

# Ajinomoto Co., Inc.

## Consolidated Results

[IFRS]

Fiscal Year Ended March 31, 2018

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, 2018

### Ajinomoto Co., Inc.

**May 10, 2018**

Stock Code: 2802	Stock exchange listing: Tokyo Stock Exchange
URL: www.ajinomoto.com/en	
President: Takaaki Nishii	
For inquiries: Tetsuya Nakano	Telephone: +81-3-5250-8161
Corporate Executive Officer, General Manager Finance & Accounting Department	
Scheduled date of the general meeting of shareholders:	June 26, 2018
Scheduled date of starting payment of dividend:	June 27, 2018
Scheduled date of submission of securities report:	June 26, 2018
Creation of supplementary results materials:	Yes
Results briefing:	Yes (for analysts)

## 1. Consolidated Financial Results for the Fiscal year Ended March 31, 2018

### (1) Consolidated Operating Results

	Fiscal year ended March 31, 2018		Fiscal year ended March 31, 2017	
	1,150,209	Change % 5.4	1,091,195	Change % (5.1)
Sales .....				
Business profit .....	97,322	0.5	96,852	(1.3)
Profit before income taxes .....	85,445	(1.4)	86,684	(12.2)
Profit .....	68,792	5.9	64,966	(19.7)
Profit attributable to owners of the parent company .....	60,741	14.5	53,065	(25.6)
Basic earnings per share (yen) .....	¥106.84	-	¥ 92.81	-
Diluted earnings per share (yen) .....	-	-	-	-
ROE attributable to owners of the parent company (%) ....	9.7%	-	8.7%	-
Ratio of business profit to total assets (%) .....	7.0%	-	7.4%	-
Ratio of business profit to sales (%) .....	8.5%	-	8.9%	-

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

Share of profit of associates and joint ventures:

Fiscal year ended March 31, 2018:  
¥ 3,981 million

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

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 continuous evaluation of the Group’s business portfolio by the Board of Directors and the Management Committee. “Business profit” is defined as sales minus the cost of sales, selling expenses, research and development expenses, and general and administrative expenses, to which is then added share of profit of associates and joint ventures. Business profit does not include other operating income or other operating expenses.

### (2) Consolidated Financial Position

	As of March 31, 2018		As of March 31, 2017	
	1,425,859		1,350,105	
Total assets .....				
Total equity .....	720,546		690,673	
Equity attributable to owners of the parent company .....	641,445		616,315	
Ownership ratio attributable to owners of the parent company (%) .....	45.0%		45.6%	
Equity per share (attributable to owners of the parent company) (yen) .....	¥1,129.52		¥1,082.90	

### (3) Consolidated Cash Flows

*Millions of yen, rounded down*

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2017
Net cash provided by (used in) operating activities.....	126,655	108,907
Net cash provided by (used in) investing activities .....	(99,104)	(142,299)
Net cash provided by (used in) financing activities .....	(23,951)	14,738
Cash and cash equivalents at end of year.....	187,869	186,003

### 2. Dividends

*Millions of yen, rounded down*

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ending March 31, 2019 (forecast)
Dividend per share			
Interim (yen).....	¥15.00	¥15.00	¥16.00
Year-end (yen).....	¥15.00	¥17.00	¥16.00
Annual (yen).....	¥30.00	¥32.00	¥32.00
Total annual dividend amount .....	17,074	18,207	-
Dividend payout ratio (consolidated) (%).....	32.3%	30.0%	29.1%
Ratio of dividends to equity attributable to owners of the parent company (consolidated) (%).....	2.8%	2.9%	-

### 3. Forecast for the Fiscal Year Ending March 31, 2019

*Millions of yen, rounded down*

	Fiscal year ending March 31, 2019	Change %
Sales.....	1,184,000	2.9
Business profit .....	103,000	5.8
Profit attributable to owners of the parent company.....	61,000	0.4
Basic earnings per share (yen).....	¥110.09	-

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

**Notes:**

**(1) Changes in significant subsidiaries during the period** (Changes in specified subsidiaries resulting in the change in consolidation scope): None

**(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)**

	Shares	
	As of March 31, 2018	As of March 31, 2017
Number of shares outstanding at end of period (including treasury shares):	571,863,354	571,863,354
Number of treasury shares at end of period	3,971,026	2,729,750
	April 1, 2017 to March 31, 2018	April 1, 2016 to March 31, 2017
Average number of shares during period	568,512,730	571,779,249

Note: The number of treasury shares at end of period includes the Company's shares held by "Director's remuneration BIP Trust" (As of the fiscal year ended March 31, 2018: 971,000 shares. As of the fiscal year ended March 31, 2017: - shares), which has been 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 shares which are deducted from the number of shares outstanding at end of period when calculating the average number of shares during the period.

\* This summary of consolidated financial statements is outside the scope of audit.

\* 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 publication. These statements do not represent a promise or commitment by the Company to achieve these forecasts. Actual operating results may differ significantly due to various factors. For more information regarding our earnings forecasts, see page 10, "1. QUALITATIVE INFORMATION ON FISCAL YEAR-END CONSOLIDATED RESULTS, I. Overview of operating results for the fiscal year ended March 31, 2018, 2. Outlook for the Fiscal Year Ending March 31, 2019."

[Method of obtaining supplementary results materials]

Supplementary results materials will be published on the Company's website on Thursday, May 10, 2018.

## Table of contents

1	Qualitative Information on Fiscal Year-end Consolidated Results .....	6
I	Overview of operating results for the fiscal year ended March 31, 2018.....	6
II	Overview of financial condition in the fiscal year ended March 31, 2018.....	10
III	Basic policy regarding distribution of profits and dividends for fiscal year ended March 31, 2018 and fiscal year ending March 31, 2019 .....	11
2	Basic Rationale for the Selection of Accounting Standards .....	12
3	Consolidated Financial Statements.....	13
(1)	Consolidated Statements of Financial Position .....	13
(2)	Consolidated Statements of Income and Consolidated Statements of Comprehensive Income .....	15
	Consolidated Statements of Income.....	15
	Consolidated Statements of Comprehensive Income .....	16
(3)	Consolidated Statements of Changes in Equity .....	17
(4)	Consolidated Statements of Cash Flows.....	21
(5)	Notes to Consolidated Financial Statements .....	23
	Going Concern Assumption .....	23
	New Accounting Policy.....	23
	Segment Information.....	24
	Earnings per Share .....	26
	Subsequent Event .....	26

## **1. QUALITATIVE INFORMATION ON FISCAL YEAR-END CONSOLIDATED RESULTS**

### **I. Overview of operating results for the fiscal year ended March 31, 2018**

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 continuous evaluation of the Group's business portfolio by the Board of Directors and the Management Committee. "Business profit" is defined as sales minus the cost of sales, selling expenses, research and development expenses, and general and administrative expenses, to which is then added share of profit of associates and joint ventures. Business profit does not include other operating income or other operating expenses.

#### **1. Review of operating results**

In the fiscal year under review, the Ajinomoto Group's consolidated net sales totaled ¥1,150.2 billion, an increase of 5.4% or ¥59.0 billion over the previous year's result. The gain was driven by strong sales of seasonings and processed foods (international) on a local-currency basis and a positive forex impact, which offset a decline in sales of coffee products. Business profit was largely flat year on year at ¥97.3 billion (+0.5%) largely owing to a sharp rise in the cost of fermentation raw materials and to lower profits on frozen foods (international) and coffee products.

Profit attributable to owners of the parent company totaled ¥60.7 billion, a year-on-year increase of 14.5% or ¥7.6 billion.

#### **Consolidated operating results by segment**

Results for individual business segments are summarized below.

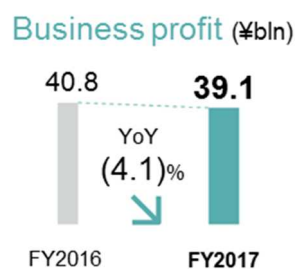
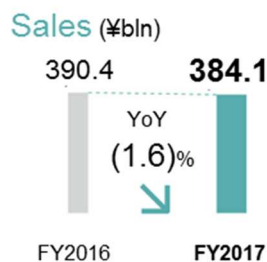
*Billions of yen, rounded down*

	Sales	YoY change - amount	YoY change - percent	Business profit	YoY change -amount	YoY change -percent
Japan Food Products	384.1	(6.2)	(1.6)%	39.1	(1.6)	(4.1)%
International Food Products	464.7	35.7	8.3%	41.6	(0.1)	(0.3)%
Life Support	134.2	10.1	8.2%	9.6	3.7	64.2%
Healthcare	104.2	14.7	16.5%	7.9	(0.1)	(2.2)%
Other	62.7	4.5	7.9%	(1.0)	(1.3)	—%
<b>Total</b>	<b>1,150.2</b>	<b>59.0</b>	<b>5.4%</b>	<b>97.3</b>	<b>0.4</b>	<b>0.5%</b>

Note: Domestic and overseas sales of ACTIVA® products to food processing companies, and savory seasonings are included in the Japan Food Products segment. Domestic and overseas sales of umami seasoning AJINO-MOTO® for the food processing industry and nucleotides and sweeteners are included in the International Food Products segment.

### 1) Japan Food Products Segment

Japan Food Products segment sales fell 1.6% year on year, or ¥6.2 billion, to ¥384.1 billion, in the fiscal year under review. The decline mainly reflects lower sales of coffee products amid contraction of the home-use coffee market and the consequent intensification of competition, while sales of seasonings and processed foods in Japan were largely the same as in the previous year despite the sale of consolidated subsidiaries. Segment business profit fell 4.1%, or ¥1.6 billion, to ¥39.1 billion, on declines in sales of frozen foods and coffee products.



#### Main factors affecting segment sales

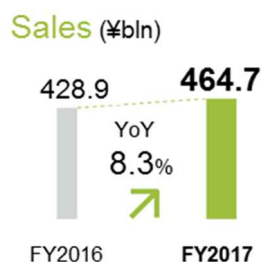
- **Seasonings and processed foods:** Despite increase in sales primarily in soup in home-use products, overall sales were level with the previous period due to the negative effect of decreased sales in restaurant and industrial-use bakery products and the sale of a subsidiary, etc.
- **Frozen foods:** Sales in home-use products increased due to expansion of major products such as Gyoza and The★Chahan, and contributions from new products. Sales in restaurant and industrial-use products were level with the previous period due to struggling sales of processed chicken meat products despite increased sales in the core categories such as desserts and gyoza. Overall sales increased.
- **Coffee products:** Decrease in overall sales due to decreased sales for CVS and the shrinking of the market and effect of stiff competition for home-use products and gift products, despite increased sales of stick-type coffee and restaurant and industrial-use coffee.

#### Main factors affecting segment profits

- **Seasonings and processed foods:** Even though there was an increase in profit for home-use products in seasonings & processed foods, overall profit decreased due to decreased profit in restaurant and industrial-use bakery products and the effect of increased raw material prices.
- **Frozen foods:** Decrease in profit due to weakening yen and effect of increased raw material prices despite increased sales for frozen foods.
- **Coffee products:** Reduced overall profit from coffee products due to substantial decrease in profit from home-use products, and profit from restaurant and industrial-use products stopping at the level of the previous year, despite effect of elimination of royalty payments by obtaining the rights to the trademark.

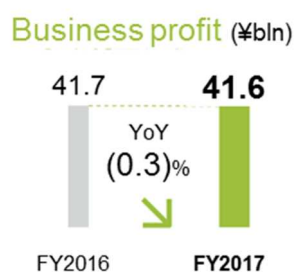
## 2) International Food Products Segment

International Food Products segment sales increased by 8.3%, or ¥35.7 billion, to ¥464.7 billion, driven by sales growth in the seasonings and processed foods category and the frozen foods category, with an additional boost provided by favorable forex trends. Segment business profits were largely the same as a year earlier, at ¥41.6 billion (-0.3%), mainly owing to large declines in profits on overseas sales of frozen foods and on umami seasonings for processed food manufacturers.



### Main factors affecting segment sales

- **Seasonings and processed foods:** Increase in sales due to effect of currency translation, new consolidation of subsidiary and strong sales of AJI-NO-MOTO® and flavor seasonings, etc.
- **Frozen foods:** Increase in sales due to the effect of a newly consolidated European subsidiary, effect of currency translation, and expansion of Asian food products in the United States.
- **Umami seasonings for processed food manufacturers and sweeteners:** Sales of umami seasonings for processed food mfrs. were level with the previous year primarily due to effect of lower prices overseas and trade, despite effect of increased sales from currency translation. Sales of sweeteners increased due to increased sales in Japan and effect of trade.



### Main factors affecting segment profits

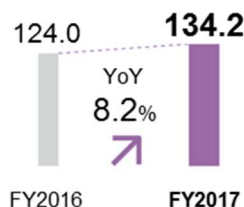
- **Seasonings and processed foods:** Increase in profit in seasonings & processed foods due to significant increase in profit in flavor seasonings and effect of currency translation and new consolidation of a subsidiary, despite significant decrease in profit in canned coffee business in Thailand due to stiffening competition.
- **Frozen foods:** Large decrease in profit in frozen foods due to effect of steep rise in raw material and fuel prices and effect of transport restrictions in the U.S and increase of production costs accompanying the construction of a new production system.
- **Umami seasonings for processed food manufacturers and sweeteners:** Large decrease in profit in umami seasonings for processed food mfrs. due to effect of trade in addition to decrease in unit sales price. Increase in profit in sweeteners due to cost reductions through stable production and effective use of SGA in addition to effect of trade.



### 3) Life Support Segment

Life Support segment sales rose 8.2%, or ¥10.1 billion, to ¥134.2 billion, boosted by higher sales of animal nutrition products and specialty chemicals. Segment business profit expanded by 64.2%, or ¥3.7 billion, to ¥9.6 billion, on a big increase in profits from animal nutrition and growth in specialty chemical profits.

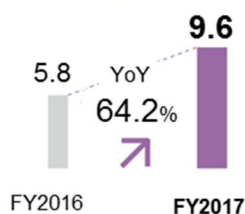
Sales (¥bln)



#### Main factors affecting segment sales

- **Animal nutrition:** Increase in overall sales due to effect of currency translation and large increase of sales of tryptophan and AjiPro®-L.
- **Specialty chemicals:** Increase in overall sales due to increase in sales of the materials of healthcare products and chemicals.

Business profit (¥bln)



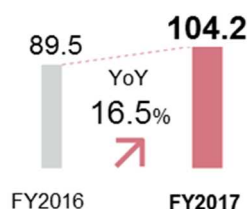
#### Main factors affecting segment profits

- **Animal nutrition:** Large increase in profit primarily due to effect of increased sales of tryptophan.
- **Specialty chemicals:** Increase in unit sales price of chemicals, and favorable effect of currency translation on trade.

### 4) Healthcare Segment:

Healthcare segment sales expanded 16.5%, or ¥14.7 billion, to ¥104.2 billion, as strong sales of pharmaceutical custom manufacturing services and of supplements, including items with function food claims, were supported by an increase in sales of amino acids for pharmaceuticals and foods. Segment business profit, however, remained close to the previous year's level at ¥7.9 billion (-2.2%) despite a large decline in profits on amino acids for pharmaceuticals and foods.

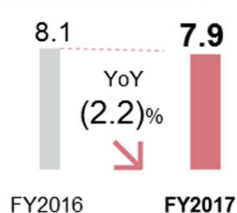
Sales (¥bln)



#### Main factors affecting segment sales

- **Amino acids:** Overall increase in sales due to effect of currency translation and effect of new consolidation of a subsidiary in amino acids for pharmaceuticals and foods and pharmaceutical custom manufacturing.
- **Other products:** Increase in sales due to expanded sales of Foods with Function Claims.

Business profit (¥bln)



#### Main factors affecting segment profits

- **Amino acids:** Significant decrease in profit due to inclusion of M&A related expenses in addition to major customers adjusting inventory of amino acids for pharmaceuticals and foods. Increase in profit in Pharmaceutical custom manufacturing due to effect of increased sales and effect of currency translation despite investment for the future.
- **Other products:** Increased profit accompanying increased sales.

### 5) Other

In the Other segment, sales increased by 7.9%, or ¥4.5 billion, to ¥62.7 billion, and the segment posted a business loss of ¥1.0 billion, a ¥1.3 billion deterioration from the previous year owing to a big drop in profits by our overseas packaging materials business.

## 2. Outlook for the Fiscal Year Ending March 31, 2019

*Billions of yen, rounded down*

	Sales	Business profit	Profit attributable to owners of the parent company
FY ending March 31, 2019	1,184.0	103.0	61.0

In FY2018 (ending March 31, 2019), the second year of the Ajinomoto Group's three-year medium-term plan for FY2017-2019 (ending March 31, 2020), we will be implementing additional measures to grow profits while also addressing the issues that arose in FY2017.

We expect these efforts will enable us to achieve consolidated sales of ¥1,184.0 billion and business profit of ¥103.0 billion in FY2018. We also forecast profit attributable to owners of parent will reach ¥61.0 billion. These forecasts are based on an assumed exchange rate of ¥110.0 to the U.S. dollar.

## II. Overview of financial condition in the fiscal year ended March 31, 2018

### 1. Review of factors affecting financial condition during the fiscal year ended March 31, 2018

#### Consolidated financial position as of March 31, 2018

As of March 31, 2018, the Ajinomoto Group's consolidated total assets stood at ¥1,425.8 billion, an increase of ¥75.7 billion from the ¥1,350.1 billion on March 31, 2017. The main factors behind this increase are the inclusion of the assets of newly consolidated subsidiaries and an increase in property, plant and equipment as a result of investments to expand production capacity.

Total liabilities came to ¥705.3 billion, an increase of ¥45.8 billion from ¥659.4 billion at the end of the previous fiscal year. Interest bearing debt totaled ¥344.2 billion, ¥8.2 billion more than a year earlier.

Total equity as of March 31, 2018, was ¥29.8 billion higher than a year earlier, mainly reflecting an increase in profit attributable to owners of the parent company and other factors. Equity attributable to owners of the parent company, which is total equity minus non-controlling interests, totaled ¥641.4 billion, and the equity ratio attributable to owners of the parent company was 45.0%.

#### Summary of consolidated cash flows

*Billions of yen, rounded down*

	FY ended March 31, 2018	FY ended March 31, 2017	Change
Net cash provided by operating activities	126.6	108.9	17.7
Net cash provided by (used in) investing activities	(99.1)	(142.2)	43.1
Net cash provided by (used in) financing activities	(23.9)	14.7	(38.6)
Effect of exchange rate changes on cash and cash equivalents	(1.7)	0.1	(1.9)
Increase (decrease) in cash and cash equivalents	1.8	(18.4)	20.3
Cash and cash equivalents included in assets of disposal groups classified as held for sale	—	—	—

Cash and cash equivalents at end of the year	187.8	186.0	1.8
--	-------	-------	-----

Net cash provided by operating activities during the fiscal year totaled ¥126.6 billion, up from ¥108.9 billion in the previous fiscal year. The main factors included ¥85.4 billion in profit before income taxes, ¥51.7 billion in depreciation and amortization, and ¥23.3 billion in income taxes paid.

Net cash used in investing activities came to ¥99.1 billion, down from ¥142.2 billion used in the previous fiscal year. Key investments during the year included ¥70.7 billion in purchase of property, plant and equipment, the acquisition of equity shares of Örgen Gıda Sanayi ve Ticaret A.Ş. and that company's trademark rights, and the acquisitions of equity shares of Cambrooke Therapeutics, Inc., Kükre A.Ş., and Agro2Agri, S.L.

Net cash used in financing activities came to ¥23.9 billion, compared with ¥14.7 billion provided by financing activities in the previous year. Dividends paid was one of the main outflows.

As a result of the foregoing, cash and cash equivalents as of March 31, 2018, totaled ¥187.8 billion, an increase of ¥1.8 billion from March 31, 2017.

## 2. Trends in cash flow-related indices

	FY ended March 31, 2018	FY ended March 31, 2017	FY ended March 31, 2016
Equity ratio attributable to owners of the parent company (%)	45.0	45.6	47.8
Equity ratio based on market price (%)	76.7	92.6	115.8
Ratio of interest-bearing debt to cash flow (%)	271.8	308.5	207.7
Interest coverage ratio (times)	43.3	44.0	58.8

Equity ratio attributable to owners of the parent company = (total equity – non-controlling interests)/total assets

Equity ratio based on market price = market capitalization/total assets

Ratio of interest-bearing debt to cash flow = interest-bearing debt/net cash provided by operating activities

Interest coverage ratio = net cash provided by operating activities/interest paid

Note 1: All indices are based on consolidated financial results.

Note 2: Market capitalization = market price on last trading day of March each year x total shares outstanding at end of period (excluding treasury stock)

## III. Basic policy regarding allocation of profits and dividends for fiscal year ended March 31, 2018 and fiscal year ending March 31, 2019

Under the FY2017-2019 (to March 31, 2020) Medium-Term Management Plan, the Company's use of generated cash flows will prioritize investments in growth fields based on the integrated management of capital investment, R&D, and M&A strategies. At the same time, the Company aims to make stable, continuous dividend payments, with a target payout ratio of 30%, while flexibly using share repurchases to achieve a total shareholder return ratio of at least 50%.

The Company's basic policy is to distribute dividends twice a year, in the form of interim and year-end dividends. The year-end dividend is approved by the General Meeting of Shareholders and the interim dividend is decided by the Board of Directors. The Articles of Incorporation stipulate that the Company can distribute an interim dividend in accordance with the provisions of Article 454, Paragraph 5 of the Companies Act in Japan.

For the fiscal year under review (ended March 31, 2018), the Company plans to pay a dividend of ¥32 per share (including the interim dividend of ¥15 per share), an increase of ¥2 per share compared with the previous year. For the next fiscal year (ending March 31, 2019), an annual dividend of ¥32 per share is planned (with an interim dividend payment of ¥16), the same as the fiscal year under review.

The Company endeavors to manage shareholders' equity efficiently in order to continue meeting the expectations of its shareholders.

## **2. BASIC RATIONALE FOR THE SELECTION OF ACCOUNTING STANDARDS**

To improve international comparability of financial information in and outside the Group and enhance communication with shareholders, investors, and other stakeholders, the Ajinomoto Group has adopted the International Financial Reporting Standards (IFRS) and beginning with the financial statements for the annual securities report for the fiscal year ended March 31, 2017, has been preparing consolidated financial statements in accordance with the IFRS, as permitted by Article 93 of Japan's "Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements" (Ordinance of the Ministry of Finance No. 28 of 1976).

### **3. CONSOLIDATED FINANCIAL STATEMENTS AND NOTES**

#### **(1) Consolidated Statements of Financial Position**

	<i>Millions of yen</i>	
	As of March 31, 2018	As of March 31, 2017
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	187,869	186,003
Trade and other receivables	200,270	186,503
Other financial assets	10,615	11,047
Inventories	184,086	168,755
Income taxes receivable	8,374	7,423
Others	12,919	13,711
Sub total	604,135	573,445
Assets of disposal groups classified as held for sale	-	-
Total current assets	604,135	573,445
<b>Non-current assets</b>		
Property, plant and equipment	412,613	393,441
Intangible assets	63,238	60,422
Goodwill	108,981	96,606
Investments in associates and joint ventures	131,190	130,634
Long-term financial assets	70,042	62,923
Deferred tax assets	13,080	8,249
Others	22,576	24,382
Total non-current assets	821,724	776,660
<b>Total assets</b>	<b>1,425,859</b>	<b>1,350,105</b>

	As of March 31, 2018	As of March 31, 2017
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	185,443	160,840
Short-term borrowings	15,280	11,153
Current portion of long-term borrowings	11,285	23,929
Other financial liabilities	4,025	5,049
Short-term employee benefits	37,811	35,501
Provisions	6,348	4,579
Income taxes payable	10,429	9,995
Others	9,636	9,744
Sub total	280,261	260,794
Liabilities of disposal groups classified as held for sale	-	-
<b>Total current liabilities</b>	<b>280,261</b>	<b>260,794</b>
<b>Non-current liabilities</b>		
Corporate bonds	169,413	169,347
Long-term borrowings	140,298	129,617
Other financial liabilities	28,428	18,452
Long-term employee benefits	64,807	57,592
Provisions	11,397	11,261
Deferred tax liabilities	9,994	12,163
Others	710	202
<b>Total non-current liabilities</b>	<b>425,051</b>	<b>398,637</b>
<b>Total liabilities</b>	<b>705,312</b>	<b>659,431</b>
<b>Equity</b>		
Common stock	79,863	79,863
Capital surplus	955	3,797
Treasury stock	(9,585)	(6,895)
Retained earnings	629,583	584,849
Other components of equity	(59,371)	(45,299)
Disposal groups classified as held for sale	-	-
Equity attributable to owners of the parent company	641,445	616,315
Non-controlling interests	79,101	74,358
<b>Total equity</b>	<b>720,546</b>	<b>690,673</b>
<b>Total liabilities and equity</b>	<b>1,425,859</b>	<b>1,350,105</b>

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

### Consolidated Statements of Income

	<i>Millions of yen</i>	
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2017
Continuing operations		
Sales	1,150,209	1,091,195
Cost of sales	(752,779)	(704,177)
<b>Gross profit</b>	<b>397,430</b>	<b>387,018</b>
Share of profit of associates and joint ventures	3,981	2,537
Selling expenses	(173,855)	(169,448)
Research and development expenses	(27,833)	(27,134)
General and administrative expenses	(102,400)	(96,119)
<b>Business profit</b>	<b>97,322</b>	<b>96,852</b>
Other operating income	9,768	9,541
Other operating expenses	(23,770)	(22,776)
<b>Operating profit</b>	<b>83,320</b>	<b>83,617</b>
Financial income	9,584	7,283
Financial expenses	(7,458)	(4,216)
<b>Profit before income taxes</b>	<b>85,445</b>	<b>86,684</b>
Income taxes	(16,653)	(21,717)
Profit from continuing operations	68,792	64,966
Profit from discontinued operations	-	-
<b>Profit</b>	<b>68,792</b>	<b>64,966</b>
Attributable to:		
Owners of the parent company	60,741	53,065
Non-controlling interests	8,050	11,901
Profit from continuing operations attributable to owners of the parent company	60,741	53,065
Profit from discontinued operations attributable to owners of the parent company	-	-
<b>Profit attributable to owners of the parent company</b>	<b>60,741</b>	<b>53,065</b>
Earnings per share from continuing operations (yen):		
Basic	106.84	92.81
Diluted	-	-
Earnings per share from discontinued operations (yen):		
Basic	-	-
Diluted	-	-
Earnings per share (yen):		
Basic	106.84	92.81
Diluted	-	-

**Consolidated Statements of Comprehensive Income**
*Millions of yen*

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2017
Profit	68,792	64,966
<b>Other comprehensive income (Net of related tax effects)</b>		
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	2,282	4,696
Remeasurements of defined benefit pension plans	(9,346)	(6,607)
Share of other comprehensive income (loss) of associates and joint ventures	384	540
Items that may be reclassified subsequently to profit or loss:		
Cash flow hedges	90	274
Change in fair value of forward elements of forward contracts	(114)	(162)
Exchange differences on translation of foreign operations	(4,670)	1,809
Share of other comprehensive income (loss) of associates and joint ventures	112	67
<b>Other comprehensive income (Net of related tax effects)</b>	<b>(11,262)</b>	<b>617</b>
<b>Comprehensive income</b>	<b>57,529</b>	<b>65,584</b>
Comprehensive income attributable to:		
Owners of the parent company	47,712	53,489
Non-controlling interests	9,816	12,094



**(3) Consolidated Statements of Changes in Equity**
**(Fiscal year ended March 31, 2018)**
*Millions of yen*

	Equity attributable to owners of the parent company				Other components of equity			
	Common stock	Capital surplus	Treasury stock	Retained earnings	Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit pension plans	Cash flow hedges	Change in fair value of forward elements of forward contracts
<b>Balance as of April 1, 2017</b>	79,863	3,797	(6,895)	584,849	22,624	(18,763)	(3,018)	(126)
Profit				60,741				
Other comprehensive income					2,285	(9,322)	91	(88)
<b>Comprehensive income</b>	-	-	-	60,741	2,285	(9,322)	91	(88)
Purchase of treasury stock			(2,690)					
Disposal of treasury stock		(0)	0					
Retirement of treasury stock								
Dividends				(17,073)				
Changes in transactions with non-controlling interests		(3,192)						
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		(58)						
Transfer from other components of equity to retained earnings				1,067	(455)			
Transfer of negative balance of other capital surplus		0		(0)				
Transfer to non-financial assets							24	
Stock-based remuneration transaction		407						
Disposal groups classified as held for sale								
Other								
<b>Total net changes in transactions with owners of the parent company</b>	-	(2,842)	(2,690)	(16,007)	(455)	-	24	-
<b>Balance as of March 31, 2018</b>	79,863	955	(9,585)	629,583	24,454	(28,085)	(2,902)	(215)

	Equity attributable to owners of the parent company						
	Other components of equity			Disposal group classified as held for sale	Total	Non-controlling interests	Total
	Exchange differences on translating foreign operations	Share of other comprehensive income (loss) of associates and joint ventures	Total				
<b>Balance as of April 1, 2017</b>	(47,118)	1,102	(45,299)	-	616,315	74,358	690,673
Profit			-		60,741	8,050	68,792
Other comprehensive income	(6,490)	496	(13,029)		(13,029)	1,766	(11,262)
<b>Comprehensive income</b>	<b>(6,490)</b>	<b>496</b>	<b>(13,029)</b>	<b>-</b>	<b>47,712</b>	<b>9,816</b>	<b>57,529</b>
Purchase of treasury stock			-		(2,690)		(2,690)
Disposal of treasury stock			-		0		0
Retirement of treasury stock			-		-		-
Dividends			-		(17,073)	(5,893)	(22,967)
Changes in transactions with non-controlling interests			-		(3,192)		(3,192)
Changes due to business combinations			-		-	443	443
Changes in ownership interests in subsidiaries that result in loss of control			-		-	(18)	(18)
Changes in ownership interests in subsidiaries that do not result in loss of control			-		(58)	(148)	(206)
Transfer from other components of equity to retained earnings		(612)	(1,067)		-		-
Transfer of negative balance of other capital surplus			-		-		-
Transfer to non-financial assets			24		24	0	24
Stock-based remuneration transaction			-		407		407
Disposal groups classified as held for sale			-		-		-
Other		-	-		(0)	543	542
<b>Total net changes in transactions with owners of the parent company</b>	<b>-</b>	<b>(612)</b>	<b>(1,043)</b>	<b>-</b>	<b>(22,582)</b>	<b>(5,073)</b>	<b>(27,656)</b>
<b>Balance as of March 31, 2018</b>	<b>(53,609)</b>	<b>987</b>	<b>(59,371)</b>	<b>-</b>	<b>641,445</b>	<b>79,101</b>	<b>720,546</b>

(Fiscal year ended March 31, 2017)

Millions of yen

	Equity attributable to owners of the parent company				Other components of equity			
	Common stock	Capital surplus	Treasury stock	Retained earnings	Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit pension plans	Cash flow hedges	Change in fair value of forward elements of forward contracts
<b>Balance as of April 1, 2016</b>	79,863	26,021	(6,944)	552,684	22,225	(12,256)	(3,799)	-
Profit				53,065				
Other comprehensive income					4,695	(6,542)	267	(126)
Comprehensive income	-	-	-	53,065	4,695	(6,542)	267	(126)
Purchase of treasury stock			(30,013)					
Disposal of treasury stock		(0)	0					
Retirement of treasury stock		(30,061)	30,061					
Dividends				(17,252)				
Changes in transactions with non-controlling interests								
Changes due to business combinations								
Changes in ownership interests in subsidiaries that result in loss of control					(6)	36		
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	(4,290)			
Transfer of negative balance of other capital surplus		7,903		(7,903)				
Transfer to non-financial assets							513	
Stock-based remuneration transaction								
Disposal groups classified as held for sale								
Other				(34)	(0)			
Total net changes in transactions with owners of the parent company	-	(22,223)	48	(20,900)	(4,297)	36	513	-
<b>Balance as of March 31, 2017</b>	79,863	3,797	(6,895)	584,849	22,624	(18,763)	(3,018)	(126)

Equity attributable to owners of the parent company							
	Other components of equity			Disposal group classified as held for sale	Total	Non-controlling interests	Total
	Exchange differences on translating foreign operations	Share of other comprehensive income (loss) of associates and joint ventures	Total				
<b>Balance as of April 1, 2016</b>	(48,641)	495	(41,976)	(161)	609,486	71,240	680,727
Profit			-		53,065	11,901	64,966
Other comprehensive income	1,522	607	424		424	193	617
<b>Comprehensive income</b>	<b>1,522</b>	<b>607</b>	<b>424</b>	<b>-</b>	<b>53,489</b>	<b>12,094</b>	<b>65,584</b>
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 in transactions with non-controlling interests			-		-		-
Changes due to business combinations			-		-		-
Changes in ownership interests in subsidiaries that result in loss of control			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)		-		-
Transfer of negative balance of other capital surplus			-		-		-
Transfer to non-financial assets			513		513	5	519
Stock-based remuneration transaction			-		-		-
Disposal groups classified as held for sale			-		-		-
Other	0		0		(34)	(43)	(77)
<b>Total net changes in transactions with owners of the parent company</b>	<b>0</b>	<b>-</b>	<b>(3,746)</b>	<b>161</b>	<b>(46,660)</b>	<b>(8,977)</b>	<b>(55,638)</b>
<b>Balance as of March 31, 2017</b>	<b>(47,118)</b>	<b>1,102</b>	<b>(45,299)</b>	<b>-</b>	<b>616,315</b>	<b>74,358</b>	<b>690,673</b>

**(4) Consolidated Statements of Cash Flows**
*Millions of yen*

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2017
<b>Cash flows from operating activities</b>		
Profit before income taxes	85,445	86,684
Profit before income taxes from discontinued operations	-	-
Depreciation and amortization	51,783	46,273
Impairment loss	11,681	1,965
Increase (decrease) in employee benefits	(2,560)	(2,853)
Increase (decrease) in provisions	1,202	5,939
Interest income	(4,405)	(3,162)
Dividend income	(1,341)	(1,217)
Interest expense	3,042	2,532
Share of profit of associates and joint ventures	(3,981)	(2,537)
Loss on disposal of property, plant and equipment	2,973	3,657
Gain on sales of property, plant and equipment	(2,712)	(5,312)
Gain on sales of shares of subsidiaries	(40)	-
Gain on sales of shares of investments accounted for using equity method	-	(593)
Loss on sales of shares of subsidiaries	-	626
Environmental measures expenses	859	377
Decrease (increase) in trade and other receivables	(9,329)	(4,174)
Increase (decrease) in trade and other payables	20,720	(1,478)
Decrease (increase) in inventories	(11,287)	3,216
Increase (decrease) in consumption taxes payable	(1,588)	570
Increase (decrease) in other assets and liabilities	4,097	1,489
Others	1,734	2,185
<b>Subtotal</b>	<b>146,295</b>	<b>134,187</b>
Interest received	3,619	3,121
Dividends received	2,976	1,738
Interest paid	(2,922)	(2,474)
Income taxes paid	(23,313)	(27,665)
<b>Net cash provided by operating activities</b>	<b>126,655</b>	<b>108,907</b>

Millions of yen

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2017
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(70,727)	(56,055)
Proceeds from sales of property, plant and equipment	3,693	6,407
Purchase of intangible assets	(7,239)	(30,138)
Purchase of financial assets	(1,869)	(7,242)
Proceeds from sales of financial assets	3,082	8,664
Purchase of shares in subsidiaries resulting in change in scope of consolidation	(25,307)	-
Proceeds from sales of shares in subsidiaries resulting in change in scope of consolidation	386	2,235
Purchase of shares in investments accounted for using equity method	(240)	(63,979)
Proceeds from sales of shares in investments accounted for using equity method	-	916
Others	(881)	(3,109)
<b>Net cash used in investing activities</b>	<b>(99,104)</b>	<b>(142,299)</b>
<b>Cash flows from financing activities</b>		
Net change in short-term borrowings	3,313	(1,112)
Proceeds from long-term borrowings	23,388	-
Repayments of long-term borrowings	(24,174)	(11,058)
Proceeds from issuance of corporate bonds	-	79,690
Dividends paid	(17,065)	(17,242)
Dividends paid to non-controlling interests	(5,893)	(3,927)
Purchase of treasury stock	(2,690)	(30,034)
Purchase of shares in subsidiaries not resulting in change of scope of consolidation	(217)	(1,017)
Others	(611)	(557)
<b>Net cash provided by (used in) financing activities</b>	<b>(23,951)</b>	<b>14,738</b>
<b>Effect of currency rate changes on cash and cash equivalents</b>	<b>(1,734)</b>	<b>169</b>
<b>Net change in cash and cash equivalents</b>	<b>1,865</b>	<b>(18,484)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>186,003</b>	<b>204,487</b>
Cash and cash equivalents included in assets of disposal groups classified as held for sale	-	-
<b>Cash and cash equivalents at end of the year</b>	<b>187,869</b>	<b>186,003</b>

## (5) Notes to Consolidated Financial Statements

(Going Concern Assumption)

Not applicable

(New Accounting Policy)

Stock-based remuneration

The Company has introduced a Stock-based Remuneration of Executive Officers Based on the Company's Medium-term Earnings Performance from the first quarter of the fiscal year ended March 31, 2018.

In this System, consideration for service received is measured based on the fair value of the Company's shares on the grant date or is measured at the fair value of any liabilities generated. The consideration amount is recognized as an expense over the applicable period. An equivalent amount is recognized as an increase in equity or liabilities.

(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."

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> <sup>®</sup> , <i>HON-DASHI</i> <sup>®</sup> , <i>Cook Do</i> <sup>®</sup> , <i>Knorr</i> <sup>®</sup> Cup Soup, <i>Ajinomoto KK Consommé</i> , <i>Pure Select</i> <sup>®</sup> Mayonnaise, Seasonings and processed foods for restaurant use, Food ingredients (savory seasonings, enzyme <i>ACTIVA</i> <sup>®</sup> ), 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> <sup>®</sup> (Stick coffee, etc.), <i>CAFÉ LATORY</i> <sup>®</sup> (Stick coffee, etc.), <i>MAXIM</i> <sup>®</sup> ( <i>Chyotto Zeitakuna Kohiten</i> <sup>®</sup> , 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> <sup>®</sup> (outside Japan), <i>Ros Dee</i> <sup>®</sup> (flavor seasoning/Thailand), <i>Masako</i> <sup>®</sup> (flavor seasoning/Indonesia), <i>Aji-ngon</i> <sup>®</sup> (flavor seasoning/Vietnam), <i>Sazón</i> <sup>®</sup> (flavor seasoning/Brazil), <i>AMOY</i> <sup>®</sup> (Chinese ethnic sauce/Hong Kong), <i>YumYum</i> <sup>®</sup> (instant noodles/Thailand), <i>Birdy</i> <sup>®</sup> (coffee beverage/Thailand), <i>Birdy</i> <sup>®</sup> 3in1 (powdered drink/Thailand), <i>SAJIKU</i> <sup>®</sup> (menu-specific seasonings/Indonesia), <i>CRISPY FRY</i> <sup>®</sup> (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> <sup>®</sup> for the food processing manufacturers, Nucleotides, Advantame, <i>PAL SWEET</i> <sup>®</sup> , etc.
Life Support	Animal Nutrition	Lysine, Threonine, Tryptophan, Valine, <i>AjiPro</i> <sup>®</sup> -L, etc.
	Specialty Chemicals	<i>Amisoft</i> <sup>®</sup> , <i>Amilite</i> <sup>®</sup> (mild surfactant), <i>Ajidew</i> <sup>®</sup> (humectant), ABF (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> <sup>®</sup> , <i>Amino Aile</i> <sup>®</sup> ) Functional foods ( <i>amino VITAL</i> <sup>®</sup> ), etc.



(2) Information by reportable segment

The Group's sales and earnings by reportable segments are as follows:

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

Fiscal year ended March 31, 2018

*Millions of yen*

	Reportable segment				Other *	Total	Adjustments	As included in consolidated financial statements
	Japan Food Products	International Food Products	Life Support	Healthcare				
Sales								
Sales to third parties	384,185	464,712	134,283	104,282	62,744	1,150,209	-	1,150,209
Inter-segment sales and transfers	3,853	4,639	3,260	2,509	55,823	70,085	(70,085)	-
Total sales	388,039	469,352	137,544	106,791	118,568	1,220,295	(70,085)	1,150,209
Share of profit of associates and joint ventures	348	1,816	147	31	1,637	3,981	-	3,981
Segment profit or loss (Business profit or loss)	39,173	41,636	9,648	7,946	(1,082)	97,322	-	97,322
	Other operating income							9,768
	Other operating expense							(23,770)
	Operating profit							83,320
	Financial income							9,584
	Financial expense							(7,458)
	Profit before income taxes							85,445

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

Fiscal year ended March 31, 2017

*Millions of yen*

	Reportable segment				Other *	Total	Adjustments	As included in consolidated financial statements
	Japan Food Products	International Food Products	Life Support	Healthcare				
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 expense							(22,776)
	Operating profit							83,617
	Financial income							7,283
	Financial expense							(4,216)
	Profit before income taxes							86,684

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

(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 no dilutive potential shares exist.

1) Profit attributable to owners of the parent company

	<i>Millions of yen</i>	
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2017
Profit from continuing operations	60,741	53,065
Profit from discontinued operations	-	-
Amount used for calculating the basic and diluted earnings per share	60,741	53,065

2) Weighted average number of ordinary shares

	<i>Thousands of shares</i>	
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2017
Weighted average number of ordinary shares	568,512	571,779

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

	<i>Yen</i>	
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2017
Basic earnings per share:		
Continuing operations	106.84	92.81
Discontinued operations	-	-
Basic earnings per share	106.84	92.81

Note: Upon calculation of the basic earnings per share, the Company's shares held by Director's remuneration BIP Trust as follows are included in the treasury shares which are deducted from the number of shares outstanding at end of period when the average number of shares during the period are calculated.

Fiscal year ended March 31, 2018: 971,000 shares      Fiscal year ended March 31, 2017: - shares

(Subsequent Event)

Share Repurchase

The Company's Board of Directors' meeting approved on May 10, 2018 the resolution on matters pertaining to a share repurchase based on the provisions of Article 156 of the Companies Act, as applied pursuant to Paragraph 3 of Article 165 of the same Act.

For further details, please refer to our information for timely disclosure, "Decisions on Matters Related to Share Repurchase" as announced on the same day.