

Ajinomoto Co., Inc.
FY2017-1H Consolidated Results

Note:

- Forward-looking statements, such as business forecasts, made in these financial statements are based on managements' 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.
- Figures in this material are unaudited and subject to change.
- Yen amounts presented in these materials are truncated for amounts in millions and in billions.
- In these materials, "-" indicates that an amount has not been recognized, and "0" indicates a fractional amount due to rounding.

1. Financial Statement Overview

(in millions of JPY)

	FY ending Mar.18 (Forecast)	6Months ended Sept.17	FY ended Mar.17	6Months ended Sept.16	FY ended Mar.16
(1) Operating Results					
①Sales	1,187,000	546,770	1,091,195	522,454	1,149,427
②Gross profit	415,500	191,389	387,018	185,049	392,291
③Business profit*	102,000	48,395	96,852	46,103	98,144
④Operating profit	96,500	48,598	83,617	42,916	99,678
⑤Profit attributable to owners of the parent company	57,000	31,296	53,065	27,032	71,292
⑥Earnings per share (JPY)	100.00	55.02	92.81	47.09	121.23
⑦Ratio of business profit to total assets (ROA)	7.4%		7.4%		7.8%
⑧Return on equity (ROE)	8.9%		8.7%		11.3%
⑨Ratio of business profit to net sales	8.6%	8.9%	8.9%	8.8%	8.5%
⑩Ratio of operating profit to net sales	8.1%	8.9%	7.7%	8.2%	8.7%
⑪Ratio of profit attributable to owners of the parent company to net sales	4.8%	5.7%	4.9%	5.2%	6.2%
(2) Dividends					
①Dividend per share (JPY)	30		30		28
②Payout ratio	30.0%		32.3%		23.1%
(3) Statement of Changes in Financial Position					
①Total assets	1,395,600	1,387,015	1,350,105	1,163,899	1,273,893
②Total equity	737,900	738,050	690,673	615,709	680,727
③Equity attributable to owners of the parent company	663,500	661,696	616,315	553,587	609,486
④Ratio of equity attributable to owners of the parent company	47.5%	47.7%	45.6%	47.6%	47.8%
⑤Book value per share (JPY)	1,164.04	1,164.63	1,082.90	972.68	1,048.96
(4) Summary of Cash Flow Statement					
①Net cash provided by operating activities		44,470	108,907	35,141	129,311
②Net cash used in investing activities		-49,399	-142,299	-24,711	-58,745
③Net cash used in financing activities		-22,337	14,738	-48,821	-2,820
④Cash and cash equivalents at end of period		160,376	186,003	156,767	204,487

* A profit indicator defined by Ajinomoto for administrative purposes.

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

2. Number of Consolidated Subsidiaries/Affiliates

	FY ending Mar.18 (Forecast)	6Months ended Sept.17	FY ended Mar.17	6Months ended Sept.16	FY ended Mar.16
Consolidated domestic subsidiaries	36	36	39	40	42
Consolidated overseas subsidiaries	59	59	54	54	54
<i>Sub-Total</i>	95	95	93	94	96
Domestic associates subject to equity method	4	4	4	5	3
Overseas associates subject to equity method	0	0	0	0	0
<i>Sub-Total</i>	4	4	4	5	3
Domestic joint ventures subject to equity method	3	3	2	1	1
Overseas joint ventures subject to equity method	1	1	1	0	0
<i>Sub-Total</i>	4	4	3	1	1
Parent company	1	1	1	1	1
<i>Total</i>	104	104	101	101	101

3. Change of Number of Consolidated Subsidiaries/Affiliates (from Mar.17 to Sep.17)

Subsidiaries	Increase (6)	Increase: GeneDesign, Inc., Ajinomoto Toyo Frozen Noodles Inc., Ajinomoto (Cambodia) Co., Ltd., Ajinomoto Jawo sp z o.o., Orgen Food Industry and Trade Inc., KUKRE GIDA
	Decrease (4)	Decrease: KYUSYU F-LINE CORPORATION, JINO Co., Inc., Vege Pro Foods Co., Ltd., AJINOMOTO NUTRITION FOODS Co., Ltd.
Associates	Increase (-)	
	Decrease (-)	
Joint ventures	Increase (1)	Increase: Tsubame BHB Co., Ltd.
	Decrease (-)	

4. Foreign Exchange Information

	FY ending Mar.18 (Forecast)	3Months ended Sept.17	3Months ended June.17	FY ended Mar.17	6Months ended Sept.16*	FY ended Mar.16
JPY/USD	End of Period	111.04	112.73	112.19	101.12	112.68
	Average	111.04	111.00	111.09	105.20	120.15
JPY/EUR	End of Period	126.32	132.85	119.79	113.36	127.70
	Average	126.32	130.37	122.26	118.04	132.60
JPY/THB	End of Period	3.28	3.37	3.25	2.91	3.19
	Average	3.28	3.32	3.24	3.00	3.44
JPY/BRL	End of Period	34.81	35.42	35.61	31.02	31.27
	Average	34.81	35.09	34.54	32.86	33.48
JPY/100IDR	End of Period	0.84	0.84	0.84	0.78	0.85
	Average	0.84	0.84	0.84	0.80	0.89
JPY/100VND	End of Period	0.49	0.50	0.49	0.45	0.51
	Average	0.49	0.49	0.49	0.47	0.54
JPY/PHP	End of Period	2.22	2.22	2.24	2.09	2.46
	Average	2.22	2.20	2.25	2.27	2.62

*The rates shown are the average rates during this period because the fiscal year was processed according to J-GAAP.

Ajinomoto Co., Inc.
FY2017-1H Consolidated Results

5. Number of Employees

	FY ending Mar. 18 (Forecast)	6Months ended Sept. 17	FY ended Mar. 17	6Months ended Sept. 16	FY ended Mar. 16
Parent Company		3,482	3,459	3,484	3,477
(including expatriates)		4,191	4,170	4,208	4,183
Consolidated Basis		33,636	32,734	32,704	33,295

6. Interest-bearing Debts

(in millions of JPY)

	FY ending Mar. 18 (Forecast)	6Months ended Sept. 17	FY ended Mar. 17	6Months ended Sept. 16	FY ended Mar. 16
Short-term borrowings and debt		35,903	35,642	21,795	24,115
Bonds		169,380	169,347	89,675	89,656
Long-term debt		128,134	130,993	145,671	154,803
<i>Total</i>		333,417	335,983	257,142	268,576
Cash and deposits with bank		160,376	186,003	156,767	204,487
<i>Net</i>		173,041	149,979	100,374	64,088

7. Depreciation

(in 100millions of JPY)

	FY ending Mar. 18 (Forecast)	6Months ended Sept. 17	FY ended Mar. 17	6Months ended Sept. 16	FY ended Mar. 16
Japan Foods Products	121	55	107	52	105
International Food Products	176	97	175	84	179
Life Support	69	31	59	28	74
Healthcare	49	32	58	29	58
Other	19	10	21	10	24
All Company	42	20	40	20	54
<i>Total</i>	476	248	462	225	497

8. Capital Expenditure/Investment (Inc. acquisition of intangible assets)

(in 100millions of JPY)

	FY ending Mar. 18 (Forecast)	6Months ended Sept. 17	FY ended Mar. 17	6Months ended Sept. 16	FY ended Mar. 16
Japan Foods Products	198	72	448	59	480
International Food Products	325	131	214	61	196
Life Support	92	32	87	31	76
Healthcare	136	50	88	27	59
Other	23	13	24	9	40
All Company	55	24	32	11	40
<i>Total</i>	829	324	896	201	893

9. R&D Expenses

(in 100millions of JPY)

	FY ending Mar. 18 (Forecast)	6Months ended Sept. 17	FY ended Mar. 17	6Months ended Sept. 16	FY ended Mar. 16
Japan Foods Products	39	16	34	16	35
International Food Products	38	18	35	18	33
Life Support	54	25	50	25	48
Healthcare	22	11	25	11	27
Other	6	2	2	1	-
All Company	129	61	122	60	119
<i>Total</i>	288	135	271	133	265

10. Selling, R&D, G&A Expenses

(in millions of JPY)

	FY ending Mar. 18 (Forecast)	6Months ended Sept. 17	FY ended Mar. 17	6Months ended Sept. 16	FY ended Mar. 16
(1) Selling Expenses					
① Logistics expenses		22,494	43,787	21,018	46,432
② Advertisement		16,784	35,148	16,220	32,371
③ Sales promotion expenses		11,586	26,399	12,072	27,611
④ Sales commissions		1,376	2,794	1,307	3,253
⑤ Employee benefits expenses		19,951	39,996	19,696	42,396
⑥ Depreciation and amortization expenses		998	2,020	988	2,167
⑦ Other		10,388	19,301	8,504	20,207
<i>Total</i>		83,580	169,448	79,807	174,440
(2) Research and Development Expenses					
① Employee benefits expenses		6,530	12,717	6,397	12,760
② Depreciation and amortization expenses		1,110	2,201	1,095	2,024
③ Subcontracting expenses and consumables expenses		3,512	6,979	3,398	6,407
④ Other		2,439	5,236	2,444	5,399
<i>Total</i>		13,593	27,134	13,334	26,591
(3) General and Administrative Expenses					
① Employee benefits expenses		27,915	53,496	26,501	51,948
② Depreciation and amortization expenses		4,240	8,006	3,919	9,721
③ Other		16,246	34,616	16,768	32,615
<i>Total</i>		48,402	96,119	47,189	94,284
<i>Total Selling, R&D, G&A expenses</i>	316,700	145,577	292,703	140,331	295,316

11. Other Operating Income & Expenses

(in millions of JPY)

	FY ending Mar. 18 (Forecast)	6Months ended Sept. 17	FY ended Mar. 17	6Months ended Sept. 16	FY ended Mar. 16
(1) Other Operating Income					
① Gain on sale of fixed assets	1,000	1,198	5,312	485	879
② Other		2,711	4,229	1,514	22,988
<i>Total</i>		3,909	9,541	1,999	23,868
(2) Other Operating Expense					
① Loss on disposal of property, plant and equipment	4,100	1,064	3,657	1,188	2,796
② Other		2,642	19,119	3,998	19,539
<i>Total</i>		3,706	22,776	5,187	22,335

Ajinomoto Co., Inc.
FY2017-1H Consolidated Results

12. Financial Income & Expenses

(in millions of JPY)

	FY ending Mar. 18 (Forecast)	6Months ended Sept. 17	FY ended Mar. 17	6Months ended Sept. 16	FY ended Mar. 16
(1) Financial Income					
① Interest income		2,211	3,162	1,502	2,825
② Other		1,197	4,121	5,102	2,467
<i>Total</i>		3,409	7,283	6,604	5,292
(2) Financial expenses					
① Interest expenses		1,430	2,532	1,228	2,326
Financial liabilities measured at amortized cost		-	2,128	-	2,061
Derivatives		-	403	-	265
② Other		710	1,684	4,264	3,865
<i>Total</i>		2,141	4,216	5,493	6,192

13. Information by Business segment

(in millions of JPY)

	FY ending Mar. 18 (Forecast)	6Months ended Sept. 17	FY ended Mar. 17	6Months ended Sept. 16	FY ended Mar. 16
Japan Foods Products					
Sales to external customers	403,700	184,640	390,441	188,904	397,069
Y/Y %	103%	98%	98%	-	-
Business profit	41,800	18,239	40,854	17,131	31,705
Y/Y %	102%	106%	129%	-	-
International Food Products					
Sales to external customers	480,100	221,825	428,988	202,762	463,907
Y/Y %	112%	109%	92%	-	-
Business profit	45,500	22,325	41,742	22,043	47,344
Y/Y %	109%	101%	88%	-	-
Life Support					
Sales to external customers	135,400	63,660	124,095	59,920	142,418
Y/Y %	109%	106%	87%	-	-
Business profit	7,200	3,649	5,874	2,104	12,059
Y/Y %	123%	173%	49%	-	-
Healthcare					
Sales to external customers	104,800	45,622	89,504	42,164	91,475
Y/Y %	117%	108%	98%	-	-
Business profit	7,400	2,213	8,126	4,256	7,093
Y/Y %	91%	52%	115%	-	-
Other					
Sales to external customers	63,000	31,021	58,166	28,703	54,556
Y/Y %	108%	108%	107%	-	-
Business profit	100	1,968	255	567	-59
Y/Y %	-	347%	-	-	-
Consolidated, Total					
Sales	1,187,000	546,770	1,091,195	522,454	1,149,427
Y/Y %	109%	105%	95%	-	-
Business profit	102,000	48,395	96,852	46,103	98,144
Y/Y %	105%	105%	99%	-	-

14. Information by Geographic segment

(in millions of JPY)

	FY ending Mar. 18 (Forecast)	6Months ended Sept. 17	FY ended Mar. 17	6Months ended Sept. 16	FY ended Mar. 16
Japan					
Sales to external customers	543,700	254,366	519,555	253,402	520,083
Y/Y %	105%	100%	100%	-	-
Business profit	44,300	23,146	44,630	19,079	37,858
Y/Y %	99%	121%	118%	-	-
Asia					
Sales to external customers	287,800	133,269	254,729	122,487	274,559
Y/Y %	113%	109%	93%	-	-
Business profit	40,000	19,333	36,538	19,714	38,796
Y/Y %	109%	98%	94%	-	-
Americas					
Sales to external customers	248,100	112,725	226,936	106,747	245,912
Y/Y %	109%	106%	92%	-	-
Business profit	13,100	4,696	12,696	6,467	17,521
Y/Y %	103%	73%	72%	-	-
Europe					
Sales to external customers	107,400	46,409	89,974	39,817	108,871
Y/Y %	119%	117%	83%	-	-
Business profit	4,600	1,219	2,986	842	3,969
Y/Y %	154%	145%	75%	-	-
Consolidated, Total					
Sales to external customers	1,187,000	546,770	1,091,195	522,454	1,149,427
Y/Y %	109%	105%	95%	-	-
Business profit	102,000	48,395	96,852	46,103	98,144
Y/Y %	105%	105%	99%	-	-