

Consolidated Results

First Half of the FY Ending March 31, 2015

(Interim FY2014)

- 
1. Overview
 2. Financial Position
 3. Segment Information

November 10, 2014

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Member of the Board and

Corporate Vice President

Ajinomoto Co., Inc.

AJINOMOTO® 1. (1) Overview of Results

(¥ Billion)

	Interim FY2014 (A)	Interim FY2013	YoY Change		FY2014 (Revised Forecast) (B)	Progress (A)/(B)	July-Sept. 2014	July-Sept. 2013	YoY Change	
			Amount	%					Amount	%
Net sales	467.6	468.9	-1.3	-0%	1,008.0	46%	240.0	235.2	4.8	2%
Domestic Food Products	147.3	144.3	3.0	2%	312.3	47%	76.3	74.1	2.2	3%
Overseas Food Products	153.1	144.1	9.1	6%	322.2	48%	78.8	72.7	6.1	8%
Bioscience Products & Fine Chemicals	108.3	111.6	-3.4	-3%	238.4	45%	55.1	56.6	-1.5	-3%
Pharmaceuticals	18.8	27.9	-9.1	-33%	40.9	46%	9.4	11.1	-1.8	-16%
Other Business	40.1	41.0	-0.9	-2%	94.2	43%	20.4	20.6	-0.2	-1%
Operating income	28.6	29.7	-1.2	-4%	70.0	41%	15.3	14.5	0.8	5%
Domestic Food Products	10.1	11.4	-1.3	-11%	28.8	35%	5.1	5.2	-0.1	-2%
Overseas Food Products	16.4	12.8	3.6	28%	29.4	56%	8.7	6.7	2.0	30%
Bioscience Products & Fine Chemicals	2.6	3.9	-1.3	-34%	9.7	27%	1.8	1.4	0.4	31%
Pharmaceuticals	0.2	1.5	-1.3	-85%	2.3	10%	0.0	1.1	-1.1	-96%
Other Business	-0.8	0.2	-0.9	-560%	-0.2	375%	-0.4	0.1	-0.5	-393%
Ordinary income	31.9	33.1	-1.2	-4%	75.0	43%	16.4	15.9	0.5	3%
Net income	20.7	22.3	-1.6	-7%	44.0	47%	9.8	10.4	-0.6	-6%
Exchange rate										
JPY/USD	103.01	98.86			100.0					
JPY/EUR	138.90	129.98			130.0					

Notes:

- 1, July-Sept. results are the difference between Apr.-Sept. results and Apr.-June results (for this and all following slides).
2. From FY2014, sales promotion discounts, etc. are deducted from net sales rather than being recorded in selling, general and administrative expenses. In addition, under this accounting treatment the estimated amount is recorded when sales are recorded rather than when the amount to be paid is determined.
3. Results for FY2013 have been restated to reflect the above changes (for this and all following slides).

AJINOMOTO® 1. (2) Comments on Results for Interim FY2014

Net sales remained almost at the level of the previous first half year because of growth in sales of Overseas Food Products and Domestic Food Products, despite impact of spin-off of infusion and dialysis business units in Pharmaceuticals and decrease in sales of feed-use amino acids, etc.

Operating income decreased overall due to lower income in every segment except Overseas Food Products, where income increased substantially.

However, second quarter (July-Sept.) sales and income both increased compared with the same period of the previous year.

Net sales / Operating income

Interim FY2014	Progress	YoY Change		July-Sept. 2014	YoY Change
467.6	46%	-0%	Net sales	240.0	2%
309.7	-	-1%	Cost of sales	159.2	1%
129.3	-	3%	SG&A	65.5	5%
28.6	41%	-4%	Operating income	15.3	5%

1. Impact of exchange rate (YoY)

Exchange rate for currency translation

1H: Sales ¥3.8 billion; operating income -¥0.1 billion

Q2: Sales ¥4.6 billion; operating income ¥0.4 billion

Exchange rate for trade of main overseas subsidiaries

1H: Sales approx. ¥1.0 billion; operating income approx. ¥1.0 billion

Q2: Sales approx. ¥0.0 billion; operating income approx. ¥0.0 billion

2. Impact of raw material & fuel prices (YoY)

1H: Fermentation raw materials and fuel prices approx. ¥4.8 billion

Domestic food products raw materials approx. -¥0.6 billion

Q2: Fermentation raw materials and fuel prices approx. ¥3.8 billion

Domestic food products raw materials approx. -¥0.3 billion

3. Cost reductions (YoY)

1H: Domestic food products approx. ¥1.3 billion; Pharmaceuticals approx. ¥0.6 billion

Q2: Domestic food products approx. ¥0.7 billion; Pharmaceuticals approx. ¥0.2 billion

1. (3) Comments on Results for Interim FY2014

Ordinary income

(¥ Billion)

Interim FY2014	Progress	YoY Change		July-Sept. 2014	YoY Change
3.3	-	-1%	Non-operating income (net)	1.2	-19%
31.9	43%	-4%	Ordinary income	16.4	3%

< Interim FY2014 > ()= YoY change

None

< Q2-FY2014 > ()=YoY change

None

Net income

Interim FY2014	Progress	YoY Change		July-Sept. 2014	YoY Change
0.9	-	-76%	Extraordinary gains *1	0.2	-90%
1.3	-	-34%	Extraordinary losses *2	0.9	-8%
6.6	-	-23%	Income taxes, etc.	4.1	-18%
4.1	-	7%	Minority interests	1.9	-2%
20.7	47%	-7%	Net income	9.8	-6%

< Interim FY2014 > ()= YoY change

*1 Gain on sale of shares in affiliated companies

¥0.0 billion (¥2.3 billion decrease)

*1 Insurance income

¥0.0 billion (¥1.2 billion decrease)

*1 Gain on bad debts recovered

¥0.6 billion (¥0.6 billion increase)

*2 Loss on liquidation of subsidiaries

¥0.0 billion (¥0.7 billion decrease)

AJINOMOTO® 2. Financial Position

(¥ Billion)

Sept. 30, 2014: Total assets 1,111.8

Current assets 558.2	Liabilities 422.7
Fixed assets 553.6	Net assets 689.0
	Incl. Minority interests 64.9

Mar. 31, 2014: Total assets 1,093.2

Current assets 548.2	Liabilities 437.7
Fixed assets 545.0	Net assets 655.5
	Incl. Minority interests 60.6

¥18.6 billion increase in total assets from March 31, 2014

*Increase in yen values of the balance sheets of overseas subsidiaries after currency translation

Cash Flow

(¥ Billion)

	Sept. 2014	Sept. 2013	Change
1. CF from operating activities	56.8	19.6	37.2
2. CF from investing activities	-22.8	-37.4	14.6
3. CF from financing activities	-14.5	-22.7	8.1
4. Cash and cash equivalents	153.8	142.5	11.2
FCF(1+2)	34.1	-17.8	51.9

*Cash out is shown with -.

Capital expenditures	-22.5	-27.2	4.8
Depreciation and amortization	21.1	22.5	-1.4

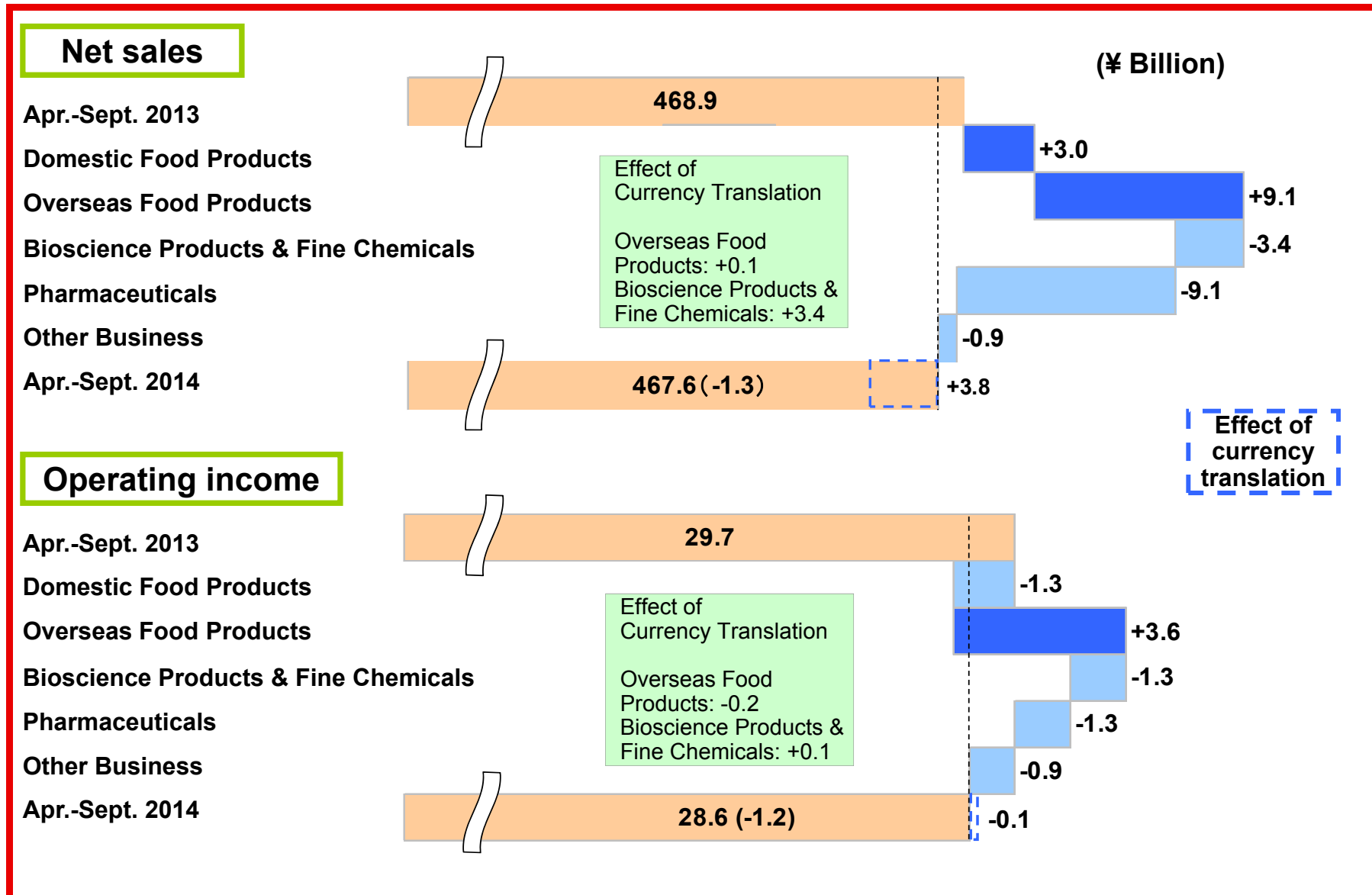
Interest-bearing Debt

(¥ Billion)

<Reference>

Sept. 2014	Mar. 2014	Change	Sept. 2013
137.1	143.0	-5.8	136.3

3. (1) Change by Business Segment



3. (2) Domestic Food Products

(¥ Billion)

Interim FY2014	Progress	Interim FY2013	YoY Change		<Reference>		YoY Change
					July-Sept. 2014	July-Sept. 2013	
147.3	47%	144.3	3.0	Net sales	76.3	74.1	2.2
92.7	-	92.2	0.5	*1 Seasonings & processed foods	48.4	47.3	1.1
54.6	-	52.1	2.5	*2 Frozen foods	27.9	26.8	1.1
10.1	35%	11.4	-1.3	*3 Operating income	5.1	5.2	-0.1
11.6	-	12.1	-0.5	Seasonings & processed foods	6.0	5.6	0.3
2.5	-	2.7	-0.2	Frozen foods	1.2	1.4	-0.2
-4.0	47%	-3.5	-0.5	Shared companywide expenses	-2.1	-1.8	-0.3

*1 Impact of increase in the consumption tax ended in the first quarter. Increase in overall sales due to increase in sales resulting from measures to stimulate the market for home-use products in the second quarter and growth in functional food products, etc. for restaurant- and institutional- use.

*2 Increase in overall sales due to slight increase in sales in Japan and growth in sales overseas, mainly in North America.

*3 Income decreased overall due to increased marketing expenses to stimulate the market in seasonings & processed foods, impact of higher raw material prices for frozen foods and increased marketing expenses, etc.

AJINOMOTO® 3. (3) Overseas Food Products

(¥ Billion)

Interim FY2014	Progress	Interim FY2013	YoY Change		<Reference>		YoY Change
					July-Sept. 2014	July-Sept. 2013	
153.1	48%	144.1	9.1	Net sales	78.8	72.7	6.1
128.0	47%	118.9	9.1 ^{*1}	Consumer foods	66.1	60.8	5.3
25.1	50%	25.2	-0.0 ^{*2}	Umami seasonings for processed food mfrs.	12.7	12.0	0.8
16.4	58%	12.8	3.6 ^{*3}	Operating income	8.7	6.7	2.0
-5.4	47%	-4.6	-0.8	Shared companywide expenses	-2.8	-2.4	-0.4

[Effect of currency translation] Q2: Net sales +¥2.3 billion; operating income +¥0.4 billion

1H: Net sales +¥0.1 billion; operating income -¥0.2 billion

*1 Increase in sales because of higher sales volume of umami seasoning *AJI-NO-MOTO* and flavor seasonings, etc., despite negative effect of currency translation.

*2 Sales remained at level of previous interim period because of drop in unit price of nucleotides, etc., despite positive effect of currency translation.

*3 Increase in income as increase in sales volume of consumer foods and cost reduction of umami seasonings for processed food mfrs., etc. offset negative effect of currency translation.

Reference: Consumer foods +¥3.6 billion; umami seasonings for processed food mfrs. +¥0.6 billion

AJINOMOTO® 3. (4) Bioscience Products & Fine Chemicals

Interim FY2014	Progress	Interim FY2013	YoY Change		<Reference>		(¥ Billion) YoY Change
					July-Sept. 2014	July-Sept. 2013	
108.3	45%	111.6	-3.4	Net sales	55.1	56.6	-1.5
43.9	43%	47.5	-3.5 ^{*1}	Feed-use amino acids	22.9	23.8	-0.9
41.1	-	39.2	1.9 ^{*2}	Amino acids	20.6	20.2	0.4
21.7	-	22.3	-0.6 ^{*3}	Specialty chemicals	11.0	11.2	-0.2
2.6	27%	3.9	-1.3 ^{*4}	Operating income	1.8	1.4	0.4
-1.1	-27%	0.9	-1.9	Feed-use amino acids	0.2	0.1	0.1
2.8	-	2.1	0.7	Amino acids	1.4	0.9	0.5
5.5	-	5.1	0.4	Specialty chemicals	2.7	2.6	0.1
-3.7	48%	-3.3	-0.4	Shared companywide expenses	-1.9	-1.7	-0.2

[Effect of currency translation] Q2: Net sales +¥1.9 billion; operating income -¥0.0 billion

1H: Net sales +¥3.4billion; operating income +¥0.1 billion

*1 Decrease in sales due to significant decrease in Lysine unit price, despite positive effect of currency translation.

*2 Amino acids for pharmaceuticals and foods +¥0.5 billion; pharmaceutical custom manufacturing +¥0.9 billion; sweeteners +¥0.6 billion.

*3 Decrease in sales due to decrease in retail sales of cosmetics due to pullback from last-minute surge in demand at the previous fiscal year end in connection with an increase in the consumption tax and decrease in sales of chemicals other than electronic materials.

*4 Decrease in income because higher income of amino acids for pharmaceuticals and foods and specialty chemicals, etc., did not offset lower income of feed-use amino acids, etc.

Reference: Within amino acids, amino acids for pharmaceuticals and foods +¥0.7 billion; pharmaceutical custom manufacturing +¥0.1 billion; sweeteners -¥0.0 billion

AJINOMOTO® 3. (5) Pharmaceuticals

Interim FY2014	Progress	Interim FY2013	YoY Change		<Reference>		(¥ Billion)	
					July-Sept. 2014	July-Sept. 2013	YoY Change	
18.8	43%	27.9	-9.1	*1	Net sales	9.4	11.1	-1.8
0.2	7%	1.5	-1.3	*2	Operating income	0.0	1.1	-1.1
-0.7	42%	-0.8	0.1		Shared companywide expenses	-0.3	-0.3	-0.0

*1 Decrease in sales of both domestic products and products sold through business tie-ups due to the impact of NHI drug price revisions and generics, in addition to the impact of spin-off of infusion and dialysis business units (approx. ¥4.9 billion) in July 2013.

Sales based on AJINOMOTO PHARMACEUTICALS CO., LTD. estimated drug prices
(% = YoY change):

<i>LIVACT</i>	¥6.8 billion	(-10%)	<i>ELENTAL</i>	¥3.8 billion	(-1%)
<i>ATELEC</i>	¥6.1 billion	(-19%)	<i>ACTONEL</i>	¥4.5 billion	(-12%)
<i>FASTIC</i>	¥0.7 billion	(-26%)			

*2 Decrease in income because improved operational efficiency and increased royalty income did not cover the impact of decreases in sales of self-distributed products and products sold through business tie-ups.

AJINOMOTO® 3. (6) Other Business

(¥ Billion)

Interim FY2014	Progress	Interim FY2013	YoY Change		<Reference>		YoY Change	
					July-Sept. 2014	July-Sept. 2013		
40.1	44%	41.0	-0.9	*1	Net sales	20.4	20.6	-0.2
1.0	-	1.1	-0.1		Edible oils & coffee products	0.5	0.6	-0.1
-0.8	323%	0.2	-0.9	*2	Operating income	-0.4	0.1	-0.5
0.9	-	1.1	-0.2		Edible oils & coffee products	0.5	0.5	-0.1
-1.7	46%	-1.5	-0.2		Shared companywide expenses	-0.8	-0.8	-0.1

*1 Decrease in sales mainly due to a decrease in sales of logistics business, etc.

*2 Decrease in income due to lower income in logistics business, etc., despite higher income in wellness business.

3. (7) Net Sales by Business & Geographical Area

Upper row: Interim FY2014; lower row: Interim FY2013.

Figures in parentheses represent YoY change.

(¥ Billion)

	Japan	Asia	Americas	Europe	Total
Domestic Food Products	135.5 (0.7)	2.9 (0.0)	6.9 (1.2)	1.9 (1.1)	147.3 (3.0)
	134.9	2.9	5.7	0.8	144.3
Overseas Food Products	4.6 (0.1)	104.1 (5.6)	30.1 (3.3)	14.3 (0.0)	153.1 (9.1)
	4.6	98.5	26.8	14.2	144.1
Bioscience Products & Fine Chemicals	30.7 (-1.4)	8.9 (-0.1)	35.0 (-0.6)	33.7 (-1.2)	108.3 (-3.4)
	32.1	9.0	35.5	35.0	111.6
Pharmaceuticals	18.8 (-9.1)				18.8 (-9.1)
	27.9				27.9
Other Business	35.7 (-0.5)	4.4 (-0.4)	0.1 (0.0)		40.1 (-0.9)
	36.2	4.8	0.0		41.0
Total	225.3 (-10.3)	120.3 (5.1)	72.0 (4.0)	49.9 (-0.1)	467.6 (-1.3)
	235.6	115.2	68.1	50.0	468.9

3. (8) Operating Income by Business & Geographical Area

Upper row: Interim FY2014; lower row: Interim FY2013.

Figures in parentheses represent YoY change.

(¥ Billion)

	Japan		Asia		Americas		Europe		Other*		Total	
Domestic Food Products	12.2	(-0.8)	0.9	(-0.2)	0.7	(0.0)	0.3	(0.1)	-3.9	(-0.4)	10.1	(-1.3)
	13.0		1.1		0.7		0.2		-3.6		11.4	
Overseas Food Products	-0.7	(0.3)	18.3	(3.2)	4.6	(0.5)	-0.3	(0.1)	-5.5	(-0.5)	16.4	(3.6)
	-1.0		15.1		4.1		-0.3		-5.1		12.8	
Bioscience Products & Fine Chemicals	6.2	(0.4)	-0.3	(-0.7)	0.2	(0.2)	0.3	(-1.1)	-3.8	(-0.1)	2.6	(-1.3)
	5.8		0.4		0.0		1.4		-3.7		3.9	
Pharmaceuticals	0.9	(-1.4)							-0.7	(0.1)	0.2	(-1.3)
	2.3								-0.8		1.5	
Other Business	0.6	(-0.6)	0.5	-0.2	0.0	(0.0)	-0.0	(-0.0)	-1.8	(-0.1)	-0.8	(-0.9)
	1.2		0.7		0.0		-0.0		-1.7		0.2	
Shared companywide expenses, etc.*	-7.3	(-0.1)	-4.5	(-0.5)	-2.3	(-0.2)	-1.6	(-0.1)	15.8	(0.9)	0.0	(0.0)
	-7.2		-4.0		-2.1		-1.6		14.9		0.0	
Total	11.9	(-2.3)	14.9	(1.7)	3.1	(0.5)	-1.4	(-1.0)			28.6	(-1.2)
	14.2		13.3		2.7		-0.3				29.7	

* Includes shared companywide expenses and unrealized gains and losses not reflected in any geographical area, etc.

3. (9) Comments on Operating Income by Business & Geographical Area

Interim FY2014 Change Compared with Same Period of Previous Year

1. Overseas Food Products

(¥ Billion)

[YoY change]

Japan +0.3; Asia +3.2; Americas +0.5; Europe +0.1; Other* -0.5; Total +3.6

Asia: Increase due to higher sales of consumer foods products, etc., despite negative effect of currency translation

2. Bioscience Products & Fine Chemicals

(¥ Billion)

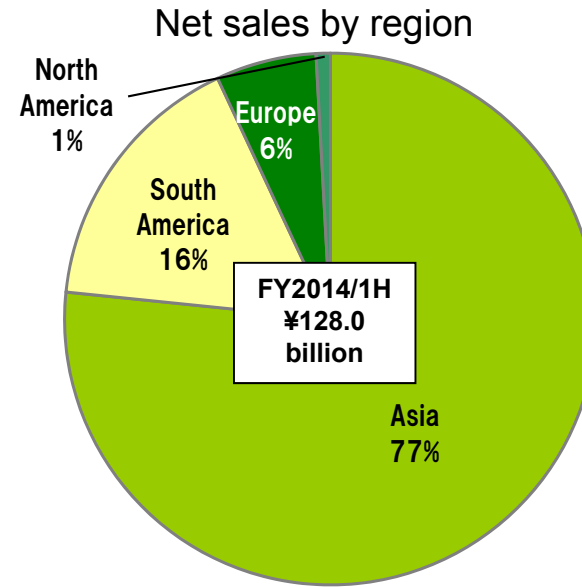
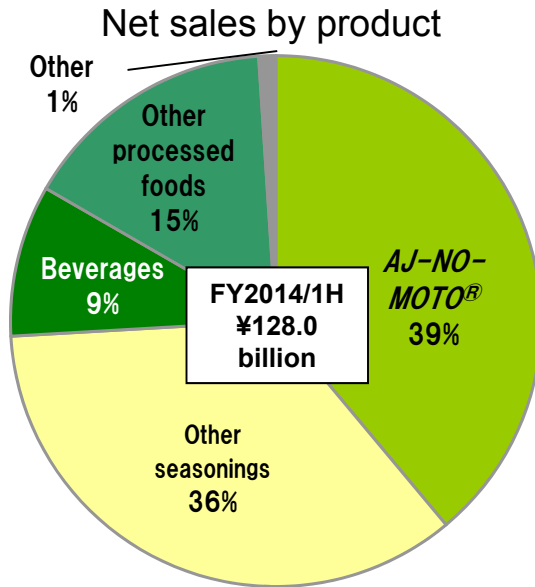
[YoY change]

Japan +0.4; Asia -0.7; Americas +0.2; Europe -1.1; Other* -0.1; Total -1.3

Europe: Decrease due to feed-use amino acids, etc.

* Includes shared companywide expenses and unrealized gains and losses not reflected in any geographical area, etc.

Interim FY2014 Trends in Overseas Consumer Food Products

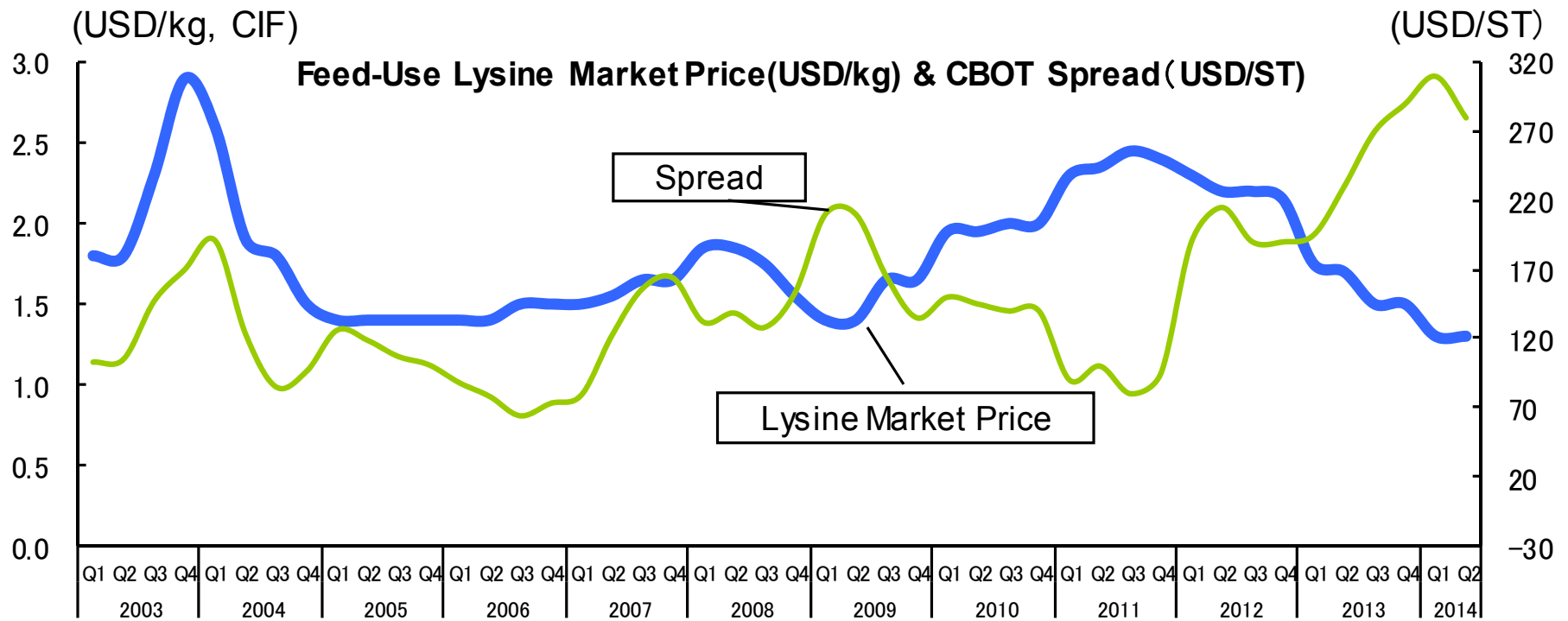


Interim FY2014 Overseas Consumer Food Products Sales in Main Countries

- **Thailand:** approx. THB 15.9 billion
(+3% YoY, +2% on yen basis)
- **Indonesia:** approx. IDR 1,771.2 billion
(+16% YoY, +6% on yen basis)
(Revision FY2014/Q1) approx. IDR 836.1 billion (+18% YoY, +2% on yen basis)
- **Brazil:** approx. BRL 0.34 billion
(+13% YoY, +14% on yen basis)
- **Vietnam:** approx. VND 2,891.9 billion
(+8% YoY, +13% on yen basis)
- **Philippines:** approx. PHP 2.7 billion
(+10% YoY, +11% on yen basis)

Feed-Use Lysine Market Price and CBOT Spread* Trend

*The spread is the price difference between soybean meal and corn on the Chicago Board of Trade (CBOT).





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- Unaudited figures are included in these materials for reference.
- Amounts presented in these materials are rounded off.