

Ajinomoto Co., Inc. Consolidated Results First Quarter Ended June 30, 2018①

■ Financial Statement and Impact of External Environment

(¥ Billion)

Consolidated Statement of Income	Apr.-June 2018	Apr.-June 2017 *2	YoY Change		Forecast	Progress
			Amount	%		
Sales	271.4	258.6	12.8	5%	1,184.0	22%
Share of profit of associates and joint ventures	1.7	1.2	0.5	41%	-	-
Business profit *1	21.7	23.4	-1.6	-7%	103.0	21%
Gain on sale of fixed assets	0.2	0.0	0.1	203%	-	-
Other	1.8	1.7	0.0	1%	-	-
Other operating income	2.0	1.8	0.1	10%	-	-
Loss on disposal of fixed assets	0.8	0.5	0.3	59%	-	-
Other	1.4	1.6	-0.2	-12%	-	-
Other operating expenses	2.3	2.2	0.1	5%	-	-
Operating profit	21.4	23.0	-1.6	-7%	97.3	22%
Interest income	0.8	1.1	-0.2	-24%	-	-
Other	2.0	0.8	1.1	134%	-	-
Financial income	2.9	2.0	0.8	42%	-	-
Interest expenses	0.7	0.7	-0.0	-1%	-	-
Other	1.6	0.3	1.2	339%	-	-
Financial expenses	2.4	1.1	1.2	110%	-	-
Profit before income taxes	21.9	23.9	-2.0	-8%	96.6	22%
Income taxes	5.9	6.8	-0.8	-12%	25.5	23%
Tax rate	27.1%	28.4%			26.4%	
Continuing operations	15.9	17.1	-1.1	-6%	-	-
Discontinued operations *3	0.1	1.1	-0.9	-85%	-	-
Profit	16.1	18.2	-2.1	-11%	72.2	22%
Attributable to owners of the parent company	13.7	15.7	-2.0	-13%	61.0	22%
Non-controlling interests	2.4	2.5	-0.0	-2%	11.2	21%

*1 A profit indicator defined by Ajinomoto for administrative purposes.

(Sales - Cost of sales - Selling expenses, Research & development expenses and General & administrative expenses + Share of profit of associates and joint ventures)

*2 In the previous fiscal year, the Company finalized a provisional accounting treatment related to business combinations and jointly controlled company.

The figures for the first quarter ended June 30, 2017, reflect the finalization of the provisional accounting treatment.

*3 From the first quarter ended June 30, 2018, the logistics business has been reclassified as a discontinued operation.

Accordingly, profit from discontinued operation is presented separately from the profit from continuing operations.

Sales, business profit, operating profit, and profit before income taxes in the above table are amounts related to continuing operations only.

Amounts shown for the first quarter ended June 30, 2017, have also been adjusted to reflect this change.

Excluding the Effect of currency translation	Apr.-June 2018	Apr.-June 2017	YoY Change	
			Amount	%
Japan Food Products	88.1	92.2	-4.0	-4%
International Food Products	116.7	108.8	7.9	7%
Life Support	27.5	26.7	0.8	3%
Healthcare	33.7	24.7	8.9	36%
Other	5.8	6.0	-0.2	-3%
Sales	272.1	258.6	13.4	5%
Japan Food Products	5.3	10.0	-4.6	-46%
International Food Products	10.7	11.2	-0.4	-4%
Life Support	2.8	0.9	1.8	192%
Healthcare	2.0	0.5	1.4	294%
Other	0.9	0.6	0.2	43%
Business profit	21.9	23.4	-1.5	-6%

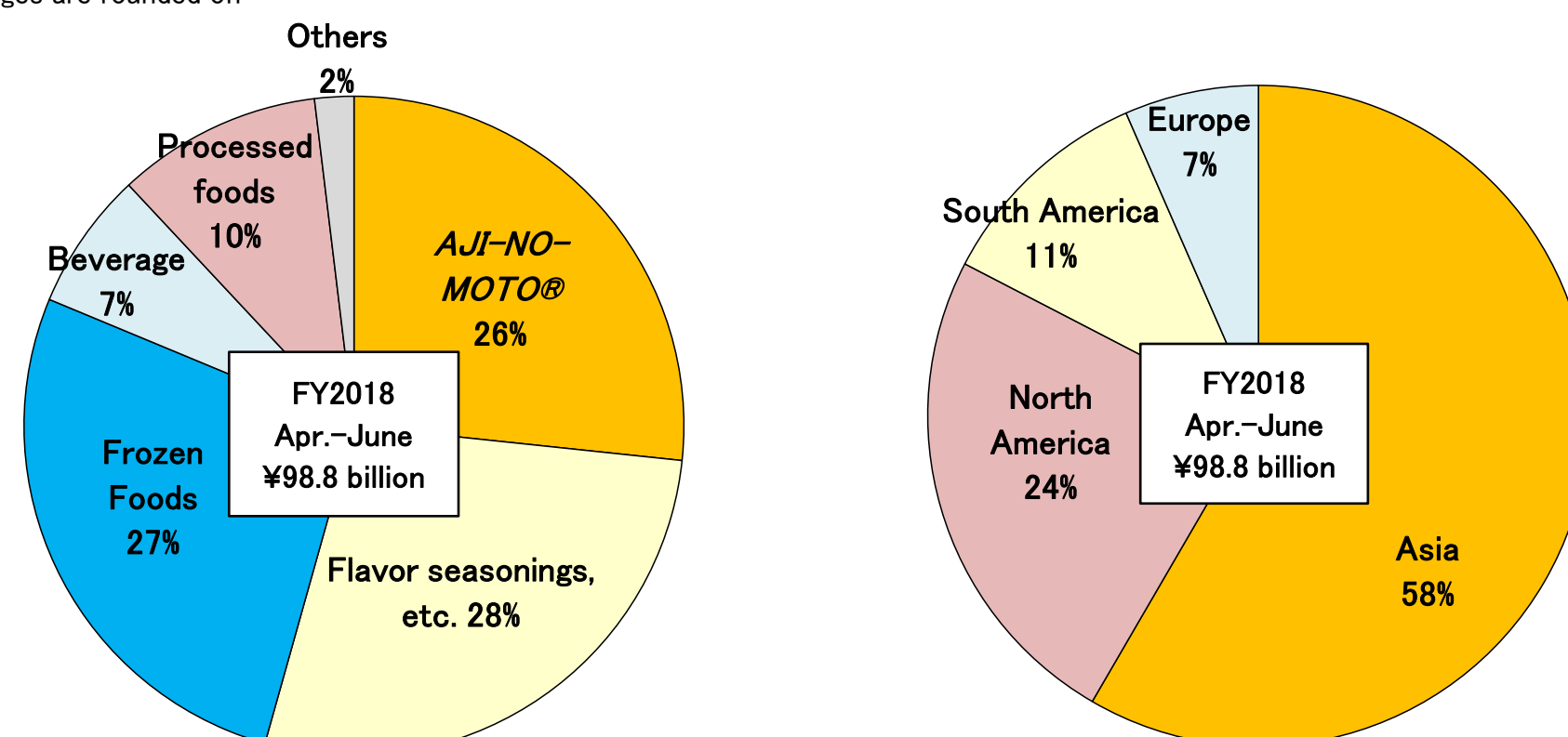
Impact of External Environment (YoY Change)	Apr.-June 2018	
	Effect of currency translation	Sales; -0.6
Effect of trade*	Sales; approx.+0.0	Business profit; approx.-0.0
Japan Food Products raw materials	+0.0 (Seasonings and processed foods; +0.0, Frozen foods; +0.0)	
Fermentation raw materials and fuel prices	-1.5 (Main raw materials; -0.9, Sub raw materials; -0.4, Energy; -0.1)	
Cost reductions (Japan Food Products)	+0.5 (Seasonings and processed foods; +0.2, Frozen foods; +0.2)	

* Approximations to nearest ¥0.5 billion

Foreign Exchange Information	Apr.-June 2018	Apr.-June 2017	Forecast
JPY/USD	109.10	111.09	110.00
JPY/EUR	130.03	122.26	130.00
JPY/THB	3.42	3.24	3.28
JPY/BRL	30.27	34.54	33.85

■ Trends in International Food Products (Seasoning & Processed Foods and Frozen Foods) *

* Percentages are rounded off



Apr.-June 2018, Sales in Five Stars and Frozen Foods (Overseas)

Thailand; approx. THB 8.3 billion (+3% on LC basis*, +8% on JPY basis) *Breakdown; Seasonings +4%, Processed foods; +1%

Indonesia; approx. IDR 1,194.3 billion (+3% on LC basis, -3% on JPY basis) Brazil; approx. BRL 0.25 billion (+9% on LC basis, -4% on JPY basis)

Vietnam; approx. VND 1,881.7 billion (+2% on LC basis, +0% on JPY basis) Philippines; approx. PHP 1.8 billion (+5% on LC basis, -1% on JPY basis)

Frozen foods (Overseas) Segment; +13% on LC basis, +12% on JPY basis

Ajinomoto Co., Inc. Consolidated Results First Quarter Ended June 30, 2018②

■ Consolidated Results by Segments

Japan Food Products

(¥ Billion)

	Apr.-June. 2018	Forecast	Progress	Apr.-June. 2017	Change	
Sales	88.1	400.6	22%	92.2	-4.0	
Seasonings & processed foods	43.9	198.2	22%	43.8	0.0	*1
Frozen foods (Japan)	23.8	104.6	22%	25.6	-1.7	*2
Coffee products	20.3	97.7	20%	22.7	-2.3	*3
Business profit	5.3	39.5	13%	10.0	-4.6	*4
Seasonings & processed foods	6.9	-	-	7.8	-0.8	
Frozen foods (Japan)	0.4	-	-	2.6	-2.2	
Coffee products	0.9	-	-	2.4	-1.4	
Shared companywide expenses	-3.0	-12.6	24%	-2.8	-0.1	

*1 Despite increased sales primarily in menu seasonings in home-use products, sales remained level with the previous period due to restaurant and industrial-use products decreasing year-on-year.

*2 Sales in home-use products decreased due to the effect of stiffening competition for major products such as *The★Chahan*, in addition to *Gyoza* being below the same period of the previous year.

Sales of core categories such as desserts, gyoza, and processed chicken meat products in restaurant and industrial-use products were level with the previous period. Therefore, overall sales decreased.

*3 Decrease in overall sales mainly due to decreased sales to convenience stores and the effect of stiffening competition for home-use products and gift products accompanying the shrinking of the market.

*4 Seasonings & processed foods: Even though home-use products were level with the previous period, overall profit decreased due to the effect of increased raw material prices in restaurant and industrial-use products.

Frozen foods: Large decrease in profit due to the effect of decreased sales in home-use products.

Coffee products: Large decrease in profit due to decreased sales.

International Food Products

(¥ Billion)

	Apr.-June. 2018	Forecast	Progress	Apr.-June. 2017	Change	
Sales	115.2	487.2	23%	108.8	6.4	
Seasonings & processed foods	72.2	306.4	23%	69.5	2.7	*1
Frozen foods (Overseas)	26.6	118.2	22%	23.6	2.9	*2
Umami seasonings for processed food mfrs. & sweeteners	16.4	62.5	26%	15.6	0.7	*3
Business profit	10.6	46.6	22%	11.2	-0.6	*4
Frozen foods (Overseas)	-0.8	4.1	-	0.8	-1.6	
Shared companywide expenses	-3.7	-15.2	24%	-3.7	0.0	

<Seasonings & processed foods: Effect of currency translation>

Apr.-June 2018; Sales -¥1.1 billion; Business profit -¥0.0 billion

*1 Even with the negative effect of currency translation (-¥1.1 billion), with the expansion of sales of seasonings and canned coffee in Thailand having increased sales due to the price increase, overall increased sales.

*2 Increase in sales due to the effect of expansion of Asian food products in the United States and the effect of a newly consolidated European subsidiary (approx. +1.0 billion).

*3 Sales of both umami seasonings for processed food mfrs. overseas and sweeteners for processing increased due to the expansion of sales activity.

Reference: Umami seasonings for processed food mfrs. sales: ¥12.0 billion

*4 Seasonings & processed foods: Overall increase in profit accompanying increased sales despite the effect of increased fermentation raw materials and fuel prices.

Frozen foods: Large decrease in profit due to increased production costs accompanying the construction of a new production system and steep rise in logistics costs in the U.S.

Umami seasonings for processed food mfrs. & sweeteners: Decrease in profit in umami seasonings for processed food mfrs. primarily due to the effect of increased fermentation raw materials and fuel prices. Sweeteners were level with the previous period.

Reference: Seasonings & processed foods +¥1.1 billion, Frozen foods -¥1.6 billion, Umami seasonings for processed food mfrs. -¥0.2 billion, Sweeteners +¥0.0 billion

Life Support

(¥ Billion)

	Apr.-June. 2018	Forecast	Progress	Apr.-June. 2017	Change	
Sales	27.6	128.5	21%	26.7	0.9	
Animal nutrition	19.1	96.4	19%	19.0	0.1	*1
Specialty chemicals *4	7.9	-	-	7.1	0.7	*2
Other	0.5	-	-	0.5	0.0	
Business profit	2.8	6.3	44%	0.9	1.8	*3
Animal nutrition	1.0	1.8	59%	-0.3	1.4	
Specialty chemicals *4	2.7	-	-	2.3	0.4	
Other	-0.1	-	-	-0.0	-0.1	
Shared companywide expenses	-0.8	-3.5	23%	-0.8	0.0	

*4 Segment changes (reclassification of results for prior years):

Materials of healthcare products, which had been included in Specialty Chemicals under Life Support, was changed to Other under Healthcare from FY2018, and this is reflected in all figures in this category.

*1 Despite increased sales of tryptophan, overall sales were level with the previous period mainly due to decreased quantities of lysine and threonine sold.

*2 Increased sales due to strong sales of electronic materials.

*3 Animal nutrition: Large increase in profit primarily due to the effect of increased sales of tryptophan.

Specialty chemicals: Large increase in profit accompanying increased sales.

Healthcare

(¥ Billion)

	Apr.-June. 2018	Forecast	Progress	Apr.-June. 2017	Change	
Sales	34.2	139.9	24%	24.7	9.5	
Amino acids	23.7	-	-	15.1	8.6	*1
Other *5	10.5	-	-	9.6	0.9	*2
Business profit	1.9	11.8	16%	0.5	1.4	
Amino acids	2.4	-	-	0.9	1.4	*3
Other *5	0.6	-	-	0.4	0.2	*4
Shared companywide expenses	-1.1	-4.3	25%	-0.8	-0.2	

*5 Segment changes (reclassification of results for prior years):

Materials of healthcare products, which had been included in Specialty Chemicals under Life Support, was changed to Other under Healthcare from FY2018, and this is reflected in all figures in this category.

*1 Large increase in sales due to the effect of expansion of sales of amino acids for pharmaceuticals and foods and pharmaceutical custom manufacturing, and the new consolidation of a subsidiary (approx. ¥1.5 billion).

Reference: Amino acids for pharmaceuticals and foods +¥2.0 billion, Pharmaceutical custom manufacturing +¥6.5 billion

*2 Increase in sales due to increased sales of materials of healthcare products and Foods with Function Claims.

*3 Large increase in profit accompanying increased sales of both amino acids for pharmaceuticals and foods, and pharmaceutical custom manufacturing.

Reference: Amino acids for pharmaceuticals and foods +¥0.5 billion, Pharmaceutical custom manufacturing +¥0.9 billion

*4 Increased profit accompanying increased sales.

Other

(¥ Billion)

	Apr.-June. 2018	Forecast	Progress	Apr.-June. 2017	Change	
Sales	6.0	27.8	21%	6.0	-0.0	*1
Business profit	0.9	-1.2	-	0.6	0.2	*2
Shared companywide expenses	-0.6	-2.6	24%	-0.6	-0.0	

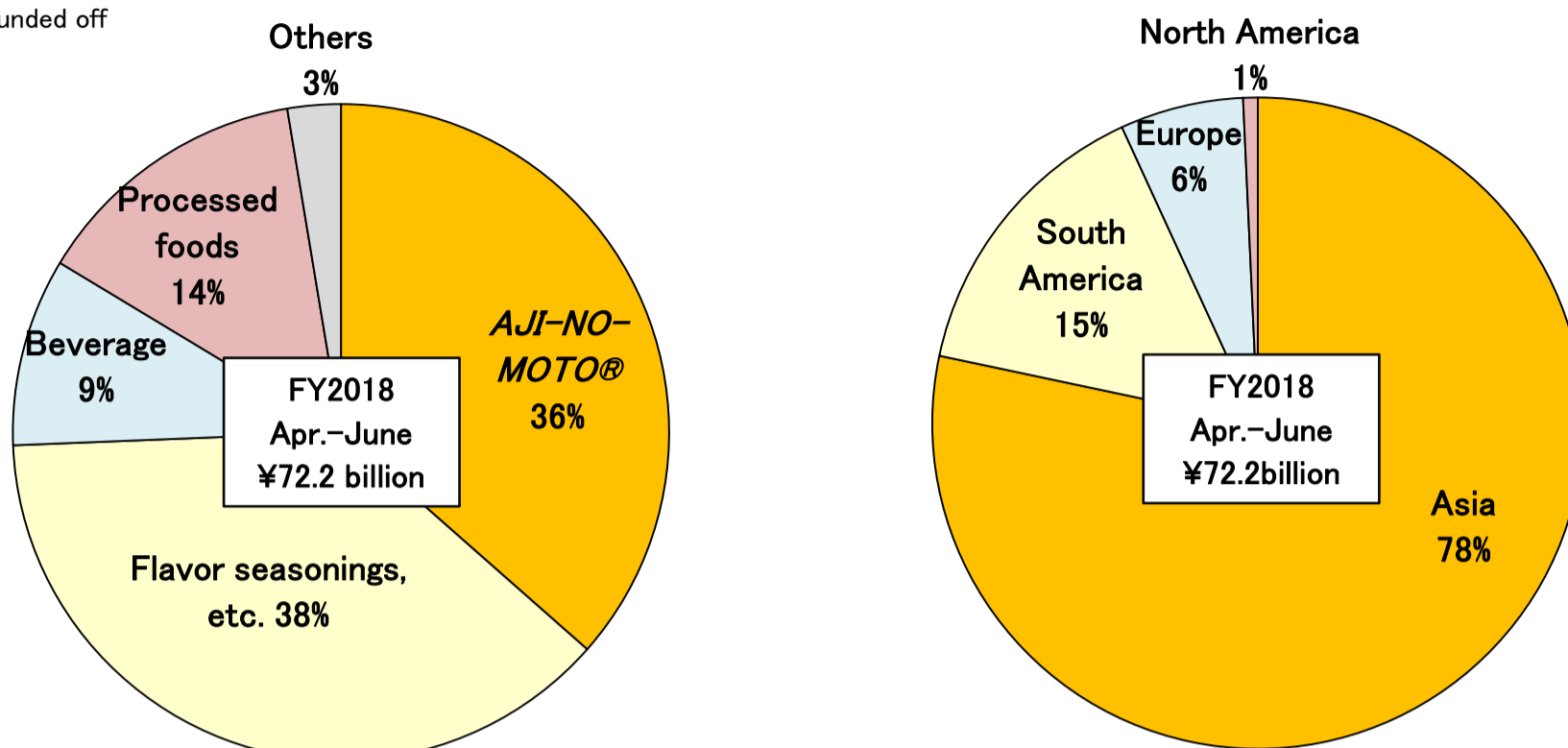
*1 Overall sales were level with the previous period.

*2 Increased profit due to increased share of profit of associates and joint ventures.

Ajinomoto Co., Inc. Consolidated Results First Quarter Ended June 30, 2018③

(Reference 1) Trends in International Food Products (Seasoning & Processed Foods) *

* Percentages are rounded off



(Reference 2) Results by Business & Geographical Area

(¥ Billion)

Sales	Japan	Asia	Americas	Europe	Total
Japan Food Products	85.8 (-4.4)	1.0 (0.1)	0.7 (0.1)	0.5 (0.0)	88.1 (-4.0)
International Food Products	3.7 (-0.0)	60.0 (2.6)	41.3 (2.4)	10.1 (1.3)	115.2 (6.4)
Life Support	8.4 (0.7)	3.1 (-0.5)	8.5 (-1.0)	7.4 (1.6)	27.6 (0.9)
Healthcare	13.1 (1.9)	0.9 (0.0)	7.2 (2.1)	13.0 (5.4)	34.2 (9.5)
Other	2.9 (-0.3)	3.1 (0.3)	-	-	6.0 (-0.0)
Total	114.1 (-2.0)	68.3 (2.6)	57.9 (3.7)	31.1 (8.4)	271.4 (12.8)
	116.1	65.6	54.2	22.6	258.6

Upper row; Apr.-June 2018, lower row; Apr.-June 2017. Figures in parentheses represent Y o Y change.

(¥ Billion)

Business profit	Japan	Asia	Americas	Europe	Other	Total
Japan Food Products	7.6 (-4.4)	0.4 (-0.1)	0.1 (0.0)	0.1 (0.0)	-2.9 (-0.0)	5.3 (-4.6)
International Food Products	0.3 (0.5)	11.6 (0.0)	2.3 (-0.5)	-0.1 (-0.9)	-3.5 (0.3)	10.6 (-0.6)
Life Support	2.4 (0.3)	0.0 (-0.1)	0.3 (1.0)	0.7 (0.5)	-0.8 (0.0)	2.8 (1.8)
Healthcare	0.5 (0.3)	0.1 (0.0)	1.1 (0.7)	1.3 (0.7)	-1.1 (-0.3)	1.9 (1.4)
Other	1.8 (0.8)	-0.3 (-0.6)	-	0.0 (0.0)	-0.6 (-0.0)	0.9 (0.2)
Shared companywide expenses, etc.	-4.8 (-0.3)	-2.0 (0.1)	-1.5 (0.1)	-0.8 (-0.1)	9.1 (0.1)	-
Total	8.0 (-2.7)	9.9 (-0.5)	2.4 (1.3)	1.3 (0.2)	-	21.7 (-1.6)
	10.7	10.5	1.1	1.0	-	23.4

Upper row; Apr.-June 2018, lower row; Apr.-June 2017. Figures in parentheses represent Y o Y change.

* Includes shared companywide expenses and unrealized gains and losses etc.

• Forward-looking statements, such as business performance forecasts, made in these materials are based on management's estimates, assumptions and projections at the time of publication and do not represent a commitment from Ajinomoto Co., Inc. that they will be achieved. A number of factors could cause actual results to differ materially from expectations.

• Unaudited figures are included in these materials for reference.

• Amounts presented in these materials are rounded down.