company is the sole agent and the price is determined by reference to contract, with the final selling price serving as the basis. These sole agent sales are recorded in the accounts using a method of netting off sales and cost of goods sold and are disclosed on a net basis. However, in the "Notes regarding Related Party Transactions" they are disclosed on a gross basis.

As the Company adopts the tax exclusion method, the transaction price excludes consumption tax, etc., although the debt and credit balances are included.

For the year ended March 31, 2014

Attribute	Name	Domicile	Capitalization (Millions of yen)	Nature of operation	Equity ownership by the Company	Relationship: Operational relationship	Nature of transaction	Transaction amount (Millions of yen)	Account	Balance at year end (Millions of yen)
Affiliate	Ajinomoto General Foods, Inc.	Shinjuku-ku, Tokyo	¥3,862	Beverages	50.0% Direct	Purchasing goods and resale Interlocking and secondment of directors	Purchasing goods, etc.	¥145,855	Notes and accounts payable	¥24,269

Terms and policies of transaction, etc.

The Company is the sole agent and the price is determined by reference to contract, with the final selling price serving as the basis. These sole agent sales are recorded in the accounts using a method of netting off sales and cost of goods sold and are disclosed on a net basis. However, in the "Notes regarding Related Party Transactions" they are disclosed on a gross basis.

As the Company adopts the tax exclusion method, the transaction price excludes consumption tax, etc., although the debt and credit balances are included.

19. Financial Instruments

a. Status of financial instruments

(1) Policy for financial instruments

The Company and its consolidated subsidiaries undertake fund procurement using commercial paper, bond issuances, borrowings from financial institutions and other methods, aiming to balance direct and indirect financing with long-term and short-term financing needs while considering procurement costs and risk diversification. With respect to cash management, funds are allocated only to saving and other financial instruments with low risk. Derivative transactions are undertaken only for the purposes of hedging risks outlined below, and as a matter of policy, are not undertaken for speculative purposes.

(2) Characteristics and risks of financial instruments

Trade notes and accounts receivable form part of the customer credit risk faced by the Company. Foreign currency-denominated notes and accounts receivable are also subject to risk from foreign exchange rate fluctuations, but this risk is mainly hedged through the adoption of forward foreign exchange contracts. Investment securities primarily comprise stock in transaction partner companies, and are subject to the risk of changes in stock market prices.

Trade notes and accounts payable are mainly settled within one year. Foreign currency-denominated trade notes and accounts payable are subject to risk from foreign exchange rate fluctuations, but this risk is mainly hedged through the adoption of forward foreign exchange contracts. A certain amount of borrowings is undertaken using floating interest rates and is therefore subject to risk from movements in interest rates, but this is hedged through the adoption of interest-rate swaps.

Derivative transactions undertaken include forward foreign exchange contracts and currency swaps to hedge the risk associated with foreign currency-denominated payables and receivables, and interest rate swaps are undertaken to hedge interest rate risk associated with borrowings, lending to Group companies and other such activities.

Hedge accounting details with regard to hedging instruments, hedged transactions, hedging policy and assessment of hedge effectiveness are outlined in "Hedge accounting" in the previous section, "1. Notes regarding Significant Items for the Preparation of Consolidated Financial Statements."

(3) System for financial instruments risk management

1) Credit risk management (risks of transaction partners failing to honor contracts, etc.)

Each business and sales management division within the Company conducts periodic monitoring of key transaction partners to assess risks associated with notes and accounts receivable. In addition to monitoring due dates and amounts outstanding, the Company assesses the financial status of transaction partners with the aim of identifying and minimizing any heightened risks. The same system of risk management is used at consolidated subsidiaries.

In managing the risks of derivative positions, counterparty risk is minimized by entering into transactions only with financial institutions with high credit ratings.

The Company's maximum potential exposure to credit risk is shown in the balance sheet as of March 31, 2015.

2) Market risk management (risk of changes in exchange rates, interest rates, etc.)

In managing foreign currency denominated accounts payable and receivable, the Company and certain consolidated subsidiaries assess exchange rate movement risk by currency on a monthly basis, and hedge such risks through forward foreign exchange contracts and currency swaps. Given the nature of the foreign exchange market, forward foreign exchange contracts are in principle limited to a six-month period, applicable to foreign currency denominated assets or liabilities for which planned transactions are deemed certain to take place. The Company and certain consolidated subsidiaries also undertake interest-rate swaps for the purpose of controlling risk associated with movements in interest rates on borrowings.

Investment securities are periodically assessed with respect to market value and the financial status of the issuing entity (transaction partner), and the merits or otherwise of holding such securities are continually reviewed, taking into account the Company's relationship with respective transaction partners.

Derivative transactions are undertaken by the finance division, based on a system that places limits on transaction authorizations and amounts. The performance of transactions is periodically reported to directors responsible for the finance division and to the management committee. Transaction management at consolidated subsidiaries is undertaken in the same manner.

3) Funding procurement liquidity risk management (risk of being unable to meet due dates)

The Company and main domestic consolidated subsidiaries have adopted a cash management system for the purposes of reducing consolidated interest-bearing debt and reducing liquidity risk. The system is managed in such a way as to ensure that available liquidity, including the unused portion of commitment lines established by the Company, is maintained at a certain level. Main overseas consolidated subsidiaries maintain a similar level of liquidity on a company-by-company basis.

(4) Supplementary explanation on fair value of financial instruments

The fair value of financial instruments is based on market price for items having a market price. For items not having a market price, the fair value is calculated based on reasonable estimates. As a number of variables are incorporated in such estimates, the fair values are subject to change as a result of the use of different assumptions in the calculations. Furthermore, with respect to the contract prices of derivative transactions in "Note 21. Derivative Transactions," the amounts do not indicate the market risk relating to the derivative transactions.

b. Fair value of financial instruments

The book values, fair values and any differences as of March 31, 2015 were as follows:

	Book value in consolidated financial statements	Estimated fair value	Difference
	(Millions of yen)		
(1) Cash and cash equivalents	¥168,294	¥168,294	—
(2) Notes and accounts receivable	202,980	202,980	—
(3) Marketable securities and investment securities Investments in stock of subsidiaries and affiliates	21,708	18,922	¥(2,786)
Other marketable securities	48,139	48,139	—
Total assets	¥441,123	¥438,337	¥(2,786)
(1) Notes and accounts payable	¥114,488	¥114,488	—
(2) Short-term borrowings	87,191	87,191	—
(3) Commercial paper	15,000	15,000	
(4) Current portion of corporate bonds	15,000	15,000	—
(5) Current portion of long-term debt	18,677	18,677	—
(6) Corporate bonds	19,994	21,754	¥ 1,759
(7) Long-term debt	54,152	55,241	1,088
Total liabilities	324,505	327,354	¥ 2,848
Derivative transactions*	¥ 6,778	¥ 6,778	—

The assets or liabilities arising from derivative transactions are shown as a net amount.

The book values, fair values and any differences as of March 31, 2014 were as follows:

	Book value in consolidated financial statements	Estimated fair value	Difference
	(Millions of yen)		
(1) Cash and cash equivalents	¥132,416	¥132,416	—
(2) Notes and accounts receivable	200,115	200,115	—
(3) Marketable securities and investment securities Investments in stock of subsidiaries and affiliates	20,243	12,449	¥(7,794)
Other marketable securities	36,656	36,656	—
Total assets	¥389,432	¥381,638	¥(7,794)
(1) Notes and accounts payable	¥104,711	¥104,711	—
(2) Short-term borrowings	14,641	14,641	—
(3) Current portion of corporate bonds	14,999	14,999	—
(4) Current portion of long-term debt	7,011	7,011	—
(5) Corporate bonds	34,993	36,964	¥ 1,971
(6) Long-term debt	69,435	69,422	(13)
Total liabilities	245,794	247,751	¥ 1,957
Derivative transactions*	¥ 72	¥ 72	—

The assets or liabilities arising from derivative transactions are shown as a net amount.

Note 1: Method of calculating fair value of financial instruments, and notes relating to investment securities and derivative transactions.

Assets

(1) Cash and cash equivalents, and (2) Notes and accounts receivable

These items are recorded at book value, as the short settlement period means that fair value and book value are effectively the same.

(3) Marketable securities and investment securities

The fair value of equities is based on prices at listing exchanges. The fair value of bonds is based on prices at listing exchanges or transaction prices disclosed by financial institutions. For notes relating to marketable securities according to holding purpose of such securities, please refer to "Note 20. Securities."

Liabilities

(1) Notes and accounts payable, (2) Short-term borrowings, (3) Commercial paper, (4) Current portion of corporate bonds and (5) Current portion of long-term debt

These items are recorded at book value, as the short settlement period means that fair value and book value are effectively the same.

(6) Corporate bonds

The fair value of bonds issued by the Company is based on market price for those items having a market price. The fair value of items without a market price is calculated based on the current total amount of principal and interest, discounted for the remaining period of each bond and adjusted for credit risk.

(7) Long-term debt

The fair value of long-term debt with fixed interest rates is calculated based on the current total amount of principal and interest, discounted by the expected interest rate if the debt were refinanced at current rates. The book value is used for the fair value of long-term debt with floating interest rates, as the fair value of such debt is almost identical to its book value, because it reflects market rates over the short term.

Derivative transactions

Interest-rate swaps for which the exceptional treatment is applied are accounted for together with the fair value of the underlying long-term debt, and the fair value is included in the fair value of the long-term debt, as such swaps are treated as a single item incorporating the hedged long-term debt. For information relating to derivative transactions, please refer to "Note 21. Derivative Transactions."

Note 2: Financial instruments as of March 31, 2015 for which the appraisal of fair value is recognized as being extremely difficult.

	Amount recorded on consolidated balance sheet
	(Millions of yen)
Investments in stock of subsidiaries and affiliates	
Unlisted shares	¥53,407
Other securities	
Unlisted shares	2,121
Unlisted domestic bonds	0
Money management funds etc.	672
Total	¥56,200

These are items that do not have a market value and for which estimating future cash flows would incur excessive costs. Accordingly, appraising the fair value of such items is recognized as being extremely difficult, and they are excluded from "Assets (3) Marketable securities and investment securities."

Note 3: Planned redemptions subsequent to March 31, 2015 for monetary claims and marketable securities with maturities

	2016	2017 and thereafter
	(Millions of yen)	
Cash and cash equivalents	¥168,294	—
Notes and accounts receivable	202,980	—
Investment securities		
"Other marketable securities" with maturities	—	—

Note 4: Planned repayments subsequent to March 31, 2015 for corporate bonds and long-term debt

	Corporate bonds	Long-term debt
Year ending	(Millions of yen)	
2016	¥15,000	¥18,677
2017	—	3,611
2018	—	16,612
2019	—	3,609
2020	—	2
2021 and thereafter	20,000	30,316

20. Securities

a. Information regarding marketable securities classified as other securities with fair value at March 31, 2015 and 2014 was as follows:

	March 31, 2015		
	Carrying value	Acquisition cost	Difference
	(Millions of yen)		
Securities whose carrying value exceeds their acquisition cost:			
Stocks	¥48,118	¥21,276	¥26,842
Bonds			
Government bonds, etc.	—	—	—
Corporate bonds	—	—	—
Other bonds	—	—	—
Other	—	—	—
Subtotal	48,118	21,276	26,842
Securities whose acquisition cost exceeds their carrying value:			
Stocks	21	28	(7)
Bonds			
Government bonds, etc.	—	—	—
Corporate bonds	—	—	—
Other bonds	—	—	—
Other	—	—	—
Subtotal	21	28	(7)
Total	¥48,139	¥21,305	¥26,834

	March 31, 2014		
	Carrying value	Acquisition cost	Difference
	(Millions of yen)		
Securities whose carrying value exceeds their acquisition cost:			
Stocks	¥36,521	¥21,133	¥15,387
Bonds			
Government bonds, etc.	—	—	—
Corporate bonds	—	—	—
Other bonds	—	—	—
Other	—	—	—
Subtotal	36,521	21,133	15,387
Securities whose acquisition cost exceeds their carrying value:			
Stocks	135	152	(17)
Bonds			
Government bonds, etc.	—	—	—
Corporate bonds	—	—	—
Other bonds	—	—	—
Other	—	—	—
Subtotal	135	152	(17)
Total	¥36,656	¥21,286	¥15,370

b. Sales of securities classified as other securities

Taking its materiality into consideration, the records are omitted.

c. Securities recognized as impaired

Taking its materiality into consideration, the records are omitted.

21. Derivative Transactions

a. Summarized below are the notional amounts and the estimated fair value of the derivatives positions, for which hedge accounting is not applied, outstanding at March 31, 2015 and 2014:

1) Currency-related transactions

	March 31, 2015		
	Notional amount	Fair value	Unrealized gain (loss)
	(Millions of yen)		
Forward foreign exchange contracts:			
Sell:			
USD	¥17,359	¥ (360)	¥ (360)
EUR	13,331	876	876
JPY	2,239	14	14
HKD	968	(412)	(412)
PLN	685	11	11
PEN	644	(138)	(138)
BRL	477	(2)	(2)
THB	57	(3)	(3)
SGD	47	(0)	(0)
Buy:			
USD	4,395	54	54
JPY	1,274	(16)	(16)
PEN	541	28	28
EUR	251	(1)	(1)
THB	207	0	0
SGD	202	(1)	(1)
HKD	21	(0)	(0)
Currency swaps			
Receive/THB and pay/JPY	48,284	6,724	6,724
Receive/THB and pay/USD	598	4	4
Total	¥91,590	¥6,778	¥6,778

Note: The fair values are calculated based on prices quoted by counterparty financial institutions.

	March 31, 2014		
	Notional amount	Fair value	Unrealized gain (loss)
	(Millions of yen)		
Forward foreign exchange contracts:			
Sell:			
USD	¥14,175	¥ (55)	¥ (55)
EUR	9,806	(633)	(633)
HKD	1,388	(236)	(236)
JPY	721	(5)	(5)
THB	58	(1)	(1)
PEN	465	(97)	(97)
SGD	58	(0)	(0)
Buy:			
USD	2,069	5	5
EUR	312	0	0
JPY	1,554	2	2
SGD	15	(0)	(0)
HKD	13	0	0
THB	110	0	0
PEN	272	0	0
Currency swaps			
Receive/JPY and pay/USD	167	(40)	(40)
Receive/THB and pay/JPY	28,836	1,190	1,190
Receive/THB and pay/USD	464	(41)	(41)
Total	¥60,490	¥ 89	¥ 89

Note: The fair values are calculated based on prices quoted by counterparty financial institutions.

b. Summarized below are the notional amounts and the estimated fair value of the derivatives positions for which hedge accounting is applied outstanding at March 31, 2015 and 2014:

1) Interest-related transactions

	March 31, 2015	
	Notional amount	Fair value
	(Millions of yen)	
Special treatment is applied with respect to interest-rate swaps for long-term debt:		
Pay/fixed and receive/floating	¥25,400	¥(935)
Receive/fixed and pay/floating	—	—
Total	¥25,400	¥(935)

Note: The fair values are calculated based on prices quoted by counterparty financial institutions.

	March 31, 2014	
	Notional amount	Fair value
	(Millions of yen)	
Special treatment is applied with respect to interest-rate swaps for long-term debt:		
Pay/fixed and receive/floating	¥32,400	¥(231)
Receive/fixed and pay/floating	12	0
Total	¥32,412	¥(231)

Note: The fair values are calculated based on prices quoted by counterparty financial institutions.

2) Currency-related transactions

	March 31, 2015	
	Notional amount	Fair value
	(Millions of yen)	
Interest rate and currency swaps for debt in foreign currency:		
Pay/fixed and receive/floating	¥44,399	¥(364)
Receive/USD and pay/JPY	—	—
Total	¥44,399	¥(364)

Note: The fair values are calculated based on prices quoted by counterparty financial institutions.

Fiscal year ended March 31, 2014

No applicable items

22. Business Combination

1. Business combination through acquisition

(1) Name of acquired company and outline of business

Name of acquired company

Windsor Quality Holdings, LP. ("Windsor").

Outline of business

Manufacture and sales of frozen foods.

(2) Reason for business combination

Led by management skilled in the frozen food business, Windsor has developed a broad distribution network in the US, with about 80,000 stores selling its products, including major retailers. It also has a strong food service operation with approximately 120,000 restaurants purchasing its products. In addition, Windsor has seven production facilities throughout the US and strong brands/positions in Asian, Mexican, Italian and appetizer segments, holding the top share for Asian products.

With this acquisition, the Company will redevelop its North American frozen food business portfolio with the goal of increasing its share in this growing market. The Company will launch new strategies focused on areas including strengthening existing brands in the Asian food category and creating new brands in the Japanese food category. Additionally, the Company will introduce the advanced production technologies of the Ajinomoto Group to improve productivity and increase the added value of Windsor products, with the aim of further strengthening the earnings base of the business. In sales channels, Ajinomoto Co. will use Windsor's strong retail and restaurant distribution network, to work towards its fiscal 2020 sales target of ¥100 billion for its frozen food business in North America, and secure its position as the clear No. 1 manufacturer in the Japanese/Asian frozen food market.

(3) Date of business combination

November 5, 2014

(4) Legal form of business combination

Acquisition of full equity interest with cash compensation

(5) Post-business combination company name

Windsor Quality Holdings, LP.

(6) Percentage of voting shares acquired

100%

(7) Main basis for determining acquired company

The Company's consolidated subsidiary Ajinomoto North America Inc. acquired propriety interest in Windsor with cash compensation

2. Period that Windsor Quality Holdings, LP. is included in the consolidated financial results for the fiscal year ended March 31, 2015

November 5, 2014 to December 31, 2014

3. Cost of acquisition and cost breakdown

Acquisition price	US$804 million (¥92,323 million)
Acquisition cost	US$804 million (¥92,323 million)

4. Amount of goodwill, reason for its occurrence, and amortization method and period.

(1) Amount of goodwill

US$454 million (¥52,082 million)

(2) Reason for its occurrence

Mainly due to the excess earning power expected from Windsor's solid brand power and customer base.

(3) Amortization method and period

Straight-line amortization over 15 years

5. Amount of assets and liabilities received on the day of business combination and main components

Current assets	¥17,316 million
Fixed assets:	¥32,567 million
Total assets:	¥49,884 million
Current liabilities	¥9,644 million
Total liabilities	¥9,644 million

6. Amount allocated as intangible assets other than goodwill, main components by category, and weighted average amortization period

Customer-related assets	US$29 million (¥3,326 million)	Amortization period: 15 years
Trademark-related assets	US$79 million (¥9,152 million)	Amortization period: 15 years
Manufacturing method-related assets	US$43 million (¥4,989 million)	Amortization period: 15 years

7. Estimated impact on the consolidated balance sheet as of March 31, 2015, assuming that the business combination was completed at the beginning of the fiscal year ended March 31, 2015, and the calculation method used

As it is difficult to estimate the amount, an estimate has not been prepared. The note has not undergone an audit certification.

23. Segment Information

a. Segment information

Year ended March 31, 2015

1. Overview of reporting segments

The Company's reporting segments mainly consist of product-based segments, with the food products business further subdivided into domestic and overseas segments. The Company has four reporting segments: domestic food products, overseas food products, bioscience products and fine chemicals, and pharmaceuticals.

Among the Group's units, separate financial information is also obtainable for each reporting segment, and the Board of Directors and the Management Committee regularly consider these segments in order to decide on allocation of business resources and evaluate business performance.

The product categories and products belonging to each reporting segment are as follows.

Reporting Segment	Product Category	Main Products
Domestic Food Products	Seasonings and Processed Foods	Umami seasoning *AJI-NO-MOTO®*, *HON-DASHI®*, *Ajinomoto KK Consommé*, *Cook Do®*, *Knorr® Cup Soup*, *Pure Select® Mayonnaise*, *Kelloggs®* products, savory seasonings, food enzyme *ACTIVA®*, lunchboxes and delicatessen products, bakery products, etc.
	Frozen Foods	*Gyoza*, *Yawaraka Wakadori Kara-Age*, *Puripuri-no-Ebi Shumai*, *Ebi-yose Fry*, *Fried rice with various ingredients*, etc.
Overseas Food Products	Consumer Foods	Umami seasoning *AJI-NO-MOTO®*, *Ros Dee®* (flavor seasoning), *Masako®* (flavor seasoning), *Aji-ngon®* (flavor seasoning), *Sazón®* (flavor seasoning), *YumYum®* (instant noodles), *VONO®* (soup), *Birdy®* (canned coffee), *Birdy®3in1* (powdered drink), etc.
	Umami Seasonings for Processed Food Manufacturers	Umami seasoning *AJI-NO-MOTO®* for the food processing industry, nucleotides
Bioscience Products and Fine Chemicals	Feed-Use Amino Acids	Feed-use Lysine, feed-use Threonine, feed-use Tryptophan
	Amino Acids	Arginine, glutamine, valine, leucine, isoleucine, and other amino acids, *PAL SWEET®*, aspartame, *Refresco MID®* (powdered juice), Pharmaceutical fine chemicals, etc.
	Specialty Chemicals	*Amisoft®*, *JINO®* (cosmetics), Insulation film for build-up printed wiring board, etc.
Pharmaceuticals	Pharmaceuticals	*LIVACT®* (branched-chain amino acid formula for liver disease), *ELENTAL®* (elemental diet), *FASTIC®* (antidiabetes agent), *ATELEC®* (calcium channel blocker), *ACTONEL®* (osteoporosis treatment), etc.

2. Methods of calculating amounts for net sales, income or loss, assets and other items by reporting segment

The accounting treatment methods for each reported business segment are broadly similar to those outlined in "Significant items for the preparation of consolidated financial statements." Reporting segment income figures are on an operating income basis. Internal sales between segments are mainly based on prices for third-party transactions.

Changes in internal standards for recording sales

As outlined in Notes to the Consolidated Financial Statements, "Changes in Accounting Policies, Changes in Accounting Estimates, and Retrospective Restatements," amounts have been restated retrospectively in accordance with the change in accounting policy for the recording of sales. As a result of this change, for the fiscal year ended March 31, 2014, domestic food products sales have decreased by ¥37,608 million, and operating income has decreased by ¥383 million; overseas food products sales have decreased by ¥871 million and operating income has decreased by ¥185 million; bioscience products and fine chemicals sales have decreased by ¥426 million and operating income has decreased by ¥136 million; pharmaceuticals operating income has decreased by ¥29 million; and other business sales have decreased by ¥1,067 million and operating loss has increased by ¥6 million.

Changes in depreciation method of tangible fixed assets, and revision of useful life

Due to changes in depreciation method of tangible fixed assets and the revision of useful lives, compared to the previously used method, for the fiscal year ended March 31, 2015, domestic food products operating income has increased by ¥1,207 million, overseas food products operating income has increased by ¥1,156 million, bioscience products and fine chemicals operating income has increased by ¥467 million, pharmaceuticals operating income has increased by ¥314 million, and other business operating income has increased by ¥156 million.

3. Information on sales, income or loss, assets and other items by reporting segment

Excel File Download

Year ended March 31, 2015

	(Millions of yen)						
	Reporting segments				Other Business*1	Adjustment amount*2	Consolidated
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharma-ceuticals			
Sales							
(1) Sales to third parties	¥321,814	¥326,789	¥239,544	¥39,704	¥ 78,777	–	¥1,006,630
(2) Intra-group sales and transfers	876	5,572	3,142	92	46,745	¥ (56,429)	–
Total sales	322,691	332,361	242,687	39,797	125,523	(56,429)	1,006,630
Segment income	23,822	34,154	17,073	2,155	(2,686)	–	74,519
Segment assets	292,706	239,620	262,610	41,686	150,021	268,445	1,255,090
Other							
Depreciation and amortization	8,344	12,794	13,836	1,272	2,128	5,001	43,376
Increase in tangible and intangible fixed assets	12,689	15,134	15,205	1,071	1,971	4,858	50,930

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

Note 2. Adjustments are as follows:

(1) Adjustments of ¥268,445 million for segment assets mainly includes, 'Corporate' assets of ¥307,234 million and intersegment offsetting of receivables against payables of minus ¥38,451 million. 'Corporate' assets primarily consist of the Group's cash and cash equivalents, long-term investments, land not used in operations, and certain assets associated with administrative divisions and research facilities.

(2) Adjustments of ¥5,001 million for 'Depreciation' is depreciation related to 'Corporate' assets.

(3) Adjustments of ¥4,858 million for 'Increase in tangible and intangible fixed assets' is the acquisition cost of tangible and intangible fixed assets related to 'Corporate' assets.

Year ended March 31, 2014

	(Millions of yen)						
	Reporting segments				Other Business*1	Adjustment amount*2	Consolidated
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharma-ceuticals			
Sales							
(1) Sales to third parties	¥299,925	¥292,366	¥228,102	¥51,228	¥ 79,736	–	¥ 951,359
(2) Intra-group sales and transfers	1,888	6,190	5,610	78	44,631	¥ (58,399)	–
Total sales	301,814	298,557	233,712	51,307	124,367	(58,399)	951,359
Segment income	27,045	25,046	6,393	3,812	(491)	–	61,807
Segment assets	197,237	300,352	283,447	53,817	133,399	124,911	1,093,165
Other							
Depreciation and amortization	9,575	13,241	13,298	2,133	2,061	5,436	45,746
Increase in tangible and intangible fixed assets	8,517	14,975	16,498	1,299	2,606	6,749	50,647

Note 1. Other business includes the business tie-ups, the wellness business, the packaging business, the logistics business and other service businesses.
Note 2. Adjustments are as follows:
(1) Adjustments of ¥124,911 million for segment assets mainly includes, 'Corporate' assets of ¥214,231 million and intersegment offsetting of receivables against payables of minus ¥88,919 million. 'Corporate' assets primarily consist of accumulated working capital, long-term investments, land not used in operations, and certain assets associated with administrative divisions and research facilities.
(2) Adjustments of ¥5,436 million for 'Depreciation' is depreciation related to 'Corporate' assets.
(3) Adjustments of ¥6,749 million for 'Increase in tangible and intangible fixed assets' is the acquisition cost of tangible and intangible fixed assets related to 'Corporate' assets.

b. Related information

Excel File Download

Information by geographical area

As of and for the year ended March 31, 2015

(1) Sales

	(Millions of yen)				
	Japan	Asia	America	Europe	Total
Sales	¥438,263	¥276,864	¥182,008	¥109,494	¥1,006,630
Percentage of total consolidated sales	43.5%	27.5%	18.1%	10.9%	100.0%

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

(2) Tangible fixed assets

	(Millions of yen)				
	Japan	Asia	America	Europe	Total
Tangible fixed assets	¥150,221	¥110,956	¥72,990	¥49,101	¥383,269

As of and for the year ended March 31, 2014

(1) Sales

	(Millions of yen)				
	Japan	Asia	America	Europe	Total
Sales	¥449,480	¥246,573	¥145,932	¥109,371	¥951,359
Percentage of total consolidated sales	47.2%	25.9%	15.3%	11.5%	100.0%

Note 1. Sales are based on the location of customers and are classified by country or region.
Note 2. The impact of changes in internal standards for recording sales has been reflected in the figures for the nine-month period of the fiscal year ended March 31, 2014.
As a result, Japan sales have decreased ¥39,100 million, Asia sales have decreased ¥873 million, and the percentage of total consolidated sales has decreased by 2.1% for Japan, increased by 0.9% for Asia, increased 0.6% for Americas, and increased by 0.5% for Europe.

(2) Tangible fixed assets

	(Millions of yen)				
	Japan	Asia	America	Europe	Total
Tangible fixed assets	¥143,515	¥96,253	¥57,414	¥62,186	¥359,370

c. Impairment losses on fixed assets by reporting segment

As of and for the year ended March 31, 2015

	(Millions of yen)						
	Reporting segments				Other Business	Adjustment amount	Total
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharma-ceuticals			
Impairment losses	¥1,458	¥7,351	¥1,676	–	–	–	¥10,486

As of and for the year ended March 31, 2014

	(Millions of yen)						
	Reporting segments				Other Business	Adjustment amount	Total
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharma-ceuticals			
Impairment losses	¥42	¥5	¥409	¥166	–	–	¥624

d. Amortization of goodwill and outstanding balance by reporting segment

As of and for the year ended March 31, 2015

	(Millions of yen)						
	Reporting segments				Other Business	Adjustment amount	Total
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharma-ceuticals			
Amortization	¥ 978	¥148	¥ 1,074	–	–	–	¥ 2,201
Outstanding balance	54,922	–	16,474	–	–	–	71,396

As of and for the year ended March 31, 2014

	(Millions of yen)						
	Reporting segments				Other Business	Adjustment amount	Total
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharma-ceuticals			
Amortization	¥ 381	¥ 148	¥ 1,058	–	–	–	¥ 1,589
Outstanding balance	2,462	1,748	15,116	–	–	–	19,327

e. Gains on negative goodwill by reporting segment

Year ended March 31, 2015

No applicable items.

Year ended March 31, 2014

No applicable items.

24. Subsequent Event

Business combination through acquisition

1. Outline of business combination

(1) Name of acquired company and business outline

Name of acquired company: Ajinomoto General Foods, Inc. (hereafter "AGF")

Business outline: Manufacture and sales of food and beverage products

(2) Reason for business combination

AGF was established in 1973 as a joint venture between Ajinomoto Co. and General Foods Corporation (currently Mondeléz Internationa Inc.; hereafter Mondeléz) of the United States. In the coffee business in Japan, AGF has created new markets for 3 in 1 and other products and has continued to provide new value adapted to consumer needs. With both marketing and technological capabilities, AGF holds the top share in Japan in the home-use coffee products market (excluding canned coffee) and has been expanding sales in the restaurant and institutional-use business. Currently, AGF provides a wide range of high-quality, delicious beverage products in addition to coffee, including tea and cocoa. Ajinomoto Co. and Mondeléz have been holding ongoing discussions on AGF's operating format. Motivated by the current global reorganization of Mondeléz's coffee business, Ajinomoto Co. had considered making AGF a consolidated subsidiary, which led to the agreement.

As part of its aim to become "a genuine global specialty company," Ajinomoto Co. is reinforcing its business structure and working to expand into adjacent business domains (products adjacent to existing product domains and adjacent markets) for rapid growth. After making AGF a consolidated subsidiary, Ajinomoto Co. intends to expand AGF's business scale together with its current management and employees. Both companies will reinforce their business structures by promoting cooperation in each division and generate synergy in new product development and production by leveraging their common core of powdered and processed products.

(3) Date of business combination

April 23, 2015

(4) Legal form of business combination

Acquisition of stock with cash compensation

(5) Post-business combination company name

Ajinomoto General Foods, Inc.

(6) Percentage of voting shares acquired

Percentage of voting shares held immediately before business combination: 50%

Percentage of voting shares additionally acquired: 50%

Percentage of total voting shares held following acquisition: 100%

(7) Primary basis of decision to acquire the company

The Company acquired AGF stock with cash compensation

(8) Other transaction information

Although 5% of shares in AGF have been sold to the Company's consolidated subsidiary Ajinomoto Co., (Thailand) Ltd. after additional acquisition by the Company, the Ajinomoto Group's percentage of total voting shares is 100%.

2. Acquisition cost and price breakdown

The acquisition cost is currently being calculated.

The price of the additionally acquired stocks as of the date of the business combination is ¥27,000 million.

3. Amount of goodwill, reason for its occurrence, and amortization method and period

(1) Amount of goodwill

As the allotment of the acquisition price is not yet complete, this amount is currently undetermined.

(2) Amortization method and period

Undetermined at the present time.

4. Amount of assets and liabilities received on day of business combination and main components

Undetermined at the present time.

Changes in the classification of business segments

The Company's reporting segments in the fiscal year ended March 31, 2015 consisted of domestic food products, overseas food products, bioscience products and fine chemicals, and pharmaceuticals. However, from the fiscal year ending March 31, 2016, reporting segments will change to Japan food, international food, life support, and healthcare.

This change has been made due to the establishment of a new structure in line with the 2014-2016 Medium Term Management Plan.

The main changes will be the splitting of the bioscience products and fine chemicals segment into the life support and healthcare segments, and the business combination of the pharmaceuticals segment with the healthcare segment. Additionally, frozen foods, which was previously included in the domestic food products segment, will be split between the Japan food and international food segments; sweeteners, which was previously included in the bioscience products and fine chemicals segment will be moved to the international food segment; a portion of business tie-ups, which were previously included in other business, will be included in the Japan food segment; and the wellness business will be included in the healthcare segment.

Notes to Consolidated Financial Statements

Year ended March 31, 2015

	(Millions of yen)						
	Reporting segments				Other Business	Adjustment amount	Consolidated
	Japan Food	International Food	Life Support	Healthcare			
Sales							
(1) Sales to third parties	¥289,084	¥384,102	¥149,129	¥120,924	¥ 63,390	–	¥1,006,630
(2) Intra-group sales and transfers	1,633	26,025	3,438	6,776	46,606	¥(84,479)	–
Total sales	290,718	410,127	152,567	127,700	109,996	(84,479)	1,006,630
Segment income	24,799	31,984	14,356	3,123	255	–	74,519

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

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Independent Auditor's Report

The Board of Directors and Shareholders
Ajinomoto Co., Inc.

We have audited the accompanying consolidated financial statements of Ajinomoto Co., Inc. (the "Company") and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2015, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its consolidated subsidiaries as at March 31, 2015, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Emphasis of Matter

1. As described in Note 2, from the fiscal year ended March 31, 2015, the Ajinomoto Group has changed its accounting method for some discounts provided to customers for sales promotion purposes to a method in which sales promotion discounts, etc., are deducted from gross sales at the time sales are recorded.
2. As described in Note 2, the Company and its domestic consolidated subsidiaries have changed their depreciation method for tangible fixed assets from the fiscal year ended March 31, 2015. Furthermore, the Company and its domestic consolidated subsidiaries have revised the useful lives of their tangible fixed assets.
3. As described in Note 24, the Company acquired additional stock of Ajinomoto General Foods Inc. on April 23, 2015.
4. As described in Note 24, the Company will change the classification of business segments starting from the fiscal year ending March 31, 2016. The new reporting segments will consist of Japan food, international food, life support, and healthcare. This change has been made due to the establishment of a new structure in line with the 2014-2016 Medium Term Management Plan.

Our opinion is not qualified in respect of these matters.

Ernst & Young ShinNihon LLC

June 26, 2015

A member firm of Ernst & Young Global Limited

Major Subsidiaries and Affiliates

(As of March 31, 2015)

■ Consolidated subsidiary
■ Affiliate accounted for by the equity method

Company Name	Country	Capital Stock (Thousands)	Ratio of Voting Rights (%)[1]	Major Business
Japan				
■ Ajinomoto Frozen Foods Co., Inc.	Japan	JPY 9,537,650	100.0	Frozen Foods
■ Ajinomoto Pharmaceuticals Co., Ltd.	Japan	JPY 4,650,000	100.0	Pharmaceuticals
■ Knorr Foods Co., Ltd.	Japan	JPY 4,000,000	100.0	Domestic Seasonings and Processed Foods
■ GABAN Co., Ltd.	Japan	JPY 2,827,868	55.4	Domestic Seasonings and Processed Foods
■ AJINOMOTO LOGISTICS CORPORATION	Japan	JPY 1,930,240	89.4 (0.9)	Logistics
■ Ajinomoto Animal Nutrition Group, Inc.	Japan	JPY 500,000	100.0	Feed-Use Amino Acids
■ AJINOMOTO TREASURY MANAGEMENT, INC.	Japan	JPY 500,000	100.0	Service, etc.
■ J-OIL MILLS, INC.	Japan	JPY 10,000,000	27.3	Edible Oils
■ Ajinomoto General Foods, Inc.[2]	Japan	JPY 3,862,697	50.0	Beverages
Asia				
■ Ajinomoto (Malaysia) Berhad	Malaysia	MYR 60,798	50.1	Consumer Foods
■ Ajinomoto Co., (Thailand) Ltd.	Thailand	THB 796,362	78.7 (4.5)	Consumer Foods
■ Ajinomoto Betagro Frozen Foods (Thailand) Co., Ltd.	Thailand	THB 764,000	50.0 (50.0)	Frozen Foods
■ Fuji Ace Co., Ltd.	Thailand	THB 500,000	51.0 (51.0)	Packaging
■ Ajinomoto Betagro Specialty Foods (Thailand) Co., Ltd.	Thailand	THB 390,000	51.0 (51.0)	Frozen Foods
■ Ace Pack Co., (Thailand) Ltd.	Thailand	THB 277,500	100.0 (94.6)	Packaging
■ Ajinomoto Frozen Foods (Thailand) Co., Ltd.	Thailand	THB 105,000	100.0 (100.0)	Frozen Foods
■ AJINOMOTO SALES (THAILAND) CO., LTD.[3]	Thailand	THB 50,000	100.0 (100.0)	Consumer Foods
■ PT Ajinex International	Indonesia	USD 44,000	95.0	Umami Seasonings for Processed Food Mfrs.
■ PT Ajinomoto Indonesia[4]	Indonesia	USD 8,000	50.0	Consumer Foods
■ Ajinomoto Vietnam Co., Ltd.	Vietnam	USD 50,255	100.0	Consumer Foods
■ AJINOMOTO PHILIPPINES CORPORATION	Philippines	PHP 665,444	95.0	Consumer Foods
■ Ajinomoto (China) Co., Ltd.	China	USD 104,108	100.0	Consumer Foods
■ Shanghai Ajinomoto Seasoning Co., Ltd.	China	USD 27,827	100.0 (99.0)	Consumer Foods
■ Shanghai Ajinomoto Amino Acid Co., Ltd.	China	USD 12,000	61.0 (59.0)	Amino Acids
■ Xiamen Ajinomoto Life Ideal Foods Co., Ltd.	China	USD 7,000	51.0 (51.0)	Frozen Foods
■ HENAN AJINOMOTO AMINO ACID CO., LTD.	China	USD 6,000	100.0 (100.0)	Amino Acids
■ Lianyungang Ajinomoto Frozen Foods Co., Ltd.	China	USD 5,800	100.0 (100.0)	Frozen Foods
■ Lianyungang Ajinomoto Ruyi Foods Co., Ltd.	China	USD 5,500	90.0 (90.0)	Frozen Foods
■ Amoy Food Ltd.	Hong Kong	HKD 148,000	100.0 (30.0)	Consumer Foods
The Americas				
■ Windsor Quality Holdings LP[5]	United States	USD 804,884	100.0 (100.0)	Frozen Foods
■ Ajinomoto Frozen Foods U.S.A., Inc.	United States	USD 15,030	100.0 (100.0)	Frozen Foods
■ Ajinomoto Heartland., Inc.	United States	USD 750	100.0 (100.0)	Feed-Use Amino Acids
■ Ajinomoto Althea, Inc.	United States	USD 0	100.0	Amino Acids
■ AJINOMOTO NORTH AMERICA, INC.[6]	United States	USD —	100 (4.0)	Amino Acids Umami Seasonings for Processed Food Mfrs. Frozen Foods
■ Ajinomoto del Perú S.A.	Peru	PEN 45,282	99.6	Consumer Foods
■ Ajinomoto do Brasil Ind. e Com. de Alimentos Ltda.	Brazil	BRL 913,298	100.0	Feed-Use Amino Acids Umami Seasonings for Processed Food Mfrs.
■ Nissin-Ajinomoto Alimentos Ltda.	Brazil	BRL 12,688	50.0	Consumer foods
Europe				
■ S.A. Ajinomoto OmniChem N.V.	Belgium	EUR 21,320	100.0 (0.0)	Amino Acids
■ ZAO AJINOMOTO-GENETIKA Research Institute	Russia	RBL 468,151	100.0	Service, etc.
■ Ajinomoto Sweeteners Europe S.A.S.	France	EUR 51,000	100.0 (0.0)	Amino Acids
■ AJINOMOTO FOODS EUROPE S.A.S.	France	EUR 42,609	100.0 (0.0)	Umami Seasonings for Processed Food Mfrs.
■ AJINOMOTO EUROLYSINE S.A.S.	France	EUR 26,865	100.0 (100.0)	Feed-Use Amino Acids
■ Ajinomoto Poland Sp. z o.o.	Poland	PLN 39,510	100.0 (100.0)	Consumer Foods
■ West African Seasoning Co., Ltd.	Nigeria	NGN 2,623,714	100.0	Consumer Foods

Notes:
1. Numbers in parentheses indicate indirect equity ownership.
2. As of April 23, 2015, Ajinomoto Co., Inc. acquired all of the shares of Ajinomoto General Foods, Inc. held by Kraft Foods Holdings Singapore Pte. Ltd. and its ratio of voting rights of this company, including indirect voting rights, became 100%. This company consequently became a consolidated subsidiary of Ajinomoto Co., Inc.
3. Net sales (excluding sales to consolidated companies in the Ajinomoto Group) of AJINOMOTO SALES (THAILAND) CO., LTD. account for more than 10% of consolidated net sales.
4. This company is classified as a subsidiary because it is under the substantial control of Ajinomoto Co., Inc.
5. The amount of capital stock of this company is as presented in its limited partnership agreement. As of April 1, 2015, this company was merged and absorbed into Ajinomoto Frozen Foods U.S.A., Inc., which changed its name to Ajinomoto Windsor, Inc.
6. Capital stock is not presented because all of the company's capital stock has been transferred to capital surplus. As of April 1, 2015, this company became a pure holding company and changed its name to Ajinomoto North America Holdings, Inc.
7. In addition to the above, there are three unconsolidated subsidiaries accounted for by the equity method.

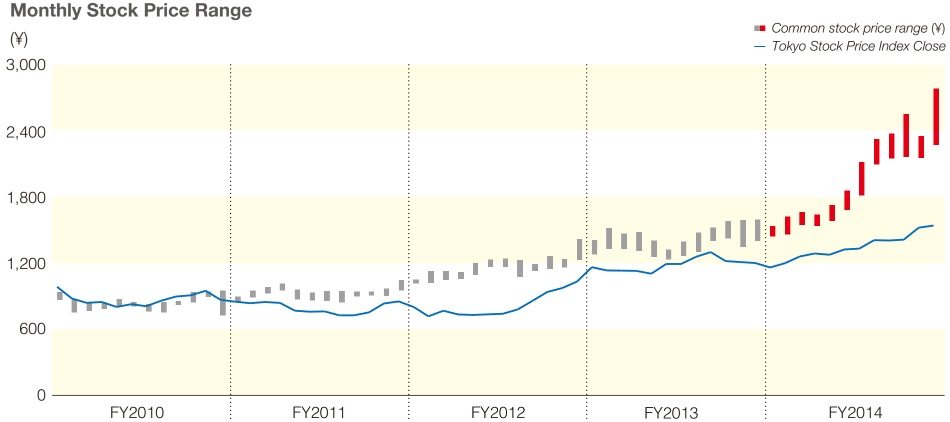
Corporate and Share Information

(As of March 31, 2015)

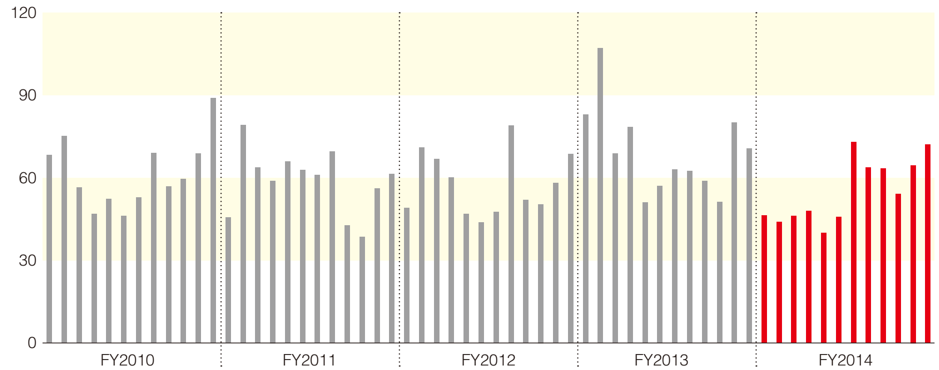
Company name: Ajinomoto Co., Inc.
Established: May 20, 1909
Paid-in capital: ¥79,863 million
Number of employees: 31,312 (consolidated basis)
3,484 (unconsolidated basis)
Fiscal year: April 1 - March 31
Annual shareholders' meeting held in June
Head office: 15-1, Kyobashi 1-chome, Chuo-ku,
Tokyo 104-8315, Japan
Tel: +81 (3) 5250-8111
http://www.ajinomoto.com/en/
Investor relations: Securities analysts and investment professionals should direct inquiries to:
Investor Relations
E-mail: investor_relations@ajinomoto.com
Tel: +81 (3) 5250-8291
Fax: +81 (3) 5250-8378

Common stock
Authorized: 1,000,000,000 shares
Issued: 594,470,654 shares
Number of shareholders: 51,874
Listings: Tokyo Stock Exchange
(Ticker Code: 2802)
Shareholder registrar: Mitsubishi UFJ Trust and Banking Corporation
Independent auditor: Ernst & Young ShinNihon

Monthly Stock Price Range

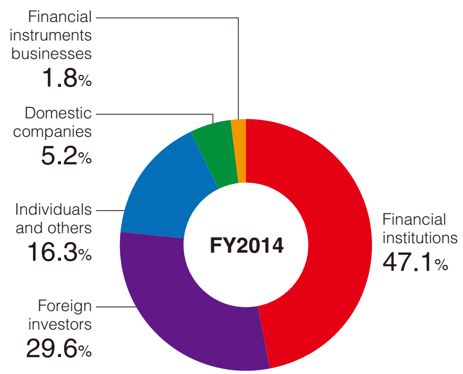


Monthly Trading Volume



Distribution of Shareholders

(By number of shares)



Major Shareholders

Name of shareholders	Number of Shares (Thousands)	Equity Position (%)
The Master Trust Bank of Japan, Ltd. (trust account)	47,953	8.07
Japan Trustee Services Bank, Ltd. (trust account)	36,213	6.09
The Dai-ichi Life Insurance Company, Limited	26,199	4.41
NIPPON LIFE INSURANCE COMPANY	25,706	4.32
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	20,149	3.39
Sompo Japan Nipponkoa Insurance Inc.	13,239	2.23
Meiji Yasuda Life Insurance Company	12,624	2.12
Mitsubishi UFJ Trust and Banking Corporation	11,548	1.94
Mizuho Bank, Ltd.	10,045	1.69
GIC PRIVATE LIMITED	8,653	1.46

Related links

- The Ajinomoto Group Home: www.ajinomoto.com/en/
- Investor Relations: www.ajinomoto.com/en/ir/
  - *Management Strategy*
  - *Financial Data*
  - *IR Library*
    (Annual Reports, Investors' Guides, Fact Sheets, Press Releases, etc.)
  - *Stock Information*
- Corporate Brochure: www.ajinomoto.com/en/aboutus/
- Sustainability Report: www.ajinomoto.com/en/activity/csr/report/
- Fact Sheets: www.ajinomoto.com/en/ir/ir_library/fact.html/

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FORWARD-LOOKING STATEMENTS

- This financial report contains forward-looking statements regarding the plans, outlook, strategies and results of the Ajinomoto Group. All forward-looking statements are based on judgments derived from the information available to the Group at the time of publication. Certain risks and uncertainties could cause the Group's actual results to differ materially from any projections presented in this report. These risks and uncertainties include, but are not limited to, the economic circumstances surrounding the Group's businesses; competitive pressures; related laws and regulations; product development programs; and changes in exchange rates.
- Some figures used for reference in this report are unaudited.
- Fiscal years are years ended March 31. Fiscal 2014 is the year ended March 31, 2015.
- Yen amounts in billions are rounded down to the nearest 100 million. Yen amounts in billions are rounded down to the nearest 100,000.
- In this document the Ajinomoto Group is referred to as "the Group", and Ajinomoto Co., Inc. is referred to as "Ajinomoto Co." or "the Company". *AJI-NO-MOTO®* is the trademark of the Ajinomoto Group's umami seasoning products.
- Geographical area segments are categorized on the basis of geographic proximity and indicated in inverted commas. 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