

## Ajinomoto Co., Inc. Consolidated Results ① First Quarter Ended June 30, 2017

## ■ Financial Statement and Impact of External Environment

Consolidated Statement of Income	April-June 2017	April-June 2016	YoY Change		Excluding the Effect of currency translation		Remarks	Forecast	Progress
			Amount	%	Amount	%			
Japan Food Products	92.2	94.5	-2.3	-2%	-2.3	-2%			
International Food Products	108.8	102.3	6.4	6%	3.6	3%	Effect of currency translation; +¥2.7 billion		
Life Support	30.5	30.5	-0.0	0%	-0.6	-2%	Effect of currency translation; +¥0.6 billion		
Healthcare	21.0	21.3	-0.3	-1%	-0.5	-2%	Effect of currency translation; +¥0.1 billion		
Other	15.2	14.0	1.1	8%	1.0	7%			
Sales	267.7	262.8	4.8	1%	1.0	0%		1,187.0	22%
Japan Food Products	10.1	8.5	1.6	18%	1.5	18%			
International Food Products	11.6	11.9	-0.2	-2%	-0.8	-6%	Effect of currency translation; +¥0.5 billion		
Life Support	1.4	1.1	0.3	27%	0.3	32%	Effect of currency translation; -¥0.0 billion		
Healthcare	0.0	2.7	-2.6	-97%	-2.6	-97%	Effect of currency translation; +¥0.0 billion		
Other	1.1	-0.1	1.2	-	1.2	-			
Business profit*	24.4	24.1	0.2	1%	-0.2	-1%	Share of profit of associates and joint ventures FY17:1.5, FY16:0.6	102.0	24%
Gain on sale of fixed assets	1.1	0.4	0.6	157%				1.0	112%
Other	1.6	0.8	0.7	90%				-	-
Other operating income	2.7	1.2	1.4	113%				-	-
Loss on disposal of fixed assets	0.5	0.3	0.1	47%				4.1	13%
Other	1.5	2.0	-0.4	-21%				-	-
Other operating expenses	2.1	2.3	-0.2	-10%				-	-
Operating profit	25.0	23.0	1.9	8%				96.5	25%
Interest income	1.1	0.7	0.4	59%				-	-
Other	0.8	3.7	-2.8	-76%				-	-
Financial income	2.0	4.5	-2.4	-54%				-	-
Interest expense	0.7	0.6	0.0	13%				-	-
Other	0.3	3.7	-3.3	-89%				-	-
Financial expenses	1.1	4.4	-3.2	-73%				-	-
Profit before income taxes	25.9	23.1	2.7	11%				94.7	27%
Income taxes	7.3	7.0	0.3	5%				27.7	26%
Profit	18.5	16.1	2.4	14%				67.0	27%
Attribute to owners of the parent company	16.0	13.5	2.4	18%				57.0	28%
Non-controlling interests	2.5	2.5	-0.0	-2%				10.0	25%

\*A profit indicator defined by Ajinomoto for administrative purposes. (Sales - Cost of sales - Selling expenses, Research & development expenses and General & administrative expenses + Share of profit of associates and joint ventures)

Impact of External Environment	April-June 2017	Remarks	Foreign Exchange Information	April-June 2017	April-June 2016
Effect of currency translation			JPY/USD	111.09	108.04
Sales	3.8		JPY/EUR	122.26	121.88
Business profit	0.5		JPY/THB	3.24	3.06
Effect of trade*			JPY/BRL	34.54	30.83
Sales	approx.-0.0		Foreign Exchange Information	Forecast 2017	Reference: Before adjustments
Business profit	approx.-1.0		JPY/USD	108.34	100.00
Japan Food Products raw materials	approx.-0.1	Seasonings and processed foods; +0.0, Frozen foods; -0.1	JPY/EUR	118.74	110.00
Fermentation raw materials and fuel prices	approx. 0.3	Main raw materials; -0.1, Sub raw materials; +0.2, Energy; +0.2	JPY/THB	3.08	2.80
Cost reductions	approx. 0.5	Seasonings and processed foods; +0.2, Frozen foods; +0.3	JPY/BRL	32.86	30.30

\* Approximations to nearest ¥0.5 billion

Consolidated Statements of Financial Position	June 30 2017	March 31 2017	YoY Change		Remark	Consolidated Statements of Cash Flow	April-June 2017	April-June 2016	YoY Change
			Amount	%					
Total assets	1,352.0	1,350.1	1.9	0%		①Cash provided by operating activities	16.5	20.2	-3.6
(Total current assets inc. in above)	569.7	573.4	-3.7	-0%		②Cash provided by investing activities	-18.9	-9.1	-9.8
(Total non-current assets inc. in above)	782.3	776.6	5.6	0%		③Cash provided by financing activities	-9.1	-30.9	21.7
Liabilities	648.5	659.4	-10.8	-1%		④Cash and cash equivalents	174.8	177.3	-2.4
(Interest-bearing debt included in above)	340.2	335.9	4.2	1%		FCF(①+②)	-2.4	11.1	-13.5
Total equity	703.4	690.6	12.8	1%		Capital expenditures	-15.2	-13.4	-1.8
(Non-controlling interests inc. in above)	75.2	74.3	0.8	1%		Depreciation	12.1	11.3	0.8

Note: (-) Cash out

## ■ Consolidated Results by Segments

Japan Food Products	April-June 2017	April-June 2016	Change
Sales	92.2	94.5	-2.3
Seasonings & processed foods	43.8	46.1	-2.2
Frozen foods (Japan)	25.6	24.1	1.4
Coffee products	22.7	24.3	-1.5
Business profit	10.1	8.5	1.6
Seasonings & processed foods	7.8	7.5	0.3
Frozen foods (Japan)	2.6	1.9	0.7
Coffee products	2.4	1.8	0.5
Shared companywide expenses	-2.7	-2.7	-0.0

International Food Products	April-June 2017	April-June 2016	Change
Sales	108.8	102.3	6.4
Seasonings & processed foods	69.5	62.7	6.7
Frozen foods (Overseas)	23.6	23.3	0.2
Umami seasonings for processed food mfrs. & sweeteners	15.6	16.2	-0.5
Business profit	11.6	11.9	-0.2
Frozen foods (Overseas)	0.8	1.1	-0.2
Shared companywide expenses	-3.6	-3.1	-0.5

Life Support	April-June 2017	April-June 2016	Change
Sales	30.5	30.5	-0.0
Aminal nutrition	19.0	19.2	-0.1
Specialty chemicals	10.9	10.9	0.0
Other	0.5	0.3	0.1
Business profit	1.4	1.1	0.3
Aminal nutrition	-0.3	-0.4	0.0
Specialty chemicals	2.8	2.6	0.2
Other	-0.0	-0.1	0.0
Shared companywide expenses	-0.9	-0.8	-0.0

Healthcare	April-June 2017	April-June 2016	Change
Sales	21.0	21.3	-0.3
Amino acids	15.1	16.6	-1.5
Other	5.8	4.6	1.2
Business profit	0.0	2.7	-2.6
Amino acids	0.9	3.1	-2.2
Other	-0.0	0.3	-0.3
Shared companywide expenses	-0.7	-0.7	-0.0

Other	April-June 2017	April-June 2016	Change
Sales	15.2	14.0	1.1
Business profit	1.1	-0.1	1.2
Shared companywide expenses	-0.7	-0.9	0.1

\*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 due to double-digit growth of *The★Chahan* and *Yawaraka Wakadori Kara-Age*, and steady sales of *Gyoza* for home use, despite slightly decreased sales in restaurant and institutional use.  
 \*3 Decrease in overall sales compared with the same quarter of the previous period due to the shrinking of the instant coffee and bottled coffee market, despite steady growth of stick-type coffee.  
 \*4 Increase in income in seasonings & processed foods mainly due to increase in sales of soup.  
 Large increase in overall income in frozen foods due to increase in sales, despite negative effect of external environment.  
 Increase in income for coffee products due to efficient marketing activities, in addition to effect of elimination of royalty payments by obtaining the rights to the trademark.

\*1 Increase in sales due to growth of *AJI-NO-MOTO®* and flavor seasonings on local currency basis and effect of new consolidation of subsidiary (approx. ¥1.7 billion), in addition to effect of currency translation (+¥1.8 billion).  
 \*2 Increase in sales due to effect of smooth growth of new products and currency translation (+¥0.6 billion), despite effect of decrease in sales of food service in the United States.  
 \*3 Decrease in sales in umami seasonings for processed food mfrs. mainly due to lower unit prices, but sales of sweeteners were level.  
 Reference: Umami seasonings for processed food mfrs. sales: ¥11.5 billion  
 \*4 Decrease in income due to increase of shared companywide expenses and costs related to M&A, despite increase in income of total of the four businesses.  
 Reference: Seasonings & processed foods +¥0.9 billion  
 : Frozen food (overseas) -¥0.2 billion  
 : Umami seasonings for processed food mfrs. -¥0.3 billion  
 : Sweeteners +¥0.2 billion

\*1 Slight decrease in overall sales due to negative effect of lower sales volume of lysine and threonine, despite large increase in sales of specialties such as tryptophan and *AjiPro®-L*.  
 \*2 Sales in line with the same quarter of the previous period due to increase in sales of chemicals and OEM products, despite effect of transfer of personal healthcare retail (*JINO®*) segment from Life Support to Healthcare.  
 \*3 Increase in income mainly due to increase in sales of specialty chemicals (chemicals).

\*1 Reference:  
 Amino acids for pharmaceuticals and foods -¥0.2 billion,  
 Pharmaceutical custom manufacturing -¥1.2 billion  
 \*2 Reference:  
 Amino acids for pharmaceuticals and foods -¥1.2 billion,  
 Pharmaceutical custom manufacturing -¥0.9 billion

\*1 Increase in sales mainly due to increase in sales of engineering business and logistics business.  
 \*2 Increase in income mainly due to effect of expenses of the same quarter of previous period with confirmation of PPA in pharmaceutical business.

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



Ajinomoto Co., Inc. Consolidated Results ② First Quarter Ended June 30, 2017

Results by Business & Geographical Area

(¥ Billion)

Sales	Japan	Asia	Americas	Europe	Total
Japan Food Products	90.2 (-2.3)	0.8 (-0.0)	0.6 (0.0)	0.4 (0.0)	92.2 (-2.3)
International Food Products	3.7 (0.2)	57.3 (2.7)	38.8 (1.0)	8.7 (2.3)	108.8 (6.4)
Life Support	10.2 (-0.0)	3.8 (0.3)	10.2 (0.1)	6.1 (-0.4)	30.5 (-0.0)
Healthcare	8.6 (0.8)	0.6 (0.0)	4.5 (-0.5)	7.2 (-0.6)	21.0 (-0.3)
Other	12.3 (0.8)	2.8 (0.3)	-	-	15.2 (1.1)
<b>Total</b>	<b>125.2 (-0.4)</b>	<b>65.6 (3.3)</b>	<b>54.2 (0.6)</b>	<b>22.6 (1.2)</b>	<b>267.7 (4.8)</b>
	125.7	62.2	53.5	21.4	262.8

Upper row: Apr.-June 2017; lower row: Apr.-June 2016. Figures in parentheses represent Y o Y change.

Business profit	Japan	Asia	Americas	Europe	Other	Total
Japan Food Products	12.1 (1.6)	0.6 (0.1)	0.0 (0.0)	0.1 (-0.0)	-2.8 (-0.1)	10.1 (1.6)
International Food Products	-0.1 (0.1)	11.5 (0.1)	2.9 (-0.3)	1.1 (1.0)	-3.7 (-1.1)	11.6 (-0.2)
Life Support	2.5 (0.3)	0.1 (-0.0)	-0.5 (-0.1)	0.1 (0.3)	-0.8 (-0.2)	1.4 (0.3)
Healthcare	-0.1 (-0.9)	0.1 (-0.2)	0.2 (-1.0)	0.5 (-0.4)	-0.7 (0.0)	0.0 (-2.6)
Other	1.5 (1.0)	0.3 (0.0)	-	0.0 (-0.0)	-0.7 (0.1)	1.1 (1.2)
Shared Companywide Expenses, etc. *	-4.5 (-0.3)	-2.2 (-0.5)	-1.6 (-0.3)	-0.6 (-0.1)	8.9 (1.3)	-0.0 (-0.0)
<b>Total</b>	<b>11.3 (1.8)</b>	<b>10.5 (-0.4)</b>	<b>1.1 (-1.9)</b>	<b>1.3 (0.6)</b>	<b>0.0 (0.0)</b>	<b>24.4 (0.2)</b>
	9.4	10.9	3.0	0.6	0.0	24.1

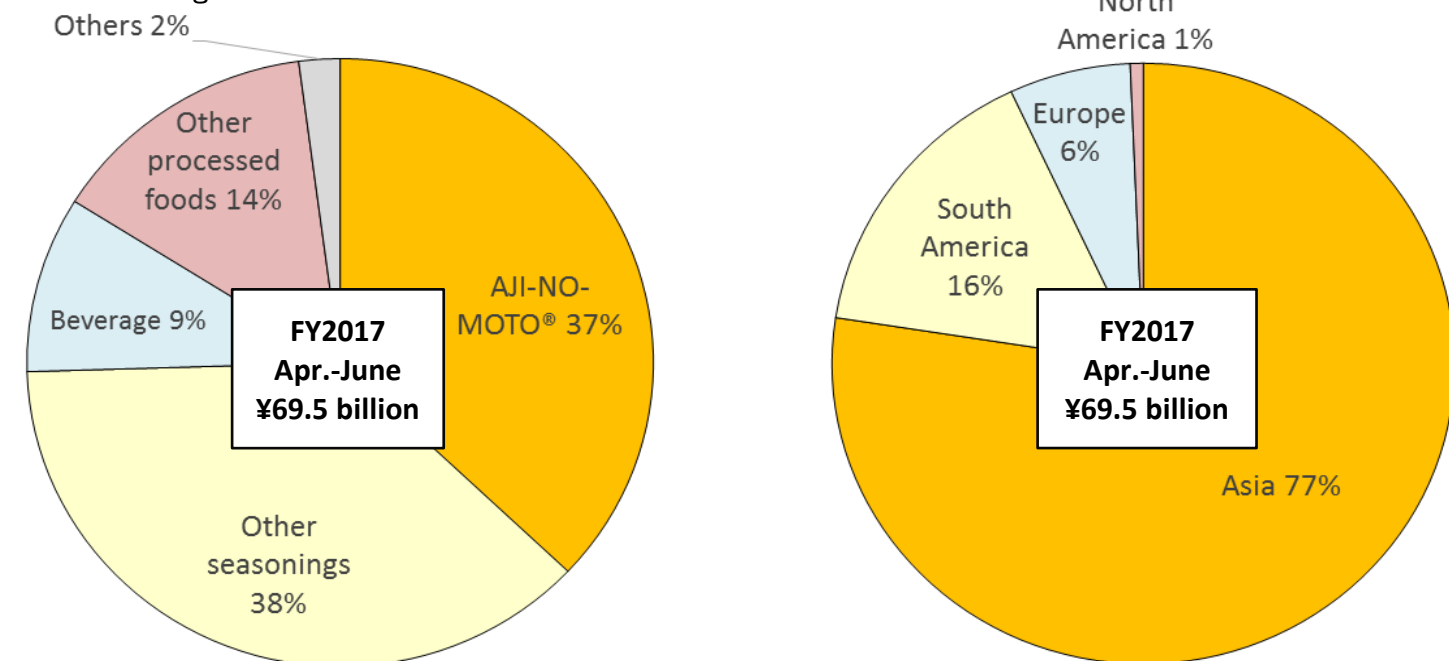
Upper row: Apr.-June 2017; lower row: Apr.-June 2016. Figures in parentheses represent Y o Y change. \* Includes shared companywide expenses and unrealized gains and losses etc.

Comments about Business Profit

Japan Food Products	: Japan > Increase in all sub-segments.
International Food Products	: Other > Decrease mainly due to increase of shared companywide expenses.
Life Support	: Japan > Increase mainly due to specialty chemicals. Europe > Increase mainly due to animal nutrition.
Healthcare	: Japan > Decrease mainly due to amino acids for pharmaceuticals and foods. Americas > Decrease mainly due to pharmaceutical custom manufacturing.

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

\* Percentages are rounded off

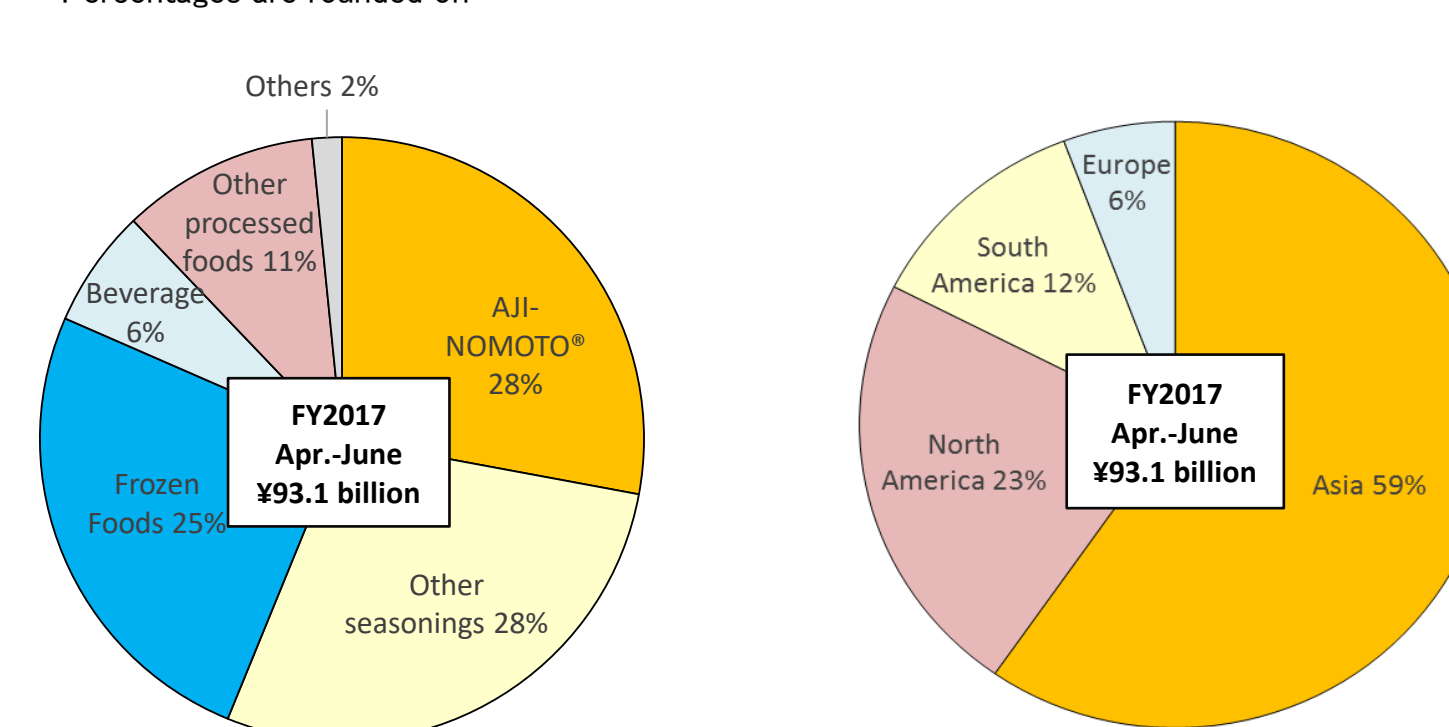


April-June 2017, Sales in Five Stars

- Thailand: approx. THB 8.0 billion (-2% Y o Y, +4% on yen basis)
- Indonesia: approx. IDR 1,158.4 billion (+9% Y o Y, +13% on yen basis)
- Brazil: approx. BRL 0.23 billion (+0% Y o Y, +12% on yen basis)
- Vietnam: approx. VND 1,832.4 billion (+8% Y o Y, +10% on yen basis)
- Philippines: approx. PHP 1.7 billion (+6% Y o Y, +1% 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 (est.)
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 (est.)
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

Seasonings & processed foods	Sales	FY2015	FY2016	FY2016	FY2017
		Apr.-June	Apr.-June	Apr.-June	Apr.-June
Seasonings & processed foods	Sales	198.2	46.1	191.7	43.8
	Home use	51%	46%	53%	50%
Frozen foods*3	Sales	115.1	29.7	122.3	31.7
	Home use	60%	61%	62%	64%
Coffee products*4	Sales	101.8	25.1	103.4	23.4
	Home use	75%	75%	78%	75%

\*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 AGF, Inc. only.

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

	FY2015	FY2016	FY2017 (est.)
Market size (Million USD)*1	568	573	583
Ajinomoto Windsor, Inc.	34%(1)	31%(1)	32%(1)

\*1 Excluding sales to warehouse clubs and private brands

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

(Thousand MT)

	FY2015				FY2016			
	China	Other	Total	Market share	China	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

(Thousand MT)

Aspartame	FY2015		FY2016		FY2017 (est.)	
	Size	Share	Size	Share	Size	Share
	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

Spread (US\$/ST)*1	FY2015	FY2016	FY2016	FY2017	1H-FY2017	FY2017
	Apr.-June	Apr.-June	Apr.-June	Apr.-June	(est.)*2	(est.)*2
Market Price (US\$/kg, CIF main port basis)	Lysine 1.25	1.30	1.40	1.40	approx. 1.35	approx. 1.35
	Threonine 2.30	1.75	1.75	1.70	approx. 1.70	approx. 1.70
	Tryptophan 10.00	8.00	8.00	9.00	approx. 9	approx. 8.5
Market size (Thousand MT)	Lysine	approx. 2,200	approx. 2,300	approx. 2,400	approx. 2,400	approx. 2,400
	Market share	approx. 15%	approx. 15%	approx. 15%	approx. 15%	approx. 15%
	Threonine	approx. 480	approx. 540	approx. 570	approx. 570	approx. 570
	Market share	approx. 25%	approx. 20%	approx. 20%	approx. 20%	approx. 20%
	Tryptophan	approx. 28	approx. 33	approx. 37	approx. 37	approx. 37
	Market share	approx. 15%	approx. 20%	approx. 25%	approx. 25%	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