

Ajinomoto Co., Inc. Consolidated Results FY2016 Ended March 31, 2017

Financial Statement and Impact of External Environment

(¥ Billion)

Summary of Statement of Income	FY2016	FY2015	YoY Change		Excluding the Effect of currency translation		Remarks	Jan.-Mar. 2017	Jan.-Mar. 2016	FY2016 Revised forecast (Nov. 2016)	Progress
			Amount	%	Amount	%					
Japan Food Products	390.4	397.0	-6.6	-1%	-5.7	-1%		92.2	93.9	403.0	96%
International Food Products	428.9	463.9	-34.9	-7%	11.6	2%	Effect of currency translation: -¥46.6 billion	113.2	109.2	414.4	103%
Life Support	124.0	142.4	-18.3	-12%	-10.0	-7%	Effect of currency translation: -¥8.2 billion	32.0	31.7	124.5	99%
Healthcare	89.5	89.5	-0.0	-0%	6.4	7%	Effect of currency translation: -¥6.5 billion	27.7	24.9	91.6	97%
Other	58.3	91.1	-32.7	-35%	-31.5	-34%		14.2	21.6	61.5	94%
Net sales	1,091.4	1,184.1	-92.6	-7%	-29.2	-2%		279.6	281.5	1,095.0	99%
Japan Food Products	38.2	30.6	7.6	24%	7.9	26%		6.7	4.5	37.0	103%
International Food Products	36.5	41.9	-5.4	-13%	0.3	0%	Effect of currency translation: -¥5.7 billion	5.6	6.6	36.1	101%
Life Support	5.6	11.8	-6.1	-52%	-5.9	-50%	Effect of currency translation: -¥0.1 billion	2.2	0.9	4.5	125%
Healthcare	6.5	5.6	0.9	16%	1.6	29%	Effect of currency translation: -¥0.7 billion	2.4	0.9	6.3	103%
Other	-1.6	0.8	-2.4	-	-2.3	-		-0.6	-1.2	-2.4	67%
Operating income	85.3	90.8	-5.5	-6%	1.6	1%		16.4	11.8	81.5	104%
Interest income	3.1	2.8	0.2	10%				0.8	0.7	2.5	125%
Dividend income	1.2	1.3	-0.1	-7%				0.0	0.1	1.1	110%
Equity in earnings of non-consolidated subsidiaries and affiliates	4.3	1.5	2.7	178%				0.7	0.0	2.8	155%
Exchange gains	-	0.5	-0.5	-				-0.7	-0.5	-	-
Other	2.2	2.7	-0.4	-16%				-0.0	-0.4	-	-
Non-operating income	10.9	9.0	1.9	21%				1.5	1.0	-	-
Interest expense	2.4	2.2	0.2	9%				0.5	0.6	2.5	98%
Commission paid	0.0	0.0	-0.0	▲9%				0.0	0.0	-	-
Litigation expenses	1.0	0.4	0.5	129%				0.3	0.3	-	-
Other	2.4	2.9	-0.4	-16%				1.1	0.6	-	-
Non-operating expenses	6.0	5.7	0.2	5%				2.0	1.6	-	-
Ordinary income	90.2	94.1	-3.8	-4%				16.0	11.2	83.7	107%
Gain on sale of investment securities	5.6	0.0	5.6	-				1.1	0.0	2.5	226%
Gain on sales of fixed assets	5.3	0.8	4.4	504%				3.8	0.0	-	-
Gain on sale of shares in affiliated companies	0.5	24.8	-24.2	-97%				0.5	-	-	-
Gain on step acquisitions	-	18.0	-18.0	-				-	-	-	-
Other	1.5	1.5	0.0	0%				1.1	1.3	-	-
Extraordinary gains	13.1	45.3	-32.2	-71%				6.8	1.3	-	-
Losses related to contractual performance	6.4	-	6.4	-				6.4	-	-	-
Loss on disposal of fixed assets	3.7	2.7	0.9	32%				1.7	1.7	1.1	337%
Loss on impairment of fixed assets	1.9	7.4	-5.5	-73%				1.7	7.3	-	-
Loss on liquidation of affiliates	0.9	6.9	-5.9	-86%				0.4	0.3	-	-
Pharmaceutical business structural reform expenses	-	16.6	-16.6	-				-	16.6	-	-
Other	5.1	5.5	-0.3	-6%				1.1	2.5	-	-
Extraordinary losses	18.2	39.3	-21.0	-53%				11.5	28.5	-	-
Net income before income taxes	85.1	100.1	-15.0	-15%				11.2	-15.9	78.6	108%
Income taxes	20.7	27.0	-6.2	-23%			Tax rate FY2016 : 24.4%	-0.1	-0.6	24.4	85%
Profit for the period	64.3	73.1	-8.7	-12%				11.4	-15.2	54.2	118%
Profit attributable to non-controlling interests	11.7	9.6	2.0	21%				4.1	1.3	9.7	121%
Profit attributable to owners of parent	52.5	63.4	-10.8	-17%				7.2	-16.6	44.5	118%

Impact of External Environment	FY2016	Jan.-Mar. 2017	Remarks	Foreign Exchange Information	FY2016	FY2015	Forecast FY2016 (Revised Nov. 2016)
Effect of currency translation				JPY/USD	108.34	120.15	103.50
Net sales	-63.4	-2.1		JPY/EUR	118.74	132.60	114.50
Operating income	-7.1	0.3		JPY/THB	3.08	3.44	2.95
Effect of trade*				JPY/BRL	32.86	33.48	28.70
Net sales	approx. -3.5	approx. -1.0					
Operating income	approx. -2.5	approx. -1.5					
Japan food products raw materials	approx. 1.0	approx. 0.1	FY16 Seasonings and processed foods: +0.6, Frozen foods: +0.4				
Fermentation raw materials and fuel prices	approx. 2.8	approx. 0.8	FY16 Main raw materials: +0.1, Sub raw materials: +1.9, Energy: +0.8				
Cost reductions	approx. 3.7	approx. 0.9	FY16 Seasonings and processed foods: +1.8, Frozen foods: +1.9				

* Approximations to nearest ¥0.5 billion

Summary of Balance Sheets	Mar. 31, 2017	Mar. 31, 2016	YoY Change		Remark	Summary of Cash Flow Statements	FY2016	FY2015	YoY Change
			Amount	%					
Total assets	1,336.9	1,262.1	74.8	5%		①Cash provided by operating activities	108.0	125.2	-17.1
(Current assets included in above)	578.1	624.0	-45.9	-7%		②Cash provided by investing activities	-141.7	-53.8	-87.9
(Fixed assets included in above)	758.8	638.0	120.7	18%		③Cash provided by financing activities	16.1	-3.2	19.4
Liabilities	639.1	570.1	68.9	12%		④Cash and cash equivalents	181.1	217.7	-36.6
(Interest-bearing debt included in above)	333.5	264.7	68.8	26%		FCF(①+②)	-33.7	71.3	-105.1
Total net assets	697.7	691.9	5.8	0%		Capital expenditures, etc.	-86.2	-55.8	-30.3
(Noncontrolling interests included in above)	74.6	72.0	2.6	3%		Depreciation	46.9	50.9	-4

Note: (-) Cash out

Consolidated Results by Segments

Japan Food Products

(¥ Billion)

	FY2016	Revised forecast (Nov. 2016)	Progress	FY2015	YoY Change	Excluding the Effect of currency translation		Jan.-Mar. 2017	Jan.-Mar. 2016	YoY Change
						Amount	%			
Net sales	390.4	403.0	96%	397.0	-6.6	-5.7	-1%	92.2	93.9	-1.7
Seasonings & processed foods	191.7	195.9	97%	198.2	+1 -6.4	-	-	45.0	48.5	-3.5
Frozen foods (Japan)	98.7	99.0	99%	92.9	+2 5.7	-	-	23.9	22.2	1.7
Coffee products	99.9	107.9	92%	105.8	+3 -5.9	-	-	23.2	23.1	0.0
Operating income	38.2	37.0	103%	30.6	+4 7.6	7.9	26%	6.7	4.5	2.2
Seasonings & processed foods	34.5	-	-	32.1	2.3	-	-	7.5	7.7	-0.1
Frozen foods (Japan)	8.1	-	-	4.0	4.0	-	-	1.1	1.0	0.1
Coffee products	6.1	-	-	4.2	1.8	-	-	0.8	-1.4	2.2
Shared companywide expenses	-10.5	-10.7	98%	-9.8	-0.7	-	-	-2.7	-2.7	-0.0

*1 Decrease in sales due to negative effect of the sale of a subsidiary, etc., despite continued strong sales of soup in home use products.

*2 Increase in overall sales driven by double-digit growth of Gyoza in home use products, as well as increased sales of Yawaraka-Wakadori-no-Karaage and The Chahan, and increased sales of restaurant and industrial use products.

*3 Decrease in sales caused by struggling performance of restaurant and industrial use products and gift products as well as home use products (regular coffee, bottled coffee, etc.), which were impacted by competitors' measures, despite high-single-digit growth of stick-type coffee.

*4 Substantial increases in income from frozen foods, mainly due to the cost benefit of imports resulting from yen appreciation and the effect of increased sales, and from coffee products, mainly due to effective advertising and sales promotion activities. Increase in income from seasonings & processed foods, mainly due to the effect of increased sales of soups.

International Food Products

(¥ Billion)

	FY2016	Revised forecast (Nov. 2016)	Progress	FY2015	YoY Change	Excluding the Effect of currency translation		Jan.-Mar. 2017	Jan.-Mar. 2016	YoY Change
						Amount	%			
Net sales	428.9	414.4	103%	463.9	-34.9	11.6	2%	113.2	109.2	4.0
Seasonings & processed foods	265.3	256.3	103%	280.3	+1 -14.9	15.7	5%	69.9	65.3	4.5
Frozen foods (Overseas)	98.4	94.7	103%	105.5	+2 -7.1	-	-	26.2	24.8	1.4
Umami seasonings for processed food mfrs. & sweeteners	65.2	63.2	103%	78.0	+3 -12.8	-	-	17.1	19.0	-1.9
Operating income	36.5	36.1	101%	41.9	+4 -5.4	0.3	0%	5.6	6.6	-1.0
Seasonings & processed foods	-	-	-	-	-2.9	2.0	4%	-	-	0.2
Frozen foods (Overseas)	2.1	-	-	2.6	-0.4	-	-	-0.5	-0.3	-0.2
Shared companywide expenses	-15.5	-14.2	109%	-14.1	-1.3	-	-	-4.3	-3.6	-0.7

*1 Decrease in sales due to negative effect of currency translation (-¥30.7 billion), despite a 5% increase in sales on a local currency basis.

*2 Decrease in sales from substantial negative effect of currency translation (-¥10.7 billion), despite an increase in sales on a local currency basis.

*3 Decrease in sales of umami seasonings for processed food mfrs., mainly due to negative effect of currency translation and decrease in unit sales price. Decrease in sales of sweeteners due to transfer of international household sweeteners business from sweeteners to international seasonings and processed foods. Reference: Sales of umami seasonings for processed food mfrs. approx. ¥49.7 billion

*4 Decrease in income, mainly due to negative effect of currency translation (-¥5.7 billion) and increase in companywide expenses. Reference: Umami seasonings for processed food mfrs. -¥1.4 billion ; sweeteners +¥0.7 billion

Life Support

(¥ Billion)

	FY2016	Revised forecast (Nov. 2016)	Progress	FY2015	YoY Change	Excluding the Effect of currency translation		Jan.-Mar. 2017	Jan.-Mar. 2016	YoY Change
						Amount	%			
Net sales	124.0	124.5	99%	142.4	-18.3	-10.0	-7%	32.0	31.7	0.3
Animal nutrition	78.4	79.4	98%	94.9	+1 -16.5	-	-	20.6	19.7	0.8
Specialty chemicals	43.8	-	-	43.2	+2 0.5	-	-	10.8	10.6	0.2
Other	1.8	-	-	4.1	-2.3	-	-	0.5	1.2	-0.7
Operating income	5.6	4.5	125%	11.8	+3 -6.1	-5.9	-50%	2.2	0.9	1.2
Animal nutrition	0.5	0.0	-	5.5	-5.0	-	-	1.0	-0.0	1.1
Specialty chemicals	9.9	-	-	10.3	-0.4	-	-	2.4	2.1	0.3
Other	-1.0	-	-	-0.3	-0.7	-	-	-0.3	-0.1	-0.2
Shared companywide expenses	-3.6	-3.5	103%	-3.6	-0.0	-	-	-1.0	-0.9	-0.0

*1 Substantial decrease in sales due to lower unit price for Threonine, decreased sales volume of Lysine and the negative effect of currency translation, etc.

*2 Increase in sales driven by OEM products and chemicals.

*3 Substantial decrease in overall income due to significant negative effect of decrease in income from animal nutrition.

Healthcare

(¥ Billion)

	FY2016	Revised forecast (Nov. 2016)	Progress	FY2015	YoY Change	Excluding the Effect of currency translation		Jan.-Mar. 2017	Jan.-Mar. 2016	YoY Change
						Amount	%			
Net sales	89.5	91.6	97%	89.5	-0.0	6.4	7%	27.7	24.9	2.8
Amino acids	70.7	-	-	73.6	+1 -2.9	-	-	23.2	21.4	1.8
Other	18.7	-	-	15.9	2.8	-	-	4.5	3.5	1.0
Operating income </										

■ Results by Business & Geographical Area

Net Sales	Japan					Asia					Americas					Europe					Total									
	Sales		Change		Sales		Change		Sales		Change		Sales		Change		Sales		Change		Sales		Change							
Japan Food Products	383.3	(-5.5)	3.1	(-0.9)	2.1	(-0.0)	1.7	(-0.1)	390.4	(-6.6)	388.8		4.1		2.2		1.9		397.0		15.5	(-0.8)	223.9	(-17.5)	161.3	(-9.3)	28.1	(-7.0)	428.9	(-34.9)
International Food Products	16.4		241.4		170.7		35.2		463.9		41.8	(0.5)	14.1	(-1.4)	40.8	(-9.1)	27.2	(-8.2)	124.0	(-18.3)	41.3		15.6		49.9		35.5		142.4	
Life Support	30.9	(3.3)	3.1	(0.3)	22.5	(-0.4)	32.8	(-3.3)	89.5	(-0.0)	27.6		2.7		22.9		36.2		89.5		48.0	(-32.4)	10.3	(-0.2)	-	-	-	-	58.3	(-32.7)
Healthcare	80.5		10.6		-		-		91.1		80.5		10.6		-		-		91.1		80.5		10.6		-		-		91.1	
Other	519.7	(-34.9)	254.7	(-19.8)	226.9	(-18.9)	89.9	(-18.8)	1,091.4	(-92.6)	554.7		274.5		245.9		108.8		1,184.1		48.0	(-32.4)	10.3	(-0.2)	-	-	-	-	58.3	(-32.7)
Total	519.7	(-34.9)	254.7	(-19.8)	226.9	(-18.9)	89.9	(-18.8)	1,091.4	(-92.6)	554.7		274.5		245.9		108.8		1,184.1		48.0	(-32.4)	10.3	(-0.2)	-	-	-	-	58.3	(-32.7)

Upper row: FY2016 ; lower row: FY2015. Figures in parentheses represent Y o Y change.

Operating income	Japan		Asia		Americas		Europe		Other		Total	
	Sales		Change		Sales		Change		Sales		Change	
Japan Food Products	45.9	(8.8)	1.8	(-0.7)	0.3	(-0.1)	0.5	(0.0)	-10.3	(-0.4)	38.2	(7.6)
International Food Products	37.0		2.5		0.4		0.5		-9.9		30.6	
Life Support	0.3	(-0.9)	39.9	(-2.4)	10.7	(-0.9)	1.0	(0.0)	-15.5	(-1.0)	36.5	(-5.4)
Healthcare	1.2		42.3		11.6		1.0		-14.4		41.9	
Other	7.9	(-2.1)	0.8	(0.7)	-0.1	(-2.5)	0.5	(-1.9)	-3.5	(-0.3)	5.6	(-6.1)
Shared companywide expenses, etc. *	10.0		0.1		2.3		2.4		-3.2		11.8	
Total	2.4	(0.7)	0.8	(0.3)	3.5	(-0.2)	3.0	(0.7)	-3.4	(-0.7)	6.5	(0.9)
	1.6		0.4		3.8		2.3		-2.7		5.6	
	0.4	(-2.8)	0.9	(0.1)	-		0.0	(-0.1)	-3.0	(0.3)	-1.6	(-2.4)
	3.3		0.8		-		0.1		-3.4		0.8	
	-16.4	(-1.3)	-9.6	(-0.7)	-7.0	(-0.4)	-2.7	(0.2)	36.0	(2.2)		
	-15.1		-8.9		-6.6		-3.0		33.7			
Total	40.6	(2.4)	34.8	(-2.5)	7.3	(-4.3)	2.4	(-1.0)	85.3	(-5.5)		
	38.2		37.4		11.7		3.4		90.8			

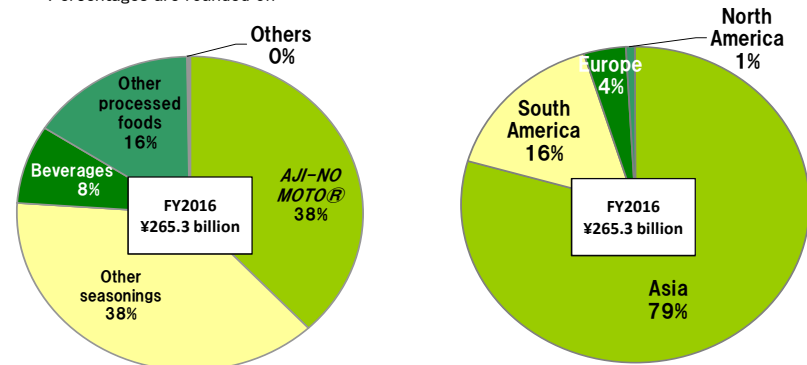
Upper row: FY 2016 ; lower row: FY 2015. Figures in parentheses represent Y o Y change.
* Includes shared companywide expenses and unrealized gains and losses not reflected in any geographical area, etc

<Comments about operating income>

Japan Food Products	: Japan > Increase in Seasonings & processed foods, Frozen foods and Coffee products.
International Food Products	: Asia > Decrease due to negative effect of currency translation despite increase in Seasonings & processed foods on a local currency basis.
Life Support	: Japan+Americas+Europe > Decrease mainly due to lower income of Animal nutrition.
Healthcare	: Europe > Increase mainly due to Pharmaceutical custom manufacturing.

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

* Percentages are rounded off

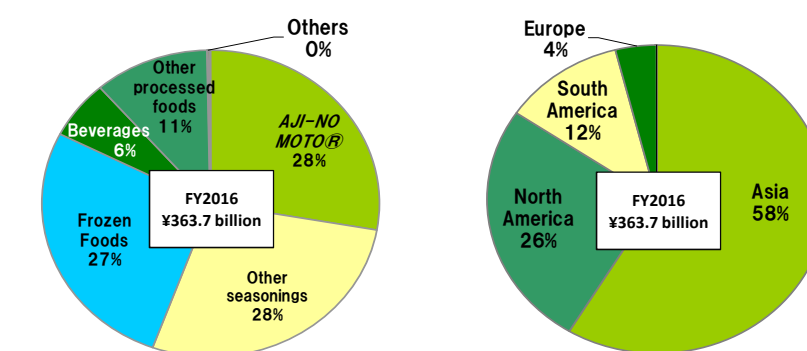


FY2016 Sales in Five Stars

- Thailand: approx. THB 32.5 billion (+0% Y o Y, -11% on yen basis)
- Indonesia: approx. IDR 4,605.1 billion (+11% Y o Y, +2% on yen basis)
- Brazil: approx. BRL 1.0 billion (+37% Y o Y, actually +12% Y o Y +35% on yen basis)
- Vietnam: approx. VND 7,371.6 billion (+8% Y o Y, -4% on yen basis)
- Philippines: approx. PHP 6.3 billion (+6% Y o Y, -8% on yen basis)

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

* Percentages are rounded off



■ Market & other information

.Revised

(1) Estimated market share and position of main brands in the Japanese household market by Ajinomoto Group*

Category	Brands	FY2015		FY2016		FY2017
		Market size	Market share (rank)	Market size	Market share (rank)	Market size (Forecast)
Umami seasonings	AJI-NO-MOTO®, Hi-Me®	6.2	89%(1)	6.0	89%(1)	5.8
Japanese flavor seasonings	HONDASHI®	39.3	57%(1)	38.5	57%(1)	37.9
Consomme	Ajinomoto KK Consomme	12.1	80%(1)	12.0	80%(1)	12.1
Soup	Knorr®	88.7	37%(1)	92.0	37%(1)	94.0
Mayonnaise	Pure Select®	45.2	23%(2)	45.1	26%(2)	44.6
Menu seasonings	Cook Do®, Cook Do® Kyo-no Ohzara®	78.9	28%(1)	76.5	30%(1)	77.3

Coffee products

Category	Brands	FY2015		FY2016		FY2017
		Market size	Market share (rank)	Market size	Market share (rank)	Market size (Forecast)
Instant (jar)	Blendy®, MAXIM®	44.4	4%(3)	41.4	4%(3)	38.1
Instant (refill-type)	Blendy®, MAXIM®	29.5	46%(2)	30.1	42%(2)	30.3
Stick-type	Blendy® Stick, Teaheart	31.3	62%(1)	32.3	64%(1)	33.5
Home regular	Chyotto Zeitakuna Kohiten®	26.9	18%(3)	25.6	17%(3)	25.1
Personal regular	Blendy® Drip, Chyotto Zeitakuna Kohiten® Drip	19.3	18%(2)	19.7	15%(2)	21.1

* Consumer purchase basis

(2) Ratio of sales for home use/restaurant and industrial use in Japanese market*1

Category	Sales	1H-FY2015	FY2015	1H-FY2016	FY2016			
		Home use	Restaurant and industrial use*2	Home use	Restaurant and industrial use			
Seasonings & processed foods	94.2	198.2	92.8	191.7	48%	51%	48%	53%
Frozen foods*3	56.7	115.1	60.0	122.3	60%	60%	62%	62%
Coffee products*4	48.5	101.8	48.9	103.4	73%	75%	75%	78%

*1: Percentages are rounded off.
*2: Seasonings & processed foods for restaurant use, seasonings for processed food manufacturers, delicatessens and bakery products.
*3: Figures for AJINOMOTO FROZEN FOODS CO., INC. only, and total sales. *4: Figures for Ajinomoto General Foods, Inc. only.

(3) Estimated market size and share of Asian/Ethnic Frozen Foods Category in North America by Ajinomoto Group

	FY2014	FY2015	FY2016
Market size (Million USD)*1	534	568	573
Ajinomoto Windsor, Inc.	35%(1)	34%(1)	31%(1)

*1 Excluding sales to warehouse clubs and private brands

(4) Estimated demand for MSG and nucleotides by Ajinomoto Group

Category	FY2015				FY2016			
	Chine	Other	Total	Market share	Chine	Other	Total	Market share
MSG	1,600	1,500	3,100*1	approx. 20%	1,620	1,540	3,160*2	approx. 20%
Nucleotides	-	-	42	approx. 30%	-	-	44	approx. 30%

*1 retail: a little under 60%, industrial use: a little over 40% *2 retail: a little under 60%, industrial use: a little over 40%

(5) Estimated market size of amino acid-based sweetener, aspartame by Ajinomoto Group

Category	FY2015		FY2016		FY2017 (est.)	
	Size	Share	Size	Share	Size	Share
Aspartame	approx. 25	approx. 30%	approx. 25.5	nearly. 30%	approx. 26	nearly. 30%

(6) Estimated market price and market size of feed-use amino acids by Ajinomoto Group

Category	FY2013	FY2014	FY2015	1H-FY2016	FY2016	1H-FY2017 (est.)*2	FY2017 (est.)*2	
	Spread (US\$/ST)*1	255	250	170	220	210	150-200	150-200
Market Price (US\$/kg, CIF main port basis)	Lysine	1.60	1.40	1.25	1.35	1.40	approx. 1.35	approx. 1.35
	Threonine	2.05	2.75	2.30	1.75	1.75	approx. 1.75	approx. 1.75
	Tryptophan	15.00	17.00	10.00	8.00	8.00	approx. 8	approx. 8
Market size (Thousand MT)	Lysine	2,100	2,300	approx. 2,200	approx. 2,300	approx. 2,300	approx. 2,400	
	Market share	15-20%	approx. 15%	approx. 15%	approx. 15%	approx. 15%	approx. 15%	
	Threonine	400	approx. 445	approx. 480	approx. 540	approx. 540	approx. 570	
	Market share	approx. 30%	approx. 25%	approx. 25%	approx. 20%	approx. 20%	approx. 20%	
	Tryptophan	14	approx. 23	approx. 28	approx. 33	approx. 33	approx. 37	
	Market share	approx. 35%	approx. 20%	approx. 15%	approx. 20%	approx. 20%	approx. 25%	

*1 The price difference between soybean meal and corn on the Chicago Board of Trade (CBOT)
*2 Spread and market prices do not correspond with assumptions in Ajinomoto Group's forecast of results