

Ajinomoto Co., Inc.

Consolidated Results

[IFRS]

Fiscal Year Ended March 31, 2017

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)

For the fiscal year ended March 31, 2017

Ajinomoto Co., Inc.

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June 23, 2017

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1. Consolidated Financial Results for the Fiscal year Ended March 31, 2017

(1) Consolidated Operating Results

Millions of yen, rounded down

	Fiscal year ended March 31, 2017		Fiscal year ended March 31, 2016	
		Change %		Change %
Sales	1,091,195	(5.1)	1,149,427	-
Business profit	96,852	(1.3)	98,144	-
Profit before income taxes	86,684	(12.2)	98,778	-
Profit	64,966	(19.7)	80,931	-
Profit attributable to owners of the parent company	53,065	(25.6)	71,292	-
Basic earnings per share (yen).....	¥92.81	-	¥121.23	-
Diluted earnings per share (yen).....	-	-	-	-
Profit ratio attributable to owners of the parent company ..	8.7%	-	11.3%	-
Ratio of business profit to total assets	7.4%	-	7.8%	-
Ratio of business profit to sales	8.9%	-	8.5%	-

Share of profit of associates and joint ventures:

Fiscal year ended March 31, 2017: ¥2,537 million

Fiscal year ended March 31, 2016: ¥1,169 million

Note 1: The Ajinomoto Group classified the pharmaceutical business as a discontinued operation for the fiscal year ended March 31, 2016. As a result, profit from discontinued operations is presented separately from continuing operations on the consolidated statements of income. Accordingly, consolidated amounts presented as sales, business profit, profit before income taxes, the ratio of business profit to total assets, and the ratio of business profit to sales for fiscal years ended March 31, 2017 and March 31, 2017 are amounts from continuing operations.

Note 2: Upon applying IFRS, the Group has introduced a "business profit," as a new level of profit, so that investors, the Board of Directors, and the Management Committee understand the ordinary financial performance and future outlook of each business and the Board of Directors and the Management Committee continuously assess the business portfolio. The business profit is calculated by deducting the cost of sales, selling expenses, research and development expenses, and general and administrative expenses from sales and adding the share of profit of associates and joint ventures. Other operating income and other operating expenses are not included in the business profit.

(2) Consolidated Financial Position

Millions of yen, rounded down

	As of March 31, 2017	As of March 31, 2016
Total assets	1,350,105	1,273,893
Total equity	690,673	680,727
Equity attributable to owners of the parent company.....	616,315	609,486
Ownership ratio attributable to owners of the parent company (%)	45.6%	47.8%
Equity per share (attributable to owners of the parent company) (yen)	¥1,082.90	¥1,048.96

(3) Consolidated Cash Flows

	<i>Millions of yen, rounded down</i>	
	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2016
Net cash provided by (used in) operating activities	108,907	129,311
Net cash provided by (used in) investing activities	(142,299)	(58,745)
Net cash provided by (used in) financing activities.....	14,738	(2,820)
Cash and cash equivalents at end of year	186,003	204,487

2. Dividends

	<i>Millions of yen, rounded down</i>		
	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017	Fiscal year ending March 31, 2018 (forecast)
Dividend per share			
Interim (yen)	¥13.00	¥15.00	¥15.00
Year-end (yen)	¥15.00	¥15.00	¥15.00
Annual (yen)	¥28.00	¥30.00	¥30.00
Total annual dividend amount.....	16,408	17,074	-
Dividend payout ratio	23.1%	32.3%	30.0%
Ratio of dividends to equity attributable to owners of the parent company (consolidated)	2.7%	2.8%	-

3. Forecast for the Fiscal Year Ending March 31, 2018

	<i>Millions of yen, rounded down</i>	
	Fiscal year ending March 31, 2018	Change (%)
Sales	1,187,000	8.8
Business profit.....	102,000	5.3
Profit attributable to owners of the parent company	57,000	7.4
Basic earnings per share (yen)	¥100.00	-

Notes:

(1) Changes in important subsidiaries during the period (Changes in status of subsidiaries affecting the scope of consolidation): Yes

Newly consolidated: -
 Removed from scope of consolidation: 1 company
 Ajinomoto Pharmaceuticals Co., Ltd.
 (Currently EA Pharma Co., Ltd.)

(2) Changes in accounting policies and accounting estimates

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

(3) Number of shares outstanding (ordinary shares)

	<i>Shares</i>	
	As of March 31, 2017	As of March 31, 2016
Number of shares outstanding at the end of period (including treasury shares):	571,863,354	583,762,654
Number of treasury shares at end of period	2,729,750	2,724,205
Average number of shares during period	571,779,249	588,064,906

Note: See "Earnings per Share" on page 23 for details on the number of outstanding shares used as the basis of calculation of basic earnings per share.

* Status of audit implementation

This summary of consolidated financial statements is outside the scope of audit based on the Financial Instruments and Exchange Act.

* Appropriate use of forecasts and other notes

[Regarding the application of International Financial Reporting Standards (IFRS)]

The Ajinomoto Group applied IFRS beginning from the fiscal year ended March 31, 2017. This summary of consolidated financial statements and supplementary information is a summary of key financial information based on IFRS from the annual securities report filed by the Company on June 27, 2017 and disclosed at the Company's discretion. The Company has published the summary of consolidated financial statements based on Japanese accounting standards for the year ended March 31, 2017 on May 15, 2017.

[Disclaimer regarding forward-looking statements and other information]

Forward-looking statements, such as business forecasts, included in this document are based on the 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 due to various factors.



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1. Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

	<i>Millions of yen</i>		
	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Assets			
Current assets			
Cash and cash equivalents	186,003	204,487	169,413
Trade and other receivables	186,503	177,002	217,922
Other financial assets	11,047	5,483	11,777
Inventories	168,755	175,217	183,517
Income taxes receivable	7,423	1,259	3,671
Others	13,711	15,271	15,673
Sub total	573,445	578,722	601,975
Assets of disposal groups classified as held for sale	-	51,008	-
Total current assets	573,445	629,731	601,975
Non-current assets			
Property, plant and equipment	393,441	379,410	390,003
Intangible assets	60,422	37,446	46,344
Goodwill	96,606	96,889	70,316
Investments in associates and joint ventures	130,634	37,582	60,962
Long-term financial assets	62,923	62,696	65,690
Deferred tax assets	8,249	10,007	8,353
Others	24,382	20,127	13,614
Total non-current assets	776,660	644,161	655,285
Total assets	1,350,105	1,273,893	1,257,261



Millions of yen

	As of March 31, 2017	As of March 31, 2016	As of April 1, 2015
Liabilities			
Current liabilities			
Trade and other payables	160,840	158,715	172,690
Short-term borrowings	11,153	12,499	91,513
Commercial paper	-	-	15,000
Current portion of corporate bonds	-	-	15,000
Current portion of long-term borrowings	23,929	11,012	18,676
Other financial liabilities	5,049	2,653	3,283
Short-term employee benefits	35,501	34,646	32,483
Provisions	4,579	4,275	3,311
Income taxes payable	9,995	9,988	7,704
Others	9,744	8,340	10,616
Sub total	260,794	242,132	370,279
Liabilities of disposal groups classified as held for sale	-	13,470	-
Total current liabilities	260,794	255,602	370,279
Non-current liabilities			
Corporate bonds	169,347	89,656	19,952
Long-term borrowings	129,617	153,570	54,121
Other financial liabilities	18,452	20,030	14,489
Long-term employee benefits	57,592	53,213	45,970
Provisions	11,261	6,704	6,270
Deferred tax liabilities	12,163	13,925	16,310
Others	202	461	4,535
Total non-current liabilities	398,637	337,562	161,650
Total liabilities	659,431	593,165	531,930
Equity			
Common stock	79,863	79,863	79,863
Capital surplus	3,797	26,021	53,725
Treasury stock	(6,895)	(6,944)	(4,070)
Retained earnings	584,849	552,684	497,365
Other components of equity	(45,299)	(41,976)	23,776
Disposal group classified as held for sale	-	(161)	-
Equity attributable to owners of the parent company	616,315	609,486	650,660
Non-controlling interests	74,358	71,240	74,671
Total equity	690,673	680,727	725,331
Total liabilities and equity	1,350,105	1,273,893	1,257,261



(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
Consolidated Statements of Income

Millions of yen

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2016
Continuing operations		
Sales	1,091,195	1,149,427
Cost of sales	(704,177)	(757,135)
Gross profit	387,018	392,291
Share of profit of associates and joint ventures	2,537	1,169
Selling expenses	(169,448)	(174,440)
Research and development expenses	(27,134)	(26,591)
General and administrative expenses	(96,119)	(94,284)
Business profit	96,852	98,144
Other operating income	9,541	23,868
Other operating expenses	(22,776)	(22,335)
Operating profit	83,617	99,678
Financial income	7,283	5,292
Financial expenses	(4,216)	(6,192)
Profit before income taxes	86,684	98,778
Income taxes	(21,717)	(20,635)
Profit from continuing operations	64,966	78,143
Profit from discontinued operations	-	2,788
Profit	64,966	80,931
Attributable to:		
Owners of the parent company	53,065	71,292
Non-controlling interests	11,901	9,639
Profit from continuing operations attributable to owners of the parent company	53,065	68,504
Profit from discontinued operations attributable to owners of the parent company	-	2,788
Profit attributable to owners of the parent company	53,065	71,292
Earnings per share from continuing operations (yen):		
Basic	92.81	116.49
Diluted	-	-
Earnings per share from discontinued operations (yen):		
Basic	-	4.74
Diluted	-	-
Earnings per share (yen):		
Basic	92.81	121.23
Diluted	-	-



Consolidated Statements of Comprehensive Income

Millions of yen

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2016
Profit	64,966	80,931
Other comprehensive income (Net of related tax effects)		
Items that will not be reclassified to profit or loss:		
Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	4,696	(1,832)
Remeasurements of defined benefit pension plans	(6,607)	(11,468)
Share of other comprehensive income (loss) of associates and joint ventures	540	(698)
Items that may be reclassified subsequently to profit or loss:		
Cash flow hedges	274	(3,037)
Change in fair value of forward elements of forward contracts	(162)	-
Exchange differences on translation of foreign operations	1,809	(57,708)
Share of other comprehensive income (loss) of associates and joint ventures	67	(300)
Other comprehensive income (Net of related tax effects)	617	(75,044)
Comprehensive income	65,584	5,886
Comprehensive income attributable to:		
Owners of the parent company	53,489	5,420
Non-controlling interests	12,094	465



(3) Consolidated Statements of Changes in Equity

	<i>Millions of yen</i>			
	Equity attributable to owners of the parent company			
	Common stock	Capital surplus	Treasury stock	Retained earnings
Balance as of April 1, 2015	79,863	53,725	(4,070)	497,365
Profit				71,292
Other comprehensive income				
Comprehensive income				71,292
Purchase of treasury stock			(30,167)	
Disposal of treasury stock		0	0	
Retirement of treasury stock		(27,292)	27,292	
Dividends				(15,978)
Changes due to business combinations				
Changes in ownership interests in subsidiaries that result in loss of control				
Changes in ownership interests in subsidiaries that do not result in loss of control		(411)		
Transfer from other components of equity to retained earnings				6
Transfer of negative balance of other capital surplus				
Transfer to non-financial assets				
Disposal group classified as held for sale				
Other				(0)
Total net changes in transactions with owners of the parent company	-	(27,703)	(2,873)	(15,973)
Balance as of March 31, 2016	79,863	26,021	(6,944)	552,684
Profit				53,065
Other comprehensive income				
Comprehensive income				53,065
Purchase of treasury stock			(30,013)	
Disposal of treasury stock		(0)	0	
Retirement of treasury stock		(30,061)	30,061	
Dividends				(17,252)
Changes due to business combinations				
Changes in ownership interests in subsidiaries that result in loss of control				
Changes in ownership interests in subsidiaries that do not result in loss of control		(65)		
Transfer from other components of equity to retained earnings				4,290
Transfer of negative balance of other capital surplus		7,903		(7,903)
Transfer to non-financial assets				
Disposal group classified as held for sale				
Other				(34)
Total net changes in transactions with owners of the parent company	-	(22,223)	48	(20,900)
Balance as of March 31, 2017	79,863	3,797	(6,895)	584,849



Millions of yen

Equity attributable to owners of the parent company											
Other components of equity											
	Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	Remeasur ements of defined benefit pension plans	Cash flow hedges	Change in fair value of forward elements of forward contracts	Exchange differences on translating foreign operations	Share of other comprehe nsive income (loss) of associates and joint ventures	Total	Disposa l group classifie d as held for sale	Total	Non-controlli ng interests	Total
Balance as of April 1, 2015	24,063	(1,046)	(731)	-	-	1,492	23,776	-	650,660	74,671	725,331
Profit									71,292	9,639	80,931
Other comprehensive income	(1,832)	(11,372)	(3,030)	-	(48,641)	(998)	(65,871)	-	(65,871)	(9,173)	(75,044)
Comprehensive income	(1,832)	(11,372)	(3,030)	-	(48,641)	(998)	(65,871)	-	5,420	465	5,886
Purchase of treasury stock									(30,167)		(30,167)
Disposal of treasury stock									1		1
Retirement of treasury stock									-		-
Dividends									(15,978)	(3,693)	(19,672)
Changes due to business combinations									-		-
Changes in ownership interests in subsidiaries that result in loss of control									-		-
Changes in ownership interests in subsidiaries that do not result in loss of control									(411)	(233)	(644)
Transfer from other components of equity to retained earnings	(6)						(6)		-		-
Transfer of negative balance of other capital surplus									-		-
Transfer to non-financial assets			(37)				(37)		(37)	(0)	(37)
Disposal group classified as held for sale		161					161	(161)	-		-
Other									(0)	31	31
Total net changes in transactions with owners of the parent company	(6)	161	(37)	-	-	0	118	(161)	(46,594)	(3,895)	(50,490)
Balance as of March 31, 2016	22,225	(12,256)	(3,799)	-	(48,641)	495	(41,976)	(161)	609,486	71,240	680,727
Profit									53,065	11,901	64,966
Other comprehensive income	4,695	(6,542)	267	(126)	1,522	607	424		424	193	617
Comprehensive income	4,695	(6,542)	267	(126)	1,522	607	424	-	53,489	12,094	65,584
Purchase of treasury stock									(30,013)		(30,013)
Disposal of treasury stock									0		0
Retirement of treasury stock									-		-
Dividends									(17,252)	(3,927)	(21,180)
Changes due to business combinations									-		-
Changes in ownership interests in subsidiaries that result in loss of control	(6)	36					29	161	191	(4,060)	(3,868)
Changes in ownership interests in subsidiaries that do not result in loss of control									(65)	(951)	(1,017)
Transfer from other components of equity to retained earnings	(4,290)						(4,290)		-		-
Transfer of negative balance of other capital surplus									-		-
Transfer to non-financial assets			513				513		513	5	519
Disposal group classified as held for sale									-		-
Other	(0)				0		0		(34)	(43)	(77)
Total net changes in transactions with owners of the parent company	(4,297)	36	513	-	0	-	(3,746)	161	(46,660)	(8,977)	(55,638)
Balance as of March 31, 2017	22,624	(18,763)	(3,018)	(126)	(47,118)	1,102	(45,299)	-	616,315	74,358	690,673



(4) Consolidated Statements of Cash Flows

Millions of yen

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2016
Cash flows from operating activities		
Profit before income taxes	86,684	98,778
Profit before income taxes from discontinued operations	-	11,064
Depreciation and amortization	46,273	50,852
Impairment loss	1,965	15,043
Pharmaceutical business restructuring charges	-	11,784
Increase (decrease) in employee benefits	(2,853)	(3,859)
Increase (decrease) in provisions	5,939	1,507
Interest income	(3,162)	(2,846)
Dividend income	(1,217)	(1,317)
Interest expense	2,532	2,310
Share of profit of associates and joint ventures	(2,537)	(1,585)
Loss on disposal of property, plant and equipment	3,657	2,926
Gain on sales of property, plant and equipment	(5,312)	(878)
Gain on sales of shares of subsidiaries and associates	(593)	(27,570)
Loss on sales of shares of subsidiaries and associates	626	5,603
Gain on business combination achieved in stages	-	(18,112)
Environmental measures expenses	377	1,013
Decrease (increase) in trade and other receivables	(4,174)	13,800
Increase (decrease) in trade and other payables	(1,478)	(2,687)
Decrease (increase) in inventories	3,216	1,845
Increase (decrease) in consumption taxes payable	570	(716)
Increase (decrease) in other assets and liabilities	1,489	4,445
Others	653	(14,197)
Subtotal	132,655	147,203
Insurance proceeds	1,532	356
Interest received	3,121	3,436
Dividends received	1,738	2,459
Interest paid	(2,474)	(2,197)
Income taxes paid	(27,665)	(21,947)
Net cash provided by operating activities	108,907	129,311



Millions of yen

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2016
Cash flows from investing activities		
Purchase of property, plant and equipment	(56,055)	(51,415)
Proceeds from sales of property, plant and equipment	6,407	1,270
Purchase of intangible assets	(30,138)	(5,039)
Purchase of financial assets	(7,242)	(2,369)
Proceeds from sales of financial assets	8,664	13
Purchase of shares in subsidiaries resulting in change in scope of consolidation	-	(26,553)
Proceeds from sales of shares in subsidiaries resulting in change in scope of consolidation	2,235	4,133
Purchase of shares in associates and joint ventures	(63,979)	(6,616)
Proceeds from sales of shares in associates and joint ventures	916	32,500
Others	(3,109)	(4,667)
Net cash used in investing activities	(142,299)	(58,745)
Cash flows from financing activities		
Net change in short-term borrowings	(1,112)	(85,172)
Net change in commercial paper	-	(15,000)
Proceeds from long-term borrowings	-	115,856
Repayments of long-term borrowings	(11,058)	(22,381)
Proceeds from issuance of corporate bonds	79,690	69,703
Redemption of corporate bonds	-	(15,000)
Dividends paid	(17,242)	(15,982)
Dividends paid to non-controlling interests	(3,927)	(3,693)
Purchase of treasury stock	(30,034)	(30,187)
Purchase of shares in subsidiaries not resulting in change of scope of consolidation	(1,017)	(644)
Others	(557)	(318)
Net cash provided by (used in) financing activities	14,738	(2,820)
Effect of currency rate changes on cash and cash equivalents	169	(13,324)
Net change in cash and cash equivalents	(18,484)	54,420
Cash and cash equivalents at beginning of the year	204,487	169,413
Effect from reclassification of non-current assets classified as held for sale	-	(19,346)
Cash and cash equivalents at end of the year	186,003	204,487



(5) Notes to Consolidated Financial Statements

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."

From the fiscal year ended March 31, 2017, Pharmaceuticals and Nutrition Care businesses, which were included in the "Healthcare" segment in the previous fiscal year, are included in "Other" and "Japan Food Products" segments respectively.

The segment information for the fiscal year ended March 31, 2016 has been prepared to reflect the reclassification of reportable segments, and included in (2) Information by reportable segment.

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.

The product categories belonging to each reportable segment are as follows.

Reportable Segments	Details	Main Products
Japan Food Products	Seasonings and Processed Foods	Umami seasonings <i>AJI-NO-MOTO</i> [®] , <i>HON-DASHI</i> [®] , <i>Cook Do</i> [®] , <i>Knorr</i> [®] Cup Soup, <i>Ajinomoto KK Consommé</i> , <i>Pure Select</i> [®] Mayonnaise, Seasonings and processed foods for restaurant use, Food ingredients (savory seasonings, enzyme <i>ACTIVA</i> [®]), Lunchboxes and delicatessen products, Bakery products, etc.
	Frozen Foods	<i>Gyoza</i> (Chinese dumplings), <i>Yawaraka Wakadori Kara-Age</i> (fried chicken), <i>Puripuri-no-Ebi Shumai</i> (shrimp dumplings), <i>EbiYose Fry</i> (shrimp fry), <i>Ebi Pilaf</i> (shrimp pilaf), <i>Yoshokutei Hamburg</i> (hamburg steak), <i>THE CHA-HAN</i> (fried rice), etc.
	Coffee Products	<i>Blendy</i> [®] , (Stick coffee, etc.) <i>MAXIM</i> [®] (<i>Chyotto Zeitakuna Kohiten</i> [®] , etc.), Various gift sets, Office supplies (Coffee Vending Machines, Tea Servers), Drinks supplied to Restaurants, Ingredients for Industrial Use, etc.
International Food Products	Seasonings and Processed Foods	Umami seasoning <i>AJI-NO-MOTO</i> [®] (outside Japan), <i>Ros Dee</i> [®] (flavor seasoning/Thailand), <i>Masako</i> [®] (flavor seasoning/Indonesia), <i>Aji-ngon</i> [®] (flavor seasoning/Vietnam), <i>Sazón</i> [®] (flavor seasoning/Brazil), <i>AMOY</i> [®] (Chinese ethnic sauce/Hong Kong), <i>YumYum</i> [®] (instant noodles/Thailand), <i>Birdy</i> [®] (coffee beverage/Thailand), <i>Birdy</i> [®] 3in1 (powdered drink/Thailand), <i>SAJIKU</i> [®] (menu-specific seasonings/Indonesia), <i>CRISPY FRY</i> [®] (menu-specific seasonings/Philippines), etc.
	Frozen Foods	<i>Gyoza</i> (POT STICKERS), Cooked rice (CHICKEN FRIED RICE, YAKITORI CHICKEN FRIED RICE etc.), Noodles (YAKISOBA, RAMEN etc.), etc.
	Umami Seasonings for Processed Food Manufacturers and Sweeteners	Umami Seasonings <i>AJI-NO-MOTO</i> [®] for the food processing manufacturers, Nucleotides, <i>Advantame</i> , <i>PAL SWEET</i> [®] , etc.
Life Support	Animal Nutrition	Lysine, Threonine, Tryptophan, Valine, <i>AjiPro</i> [®] -L, etc.
	Specialty Chemicals	<i>Amisoft</i> [®] , <i>Amilite</i> [®] (mild surfactant), <i>Ajidew</i> [®] (humectant), <i>JINO</i> [®] , <i>ABF</i> (insulation film for build-up printed wiring boards used in semiconductor packaging), etc.
Healthcare	Amino Acids	Amino acids (for intravenous drip etc.), pharmaceutical intermediates and active ingredients, etc.
	Others	Fundamental Foods (<i>Glyna</i> [®] , <i>Amino Aile</i> [®]) Functional foods (<i>amino VITAL</i> [®]), etc.



(2) Information by reportable segment

Upon applying IFRS, the Group has introduced a “business profit,” as a new level of profit, so that investors, the Board of Directors, and the Management Committee understand the ordinary financial performance and future outlook of each business and the Board of Directors and the Management Committee continuously assess the business portfolio. The business profit is calculated by deducting the cost of sales, selling expenses, research and development expenses, and general and administrative expenses from sales and adding the share of profit of associates and joint ventures. Other operating income and other operating expenses are not included in the business profit.

Inter-segment sales and transfers are primarily based on transaction prices between third-parties.

1) Sales and segment profit (loss)

Information on profit (loss) by reportable segment is as follows:

Fiscal year ended March 31, 2017

	Reportable segment				Other *1	Total	Adjustments	<i>Millions of yen</i>	
	Japan Food Products	International Food Products	Life Support	Healthcare				As included in consolidated financial statements	
Sales									
Sales to third parties	390,441	428,988	124,095	89,504	58,166	1,091,195	-	1,091,195	
Inter-segment sales and transfers	3,970	5,583	3,069	2,225	57,865	72,714	(72,714)	-	
Total sales	394,412	434,572	127,165	91,729	116,031	1,163,911	(72,714)	1,091,195	
Share of profit of associates and joint ventures	633	-	202	-	1,701	2,537	-	2,537	
Segment profit or loss (Business profit or loss)	40,854	41,742	5,874	8,126	255	96,852	-	96,852	
								Other operating income	9,541
								Other operating expenses	(22,776)
								Operating profit	83,617
								Financial income	7,283
								Financial expenses	(4,216)
								Profit before income taxes	86,684

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



Fiscal year ended March 31, 2016

	Reportable segment				Other *1	Total	Adjustments	Millions of yen	
	Japan Food Products	International Food Products	Life Support	Healthcare				As included in consolidated financial statements	
Sales									
Sales to third parties*2	397,069	463,907	142,418	91,475	54,556	1,149,427	-	1,149,427	
Inter-segment sales and transfers	3,015	6,543	4,307	2,094	55,710	71,671	(71,671)	-	
Total sales	400,084	470,450	146,725	93,570	110,266	1,221,098	(71,671)	1,149,427	
Share of profit of associates and joint ventures	312	112	19	-	724	1,169	-	1,169	
Segment profit or loss (Business profit or loss)	31,705	47,344	12,059	7,093	(59)	98,144	-	98,144	
								Other operating income	23,868
								Other operating expenses	(22,335)
								Operating profit	99,678
								Financial income	5,292
								Financial expenses	(6,192)
								Profit before income taxes	98,778

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

*2. Transactions between continuing and discontinued operations are eliminated from profit or loss from discontinued operations to reflect how they would affect continuing operations in the future. Accordingly, the transaction amount of ¥2,174 million between continuing and discontinued operations are included in the sales to third parties above.



2) Other income and expense items

Information on other income and expense items by reportable segment is as follows:

Fiscal year ended March 31, 2017

	Reportable segment					Total	Adjustments *2	Millions of yen
	Japan Food Products	International Food Products	Life Support	Healthcare	Other *1			As included in consolidated financial statements
Depreciation and amortization	10,739	17,526	5,927	5,858	2,166	42,217	4,055	46,273
Impairment loss	31	34	1,626	-	272	1,965	-	1,965

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

*2. Adjustments are as follows:

Adjustments of ¥4,055 million for depreciation and amortization consist of depreciation related to corporate assets.

Fiscal year ended March 31, 2016

	Reportable segment				Other *1	Total	Adjustments *2	Millions of yen
	Japan Food Products	International Food Products	Life Support	Healthcare				As included in consolidated financial statements
Depreciation and amortization	10,571	17,947	7,457	5,899	2,439	44,315	5,436	49,751
Impairment loss	719	2,446	3,325	38	593	7,124	-	7,124

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

*2. Adjustments are as follows:

Adjustments of ¥5,436 million for depreciation and amortization consist of depreciation related to corporate assets.



3) Assets

Information on assets by reportable segment is as follows:

As of March 31, 2017

	Reportable segment					Other *1	Total	Adjustments *2	Millions of yen
	Japan Food Products	International Food Products	Life Support	Healthcare	As included in consolidated financial statements				
Segment assets	280,851	414,400	132,803	106,669	123,402	1,058,126	291,978	1,350,105	
Of which investments in associates and joint ventures accounted for by equity method	8,385	61,491	2,490	1,278	56,988	130,634	-	130,634	

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

*2. Adjustments are as follows:

Adjustments of ¥291,978 million for segment assets primarily consist of corporate assets of ¥341,647 million and elimination of inter-segment receivables and payables of ¥(45,749) 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.

As of March 31, 2016

	Reportable segment					Other *1	Total	Adjustments *2	Millions of yen
	Japan Food Products	International Food Products	Life Support	Healthcare	As included in consolidated financial statements				
Segment assets	291,386	341,912	116,109	77,075	150,239	976,723	297,170	1,273,893	
Of which investments in associates and joint ventures accounted for by equity method	7,631	4,887	2,301	808	21,953	37,582	-	37,582	

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

*2. Adjustments are as follows:

Adjustments of ¥297,170 million for segment assets primarily consist of corporate assets of ¥345,892 million and elimination of inter-segment receivables and payables of ¥(48,042) 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.



As of April 1, 2015 (Transition date)

	Reportable segment				Other *1	Total	Adjustments *2	Millions of yen
	Japan Food Products	International Food Products	Life Support	Healthcare				As included in consolidated financial statements
Segment assets	219,465	393,681	130,928	116,723	133,220	994,018	263,242	1,257,261
Of which investments in associates and joint ventures accounted for by equity method	16,961	13,935	2,333	708	27,024	60,962	-	60,962

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

*2. Adjustments are as follows:

Adjustments of ¥263,242 million for segment assets primarily consist of corporate assets of ¥308,173 million and elimination of intersegment receivables and payables of ¥(38,171) 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.

Fiscal year ended March 31, 2017

	Reportable segment				Other*1	Total	Adjustments *2	Millions of yen
	Japan Food Products	International Food Products	Life Support	Healthcare				As included in consolidated financial statements
Additions to non-current assets *3	44,883	21,460	8,772	8,814	2,471	86,401	3,275	89,677

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

*2. Adjustments are as follows:

Adjustments of ¥3,275 million for expenditures for non-current assets consist of the acquisition cost of non-current assets associated with corporate assets.

*3. Additions to non-current assets exclude financial instruments, deferred tax assets, and defined benefit assets.

Fiscal year ended March 31, 2016

	Reportable segment				Other*1	Total	Adjustments *2	Millions of yen
	Japan Food Products	International Food Products	Life Support	Healthcare				As included in consolidated financial statements
Additions to non-current assets *3	48,053	19,610	7,652	5,987	4,059	85,363	4,002	89,365

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

*2. Adjustments are as follows:

Adjustments of ¥4,002 million for expenditures for non-current assets consist of the acquisition cost of non-current assets associated with corporate assets.

*3. Additions to non-current assets exclude financial instruments, deferred tax assets, and defined benefit assets.



(3) Information by geographical area

The details of sales to third party customers and non-current assets by geographical area are as follows:

1) Sales

Fiscal year ended March 31, 2017

	Japan	Asia		Americas		Europe	Total
		Thailand	Others	U.S.	Others		
Sales	501,837	109,871	170,394	155,742	76,370	76,980	1,091,195

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

Major countries or regions included in each geographical area other than Japan are as follows:

Asia: Countries in East Asia and Southeast Asia

Americas: Countries in North America and Central and South America

Europe: Countries in Europe and Africa

Fiscal year ended March 31, 2016

	Japan	Asia		Americas		Europe	Total
		Thailand	Others	U.S.	Others		
Sales	521,576	121,881	159,632	170,234	69,699	106,402	1,149,427

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

Major countries or regions included in each geographical area other than Japan are as follows:

Asia: Countries in East Asia and Southeast Asia

Americas: Countries in North America and Central and South America

Europe: Countries in Europe and Africa



2) Non-current assets

As of March 31, 2017

	<i>Millions of yen</i>						
	Japan	Asia		Americas		Europe	Total
		Thailand	Others	U.S.	Others		
Non-current assets	259,212	69,824	37,878	128,339	32,577	45,073	572,907

Non-current assets are classified based on the location of the assets and exclude financial instruments, deferred tax assets, and defined benefit assets.

Major countries or regions included in each geographical area other than Japan are as follows:

Asia: Countries in East Asia and Southeast Asia

Americas: Countries in North America and Central and South America

Europe: Countries in Europe and Africa

As of March 31, 2016

	<i>Millions of yen</i>						
	Japan	Asia		Americas		Europe	Total
		Thailand	Others	U.S.	Others		
Non-current assets	224,644	68,166	35,933	124,966	30,454	49,156	533,322

Non-current assets are classified based on the location of the assets and exclude financial instruments, deferred tax assets, and defined benefit assets.

Major countries or regions included in each geographical area other than Japan are as follows:

Asia: Countries in East Asia and Southeast Asia

Americas: Countries in North America and Central and South America

Europe: Countries in Europe and Africa

As of April 1, 2015 (Transition date)

	<i>Millions of yen</i>						
	Japan	Asia		Americas		Europe	Total
		Thailand	Others	U.S.	Others		
Non-current assets	178,403	83,690	41,662	131,706	33,967	50,318	519,748

Non-current assets are classified based on the location of the assets and exclude financial instruments, deferred tax assets, and defined benefit assets.

Major countries or regions included in each geographical area other than Japan are as follows:

Asia: Countries in East Asia and Southeast Asia

Americas: Countries in North America and Central and South America

Europe: Countries in Europe and Africa



(Reference)

Segment information by location

Fiscal year ended March 31, 2017

	<i>Millions of yen</i>				
	Japan	Asia	Americas	Europe	Consolidated
Sales to third parties	519,555	254,729	226,936	89,974	1,091,195
Percentage of consolidated sales	47.6%	23.3%	20.8%	8.2%	100.0%
Segment profit or loss (Business profit or loss)	44,630	36,538	12,696	2,986	96,852
Percentage of consolidated business profit	46.1%	37.7%	13.1%	3.1%	100.0%

Fiscal year ended March 31, 2016

	<i>Millions of yen</i>				
	Japan	Asia	Americas	Europe	Consolidated
Sales to third parties	520,083	274,559	245,912	108,871	1,149,427
Percentage of consolidated sales	45.2%	23.9%	21.4%	9.5%	100.0%
Segment profit or loss (Business profit or loss)	37,858	38,796	17,521	3,969	98,144
Percentage of consolidated business profit	38.6%	39.5%	17.9%	4.0%	100.0%

Categorization of regions (countries) based on geographical proximity

Major countries or regions included in each geographical area other than Japan:

Asia: Countries in East Asia and Southeast Asia

Americas: Countries in North America and Central and South America

Europe: Countries in Europe and Africa



Earnings per Share

Respective information related to the calculation of earnings per share attributable to owners of the parent company are as follows:

Diluted earnings per share are not included in the table since they are not applicable.

1) Profit attributable to owners of the parent company

	<i>Millions of yen</i>	
	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2016
Profit from continuing operations	53,065	68,504
Profit from discontinued operations	-	2,788
Amount used for calculating the basic and diluted earnings per share	53,065	71,292

2) Weighted average number of ordinary shares

	<i>Thousands of shares</i>	
	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2016
Weighted average number of ordinary shares	571,779	588,064

3) Basic earnings per share attributable to owners of the parent company

	<i>Yen</i>	
	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2016
Basic earnings per share:		
Continuing operations	92.81	116.49
Discontinued operations	-	4.74
Basic earnings per share	92.81	121.23



Subsequent Events

(Acquisition of Örgen)

(1) Overview of business combination

The Company concluded a share purchase agreement on November 15, 2016 to acquire all of the shares of Örgen Gıda Sanayi ve Ticaret A.Ş. ("Örgen"), a food company based in Turkey, and the trademark for its powdered seasoning brand, *Bizim Mutfak*, which is widely sold in Turkey, and completed the acquisition procedures on April 3, 2017.

In its FY2017-2019 (for FY2020) Medium-Term Management Plan, the Company has set an accelerated business expansion to new regions as one of the key strategies, aiming at growth through strengthening regional portfolio for the food products business.

The Company has positioned Turkey as the starting point for business expansion in the Middle East and will leverage the business bases and brands of Örgen and KÜKRE, a company in which the Company made a 50% equity investment in 2013. The Company will contribute to the well-being of the region through food by strengthening the business portfolio in Turkey and accelerating business expansion in the Middle East.

(2) Fair value of consideration transferred on acquisition date

The fair value of the consideration transferred as of the acquisition date is as follows:

	Amount
Cash	196 million Turkish lira (TRY) (6,108 million yen)

*1. Acquisition-related costs pertaining to the business combination through cash transaction are undetermined at this time.

*2. The amount includes the acquisition costs of trademark of Örgen's brand *Bizim Mutfak*.

*3. The amount is valued after price adjustment at the time of the share acquisition (TRY 1 = JPY 31.01). Since price adjustment will be made after the share acquisition, the acquisition costs are undetermined at this time.

(3) Cash outflows related to acquisition of subsidiaries

Undetermined at this time

(4) Fair value of assets acquired and liabilities assumed and goodwill

Undetermined at this time

2. First-time Adoption

From the fiscal year ended March 31, 2017, the Group prepares its consolidated financial statements in accordance with IFRS. The last consolidated financial statements prepared in accordance with the Generally Accepted Accounting Principles in Japan (“J-GAAP”) were for the fiscal year ended March 31, 2016, and the date of transition to IFRS was April 1, 2015.

(1) Exemptions for first-time adopters

In principle, IFRS requires that first-time adopters apply all IFRS retrospectively. However, IFRS 1 sets out exemptions from some of the standards required by IFRS, which first-time adopters may apply at their discretion. The major exemptions applied by the Group are as follows:

- Business combinations

A first-time adopter may elect not to apply accounting treatment under IFRS to business combinations that occurred before the transition to IFRS. Accordingly, the Group did not apply IFRS retrospectively to business combinations that occurred before the transition date.

- Accumulated exchange differences on translation of foreign operations

Accumulated exchange differences on translation of foreign operations was deemed to be zero as of the transition date.

- Borrowing costs

A first-time adopter is permitted to begin capitalization of borrowing costs for qualifying assets on the transition date. The Group has applied this exemption and has not capitalized any borrowing costs for qualifying assets before the transition date.

- Deemed cost

A first-time adopter is permitted to use the fair value of property, plant and equipment as of the transition date as their deemed cost. For certain property, plant and equipment, the Group has used the fair value as of the transition date as their deemed cost.

- Designation of financial instruments recognized before the transition date

In accordance with IFRS 9 *Financial Instruments* classification, the Group has designated investments in equity instruments as financial assets measured at fair value through other comprehensive income based on the facts and circumstances existed as of the transition date.

(2) Reconciliations

Reconciliations required for disclosures in the first-time adoption of IFRS are as follows:

“Presentation” in the following reconciliation tables include items that do not affect retained earnings and comprehensive income, as well as reclassifications due to the application of Disposal groups classified as held for sale and discontinued operations. In addition, “Recognition and measurements” include items that affect retained earnings or comprehensive income.

With respect to the revenue recognition applied by EA Pharma Co., Ltd. under J-GAAP, the Group previously recognized the royalty revenues arising from licensing development and marketing rights of pharmaceuticals products upon receipt of royalty at once, based on the contract. In the fiscal year ended March 31, 2017, the Group has changed its accounting policy to account for royalty before the manufacturing and sales approval as a reversal of research and development expenses and royalty after the manufacturing and sales approval as a revenue allocated over the contract period.

This change in accounting policies has been retrospectively applied to the financial statements prepared under J-GAAP. But since the following reconciliations show the comparison with the annual securities reports issued for the fiscal years ended March 31, 2015 and 2016, the amounts shown for the J-GAAP have not been restated.



Reconciliations of equity as of March 31, 2016

Millions of yen

J-GAAP accounts	J-GAAP	Presentation	Recognition and measurements	IFRS	Notes	IFRS accounts
Assets						Assets
Current assets						Current assets
Cash on hand and in banks	221,242	(16,754)	-	204,487		Cash and cash equivalents
Notes and accounts receivable	181,860	(4,849)	(8)	177,002	1	Trade and other receivables
	-	5,483	-	5,483	2	Other financial assets
Goods and products	116,303	(116,303)	-	-		
Goods in process	8,270	(8,270)	-	-		
Raw materials and supplies	55,674	(55,674)	-	-		
	-	176,185	(967)	175,217		Inventories
	-	1,259	-	1,259		Income taxes receivable
Deferred tax assets	9,711	(9,711)	-	-		
Other	33,448	(17,287)	(890)	15,271	1,2	Others
Allowance for doubtful accounts	(1,191)	1,191	-	-		
				578,722		Sub total
	-	51,008	-	51,008	15	Assets of disposal groups classified as held for sale
Total current assets	625,319	6,278	(1,866)	629,731		Total current assets
Fixed assets						Non-current assets
Tangible fixed assets	386,201	(2,977)	(3,812)	379,410	3	Property, plant and equipment
Intangible fixed assets						
Other	46,560	(10,898)	1,785	37,446	4	Intangible assets
Goodwill	89,450	-	7,439	96,889		Goodwill
Total intangible fixed assets	136,011					
Investments and other assets						
Investments in securities	96,133	(96,133)	-	-		
		37,771	(189)	37,582	5	Investments in associates and joint ventures
Long-term loans receivable	1,084	(1,084)	-	-		
Allowance for doubtful accounts	(320)	320	-	-		
Allowance for investment losses	(297)	297	-	-		
		54,442	8,254	62,696	6	Long-term financial assets
Deferred tax assets	4,930	5,820	(743)	10,007	13	Deferred tax assets
Net defined benefit assets	964	(964)	-	-		
Other	13,237	9,441	(2,551)	20,127	7	Others
Total investments and other assets	115,732					
Total fixed assets	637,944	(3,963)	10,180	644,161		Total non-current assets
Total assets	1,263,264	2,314	8,314	1,273,893		Total assets

J-GAAP accounts	J-GAAP	Presentation	Recognition and measurements	IFRS	Notes	IFRS accounts
Liabilities						Liabilities
Current liabilities						Current liabilities
Notes and accounts payable	90,459	68,402	(146)	158,715	8	Trade and other payables
Short-term borrowings	6,456	6,042	-	12,499		Short-term borrowings
Current portion of long-term borrowings	11,189	-	(176)	11,012		Current portion of long-term borrowings
Bonus reserve	-	2,247	406	2,653		Other financial liabilities
Bonus reserve for directors and others	9,863	(9,863)	-	-		
Provision for shareholder benefit program	427	(427)	-	-		
	160	(160)	-	-		
	-	26,011	8,634	34,646	9	Short-term employee benefits
	-	1,233	3,042	4,275	10	Provisions
Accrued income taxes	10,288	(239)	(60)	9,988		Income taxes payable
Asset retirement obligations	27	(27)	-	-		
Other	103,962	(95,574)	(47)	8,340	8,9	Others
	-	13,470	-	242,132		Sub total
	-	13,470	-	13,470	15	Liabilities of disposal groups classified as held for sale
Total current liabilities	232,834	11,115	11,652	255,602		Total current liabilities
Long-term liabilities						Non-current liabilities
Corporate bonds	89,995	-	(338)	89,656		Corporate bonds
Long-term borrowings	155,211	-	(1,641)	153,570	11	Long-term borrowings
	-	11,127	8,903	20,030		Other financial liabilities
Accrued retirement benefits for directors and others	435	(435)	-	-		
Liability for retirement benefit	52,325	(52,325)	-	-	12	Long-term employee benefits
	-	52,996	216	53,213		
Provision for loss on guarantees	681	(681)	-	-		
Allowance for environmental measures	585	(585)	-	-		
Asset retirement obligations	594	(594)	-	-		
	-	6,616	87	6,704		Provisions
Deferred tax liabilities	13,892	(4,893)	4,927	13,925	13	Deferred tax liabilities
Other	20,405	(20,025)	81	461		Others
Total long-term liabilities	334,127	(8,801)	12,236	337,562		Total non-current liabilities
Total Liabilities	566,962	2,314	23,888	593,165		Total liabilities
Net assets						Equity
Shareholders' equity						Equity
Common stock	79,863	-	-	79,863		Common stock
Capital surplus	26,031	-	(9)	26,021		Capital surplus
Treasury stock	(6,944)	-	-	(6,944)		Treasury stock
Retained earnings	582,824	-	(30,140)	552,684	16	Retained earnings
	-	(57,367)	15,390	(41,976)	14	Other components of equity
	-	(161)	-	(161)		Disposal group classified as held for sale
Total shareholders' equity	681,775	(57,529)	(14,759)	609,486		Equity attributable to owners of the parent company
Accumulated other comprehensive income	(57,529)	57,529	-	-		
Non-controlling interests	72,056	-	(815)	71,240		Non-controlling interests
Total net assets	696,302	-	(15,574)	680,727		Total equity
Total liabilities and net assets	1,263,264	2,314	8,314	1,273,893		Total liabilities and equity

Notes to reconciliations of equity as of March 31, 2016

1) Trade and other receivables

(Presentation)

Under J-GAAP, other receivables were included in Other in current assets, while under IFRS, they were included in Trade and other receivables.

2) Other financial assets

(Presentation)

Under J-GAAP, derivative assets were included in Other in current assets, while under IFRS, they were included in Other financial assets.

3) Property, plant and equipment

(Recognition and measurements)

Certain property, plant and equipment were measured at deemed cost, as permitted as an exemption. The previous carrying amount of property, plant and equipment for which the deemed cost was used was ¥9,199 million and the fair value of gross amount was ¥4,130 million as of the transition date. Accordingly, the balance of Property, plant and equipment decreased by ¥5,069 million.

IFRS 1 provides that if an entity becomes a first-time adopter later than its subsidiaries, the entity shall, in its consolidated financial statements, measure the assets and liabilities of the subsidiaries at the same carrying amounts as in the financial statements of the subsidiaries. In the past, the Group adjusted the carrying amounts of property, plant and equipment of IFRS compliant overseas subsidiaries to the carrying amounts measured at cost, upon consolidation under J-GAAP. Under IFRS, the carrying amounts were measured in the same amount as in the financial statements of the subsidiaries, and accordingly, the balance of Property, plant and equipment increased by ¥2,677 million.

4) Intangible assets

(Recognition and measurements)

Under J-GAAP, the Group recognized costs incurred in relation to contracts to adopt technologies as an expense when incurred, while under IFRS, they were capitalized under certain criteria. As a result, the balance of Intangible assets increased by ¥2,940 million.

5) Investments in associates and joint ventures

(Presentation)

Under J-GAAP, investments in associates and joint ventures were included in Investments in securities, while under IFRS, they were included in Investments in associates and joint ventures.

6) Long-term financial assets

(Presentation)

Under J-GAAP, equity financial instruments were included in Investments in securities, while under IFRS, they were included in Long-term financial assets.

(Recognition and measurements)

Under J-GAAP, the Group recognized unlisted equity financial instruments at cost and recognized impairment losses as required by the financial status of issuers. Under IFRS, the Group has designated them as financial assets measured at fair value through other comprehensive income. As a result, the balance on equity financial instruments increased by ¥8,045 million.

7) Other non-current assets

(Presentation)

Under J-GAAP, land leasehold was included in Intangible fixed assets-other, while under IFRS, it was included in Other non-current assets.

8) Trade and other payables

(Presentation)

Under J-GAAP, other payables and accrued expenses that were considered financial liabilities were included in Other in current liabilities, while under IFRS, they were included in Trade and other payables.

9) Short-term employee benefits
(Presentation)

Accounts presented as accrued bonuses and Provision for directors' bonuses under J-GAAP were included in Short-term employee benefits under IFRS. Under J-GAAP, accrued expenses of employee benefits were included in Other in current liabilities, while under IFRS, they were included in Short-term employee benefits.

(Recognition and measurements)

Unconsumed portion of compensated absences were not recognized under J-GAAP, and under IFRS, they are recognized as Short-term employee benefits. As a result, the balance of Short-term employee benefits increased by ¥8,631 million.

10) Provisions
(Recognition and measurements)

In compliance with IFRIC21 *Levies*, which clarified the timing of liability recognition, the balance of Provision increased by ¥3,042 million.

11) Other financial liabilities
(Presentation)

Under J-GAAP, deposits received for guarantees were included in Other in non-current liabilities, while under IFRS, they were included in Other financial liabilities.

(Recognition and measurements)

Integrated accounting method (special and allocation methods) was used for qualifying interest rate and currency swaps under J-GAAP. Under IFRS, as the Group decided not to apply hedge accounting, they were measured at fair value through profit or loss. As a result, derivative liabilities increased ¥6,121 million.

12) Long-term employee benefits
(Presentation)

Liability for retirement benefit under J-GAAP was included in Long-term employee benefits under IFRS.

13) Deferred tax assets and deferred tax liabilities
(Presentation)

Deferred tax assets recognized in current assets and Deferred tax liabilities recognized in current liabilities under J-GAAP were reclassified to Deferred tax assets in non-current assets and Deferred tax liabilities in non-current liabilities.

(Recognition and measurements)

Due to adjustments from J-GAAP to IFRS, temporary differences arose, which led to adjustments in Deferred tax assets and Deferred tax liabilities.

14) Other components of equity
(Recognition and measurements)

The balance of accumulated translation adjustments recognized under J-GAAP were transferred to Retained earnings under IFRS as of the transition date.

Under J-GAAP, the Group recognized unlisted equity financial instruments at cost and recognized impairment losses as required by the financial status of issuers. Under IFRS, the Group has designated them as financial assets measured at fair value through other comprehensive income. As a result, the balance of Other components of equity increased by ¥5,573 million. Under J-GAAP, the Group recognized actuarial differences in net asset through other comprehensive income as they arose, and reclassified the balance to net income over the average remaining service period of the employees. Under IFRS, remeasurements of defined benefit plans were recognized in equity through other comprehensive income as they arose. The Group transferred ¥(13,358) million of actuarial differences recognized prior to the transition date to Retained earnings.

Integrated accounting method (special and allocation methods) was used for qualifying interest rate and currency swaps under J-GAAP. Under IFRS, as the Group changed the method of cash flow hedge, the fair value of interest swap was recognized in the consolidated statements of financial position. As a result, Other components of equity decreased by ¥2,278 million.



15) Disposal groups classified as held for sale
(Presentation)

“Presentation” in the reconciliation table includes the following assets and liabilities of disposal groups classified as held for sale.

Millions of yen

Assets of disposal groups classified as held for sale		Liabilities of disposal groups classified as held for sale	
Cash and cash equivalents	19,346	Trade and other payables	6,063
Trade and other receivables	16,974	Other financial liabilities	579
Inventories	4,030	Short-term employee benefits	1,631
Other current assets	509	Income taxes payable	176
Property, plant and equipment	2,911	Other current liabilities	30
Intangible assets	6,294	Other financial liabilities (non-current)	10
Long-term financial assets	476	Long-term employee benefit	1,152
Other non-current assets	466	Provisions (non-current)	15
		Deferred tax liabilities	1,056
		Other non-current liabilities	2,753
Total assets	51,008	Total liabilities	13,470

16) Reconciliations of retained earnings

	Notes	As of March 31, 2016
Property, plant and equipment	3	(3,812)
Intangible assets	4	1,785
Long-term financial assets	6	247
Short-term employee benefits	9	(8,634)
Provisions (current)	10	(3,042)
Other components of equity	14	(12,102)
Other		(1,419)
Sub total		(26,978)
Tax effects		(3,977)
Non-controlling interests		815
Total adjustments of retained earnings		(30,140)



Reconciliations of equity as of April 1, 2015 (Transition date)

Millions of yen

J-GAAP accounts	J-GAAP	Change in scope of consolidation *1	Presentation	Recognition and measurements	IFRS	Notes	IFRS accounts
Assets							Assets
Current assets							Current assets
Cash on hand and in banks	168,294	(834)	1,953	-	169,413		Cash and cash equivalents
Notes and accounts receivable	202,980	58	14,884	(1)	217,922	1	Trade and other receivables
	-	-	11,777	-	11,777	2	Other financial assets
Marketable securities	608	1	(609)	-	-		
Goods and products	117,297	(241)	(117,056)	-	-		
Goods in process	8,871	230	(9,101)	-	-		
Raw materials and supplies	57,493	618	(58,111)	-	-		
	-	-	184,218	(700)	183,517		Inventories
	-	-	3,671	-	3,671		Income taxes receivable
Deferred tax assets	8,706	(108)	(8,598)	-	-		
Other	44,959	(156)	(28,149)	(979)	15,673	1,2	Others
Allowance for doubtful accounts	(1,291)	(0)	1,291	-	-		
Total current assets	607,919	(432)	(3,829)	(1,681)	601,975		Total current assets
Fixed assets							Non-current assets
Tangible fixed assets	383,269	8,997	(495)	(1,767)	390,003	3	Property, plant and equipment
Intangible fixed assets							
Other	49,259	(394)	(4,908)	2,387	46,344	4	Intangible assets
Goodwill	71,396	(1,079)	-	-	70,316		Goodwill
Total intangible fixed assets	120,656						
Investments and other assets							
Investments in securities	125,440	(9,361)	(116,079)	-	-		
	-	-	61,366	(403)	60,962	5	Investments in associates and joint ventures
Long-term loans receivable	2,820	(108)	(2,712)	-	-		
Allowance for doubtful accounts	(299)	(0)	300	-	-		
Allowance for investment losses	(186)	-	186	-	-		
	-	-	58,424	7,266	65,690	6	Long-term financial assets
Deferred tax assets	3,986	339	5,342	(1,315)	8,353	13	Deferred tax assets
Net defined benefit assets	698	-	(698)	-	-		
Other	10,784	102	4,928	(2,200)	13,614	7	Others
Total investments and other assets	143,244						
Total fixed assets	647,170	(1,504)	5,653	3,966	655,285		Total non-current assets
Total assets	1,255,090	(1,937)	1,824	2,284	1,257,261		Total assets

*1. Changes in the scope of consolidation due to consolidating insignificant subsidiaries, which were not consolidated under J-GAAP, and the effect of unifying the fiscal year-end to March 31.

Millions of yen

J-GAAP accounts	J-GAAP	Change in scope of consolidation *1	Presentation	Recognition and measurements	IFRS	Notes	IFRS accounts
Liabilities							Liabilities
Current liabilities							Current liabilities
Notes and accounts payable	114,488	(1,934)	60,174	(38)	172,690	8	Trade and other payables
Short-term borrowings	87,191	(766)	5,087	-	91,513		Short-term borrowings
Commercial paper	15,000	-	-	-	15,000		Commercial paper
Current portion of bonds	15,000	-	-	-	15,000		Current portion of corporate bonds
Current portion of long-term borrowings	18,677	-	-	(0)	18,676		Current portion of long-term borrowings
	-	-	2,912	371	3,283		Other financial liabilities
Bonus reserve	7,601	30	(7,632)	-	-		
Bonus reserve for directors and others	420	0	(420)	-	-		
Provision for shareholder benefit program	200	-	(200)	-	-		
	-	-	24,795	7,688	32,483	9	Short-term employee benefits
	-	-	694	2,616	3,311	10	Provisions
Accrued income taxes	7,725	12	(33)	-	7,704		Income taxes payable
Other	92,288	(95)	(81,519)	(57)	10,616	8,9	Others
Total current liabilities	358,594	(2,753)	3,858	10,579	370,279		Total current liabilities
Long-term liabilities							Non-current liabilities
Corporate bonds	19,994	-	-	(42)	19,952		Corporate bonds
Long-term borrowings	54,152	-	-	(30)	54,121		Long-term borrowings
	-	-	13,147	1,341	14,489	11	Other financial liabilities
Accrued retirement benefits for directors and others	427	-	(427)	-	-		
Liability for retirement benefit	43,631	22	(43,653)	-	-		
	-	-	45,380	589	45,970	12	Long-term employee benefits
Provision for loss on guarantees	564	-	(564)	-	-		
Allowance for environmental measures	648	-	(648)	-	-		
Asset retirement obligations	509	-	(509)	-	-		
	-	-	6,048	222	6,270		Provisions
Deferred tax liabilities	13,028	(114)	(2,034)	5,430	16,310	13	Deferred tax liabilities
Other	20,048	-	(18,772)	3,259	4,535	11	Others
Total long-term liabilities	153,006	(92)	(2,034)	10,770	161,650		Total non-current liabilities
Total liabilities	511,600	(2,845)	1,824	21,349	531,930		Total liabilities
Net assets							Equity
Shareholders' equity							
Common stock	79,863	-	-	-	79,863		Common stock
Capital surplus	53,725	-	-	-	53,725		Capital surplus
Treasury stock	(4,070)	-	-	-	(4,070)		Treasury stock
Retained earnings	536,170	(887)	-	(37,918)	497,365	15	Retained earnings

	-	-	4,342	19,434	23,776	14	Other components of equity
Total shareholders' equity	665,689	(887)	4,342	(18,484)	650,660		Equity attributable to owners of the parent company
Accumulated other comprehensive income	3,886	455	(4,342)	-	-		
Non-controlling interests	73,913	1,339	-	(581)	74,671		Non-controlling interests
Total net assets	743,489	907	-	(19,065)	725,331		Total equity
Total liabilities and net assets	1,255,090	(1,937)	1,824	2,284	1,257,261		Total liabilities and equity

*1. Changes in the scope of consolidation due to consolidating insignificant subsidiaries, which were not consolidated under J-GAAP, and the effect of unifying the fiscal year-end to March 31.

Notes to reconciliations of equity as of April 1, 2015

1) Trade and other receivables

(Presentation)

Under J-GAAP, other receivables were included in Other in current assets, while under IFRS, they were included in Trade and other receivables.

2) Other financial assets

(Presentation)

Under J-GAAP, derivative assets were included in Other in current assets, while under IFRS, they were included in Other financial assets.

3) Property, plant and equipment

(Recognition and measurements)

Certain property, plant and equipment were measured at deemed cost, as permitted as an exemption. The previous carrying amount of property, plant and equipment for which the deemed cost was used was ¥9,199 million and the fair value of gross amount was ¥4,130 million as of the transition date. Accordingly, the balance of Property, plant and equipment decreased by ¥5,069 million.

IFRS 1 provides that if an entity becomes a first-time adopter later than its subsidiaries, the entity shall, in its consolidated financial statements, measure the assets and liabilities of the subsidiaries at the same carrying amounts as in the financial statements of the subsidiaries. In the past, the Group adjusted the carrying amounts of property, plant and equipment of IFRS compliant overseas subsidiaries to the carrying amounts measured at cost, upon consolidation under J-GAAP. Under IFRS, the carrying amounts were measured in the same amount as in the financial statements of the subsidiaries, and accordingly, the balance of Property, plant and equipment increased by ¥3,124 million.

4) Intangible assets

(Recognition and measurements)

Under J-GAAP, the Group recognized costs incurred in relation to contracts to adopt technologies as an expense when incurred, while under IFRS, they were capitalized under certain criteria. As a result, the balance of Intangible assets increased by ¥2,387 million.

5) Investments in associates and joint ventures

(Presentation)

Under J-GAAP, investments in associates and joint ventures were included in Investments in securities, while under IFRS, they were included in Investments in associates and joint ventures.



6) Long-term financial assets
(Presentation)

Under J-GAAP, equity financial instruments were included in Investments in securities, while under IFRS, they were included in Long-term financial assets.

(Recognition and measurements)

Under J-GAAP, the Group recognized unlisted equity financial instruments at cost and recognized impairment losses as required by the financial status of issuers. Under IFRS, the Group has designated them as financial assets measured at fair value through other comprehensive income. As a result, the balance on equity financial instruments increased by ¥7,059 million as of the transition date.

7) Other non-current assets
(Presentation)

Under J-GAAP, land leasehold was included in Intangible fixed assets-other, while under IFRS, it was included in Other non-current assets.

8) Trade and other payables
(Presentation)

Under J-GAAP, other payables and accrued expenses that were considered financial liabilities were included in Other in current liabilities, while under IFRS, they were included in Trade and other payables.

9) Short-term employee benefits
(Presentation)

Accounts presented as accrued bonuses and Provision for directors' bonuses under J-GAAP were included in Short-term employee benefits under IFRS. Under J-GAAP, accrued expenses of employee benefits were included in Other in current liabilities, while under IFRS, they were included in Short-term employee benefits.

(Recognition and measurements)

Unconsumed portion of compensated absences were not recognized under J-GAAP, and under IFRS, they are recognized as Short-term employee benefits. As a result, the balance of Short-term employee benefits increased by ¥7,688 million as of the transition date.

10) Provisions
(Recognition and measurements)

In compliance with IFRIC21 Levies, which clarified the timing of liability recognition, the balance of Provision increased by ¥2,616 million at the transition date.

11) Other financial liabilities
(Presentation)

Under J-GAAP, deposits received for guarantees were included in Other in non-current liabilities, while under IFRS, they were included in Other financial liabilities.

12) Long-term employee benefits
(Presentation)

Liability for retirement benefit under J-GAAP was included in Long-term employee benefits under IFRS.

13) Deferred tax assets and deferred tax liabilities
(Presentation)

Deferred tax assets recognized in current assets and Deferred tax liabilities recognized in current liabilities under J-GAAP were reclassified to Deferred tax assets in non-current assets and Deferred tax liabilities in non-current liabilities.

(Recognition and measurements)

Due to adjustments from J-GAAP to IFRS, temporary differences arose, which led to adjustments in Deferred tax assets and Deferred tax liabilities.



14) Other components of equity
(Recognition and measurements)

The balance of ¥(3,914) million of accumulated translation adjustments recognized under J-GAAP were transferred to Retained earnings as of the transition date.

Under J-GAAP, the Group recognized unlisted equity financial instruments at cost and recognized impairment losses as required by the financial status of issuers. Under IFRS, the Group has designated them as financial assets measured at fair value through other comprehensive income. As a result, the balance of Other components of equity increased by ¥2,703 million as of the transition date. Under J-GAAP, the Group recognized actuarial differences in net assets through other comprehensive income as they arose and reclassified the balance to net income over the average remaining service period of the employees. Under IFRS, the remeasurements of defined benefit pension plans were recognized in equity through other comprehensive income as they arose.

The Group transferred ¥(13,358) million of actuarial differences recognized prior to the transition date to Retained earnings.

15) Reconciliations of retained earnings

	Notes	As of April 1, 2015
Property, plant and equipment	3	(1,767)
Intangible assets	4	2,387
Long-term financial assets	6	206
Short-term employee benefits	9	(7,688)
Provisions (current)	10	(2,616)
Other components of equity	14	(17,417)
Other		(8,965)
Sub total		(35,862)
Tax effects		(2,637)
Non-controlling interests		581
Total adjustments of retained earnings		(37,918)



Reconciliations of profit and loss and comprehensive income for the fiscal year ended March 31, 2016

Millions of yen

J-GAAP account	J-GAAP	Presentation	Recognition and measurements	IFRS	Notes	IFRS account
Net sales	1,185,980	(34,532)	(2,020)	1,149,427		Continuing operations Sales
Cost of sales	(768,865)	11,343	386	(757,135)	1	Cost of sales
Gross profit	417,115	(23,189)	(1,634)	392,291		Gross profit
	-	1,142	27	1,169	5	Share of profit of associates and joint ventures
Selling, general and administrative expenses	(326,069)	326,069	-	-		
	-	(175,098)	657	(174,440)	1,5	Selling expenses
	-	(28,900)	2,309	(26,591)	1,5	Research and development expenses
	-	(101,234)	6,950	(94,284)	1,2,5	General and administrative expenses
	-	-	-	98,144		Business profit
	-	21,152	2,715	23,868	5	Other operating income
	-	(21,921)	(414)	(22,335)	1,5	Other operating expenses
Operating income	91,045	(1,979)	10,612	99,678		Operating profit
Non-operating income						
Interest income	2,847	(2,847)	-	-		
Dividend income	1,317	(1,317)	-	-		
Equity in earnings of non-consolidated subsidiaries and affiliates	1,558	(1,558)	-	-		
Foreign exchange gain	583	(583)	-	-		
Other	2,716	(2,716)	-	-		
Total non-operating income	9,023					
Non-operating expenses						
Interest expense	(2,269)	2,269	-	-		
Commission fee	(72)	72	-	-		
Other	(3,394)	3,394	-	-		
Total non-operating expenses	(5,736)					
Ordinary income	94,333					
Extraordinary gains						
Gain on sale of shares in affiliated companies	24,872	(24,872)	-	-		
Gain on step acquisitions	18,027	(18,027)	-	-		
Other	2,438	(2,438)	-	-		
Total extraordinary gains	45,337					
Extraordinary losses						
Loss on liquidation of subsidiaries	(6,937)	6,937	-	-		
Loss on disposal of fixed assets	(2,799)	2,799	-	-		
Pharmaceutical business restructuring charges	(16,623)	16,623	-	-		
Impairment losses	(7,467)	7,467	-	-		
Other	(5,525)	5,525	-	-		
Total extraordinary losses	(39,352)					
	-	2,437	2,855	5,292	1,3,5	Financial income
	-	(2,243)	(3,948)	(6,192)	1,3,5	Financial expenses

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Net income before taxes	100,318	(11,058)	9,519	98,778		Profit before income taxes
Income, inhabitant and business taxes	(24,907)	24,907	-	-		
Income and other tax adjustments	(2,140)	2,140	-	-		
Income taxes – total	(27,047)	(18,777)	(1,858)	(20,635)		Income taxes
	73,270	(2,788)	7,660	78,143		Profit from continuing operations
	-	2,788	-	2,788	4	Profit from discontinued operations
Net income	73,270	-	7,660	80,931		Profit
Profit attributable to owners of parent	63,592	-	7,700	71,292		Profit attributable to Owners of the parent company
Profit attributable to non-controlling interests	9,678	-	(39)	9,639		Non-controlling interests
	-	-	-	68,504		Profit from continuing operations attributable to owners of the parent company
	-	-	-	2,788		Profit from discontinued operations attributable to owners of the parent company
	-			71,292		Profit attributable to owners of the parent company



Millions of yen

J-GAAP account	J-GAAP	Presentation	Recognition and measurements	IFRS	Notes	IFRS account
Net income	73,270	-	7,660	80,931		Profit
Other comprehensive income						Other comprehensive income (Net of related tax effects)
Unrealized holding gain (loss) on securities	(4,688)	-	2,855	(1,832)		Items that will not be reclassified to profit or loss
Adjustment for retirement benefits	(11,159)	-	(309)	(11,468)	1	Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income
		(734)	36	(698)		Remeasurements of defined benefit pension plans
Unrealized (loss) from hedging instruments	(1,509)	-	(1,527)	(3,037)		Share of other comprehensive income of associates and joint ventures
Translation adjustments	(57,756)	-	47	(57,708)		Items that may be reclassified subsequently to profit or loss
		3,122	(3,422)	(300)		Cash flow hedges
Share of other comprehensive income of equity method affiliates	2,387	(2,387)				Exchange differences on translation of foreign operations
Total other comprehensive income	(72,724)		(2,319)	(75,044)		Share of other comprehensive income of associates and joint ventures
Comprehensive income	545		5,341	5,886		Other comprehensive income (Net of related tax effects)
(Breakdown)						Total comprehensive income
Comprehensive income attributable to owners of parent	(426)		5,487	5,420		Total comprehensive income attributable to
Comprehensive income attributable to non-controlling interests	972		(506)	465		Owners of the parent company
						Non-controlling interests



Notes to reconciliations of profit or loss and comprehensive income for the fiscal year ended March 31, 2016

1) Reconciliations of post-retirement benefit expenses (Presentation)

Under J-GAAP, net interests on defined benefit plans were recognized in Cost of sales or Selling, general and administrative expenses. Under IFRS, they are recognized in Financial expenses.

(Recognition and measurements)

Under J-GAAP, the Group recognized actuarial differences and past service cost in net assets through other comprehensive income as they arose and recognized them as an expense on a straight-line basis over the average remaining service period of the employees. Under IFRS, the Group recognized remeasurements of defined benefit pension plans in equity through other comprehensive income as they arose and past service cost was recognized at once as either income or expense as it arose. As a result, Cost of sales decreased by ¥25 million, Selling expenses decreased by ¥98 million, Research and development expenses decreased by ¥45 million, General and administrative expenses decreased by ¥559 million, Other operating expenses decreased by ¥213 million, Financial income increased by ¥9 million, Financial expenses increased by ¥279 million, and Other comprehensive income increased by ¥309 million.

2) Reconciliations of goodwill (Recognition and measurements)

Under J-GAAP, goodwill was amortized on a straight-line basis over its effective period. The amortization of ¥7,093 million was included in Selling, general and administrative expenses. Goodwill is not amortized under IFRS.

3) Adjustments made to financial income and financial expenses (Recognition and measurements)

Integrated accounting method (special and allocation methods) was used for qualifying interest rate and currency swaps under J-GAAP. Under IFRS, as the Group decided not to apply hedge accounting, they were measured at fair value through profit or loss. In addition, foreign exchange gain increased as the Group changed its foreign currency evaluation for the borrowings denominated in foreign currencies. As a result Financial expenses increased by ¥2,732 million, and Financial income increased by ¥2,329 million.

4) Discontinued operations (Presentation)

"Presentation" in the table includes the following income and expenses arising from discontinued operations.

	<i>Millions of yen</i>
Sales	34,532
Cost of sales	(11,471)
Gross profit	23,061
Share of profit of associates and joint ventures	415
Selling expenses	(8,575)
Research and development expenses	(3,951)
General and administrative expenses	(8,108)
Business profit	2,842
Other operating income	27,657
Other operating expenses	(19,467)
Operating profit	11,031
Financial income	21
Financial expenses	12
Profit before income taxes	11,064
Income taxes	(8,276)
Profit from continuing operations	(2,788)
Profit from discontinued operations	2,788



5) Other
(Presentation)

Other than the above, certain accounts have been reclassified in order to present the Group's operating results appropriately in compliance with IFRS. Financial items included in Selling, general and administrative expenses, Non-operating income, Non-operating expenses, Extraordinary income and Extraordinary loss under J-GAAP have been reclassified to Financial income or Financial expenses and other items have been transferred to Share of profit of associates and joint ventures, Selling expenses, Research and development expenses, General and administrative expenses, Other operating income or Other operating expenses under IFRS.

Reconciliations of cash flows for the fiscal years ended March 31, 2016

There was no material difference between the consolidated statements of cash flows prepared in compliance with J-GAAP and IFRS.