Ajinomoto Co., Inc.

Consolidated Results

[IFRS]

First Quarter Ended June 30, 2019

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

SUMMARY OF FINANCIAL STATEMENTS [IFRS] (Consolidated)

First quarter results for the fiscal year ending March 31, 2020

Ajinomoto Co., Inc. **July 30, 2019**

Stock Code:	2802	Stock exchange listing:	Tokyo Stock Exchange
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Scheduled dates

Filing of statutory quarterly financial report:	August 8, 2019
Dividend payout:	N/A
Supplementary materials to quarterly financial report available:	Yes
Quarterly results briefing held:	None

1. Consolidated Financial Results for the Three-month Period Ended June 30, 2019

(1) Consolidated Operating Results

Millions of yen, rounded down

	Three-month period ended June 30, 2019		Three-month period ended June 30, 2018	
		Change %		Change %
Sales	266,882	(1.7)	271,482	5.0
Business profit	27,805	28.0	21,728	(7.3)
Profit before income taxes	26,992	23.5	21,854	(8.8)
Profit	19,175	19.4	16,062	(12.1)
Profit attributable to owners of the parent company	16,476	20.8	13,644	(13.4)
Basic earnings per share (yen)	¥30.06	-	¥24.15	-
Diluted earnings per share (yen)	-	-	-	-

"Change %" indicates the percentage change compared to the same period of the previous fiscal year.

Note 1: Upon the adoption of IFRS, the Ajinomoto Group has introduced "business profit" as a new profit level that will better enable investors, the Board of Directors, and the Management Committee to grasp the core business results and future outlook of each business while also facilitating continuous evaluation of the Group's business portfolio by the Board of Directors and the Management Committee. "Business profit" is defined as sales minus the cost of sales, selling expenses, research and development expenses, and general and administrative expenses, to which is then added share of profit of associates and joint ventures. Business profit does not include other operating income or other operating expenses.

Note 2: From the first quarter of the fiscal year ended March 31, 2019, the logistics business was reclassified under discontinued operations. Profit from discontinued operations in the quarterly condensed consolidated statements of income is presented separately from the profit from continuing operations. Sales, business profit and profit before income taxes in the above table are amounts related to continuing operations only. On April 1, 2019, the Company lost control of F-LINE Corporation (the former Ajinomoto Logistics Corporation), and F-LINE Corporation became an equity-method affiliate of the Company from the first quarter of the fiscal year ending March 31, 2020. Gain on loss of control is included in profit from discontinued operations, and share of profit of associates and joint ventures is included in continuing operations for this quarter.

Note 3: In the second quarter ended September 30, 2018, the Company finalized a provisional accounting treatment related to business combinations. The figures in the first quarter of the fiscal year ended March 31, 2019 reflect the finalization of the provisional accounting treatment.

(2) Consolidated Financial Position

Millions of yen, rounded down

	As of March 31, 2019	As of March 31, 2018
Total assets	1,401,719	1,393,869
Total equity	681,665	685,960
Equity attributable to owners of the parent company	606,233	610,543
Ownership ratio attributable to owners of the parent company (%)	43.2%	43.8%

2. Dividends

Millions of yen, rounded down

	Fiscal year ended March 31, 2019	Fiscal year ending March 31, 2020	Fiscal year ending March 31, 2020 (forecast)
Dividend per share			
Interim (yen)	¥16.00		¥16.00
Year-end (yen)	¥16.00		¥16.00
Annual (yen)	¥32.00		¥32.00

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

3. Forecast for the Fiscal Year Ending March 31, 2020

Millions of yen, rounded down

	Fiscal year ending March 31, 2020	
		Change %
Sales	1,171,000	3.9
Business profit	97,000	4.7
Profit attributable to owners of the parent company	50,000	68.4
Basic earnings per share (yen)	¥91.30	-

"Change %" indicates the percentage change compared to the same period of the previous fiscal year.

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

Notes:

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries resulting in the change in consolidation scope): None

(2) Changes in accounting policies and accounting estimates

1) Changes in accounting policies as required by IFRS: Yes
2) Other changes in accounting policies: None
3) Changes in accounting estimates: None

(3) Number of shares outstanding (ordinary shares)

Shares

	As of June 30, 2019	As of March 31, 2019
Number of shares outstanding at end of period (including treasury shares):	549,163,354	549,163,354
Number of treasury shares at end of period	1,064,011	1,063,513
	April 1, 2019 to June 30, 2019	April 1, 2018 to June 30, 2018
Average number of shares during period	548,099,614	565,104,340

(Note) The number of treasury shares at end of period includes the Company's shares held by "Director's remuneration BIP Trust" (As of June 30, 2019: 966,200 shares. As of March 31, 2019: 966,200 shares), which has been adopted along with the introduction of Stock-based Remuneration of Executive Officers Based on the Company's Medium-term Earnings Performance for the Directors and others. In addition, these Company's shares are included in the treasury shares which are deducted from the number of shares when calculating the average number of shares during the period.

* Summary quarterly financial statements are exempted from quarterly review by a public certified accountant or an auditing firm.

* Appropriate use of forecasts and other notes

Disclaimer regarding forward-looking statements and other information

Forward-looking statements, such as business forecasts, included in this document are based on management's estimates, assumptions, and projections at the time of publication. These statements do not represent a promise or commitment by the Company to achieve these forecasts. Actual operating results may differ significantly due to various factors. For more information regarding our earnings forecasts, see page 11, "*1. Qualitative Information on Three-month Period Consolidated Results*, *(3) Overview of Consolidated Earnings Forecasts."*

Method of obtaining supplementary results materials

Supplementary results materials will be published on the Company's website on Tuesday, July 30, 2019.

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1. Qualitative Information on Three-month Period Consolidated Results

Upon the adoption of IFRS, the Ajinomoto Group has introduced "business profit" as a new profit level that will better enable investors, the Board of Directors, and the Management Committee to grasp the core business results and future outlook of each business while also facilitating continuous evaluation of the Group's business portfolio by the Board of Directors and the Management Committee. "Business profit" is defined as sales minus the cost of sales, selling expenses, research and development expenses, and general and administrative expenses, to which is then added share of profit of associates and joint ventures. Business profit does not include other operating income or other operating expenses.

From the first quarter of the fiscal year ended March 31, 2019, the assets and liabilities of Ajinomoto Logistics Corporation ("AB"), which was a subsidiary of the Company, were included under a disposal group of assets/liabilities classified as held for sale, and the logistics business was classified as a discontinued business. On April 1, 2019, AB, Kagome Distribution Service Co., Ltd., House Logistics Service Corporation, F-LINE Corporation, and Kyushu F-LINE Corporation merged, with AB as the surviving company, and changed the company name to F-LINE Corporation. As a result, F-LINE Corporation became an equity-method affiliate of the Company from the first quarter of the fiscal year ending March 31, 2020. Gain on loss of control is included in profit from discontinued operations, and share of profit of associates and joint ventures is included in continuing operations for this quarter.

Also, in the second quarter of the previous fiscal year, the Company finalized a provisional accounting treatment related to business combinations. Accordingly, a significant restatement was made in the initial allocation of acquisition costs for the first quarter of the previous fiscal year.

(1) Overview of Operating Results

In the three-month period ended June 30, 2019, the Ajinomoto Group's consolidated net sales fell 1.7% year-on-year, or ¥4.6 billion, to ¥266.8 billion, largely owing to a dramatic decrease in animal nutrition product sales. Although business profit on animal nutrition products fell significantly accompanying the dramatic decrease in sales, overall business profit increased 28.0%, or ¥6.0 billion, to ¥27.8 billion, largely owing to significant profit growth in umami seasonings for processed food manufacturers and frozen foods (overseas).

Profit attributable to owners of the parent totaled ¥16.4 billion, up 20.8% or ¥2.8 billion.

Results compared to the forecast announced for the fiscal year were as follows. Sales reached 22.8% of the forecast. While frozen foods (in Japan) and coffee products, which struggled in the previous fiscal year, did largely according to the forecast in this quarter, animal nutrition was affected by the spread of African swine fever and was significantly below the forecast. Business profit was 28.7%. Overall, results were above the plan despite animal nutrition being significantly below the forecast. This is due to frozen foods (overseas), which had worsening profits in the previous fiscal year, having productivity improvements, increased prices of umami seasonings for processed food manufacturers.

Profit attributable to owners of the parent was 32.9% of the forecast.

Consolidated operating results by segment

Results for individual business segments are summarized below.

Billions of yen, rounded down

YoY	Sales	YoY change - amount	YoY change - percent	Business profit	YoY change -amount	YoY change -percent
Japan Food Products	88.4	0.2	0.3 %	7.1	1.7	33.1 %
International Food Products	114.8	(0.3)	(0.3) %	15.6	5.0	47.1 %
Life Support	24.1	(3.5)	(12.8) %	1.6	(1.1)	(39.9) %
Healthcare	33.3	(0.9)	(2.8) %	2.3	0.4	22.4 %
Other	6.0	0.0	0.1 %	0.9	(0.0)	(3.0) %
Total	266.8	(4.6)	(1.7) %	27.8	6.0	28.0 %

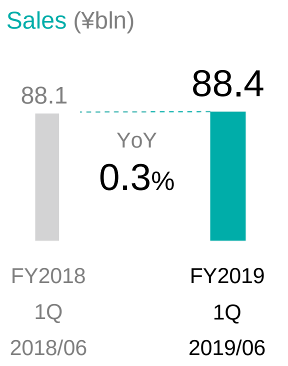
Billions of yen, rounded down

	Sales			Business profit		
Vs. the forecast	FY2019 First Qtr.	Forecast for the year	Achieved -percent	FY2019 First Qtr.	Forecast for the year	Achieved -percent
Japan Food Products	88.4	381.2	23.2 %	7.1	28.6	25.0 %
International Food Products	114.8	490.4	23.4 %	15.6	46.6	33.6 %
Life Support	24.1	120.3	20.1 %	1.6	9.8	17.3 %
Healthcare	33.3	150.7	22.1 %	2.3	13.0	18.3 %
Other	6.0	28.4	21.3 %	0.9	(1.0)	- %
Total	266.8	1,171.0	22.8 %	27.8	97.0	28.7 %

Note: Domestic and overseas sales of *ACTIVA®* products to food processing companies, and savory seasonings are included in the Japan Food Products segment. Domestic and overseas sales of umami seasoning *AJI-NO-MOTO®* for the food processing industry and nucleotides and sweeteners are included in the International Food Products segment.

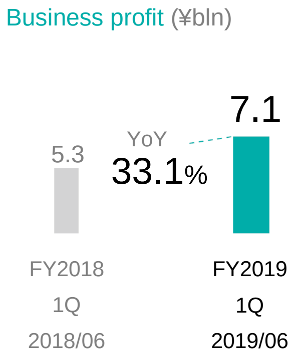
1) Japan Food Products Segment

Japan Food Products segment sales were largely the same year-on-year, up 0.3%, to ¥88.4 billion. This was due to increased sales of frozen foods for home-use despite declines in sales of seasonings and processed foods and frozen foods for restaurant and industrial-use. Segment business profit increased 33.1% year-on-year, or ¥1.7 billion, to ¥7.1 billion, owing to increases in profit on frozen foods (in Japan) and coffee products which struggled in the previous fiscal year.



Main factors affecting segment sales

- **Seasonings and processed foods:** Despite sales in home-use being level with the previous year, sales in restaurant and industrial-use decreased compared with the previous year due to lower sales of some products to major customers.
- **Frozen foods:** Sales of the *Gyoza* series continued strong, and sales of fries rice started to increase, exceeding sales of the previous year, so home-use sales increased.
  Despite expansion of sales of major categories such as desserts, gyoza, and shumai in restaurant and industrial-use, sales decreased due to the effect of the previous year's sales promotion. Overall, sales increased.
- **Coffee products:** Sales were level with the previous year due to strengthening of measures for stick-type coffee, instant coffee, etc.

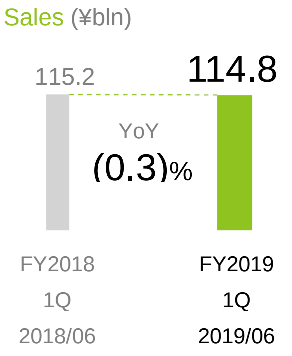


Main factors affecting segment profits

- **Seasonings and processed foods:** Decrease in profit due to reduced sales and the effect of various expenses.
- **Frozen foods:** Increase in profit accompanying increased sales.
- **Coffee products:** Increase in profits due to marketing expenses for this year being less than in the previous year, despite sales being level with the previous year.

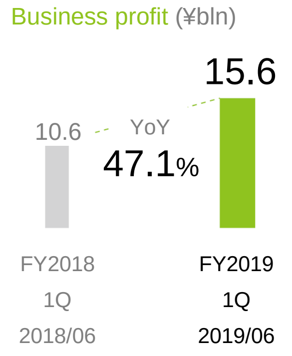
2) International Food Products Segment

International Food Products segment sales declined 0.3% year-on-year, or ¥0.3 billion, to ¥114.8 billion. This was due to a decline in sales of seasonings and processed foods (overseas) although sales of umami seasonings for processed food manufacturers increased. Segment business profit increased 47.1% year-on-year, or ¥5.0 billion, to ¥15.6 billion due to a large increase in profits on sales of umami seasonings for processed food manufacturers and frozen foods (overseas).



Main factors affecting segment sales

- **Seasonings and processed foods:** Decrease in sales due to the effect of currency translation and distribution inventory at some affiliates, even with the effect of the previous year's price increases.
- **Frozen foods:** Despite continued expansion of sales of Asian food products in North America and Europe, sales were level with the previous year due to the effect of the sale of Amoy Food Ltd.
- **Umami seasonings for processed food manufacturers and sweeteners:** Increase in sales of umami seasonings for processed food manufacturers primarily due to increased sales prices overseas.

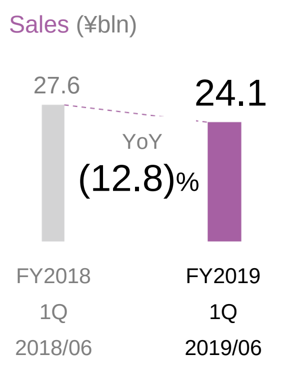


Main factors affecting segment profits

- **Seasonings and processed foods:** Increase in profit due to the effect of price increases in the previous year, despite decreased sales.
- **Frozen foods:** Large increase in profit due to the effect of both price increases in the previous year and ongoing productivity improvements in the United States.
- **Umami seasonings for processed food manufacturers and sweeteners:** Large increase in profit due to increased sales.

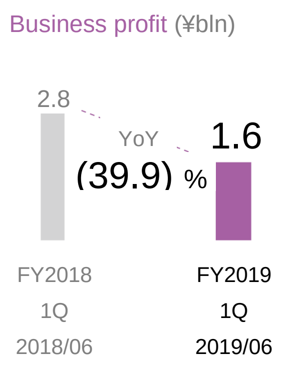
3) Life Support Segment

Life Support segment sales declined 12.8% year-on-year, or ¥3.5 billion, to ¥24.1 billion due to a dramatic decline in animal nutrition product sales despite an increase in sales of specialty chemicals. Segment business profit fell 39.9% year-on-year, or ¥1.1 billion, to ¥1.6 billion because profit on animal nutrition products fell significantly accompanying the dramatic decrease in sales.



Main factors affecting segment sales

- **Animal nutrition:** Large decrease in sales due to the spread of African swine fever.
- **Specialty chemicals:** Increase in sales primarily due to strong sales of electronic materials.

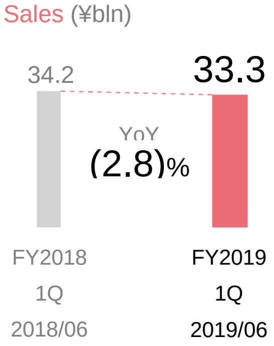


Main factors affecting segment profits

- **Animal nutrition:** Large decrease in profit accompanying large decrease in sales.
- **Specialty chemicals:** Increase in profit accompanying increase in sales.

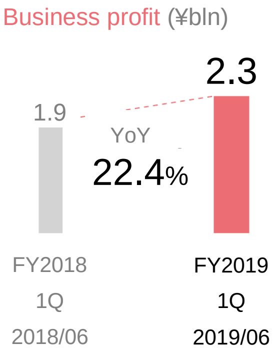
4) Healthcare Segment

Healthcare segment sales declined 2.8% year-on-year, or ¥0.9 billion, to ¥33.3 billion. This was due to a decline in sales for pharmaceutical custom manufacturing despite a significant increase in sales of amino acids for pharmaceuticals and foods. Segment business profit increased 22.4% year-on-year, or ¥0.4 billion, to ¥2.3 billion as a result of the large increase in profit on amino acids for pharmaceuticals and foods.



Main factors affecting segment sales

- **Amino acids:** Decrease in sales of pharmaceutical custom manufacturing primarily due to the effect of the timing of shipments, despite large increase in sales of amino acids for pharmaceuticals and foods. Overall, sales were level compared with the previous year.
- **Other products:** Decrease in sales primarily due to decrease in year-on-year sales of fundamental foods and personal care ingredients.



Main factors affecting segment profits

- **Amino acids:** Despite large decrease in profit in pharmaceutical custom manufacturing, large increase in profit in amino acids for pharmaceuticals and foods. Overall, increased profit.
- **Other products:** Profit was level year-on-year despite decrease in sales.

5) Other

In the Other segment, sales totaled ¥6.0 billion, up just 0.1% year-on-year. Segment business profit also was largely the same year-on-year at ¥0.9 billion, down just 3.0%.

(2) Overview of Financial Position

As of June 30, 2019, the Ajinomoto Group's consolidated total assets stood at ¥1,401.7 billion, an increase of ¥7.8 billion from ¥1,393.8 billion at the end of the previous fiscal year on March 31, 2019. This increase was largely attributable to the increase in right-of-use assets due to adoption of IFRS 16.

Total liabilities came to ¥720.0 billion, ¥12.1 billion more than the ¥707.9 billion at the end of the previous fiscal year. Interest-bearing debt totaled ¥381.3 billion, an increase of ¥44.3 billion from the end of the previous fiscal year, mainly reflecting the increase in lease liabilities due to adoption of IFRS 16.

Total equity as of June 30, 2019 was ¥4.2 billion less than at the end of the previous fiscal year, mainly reflecting the impact of exchange differences on translation of foreign operations and decreases in other components of equity. Equity attributable to owners of the parent company, which is total equity minus non-controlling interests, totaled ¥606.2 billion, and the equity ratio attributable to owners of the parent company was 43.2%.

(3) Overview of Consolidated Earnings Forecasts

No changes have been made to the full-year forecasts that the Company announced on May 10, 2019.

2. Condensed Consolidated Financial Statements and Notes

(1) Condensed Consolidated Statements of Financial Position

Millions of yen

	As of end of first quarter June 30, 2019	As of end of previous fiscal year (March 31, 2019)
Assets		
Current assets		
Cash and cash equivalents	143,897	153,725
Trade and other receivables	178,425	194,270
Other financial assets	12,722	16,526
Inventories	192,203	185,036
Income taxes receivable	9,328	8,095
Others	14,763	13,944
Sub total	551,341	571,599
Assets of disposal groups classified as held for sale	-	19,568
Total current assets	551,341	591,167
Non-current assets		
Property, plant and equipment	472,505	423,369
Intangible assets	65,157	66,132
Goodwill	89,644	91,373
Investments in associates and joint ventures	124,562	116,900
Long-term financial assets	60,057	64,812
Deferred tax assets	16,887	15,589
Others	21,563	24,523
Total non-current assets	850,378	802,701
Total assets	1,401,719	1,393,869

Millions of yen

	As of end of first quarter (June 30, 2019)	As of end of previous fiscal year (March 31, 2019)
Liabilities		
Current liabilities		
Trade and other payables	169,814	183,276
Short-term borrowings	11,250	10,989
Current portion of long-term borrowings	13,074	13,089
Other financial liabilities	10,352	5,935
Short-term employee benefits	34,449	37,273
Provisions	3,662	6,560
Income taxes payable	10,406	9,549
Others	10,517	11,510
Sub total	263,528	278,185
Liabilities of disposal groups classified as held for sale	-	13,571
Total current liabilities	263,528	291,756
Non-current liabilities		
Corporate bonds	169,496	169,479
Long-term borrowings	130,608	137,157
Other financial liabilities	70,398	25,412
Long-term employee benefits	67,092	64,406
Provisions	10,652	11,135
Deferred tax liabilities	7,166	7,392
Others	1,110	1,167
Total non-current liabilities	456,525	416,153
Total liabilities	720,054	707,909
Equity		
Common stock	79,863	79,863
Capital surplus	3,345	3,266
Treasury stock	(2,362)	(2,361)
Retained earnings	604,410	595,311
Other components of equity	(79,025)	(65,521)
Disposal groups classified as held for sale	-	(16)
Equity attributable to owners of the parent company	606,233	610,543
Non-controlling interests	75,432	75,417
Total equity	681,665	685,960
Total liabilities and equity	1,401,719	1,393,869

(2) Condensed Consolidated Statements of Income

Millions of yen

	Three-month period (April 1, 2019 to June 30, 2019)	Three-month period (April 1, 2018 to June 30, 2018)
Continuing operations		
Sales	266,882	271,482
Cost of sales	(169,297)	(177,321)
Gross profit	97,584	94,160
Share of profit of associates and joint ventures	1,490	1,772
Selling expenses	(39,905)	(42,258)
Research and development expenses	(7,469)	(7,466)
General and administrative expenses	(23,894)	(24,480)
Business profit	27,805	21,728
Other operating income	1,576	1,973
Other operating expenses	(2,758)	(2,349)
Operating profit	26,622	21,351
Financial income	2,568	2,927
Financial expenses	(2,198)	(2,424)
Profit before income taxes	26,992	21,854
Income taxes	(7,366)	(5,953)
Profit from continuing operations	19,626	15,900
Profit from discontinued operations	(450)	162
Profit	19,175	16,062
Attributable to:		
Owners of the parent company	16,476	13,644
Non-controlling interests	2,699	2,418
Profit from continuing operations attributable to owners of the parent company	16,926	13,485
Profit from discontinued operations attributable to owners of the parent company	(450)	159
Profit attributable to owners of the parent company	16,476	13,644

Earnings per share from continuing operations (yen):		
Basic	30.88	23.86
Diluted	-	-
Earnings per share from discontinued operations (yen):		
Basic	(0.82)	0.28
Diluted	-	-
Earnings per share (yen):		
Basic	30.06	24.15
Diluted	-	-

(3) Notes to Condensed Consolidated Financial Statements

Going Concern Assumption
Not applicable

Significant Accounting Policies
With the exception of the items explained below, the significant accounting policies used to prepare these condensed consolidated financial statements for the three-month period are unchanged from the policies applied to the consolidated financial statements in the previous fiscal year.
Income taxes for the three-month period are calculated based on an estimation of the effective tax rate for the fiscal year.

Impact of Applying New Accounting Policies
The Group has applied the following accounting standards from the first quarter of the fiscal year ending March 31, 2020.

IFRS		Overview of new standards or amendments
IFRIC 23	Uncertainty over Income Tax Treatments	Clarifies uncertainty over income tax treatments
IAS 19	Employee Benefits	Clarifies how to measure service costs and interest expenses in the case of plan amendment, curtailment or settlement.
IAS 23	Borrowing Costs	Clarifies how to calculate borrowing costs eligible for capitalization
IFRS 16	Leases	Revises accounting treatments and disclosure relating to leases

Note 1: IFRIC 23 Uncertainty over Income Tax Treatments
This interpretation provides guidance on requirements that add to the requirements of IAS 12 Income Taxes by specifying accounting treatments for uncertain tax positions such as items for which the tax treatment is unclear or items related to matters yet to be resolved with tax authorities. If it is deemed likely that the Group's tax treatments will not be accepted by tax authorities, when calculating taxable income, the Group uses the mode or expected value to recognize the effect of uncertainty as additional taxable income.
The adoption of this Interpretation does not have a material impact on the quarterly condensed consolidated financial statements.

Note 2: IAS 19 Employment Benefits
ISA 19 clarified the use of actuarial assumptions at the time of remeasurement in the measurement of service costs and interest expenses at the closing date after the event in the case of plan amendment, curtailment or settlement. The revision of this standard will be applied to events that arise on or after the date of adoption (April 1, 2019) and does not have a material impact on the quarterly condensed consolidated financial statements.

Note 3: IAS 23 Borrowing Costs
IAS 23 clarified that when special borrowing for a qualifying asset remains unpaid at the point when the qualifying asset is ready for the intended use or sale, the balance of the special borrowing is included in general purpose borrowing. The revision of this standard will be applied to events that arise on or after the date of adoption (April 1, 2019) and does not have a material impact on the quarterly condensed consolidated financial statements.

Note 4: IFRS 16 Leases
The lessee recognizes the right to use the underlying assets (right-of-use assets) and the obligation to make lease payments (lease liabilities) on the lease commencement date. After initial recognition, expenses relating to depreciation arising from right-of-use assets and interest expenses for lease liabilities are recognized separately. Right-of-use assets are recorded in property, plant and equipment on the quarterly condensed consolidated statements of financial position.

Leases as the Lessee

The Group has adopted IFRS 16 from the beginning of the fiscal year ending March 31, 2020. In adopting IFRS 16, the Group employed the method of recognizing the cumulative effect of applying the standard on the adoption commencement date, which is provided as a transition approach. When adopting IFRS 16, for lease contracts held at the end of the previous fiscal year that are not classified as finance leases under IAS 17, it is determined whether the leases are included in contracts in accordance with IFRS 16, and right-of-use assets and lease liabilities are recognized for all leases, with the exception of short-term leases for which the term of the lease is 12 months or less and leases for which the underlying asset is of low value.

The carrying amounts of right-of-use assets and lease liabilities on the adoption commencement date related to leases classified as finance leases under IAS 17 are calculated as the carrying amounts of the lease assets and lease liabilities based on IAS 17 on the immediately preceding date.

The Group measured lease liabilities on the adoption commencement date related to leases not classified as finance leases under IAS 17 as the amount of the total remaining lease payments as of the adoption commencement date discounted to the present value based on the interest rate for additional borrowings of the Group as of April 1, 2019, and the applicable weighted average of the interest rate for additional borrowings is 0.93%. In addition, right-of-use assets were initially measured at the measured amount of lease liabilities adjusted for prepaid lease payments. On the adoption commencement date, right-of-use assets increased ¥53,956 million and lease liabilities increased ¥51,571 million.

The difference between the ¥20,174 million (discounted to ¥19,405 million) in minimum total future lease payments based on non-cancelable operating leases disclosed with the application of IAS 17 as of the closing date for the previous fiscal year and lease liabilities of ¥57,877 million recognized at the beginning of the fiscal year ending March 31, 2020 is mainly due to the inclusion in lease liabilities of contract amounts related to land and buildings which were treated as rental contracts under the previous standards, as a result of the revision of lease terms.

The impact on the quarterly consolidated statements of income in the first quarter of the fiscal year ending March 31, 2020 is immaterial.

The Group has also employed the following practical expedients when adopting IFRS 16.

・Leases for which the remaining term of the lease is 12 months or less on the adoption commencement date are not recognized as right-of-use assets and lease liabilities.

・Initial direct costs may be excluded from the measurement of right-of-use assets on the adoption commencement date.

・When a contract includes an option to extend or cancel, ex post judgement may be used when calculating the term of the lease.

Leases as the Lessor

There are no changes to the accounting treatment for leases in which the Group is the lessor when adopting IFRS 16 with the exception of sub-leases.

Segment Information

(1) Overview of reportable segments

The Group's reportable segments are categorized primarily by product lines, with the food business further separated into domestic and overseas. Therefore, the Company has four reportable segments: "Japan Food Products," "International Food Products," "Life Support," and "Healthcare."

Each reportable segment is a component of the Group for which separate financial information is available and evaluated regularly by the Management Committee in determining the allocation of management resources and in assessing performance.

In the first quarter of the fiscal year ended March 31, 2019, the logistics business was reclassified under discontinued operations. Segment information in this document shows values for continuing operations only, which now excludes the logistics business. On April 1, 2019, the Company lost control of F-LINE Corporation (the former Ajinomoto Logistics Corporation), and F-LINE Corporation became an equity-method affiliate of the Company. Share of profit of associates and joint ventures for F-LINE Corporation in the first quarter of the fiscal year ending March 2020 is included in Other.

Also, in the second quarter of the previous fiscal year, the Company finalized a provisional accounting treatment related to business combinations. The consolidated results for the first quarter of the previous fiscal year have been revised to reflect a significant change in the initial allocation of acquisition costs relating to the finalization of this provisional accounting treatment.

(2) Information by reportable segment
The Group's sales and earnings by reportable segments are as follows:
Inter-segment sales and transfers are primarily based on transaction prices between third-parties.

Three-month period ended June 30, 2019 (April 1, 2019 to June 30, 2019)

Millions of yen

	Reportable segment				Other *	Total	Adjust-ments	As included in condensed consolidated financial statements
	Japan Food Products	International Food Products	Life Support	Healthcare				
Sales								
Sales to third parties	88,460	114,872	24,160	33,339	6,048	266,882	-	266,882
Inter-segment sales and transfers	1,110	1,026	635	630	10,377	13,779	(13,779)	-
Total sales	89,571	115,898	24,796	33,969	16,426	280,662	(13,779)	266,882
Share of profit of associates and joint ventures	109	238	40	16	1,086	1,490	-	1,490
Segment profit or loss (Business profit or loss)	7,161	15,657	1,690	2,379	915	27,805	-	27,805
					Other operating income			1,576
					Other operating expense			(2,758)
					Operating profit			26,622
					Financial income			2,568
					Financial expense			(2,198)
					Profit before income taxes			26,992

* Other includes the tie-up, packaging, logistics, and other service-related businesses.

Three-month period ended June 30, 2018 (April 1, 2018 to June 30, 2018)

Millions of yen

	Reportable segment				Other *	Total	Adjust-ments	As included in condensed consolidated financial statements
	Japan Food Products	International Food Products	Life Support	Healthcare				
Sales								
Sales to third parties	88,192	115,257	27,694	34,293	6,045	271,482	-	271,482
Inter-segment sales and transfers	1,086	1,243	741	633	7,914	11,618	(11,618)	-
Total sales	89,278	116,501	28,435	34,927	13,959	283,101	(11,618)	271,482
Share of profit of associates and joint ventures	111	209	23	(55)	1,484	1,772	-	1,772
Segment profit or loss (Business profit or loss)	5,381	10,643	2,812	1,944	944	21,728	-	21,728
					Other operating income			1,973
					Other operating expense			(2,349)
					Operating profit			21,351
					Financial income			2,927
					Financial expense			(2,424)
					Profit before income taxes			21,854

* Other includes the tie-up, packaging, and other service-related businesses.