

Ajinomoto Co., Inc.

Consolidated Results

IFRS

Nine Months Ended December 31, 2024

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 considering 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)

Nine-month results for the fiscal year ending March 31, 2025

Ajinomoto Co., Inc.

February 3, 2025

Stock Code: 2802	Stock exchange listing: Tokyo Stock Exchange
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Scheduled date of starting payment of dividend: —	
Preparation of supplementary materials: Yes	
Results briefing: Yes	

1. Consolidated Financial Results for the Nine Months Ended December 31, 2024

(1) Consolidated Operating Results

(Millions of yen)

	Nine months ended December 31, 2024		Nine months ended December 31, 2023	
	Change %		Change %	
Sales	1,151,035	7.8	1,067,645	4.0
Business profit	138,201	11.0	124,497	4.4
Profit before income taxes	127,592	11.5	114,444	2.9
Profit	91,097	7.4	84,824	4.9
Profit attributable to owners of the parent company	82,441	6.2	77,602	1.5
Comprehensive income	132,430	(8.5)	144,741	22.8
Basic earnings per share (yen)	¥163.08	—	¥148.64	—
Diluted earnings per share (yen)	¥163.08	—	¥148.61	—

“Change %” indicates the percentage change compared to the same period of the previous fiscal year.

Note: Upon the adoption of IFRS, the Ajinomoto Group has introduced “business profit” as a new profit level that will better enable investors, the Board of Directors, and the Management Committee to grasp the core business results and future outlook of each business while also facilitating continual evaluation of the Group’s business portfolio by the Board of Directors and the Management Committee. “Business profit” is defined as sales and share of profit of associates and joint ventures minus cost of sales, selling expenses, research and development expenses, and general and administrative expenses. Business profit does not include other operating income or other operating expenses.

(2) Consolidated Financial Position

(Millions of yen)

	As of December 31, 2024	As of March 31, 2024
Total assets	1,856,229	1,768,371
Total equity	880,163	884,448
Equity attributable to owners of the parent company	811,412	815,074
Ownership ratio attributable to owners of the parent company (%)	43.7%	46.1%

Note: In the first half ended September 30, 2024, the Company finalized the provisional accounting treatment for a business combination, and the finalized figures have been reflected in the fiscal year ended March 31, 2024.

(3) Consolidated Cash Flows

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2023
Net cash provided by operating activities	149,293	103,446
Net cash used in investing activities	(50,215)	(124,920)
Net cash provided by (used in) financing activities	(47,328)	115,141
Cash and cash equivalents at end of period	229,374	230,761

2. Dividends

	Fiscal year ended March 31, 2024	Fiscal year ending March 31, 2025	Fiscal year ending March 31, 2025 (forecast)
Dividend per share			
Interim (yen)	¥37.00	¥40.00	
Year-end (yen)	¥37.00		¥40.00
Annual (yen)	¥74.00		¥80.00

Note: Revisions from the last forecast released: None

3. Forecast for the Fiscal Year Ending March 31, 2025

(Millions of yen)

	Fiscal year ending March 31, 2025	
		Change %
Sales	1,532,500	6.5
Business profit	160,000	8.3
Profit attributable to owners of the parent company	95,000	9.0
Basic earnings per share (yen)	¥188.72	—

"Change %" indicates the percentage change compared to the previous fiscal year.

Note: Revisions from the last forecast released: None

Notes:

(1) Significant changes in scope of consolidation during the period: None

(2) Changes in accounting policies and accounting estimates

(i) Changes in accounting policies as required by IFRS: None

(ii) Other changes in accounting policies: None

(iii) Changes in accounting estimates: None

(3) Number of shares outstanding (ordinary shares)

	Shares	
	As of December 31, 2024	As of March 31, 2024
Number of shares outstanding at end of period (including treasury stock)	508,314,754	521,430,854
Number of shares in treasury stock at end of period	9,971,551	8,864,260
	April 1, 2024 to December 31, 2024	April 1, 2023 to December 31, 2023
Average number of shares during period	505,522,221	522,071,565

Note: The number of shares in treasury stock at the end of the period includes the Company's shares held by the director's remuneration BIP trust (As of December 31, 2024: 405,600 shares. As of March 31, 2024: 409,900 shares), which was adopted along with the introduction of stock-based remuneration of executive officers based on the Company's medium-term earnings performance for the directors and others. In addition, these Company's shares are included in the treasury stock which is deducted from the number of shares outstanding at the end of the period when calculating the average number of shares during the period.

Review of accompanying quarterly consolidated financial statements by certified public accountants or an audit firm:
None

Appropriate use of forecasts and other notes

Disclaimer regarding forward-looking statements and other information

Forward-looking statements, such as business forecasts, included in this document are based on management's estimates, assumptions, and projections at the time of release. These statements do not promise nor represent a commitment by the Company to achieve these forecasts. Actual operating results may differ significantly due to various factors. For more information regarding earnings forecasts, see page 6, "1. Qualitative Information on the Nine-month Consolidated Results, (1) Overview of Operating Results."

Where to obtain supplementary materials

Supplementary materials will be posted on the Company's website on Monday, February 3, 2025.

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1. Qualitative Information on the Nine-month Consolidated Results

Upon the adoption of IFRS, the Ajinomoto Group has introduced "business profit" as a new profit level that will better enable investors, the Board of Directors, and the Management Committee to grasp the core business results and future outlook of each business while also facilitating continual evaluation of the Group's business portfolio by the Board of Directors and the Management Committee. "Business profit" is defined as sales and share of profit of associates and joint ventures minus cost of sales, selling expenses, research and development expenses, and general and administrative expenses. Business profit does not include other operating income or other operating expenses.

In addition, in the first half ended September 30, 2024, the Company finalized the provisional accounting treatment for a business combination and a significant revision to the initial measurement of acquisition costs has been made and reflected in the fiscal year ended March 31, 2024.

(1) Overview of Operating Results

In the nine months ended December 31, 2024, the Company's consolidated sales increased 7.8% year on year, or ¥83.3 billion, to ¥1,151.0 billion. This was due to increases in sales in the Seasonings and Foods segment, the Frozen Foods segment, and the Healthcare and Others segment, including the effect of currency translation. Business profit increased 11.0% year on year, or ¥13.7 billion, to ¥138.2 billion primarily due to the increases in sales in the Seasonings and Foods segment and the Healthcare and Others segment. Profit attributable to owners of the parent company totaled ¥82.4 billion, up 6.2% year on year, or ¥4.8 billion, primarily as a result of higher business profit.

The Company has not revised the financial results forecast announced on November 7, 2024.

Overview by segment

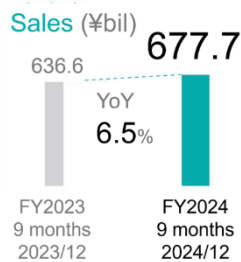
Sales and business profit by segment are summarized below.

	Sales			Business Profit		
	FY2024 Q3	YoY change	% change	FY2024 Q3	YoY change	% change
Seasonings and Foods	677.7	41.1	6.5%	96.8	3.4	3.7%
Frozen Foods	218.7	8.6	4.1%	7.6	(2.4)	(24.0)%
Healthcare and Others	242.8	33.2	15.9%	28.9	9.8	52.0%
Other	11.6	0.4	3.7%	4.7	2.7	143.2%
Total	1,151.0	83.3	7.8%	138.2	13.7	11.0%

	Sales			Business Profit		
	FY2024 Q3	Forecast for the year	YTD progress	FY2024 Q3	Forecast for the year	YTD progress
Seasonings and Foods	677.7	889.9	76.2%	96.8	108.7	89.1%
Frozen Foods	218.7	292.7	74.7%	7.6	11.2	67.9%
Healthcare and Others	242.8	331.3	73.3%	28.9	35.5	81.4%
Other	11.6	18.4	63.1%	4.7	4.4	106.4%
Total	1,151.0	1,532.5	75.1%	138.2	160.0	86.4%

(i) Seasonings and Foods

In the Seasonings and Foods segment, sales increased 6.5% year on year, or ¥41.1 billion, to ¥677.7 billion, mainly because of an increase in sales and the effect of currency translation. Segment business profit increased 3.7% year on year, or ¥3.4 billion, to ¥96.8 billion, due primarily to the effect of increased revenue.



Main factors affecting segment sales

Sauce & Seasonings: Overall increase in revenue.

Japan: Increase in revenue due to increased sales.

Overseas: Increase in revenue due to increased sales and the impact of currency translation.

Quick Nourishment: Overall increase in revenue.

Japan: Increase in revenue primarily due to the effect of increased unit sales prices.

Overseas: Increase in revenue due to the impact of currency translation and increased sales.

Solution & Ingredients: Increase in revenue primarily due to the impact of currency translation and increased sales of restaurant and industrial-use products.

Business Profit (¥bil)



Main factors affecting segment profits

Sauce & Seasonings: Overall increase in profit.

Japan: Decrease in profit primarily due to increased strategic expenses, despite the effect of increased revenue.

Overseas: Increase in profit primarily due to the effect of increased revenue.

Quick Nourishment: Overall large increase in profit.

Japan: Increase in profit primarily due to the effect of increased revenue.

Overseas: Large increase in profit primarily due to the effect of increased revenue.

Solution & Ingredients: Overall decrease in profit primarily due to a decrease in profit of umami seasonings for processed food manufacturers, despite the effect of increased revenue.

(ii) Frozen Foods

Frozen Foods segment sales increased 4.1% year on year, or ¥8.6 billion, to ¥218.7 billion, owing to the effect of currency translation and other factors. Segment business profit decreased 24.0% year on year, or ¥2.4 billion, to ¥7.6 billion, mainly because of increases in strategic expenses and in the cost of raw materials despite higher revenue and other factors.



Main factors affecting segment profits

Overall increase in revenue.

Japan: Overall revenue was level with the previous year despite increased sales of restaurant and industrial-use products.

Overseas: Increase in revenue due to the impact of currency translation despite the impact of structural reform.

Business Profit (¥bil)



Main factors affecting segment profits

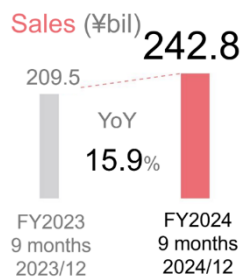
Overall large decrease in profit.

Japan: Decrease in profit primarily due to the impact of cost increase for raw materials.

Overseas: Large decrease in profit primarily due to increased strategic expenses, despite the effect of increased revenue.

(iii) Healthcare and Others

Healthcare and Others segment sales increased 15.9% year on year, or ¥33.2 billion, to ¥242.8 billion, mainly owing to an increase in sales of electronic materials and Bio-Pharma Services & Ingredients. Segment business profit increased 52.0% year on year, or ¥9.8 billion, to ¥28.9 billion due to higher revenue for electronic materials and other factors.

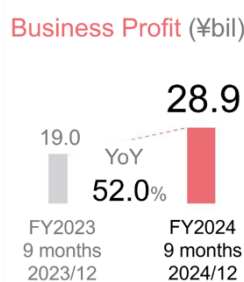


Main factors affecting segment sales

Bio-Pharma Services & Ingredients: Overall large increase in revenue due to increased sales of Bio-Pharma Services (CDMO services) and amino acids for pharmaceuticals and foods and the impact of currency translation.

Functional Materials (electronic materials and others): Large increase in revenue due to strong sales of electronic materials.

Others: Overall increase in revenue.



Main factors affecting segment profits

Bio-Pharma Services & Ingredients: Overall large decrease in profit due to a decrease in profit for Bio-Pharma Services (CDMO services) because of the acquisition of Forge Biologics, despite the increase in profit for amino acids for pharmaceuticals and foods.

Functional Materials (electronic materials and others): Large increase in profit accompanying large increase in revenue.

Others: Large increase in profit accompanying increase in revenue.

(iv) Other

In the Other segment, sales increased 3.7% year on year, or ¥0.4 billion, to ¥11.6 billion. Segment business profit increased 143.2% year on year, or ¥2.7 billion, to ¥4.7 billion.

(2) Overview of Financial Position

As of December 31, 2024, the Company's consolidated total assets stood at ¥1,856.2 billion, an increase of ¥87.8 billion from ¥1,768.3 billion at the end of the previous fiscal year on March 31, 2024. This was mainly due to an increase in assets as a result of currency translation effects and increases in cash and cash equivalents and inventories.

Total liabilities came to ¥976.0 billion, ¥92.1 billion more than the ¥883.9 billion at the end of the previous fiscal year. This was primarily due to an increase in interest bearing debt. Interest bearing debt totaled ¥585.5 billion, an increase of ¥93.8 billion from the end of the previous fiscal year, mainly due to the issuance of bonds and commercial papers.

Total equity as of December 31, 2024 was ¥880.1 billion, ¥4.2 billion less than the ¥884.4 billion at the end of the previous fiscal year. This was mainly due to the acquisition of treasury stock, which offset increases in retained earnings and exchange differences on translation of foreign operations resulting from the depreciation of the yen. Equity attributable to owners of the parent company, which is total equity minus non-controlling interests, totaled ¥811.4 billion, and the equity ratio attributable to owners of the parent company was 43.7%.

(3) Overview of Cash Flows

The overview of cash flows for the nine months ended December 31, 2024 is as follows.

Net cash provided by operating activities totaled ¥149.2 billion during the nine months ended December 31, 2024, compared with ¥103.4 billion during the nine months ended December 31, 2023. The main factors included ¥127.5 billion in profit before income taxes and ¥64.1 billion in depreciation and amortization, offset by a ¥21.6 billion increase in inventories.

Net cash used in investing activities came to ¥50.2 billion during the nine months ended December 31, 2024, compared with ¥124.9 billion during the nine months ended December 31, 2023. The main factors included ¥15.5 billion in proceeds from sale of financial assets offset by ¥65.8 billion in purchase of property, plant and equipment and intangible assets.

Net cash used in financing activities was ¥47.3 billion during the nine months ended December 31, 2024, compared with net cash provided by financing activities of ¥115.1 billion during the nine months ended December 31, 2023. The main factors included ¥79.6 billion in proceeds from issuance of bonds offset by ¥83.5 billion in purchase of treasury stock and ¥39.0 billion in dividends paid.

As a result of the foregoing, cash and cash equivalents as of December 31, 2024 totaled ¥229.3 billion.

(4) Analysis of Capital Resources and Liquidity

(i) Liquidity

During the nine months ended December 31, 2024, the Company ensured adequate short-term liquidity on hand through funding methods that mainly consisted of committed credit lines, overdraft facilities, and commercial paper issuance facilities.

Moreover, in addition to maintaining an adequate ratio of liquidity on hand, the Company ensured funding security through committed credit lines concluded with its main banks. As of December 31, 2024, the unused amount of committed credit lines was ¥170.0 billion in Japanese yen and US\$100 million in foreign currency. Furthermore, the Company provides an emergency loan facility to respond to temporary cash shortages at overseas consolidated subsidiaries with a high possibility of liquidity risks.

(ii) Fund Procurement

In the nine months ended December 31, 2024, the Company raised funds through borrowings from financial institutions and the issuance of domestic straight bonds and commercial papers in order to fund its operations and to extend the maturity of short-term borrowings related to the full acquisition of Forge Biologics Holdings, LLC ("Forge"). In these fund procurement activities, the Company took into consideration the balance between direct and indirect finance from the perspective of funding costs and risk diversification, and the balance between long-term and short-term funding.

(iii) Use of Funds

During the nine months ended December 31, 2024, funds were primarily used to finance business operations and to extend short-term borrowings related to the full acquisition of Forge.

2. Condensed Consolidated Financial Statements and Notes

(1) Condensed Consolidated Statements of Financial Position

(Millions of yen)

	As of December 31, 2024	As of March 31, 2024
Assets		
Current assets		
Cash and cash equivalents	229,374	171,537
Trade and other receivables	195,580	185,564
Other financial assets	18,598	22,650
Inventories	311,552	287,122
Income taxes receivable	5,349	22,505
Others	22,769	20,252
Subtotal	783,225	709,632
Assets of disposal groups classified as held for sale	—	—
Total current assets	783,225	709,632
Non-current assets		
Property, plant and equipment	595,546	587,407
Intangible assets	95,589	97,810
Goodwill	144,380	139,879
Investments in associates and joint ventures	132,536	128,538
Long-term financial assets	53,380	54,097
Deferred tax assets	8,976	8,565
Others	42,594	42,439
Total non-current assets	1,073,003	1,058,738
Total assets	1,856,229	1,768,371

	As of December 31, 2024	As of March 31, 2024
Liabilities		
Current liabilities		
Trade and other payables	218,040	231,979
Short-term borrowings	10,140	97,553
Commercial papers	76,000	53,000
Current portion of long-term borrowings	9,457	37,717
Other financial liabilities	9,954	8,885
Short-term employee benefits	44,543	45,916
Provisions	1,224	4,440
Income taxes payable	18,212	7,031
Others	17,793	15,045
Subtotal	405,365	501,569
Liabilities of disposal groups classified as held for sale	—	—
Total current liabilities	405,365	501,569
Non-current liabilities		
Corporate bonds	229,377	149,626
Long-term borrowings	213,184	104,598
Other financial liabilities	53,112	54,544
Long-term employee benefits	30,971	28,865
Provisions	4,352	3,905
Deferred tax liabilities	36,780	37,859
Others	2,921	2,951
Total non-current liabilities	570,700	382,353
Total liabilities	976,066	883,922
Equity		
Common stock	79,863	79,863
Capital surplus	(74,230)	—
Treasury stock	(58,164)	(49,164)
Retained earnings	707,496	657,782
Other components of equity	156,446	126,592
Other components of equity related to disposal groups classified as held for sale	—	—
Equity attributable to owners of the parent company	811,412	815,074
Non-controlling interests	68,750	69,373
Total equity	880,163	884,448
Total liabilities and equity	1,856,229	1,768,371

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

Condensed Consolidated Statements of Income For the Nine Months

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2023
Sales	1,151,035	1,067,645
Cost of sales	(729,047)	(683,223)
Gross profit	421,987	384,422
Share of profit of associates and joint ventures	5,951	2,725
Selling expenses	(154,412)	(145,043)
Research and development expenses	(21,790)	(20,221)
General and administrative expenses	(113,534)	(97,385)
Business profit	138,201	124,497
Other operating income	3,484	4,090
Other operating expenses	(10,742)	(11,197)
Operating profit	130,943	117,390
Financial income	6,685	5,845
Financial expenses	(10,036)	(8,790)
Profit before income taxes	127,592	114,444
Income taxes	(36,495)	(29,620)
Profit	91,097	84,824
Attributable to:		
Owners of the parent company	82,441	77,602
Non-controlling interests	8,655	7,221
Earnings per share (yen):		
Basic	¥163.08	¥148.64
Diluted	¥163.08	¥148.61

**Condensed Consolidated Statements of Comprehensive Income
For the Nine Months**

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2023
Profit	91,097	84,824
Other comprehensive income (Net of related tax effects)		
Items that will not be reclassified to profit or loss:		
Net gain on revaluation of financial assets measured at fair value through other comprehensive income	5,462	4,517
Remeasurements of defined benefit pension plans	(579)	13,443
Share of other comprehensive income of associates and joint ventures	(67)	155
Items that may be reclassified subsequently to profit or loss:		
Cash flow hedges	187	422
Hedge surplus	99	(33)
Exchange differences on translation of foreign operations	38,441	41,484
Share of other comprehensive income (loss) of associates and joint ventures	(2,210)	(74)
Other comprehensive income (Net of related tax effects)	41,333	59,916
Comprehensive income	132,430	144,741
Comprehensive income attributable to:		
Owners of the parent company	118,900	134,999
Non-controlling interests	13,530	9,741

(3) Condensed Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2023
Cash flows from operating activities		
Profit before income taxes	127,592	114,444
Depreciation and amortization	64,195	57,195
Impairment loss and gain on reversal of impairment loss	1,027	470
Increase (decrease) in employee benefits	(755)	(3,945)
Increase (decrease) in provisions	(2,584)	(6,953)
Interest and dividend income	(5,432)	(4,737)
Interest expense	5,533	3,415
Share of profit of associates and joint ventures	(5,951)	(2,725)
Loss on sale and disposal of property, plant and equipment, and intangible assets	2,007	1,878
Decrease (increase) in trade and other receivables	(9,007)	(16,593)
Increase (decrease) in trade and other payables	(2,679)	6,770
Decrease (increase) in inventories	(21,602)	(16,791)
Increase (decrease) in other assets and liabilities	2,042	4,471
Others	2,135	4,432
Subtotal	156,522	141,331
Interest and dividends received	7,722	6,632
Interest paid	(5,035)	(2,957)
Income taxes paid	(9,915)	(41,560)
Net cash provided by operating activities	149,293	103,446
Cash flows from investing activities		
Purchase of property, plant and equipment, and intangible assets	(65,807)	(52,097)
Proceeds from sale of property, plant and equipment, and intangible assets	1,648	872
Purchase of financial assets	(2,384)	(1,693)
Proceeds from sale of financial assets	15,554	2,520
Purchase of shares in subsidiaries resulting in change in scope of consolidation	—	(74,131)
Others	774	(391)
Net cash used in investing activities	(50,215)	(124,920)

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2023
Cash flows from financing activities		
Net change in short-term borrowings	(87,139)	75,009
Net change in commercial papers	23,000	130,000
Proceeds from long-term borrowings	116,976	153
Repayments of long-term borrowings	(35,630)	(14,292)
Proceeds from issuance of bonds	79,697	29,876
Dividends paid	(39,059)	(38,338)
Dividends paid to non-controlling interests	(14,271)	(3,549)
Purchase of treasury stock	(83,520)	(54,906)
Purchase of shares in subsidiaries not resulting in change in scope of consolidation	—	(2,453)
Repayments of lease liabilities	(7,398)	(6,812)
Others	17	455
Net cash provided by (used in) financing activities	(47,328)	115,141
Effect of currency rate changes on cash and cash equivalents	6,087	4,317
Net change in cash and cash equivalents	57,837	97,984
Cash and cash equivalents at beginning of period	171,537	132,777
Cash and cash equivalents at end of period	229,374	230,761

(4) Notes to Condensed Consolidated Financial Statements

Going Concern Assumption

Not applicable

Significant Changes in Equity Attributable to Owner of the Parent Company

Not applicable

Segment Information

(1) Overview of reportable segments

The Group's reportable segments are categorized primarily by product lines. There are three reportable segments: Seasonings and Foods, Frozen Foods, and Healthcare and Others.

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
Seasonings and Foods	Sauce and Seasonings	Umami seasoning <i>AJI-NO-MOTO</i> [®] , <i>HON-DASHI</i> [®] , <i>Cook Do</i> [®] , <i>Ajinomoto KK Consommé</i> , <i>Pure Select</i> [®] <i>Mayonnaise</i> , <i>Ros Dee</i> [®] (flavor seasoning), <i>Masako</i> [®] (flavor seasoning), <i>Aji- ngon</i> [®] (flavor seasoning), <i>Sazón</i> [®] (flavor seasoning), <i>Sajiku</i> [®] (menu-specific seasoning), <i>CRISPY FRY</i> [®] (menu-specific seasoning), etc.
	Quick Nourishment	<i>Knorr</i> [®] <i>Cup Soup</i> , <i>YumYum</i> [®] (instant noodles), <i>Birdy</i> [®] (coffee beverage), <i>Birdy</i> [®] <i>3in1</i> (powdered drink), <i>Blendy</i> [®] brand products (<i>CAFÉ LATORY</i> [®] , stick coffee, etc.), <i>MAXIM</i> [®] brand products, <i>Chotto Zeitakuna Kohiten</i> [®] brand products, various gift sets, office supplies (coffee vending machines, tea servers), etc.
	Solution and Ingredients	Umami seasoning <i>AJI-NO-MOTO</i> [®] for foodservice and processed food manufacturers in Japan, Seasonings and processed foods for foodservice, Seasonings for processed foods (savory seasonings, enzyme <i>ACTIVA</i> [®]), Delicatessen products, Bakery products, Nucleotides, Sweeteners (aspartame for industrial use, etc.), and others
Frozen Foods	Frozen Foods	Chinese dumplings (<i>Gyoza</i> , <i>POT STICKERS</i> , etc.), Cooked rice (<i>THE CHA-HAN</i> , <i>CHICKEN FRIED RICE</i> , etc.), Noodles (<i>YAKISOBA</i> , <i>RAMEN</i> , etc.), Sweets (cakes for restaurant and industrial-use, <i>MACARON</i> , etc.), Shumai (<i>THE SHUMAI</i> , <i>Ebi shumai (shrimp dumpling)</i> , etc.), Processed chicken (<i>Yawaraka Wakadori Kara-Age</i> (fried chicken), <i>THE KARAAGE</i> , etc.), and others
Healthcare and Others	Amino Acids for Pharmaceuticals and Foods	Amino acids, culture media
	Bio-Pharma Services (CDMO services)	Contract development and manufacturing services of pharmaceutical intermediates and active ingredients, aseptic fill finish services, etc.
	Functional Materials (electronic materials and others)	Electronic materials (<i>Ajinomoto Build-up Film</i> [®] (ABF) interlayer insulating material for semiconductor packages, etc.), Functional materials (adhesive <i>PLENSET</i> [®] , magnetic materials <i>AFTINNOVA</i> [®] <i>Magnetic Film</i> , etc.), activated carbon, release paper, etc.
	Others	Feed-use amino acids, Sports nutrition (Supplement (<i>amino VITAL</i> [®]), etc.), Personal care ingredients (an amino acid-based surfactant (<i>Amisoft</i> [®]), and amino acid-based oil and powder for use in makeup (<i>Eldew</i> [®] and <i>Amihope</i> [®] , respectively), etc.), Medical foods, Crop services, etc.

(2) Sales and profits by segment

The Group's sales and profits by reportable segment are as follows.

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

Nine months ended December 31, 2024 (April 1, 2024 to December 31, 2024)

(Millions of yen)

	Reportable segment			Other ¹	Total	Adjustments ²	As included in consolidated statements of income
	Seasonings and Foods	Frozen Foods	Healthcare and Others				
Sales							
Sales to third parties	677,794	218,774	242,834	11,631	1,151,035	—	1,151,035
Inter-segment sales and transfers	6,361	445	3,922	24,459	35,189	(35,189)	—
Total sales	684,156	219,220	246,757	36,090	1,186,224	(35,189)	1,151,035
Share of profit of associates and joint ventures	1,758	—	(74)	4,266	5,951	—	5,951
Segment profit or loss (Business profit or loss)	96,880	7,661	28,922	4,736	138,201	—	138,201
				Other operating income			3,484
				Other operating expense			(10,742)
				Operating profit			130,943
				Financial income			6,685
				Financial expense			(10,036)
				Profit before income taxes			127,592

1. Other includes the tie-up and other service-related businesses.

2. Corporate expenses are not attributable to specific reportable segments and are allocated to each reportable segment based on reasonable criteria. Corporate expenses mainly relate to the parent company's administrative divisions.

Nine months ended December 31, 2023 (April 1, 2023 to December 31, 2023)

(Millions of yen)

	Reportable segment			Other ¹	Total	Adjustments ²	As included in consolidated statements of income
	Seasonings and Foods	Frozen Foods	Healthcare and Others				
Sales							
Sales to third parties	636,675	210,163	209,594	11,211	1,067,645	—	1,067,645
Inter-segment sales and transfers	5,515	40	2,854	17,338	25,749	(25,749)	—
Total sales	642,191	210,204	212,449	28,550	1,093,395	(25,749)	1,067,645
Share of profit of associates and joint ventures	(594)	—	(41)	3,360	2,725	—	2,725
Segment profit or loss (Business profit or loss)	93,439	10,077	19,032	1,947	124,497	—	124,497
				Other operating income			4,090
				Other operating expense			(11,197)
				Operating profit			117,390
				Financial income			5,845
				Financial expense			(8,790)
				Profit before income taxes			114,444

1. Other includes the tie-up and other service-related businesses.

2. Corporate expenses are not attributable to specific reportable segments and are allocated to each reportable segment based on reasonable criteria. Corporate expenses mainly relate to the parent company's administrative divisions.

Business Combination

Nine months ended December 31, 2024 (April 1, 2024 to December 31, 2024)

The business combination with Forge, which occurred in the previous fiscal year ended March 31, 2024, was accounted for provisionally as the fair value measurement at the acquisition date was not completed in the previous fiscal year. The measurement was finalized in the current interim period ended September 30, 2024. The consolidated financial statements for the fiscal year ended March 31, 2024 have been adjusted to reflect the finalized accounting treatment.

Nine months ended December 31, 2023 (April 1, 2023 to December 31, 2023)

The Company acquired all equities of Forge Biologics Holdings, LLC (“Forge”), a US-based gene therapy CDMO, through its subsidiary, Ajinomoto North America Holdings, Inc. (now Ajinomoto North America, Inc.) on December 21, 2023 (US local time), and Forge and its five subsidiaries became consolidated subsidiaries of the Company.

Under the Medium-Term ASV Initiatives 2030 Roadmap announced in February 2023, the Company has set four growth areas leveraging the strengths of “AminoScience,” and Healthcare is one of these areas. Through this acquisition, integration of the Ajinomoto Group’s unique “AminoScience” technology platform with Forge’s gene therapy CDMO platform will aim to achieve an early realization of the roadmap by opening up new treatment options for rare disease patients and building a robust business foundation in the advanced therapy field. In addition, envisioning progress up to 2050, entering this next-generation business of transformational medicines will enable the Company to promote transition into higher-value-added business, and to expedite growth in the healthcare business and increased profitability based on the technologies and customers cultivated so far.

(1) Impact on Ajinomoto Group’s business results

The sales and quarterly profits generated by Forge included in the Condensed Consolidated Financial Statements for the nine months ended December 31, 2023 were not significant in the consolidated results. Moreover, assuming the business combination had been implemented at the beginning of the nine months ended December 2023, sales and net loss would have been US\$26 million (¥3,851 million) and US\$53 million (¥7,651 million), respectively (unaudited).

(2) Fair value of consideration transferred at the date of acquisition

	Amount
Cash	US\$548 million (¥78,666 million)

Notes

1. Acquisition-related expenses of ¥1,290 million associated with the business combination by cash consideration are included in general and administrative expenses.
2. US\$1 = ¥143.48 (exchange rate at the time of the acquisition)
3. The post-acquisition price adjustment has been completed, and the amount of consideration for the acquisition has been fixed.

(3) Cash out due to acquisition of subsidiaries

	Amount
Cash used in acquisition	US\$548 million (¥78,666 million)
Cash and cash equivalents of acquired subsidiaries	US\$27 million (¥3,952 million)
Cash out due to the acquisition of subsidiaries	US\$520 million (¥74,714 million)

Note: Price adjustment per agreement (immaterial) is included in the above amounts.

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

(Millions of yen)

	Amount
Current assets	8,429
Cash and cash equivalents	3,952
Trade and other receivables	1,049
Inventories	2,402
Others	1,025
Non-current assets	48,586
Property, plant and equipment	16,422
Intangible assets	31,924
Others	239
Total assets	57,015
Current liabilities	15,433
Trade and other payables	2,770
Short-term borrowings	8,668
Others	3,994
Non-current liabilities	2,209
Deferred tax liabilities	1,714
Others	494
Total liabilities	17,642
Non-controlling interests	(1,516)
Total equity less non-controlling interests (A)	40,889
Fair value of total consideration transferred at the date of acquisition (B)	78,666
Goodwill (C) = (B) – (A)	37,777

As the measurement of the acquisition-date fair value was not completed in the fiscal year ended March 31, 2024, the amounts for assets acquired and the liabilities assumed were provisionally calculated for the nine months ended December 31, 2023, but were finalized in the first half ended September 30, 2024.

With the finalization of the provisional accounting treatment, the Company significantly revised the initial allocation of acquisition costs, which mainly decreased deferred tax liabilities by ¥6,266 million and goodwill by ¥5,803 million compared to the fair value measurement at acquisition at the end of the fiscal year ended March 31, 2024.

In addition, the figures for the fiscal year ended March 31, 2024 included in the Condensed Consolidated Financial Statements and Notes and other documents reflect the finalized amounts.

(5) Fair value of acquired receivables, contractual receivables and expected uncollectible amounts

The trade and other receivables acquired mainly consist of trade receivables with a fair value of US\$7 million (¥1,049 million). The total contractual amount is US\$7 million (¥1,049 million), of which no amounts are expected to be uncollectible.

Significant Subsequent Events

Not applicable