

Ajinomoto Co., Inc.

Consolidated Results

IFRS

Fiscal Year Ended March 31, 2022

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, 2022

Ajinomoto Co., Inc.

May 11, 2022

Stock Code: 2802	Stock exchange listing: Tokyo Stock Exchange
URL: https://www.ajinomoto.co.jp/company/	
Representative: Taro Fujie	
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	Representative Executive Officer & President
	Corporate Executive & General Manager
	Global Finance Department
Scheduled date of the general meeting of shareholders:	June 23, 2022
Scheduled date of starting payment of dividend:	June 24, 2022
Scheduled date of submission of securities report:	June 23, 2022
Preparation of supplementary materials:	Yes
Results briefing:	Yes (for analysts)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022

(1) Consolidated Operating Results

	(Millions of yen)			
	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2021	
		Change %		Change %
Sales	1,149,370	7.3	1,071,453	(2.6)
Business profit	120,915	6.9	113,136	14.0
Profit before income taxes	122,472	24.6	98,320	101.5
Profit	80,228	21.0	66,280	128.8
Profit attributable to owners of the parent company	75,725	27.4	59,416	215.4
Basic earnings per share (yen)	¥139.42	—	¥108.36	—
Diluted earnings per share (yen)	¥139.42	—	¥108.32	—
ROE attributable to owners of the parent company (%)	11.6%	—	10.3%	—
Ratio of business profit to total assets (%)	8.4%	—	8.1%	—
Ratio of business profit to sales (%)	10.5%	—	10.6%	—

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

Share of profit of associates and joint ventures:
Fiscal year ended March 31, 2022:
¥985 million

Fiscal year ended March 31, 2021:
¥1,317 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 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 March 31, 2022	As of March 31, 2021
Total assets	1,457,060	1,431,289
Total equity	739,744	667,846
Equity attributable to owners of the parent company	686,909	620,257
Ownership ratio attributable to owners of the parent company (%)	47.1%	43.3%
Equity per share (attributable to owners of the parent company) (yen)	¥1,280.50	¥1,130.82

(3) Consolidated Cash Flows

	(Millions of yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021
Net cash provided by operating activities	145,576	165,650
Net cash used in investing activities	(61,567)	(66,247)
Net cash used in financing activities	(123,055)	(60,387)
Cash and cash equivalents at end of year	151,454	181,609

2. Dividends

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ending March 31, 2023 (forecast)
Dividend per share			
Interim (yen)	¥16.00	¥24.00	¥29.00
Year-end (yen)	¥26.00	¥28.00	¥29.00
Annual (yen)	¥42.00	¥52.00	¥58.00
Total annual dividend amount (million yen)	23,060	28,098	
Dividend payout ratio (consolidated) (%)	38.8%	37.3%	40.4%
Ratio of dividends to equity attributable to owners of the parent company (consolidated) (%)	4.0%	4.3%	

3. Forecast for the Fiscal Year Ending March 31, 2023

	(Millions of yen)	
	Fiscal year ending March 31, 2023	
		Change %
Sales	1,310,000	14.0
Business profit	124,000	2.6
Profit attributable to owners of the parent company	77,000	1.7
Basic earnings per share (yen)	¥143.54	

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

Notes:

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries resulting in a change in consolidation scope): Yes

Added: None

Excluded: One company: Ajinomoto Animal Nutrition Europe S.A.S.

(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, 2022	As of March 31, 2021
Number of shares outstanding at end of period (including treasury stock):	536,996,254	549,163,354
Number of shares in treasury stock at end of period	559,323	663,058
	April 1, 2021 to March 31, 2022	April 1, 2020 to March 31, 2021
Average number of shares during period	543,131,847	548,344,990

(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 March 31, 2022: 442,900 shares. As of March 31, 2021: 559,200 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.

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(1) Non-Consolidated Operating Results

	(Millions of yen)			
	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2021	
		Change %		Change %
Net Sales	271,542	8.5	250,350	(4.3)
Operating Income	(13,055)	—	(10,216)	—
Ordinary Income	83,439	130.2	36,253	(0.9)
Net Income (loss)	89,168	137.0	37,622	343.1
Earnings per share (yen).....	¥164.18	—	¥68.61	—
Diluted earnings per share (yen).....	¥164.17	—	¥68.59	—

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

(2) Non-Consolidated Financial Position

	(Millions of yen)	
	As of March 31, 2022	As of March 31, 2021
Total assets	961,002	984,374
Net assets.....	347,229	323,918
Shareholders' equity ratio (%)	36.1%	32.9%
Net assets per share (yen).....	¥647.29	¥590.55

Note: Shareholders' equity as of: March 31, 2022: ¥347,229 million

March 31, 2021: ¥323,918 million

Reason for discrepancy with the non-consolidated results for the fiscal year ended March 31, 2021

In the fiscal year ended March 31, 2022, dividends from consolidated subsidiaries increased. This and other factors created the discrepancy between the results in the fiscal year ended March 31, 2021 and the results in the fiscal year ended March 31, 2022.

This summary of consolidated financial statements is outside the scope of an audit by certified public accountants or an audit firm.

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 our earnings forecasts, see page 11, "1. QUALITATIVE INFORMATION ON FISCAL YEAR-END CONSOLIDATED RESULTS, 1. Overview of operating results for the fiscal year ended March 31, 2022, 2. Outlook for the Fiscal Year Ending March 31, 2023."

Where to obtain supplementary materials

Supplementary materials will be posted on the Company's website on Wednesday, May 11, 2022.

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1. QUALITATIVE INFORMATION ON FISCAL YEAR-END CONSOLIDATED RESULTS

I. Overview of operating results for the fiscal year ended March 31, 2022

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.

1. Review of operating results

During the fiscal year ended March 31, 2022, the Company's consolidated sales increased significantly 7.3% year-on-year, or ¥77.9 billion, to ¥1,149.3 billion. This was because in Seasonings and Foods and Frozen Foods there were strong sales of home-use products, mainly overseas, and a partial recovery in sales of restaurant and industrial use products which were affected by COVID-19 in the previous fiscal year, in addition to strong sales of electronic materials and Bio-Pharma Services in Healthcare and Others.

Business profit increased 6.9% year-on-year, or ¥7.7 billion, to ¥120.9 billion. An increase in sales in Healthcare and Others contributed to higher profit despite the impact of rising fuel and raw material prices in Seasonings and Foods and Frozen Foods.

Operating profit increased 23.2% year-on-year, or ¥23.4 billion, to ¥124.5 billion, compared to the previous year when significantly higher impairment losses were recorded associated with the structural reform of the animal nutrition business in Europe and North America, despite recording impairment losses in other operating expenses in the seasonings business in North America in the current fiscal year.

Profit attributable to owners of the parent totaled ¥75.7 billion, up 27.4%, or ¥16.3 billion.

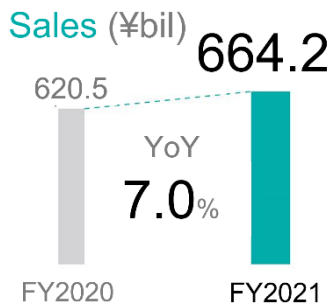
Consolidated operating results by segment

Results for individual business segments are summarized below.

	(Billions of yen)					
	Sales	YoY change - amount	YoY change	Business profit	YoY change - amount	YoY change
Seasonings and Foods	664.2	43.7	7.0%	81.2	(5.5)	(6.4)%
Frozen Foods	221.7	23.4	11.8%	(0.6)	(2.9)	—
Healthcare and Others	251.2	11.7	4.9%	43.3	17.0	65.1%
Other	12.1	(1.0)	(7.6)%	(3.0)	(0.7)	—
Total	1,149.3	77.9	7.3%	120.9	7.7	6.9%

1) Seasonings and Foods

In the Seasonings and Foods segment, sales increased 7.0% year-on-year, or ¥43.7 billion, to ¥664.2 billion, primarily because of strong sales of home-use products, mainly overseas, and a partial recovery in sales of restaurant and industrial use products, which were affected by COVID-19 in the previous fiscal year. Segment business profit fell 6.4% year-on-year, or ¥5.5 billion, to ¥81.2 billion, owing to rising fuel and raw material prices despite increased overseas revenue and the effect of currency translation.



Main factors affecting segment sales

Sauce & Seasonings: Increase in revenue overall due to increased revenue overseas, despite decreased revenue in Japan.

Japan: Decrease in revenue primarily due to the fall back in at-home demand after the increase in the previous year.

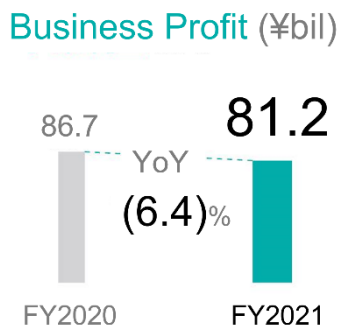
Overseas: Increase in revenue primarily due to steady sales of home-use products accompanying growing at-home demand, the recovery of sales of some foodservice-use products, the effect of currency translation, and increased unit sales prices.

Quick Nourishment: Increase in revenue due to increased revenue both in Japan and overseas.

Japan: Revenue increased primarily due to increased sales of soup products.

Overseas: Revenue increased primarily due to increased sales of instant noodles and increased unit sales prices.

Solution & Ingredients: Increase in revenue primarily due to increased sales of umami seasonings for processed food manufacturers.



Main factors affecting segment profits

Sauce & Seasonings: Overall, profit was level with the previous year due to increased profit overseas and decreased profit in Japan.

Japan: Profit decreased primarily due to cost increases, such as of raw materials, and the impact of decreased revenue.

Overseas: Profit increased primarily due to the impact of increased revenue and the effect of currency translation, despite the impact of cost increases, such as of raw materials.

Quick Nourishment: Overall, profit decreased due to a large decrease in profit in Japan, despite increased profit overseas.

Japan: A large decrease in profit primarily due to the effect of launching a new soup factory and the impact of cost increases, such as of raw materials.

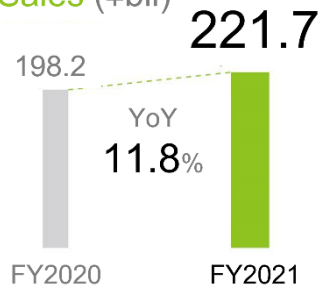
Overseas: Increase in profit primarily due to the impact of increased revenue, despite the impact of cost increases, such as of raw materials.

Solution & Ingredients: Decrease in profit overall due to the impact of rising raw material and fuel costs for umami seasonings for processed food manufacturers, despite increased revenue.

2) Frozen Foods

Frozen Foods segment sales increased 11.8% year-on-year, or ¥23.4 billion, to ¥221.7 billion, primarily as a result of an increase in sales overseas and the effect of currency translation. Segment business profit decreased year-on-year by ¥2.9 billion and recorded a ¥0.6 billion loss, as a result of the rising cost of raw materials and other inputs in North America.

Sales (¥bil)



Main factors affecting segment sales

Increase in revenue overall due to significantly increased revenue overseas, despite decreased revenue in Japan.

Japan: Revenue decreased primarily due to the impact of ceasing sales accompanying structural reform, despite increased sales of high-value-added products.

Overseas: Revenue increased significantly primarily due to continued steady demand in North America and Europe, and, in North America, increased unit sales prices and the effect of currency translation.

Business Profit (¥bil)



Main factors affecting segment profits

Large decrease in profit overall due to a large decrease in profit overseas, despite profit being level with the previous year in Japan.

Japan: Profit was level with the previous year primarily due to the impact of structural reform, despite decreased revenue.

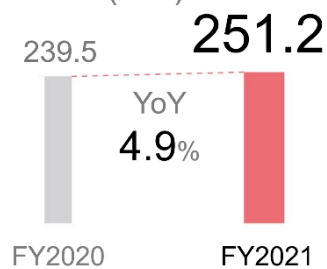
Overseas: Large decrease in profit primarily due to the impact of cost increases, such as of raw materials, despite the impact of increased unit sales prices in North America.

3) Healthcare and Others

Healthcare and Others segment sales increased 4.9% year-on-year, or ¥11.7 billion, to ¥251.2 billion, owing to an increase in revenue of Bio-Pharma Services & Ingredients and Functional Materials, despite a decline in revenue of animal nutrition due to structural reform. Segment business profit increased 65.1% year-on-year, or ¥17.0 billion, to ¥43.3 billion, because of the increase in revenue.

From the fiscal year ended March 31, 2022, the Company changed the names and product classifications of some of its product categories. For more details, see “3. Consolidated Financial Statements and Notes (5) Notes to Consolidated Financial Statements, Segment Information.” In addition, from the fiscal year ended March 31, 2022, the amino acids for pharmaceuticals and foods and Bio-Pharma Services businesses were combined and reclassified as the Bio-Pharma Services & Ingredients business.

Sales (¥bil)



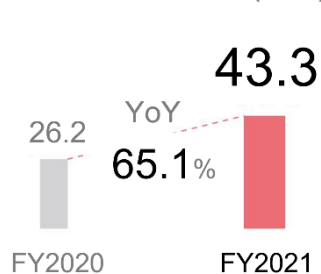
Main factors affecting segment sales

Bio-Pharma Services & Ingredients: Increase in revenue due to increased sales of Bio-Pharma Services and amino acids for pharmaceuticals and foods.

Functional Materials: Large increase in revenue primarily due to strong sales of electronic materials.

Others: Large decrease in revenue primarily due to the impact of structural reform in animal nutrition.

Business Profit (¥bil)



Main factors affecting segment profits

Bio-Pharma Services & Ingredients: Large increase in profit accompanying increase in revenue.

Functional Materials: Large increase in profit accompanying large increase in revenue.

Others: Large increase in profit primarily due to decreased expenses because of structural reform of animal nutrition.

4) Other

In the Other segment, sales totaled ¥12.1 billion, down 7.6% year-on-year, or ¥1.0 billion. Segment business profit recorded a loss of ¥3.0 billion, ¥0.7 billion more than in the previous fiscal year, due to recording of losses associated with structural reform.

2. Outlook for the Fiscal Year Ending March 31, 2023

	(Billions of yen)		
	Sales	Business profit	Profit attributable to owners of the parent company
FY ending March 31, 2023	1,310.0	124.0	77.0

For the fiscal year ending March 31, 2023, the Company expects consolidated sales of ¥1,310.0 billion and business profit of ¥124.0 billion. The forecast for profit attributable to owners of the parent company is ¥77.0 billion. The forecast has been prepared using an exchange rate of US\$1: ¥120.

The Company has prepared the business results forecasts based on the following main assumptions.

- While the COVID-19 situation will continue to fluctuate, the sharp increase in fuel and raw material prices associated with the normalization of the economy will be further intensified by the situation in Ukraine. The cost of raw materials for main and secondary fermentation ingredients and other food products and the cost of fuel will generally continue to remain high.
- In addition to the above, logistics costs will also remain high due to the shortage of containers and drivers.

In this challenging business environment, the Company will respond promptly to prices and steadily reduce costs through resource-saving fermentation and innovation in the raw material mix, as well as seeking to achieve the structural goals set out in the 2020-2025 Medium-Term Management Plan through further structural reforms to realize a business structure that is not affected by raw material prices.

(Reference) Forecast by Segments

	(Billions of yen)	
	Fiscal year ending March 31, 2023	
	Sales	Business Profit
Seasonings and Foods	748.3	76.5
Frozen Foods	255.8	2.6
Healthcare and Others	287.9	47.5
Other	17.8	(2.7)
Total	1,310.0	124.0

II. Overview of financial condition in the fiscal year ended March 31, 2022

1. Review of factors affecting the financial condition during the fiscal year ended March 31, 2022

Consolidated financial position as of March 31, 2022

As of March 31, 2022, the Ajinomoto Group's consolidated total assets stood at ¥1,457.0 billion, an increase of ¥25.7 billion from ¥1,431.2 billion at the end of the previous fiscal year on March 31, 2021, largely owing to an increase in property, plant and equipment due to foreign exchange effects despite efforts to improve asset efficiency, which reduced cash and cash equivalents through the purchase of treasury stock and repayment of borrowings, and the sale of the animal nutrition business in Europe due to structural reform of the animal nutrition business.

Total liabilities came to ¥717.3 billion, ¥46.1 billion less than the ¥763.4 billion at the end of the previous fiscal year, largely owing to a decrease in interest-bearing debt and the sale of the animal nutrition business in Europe. Interest-bearing debt totaled ¥363.9 billion, a decrease of ¥42.8 billion from the end of the previous fiscal year, mainly reflecting the redemption of commercial papers and repayment of borrowings.

Total equity as of March 31, 2022 increased ¥71.8 billion compared to the end of the previous fiscal year, mainly reflecting an increase in exchange differences on translation of foreign operations due to the depreciation in the value of the yen. Equity attributable to owners of the parent company, which is total equity minus non-controlling interests, totaled ¥686.9 billion, and the equity ratio attributable to owners of the parent company was 47.1%.

Summary of consolidated cash flow

	(Billions of yen)		
	FY ended March 31, 2022	FY ended March 31, 2021	Change
Net cash provided by (used in) operating activities	145.5	165.6	(20.0)
Net cash provided by (used in) investing activities	(61.5)	(66.2)	4.6
Net cash provided by (used in) financing activities	(123.0)	(60.3)	(62.6)
Effect of currency rate changes on cash and cash equivalents	8.8	3.8	4.9
Increase (decrease) in cash and cash equivalents	(30.1)	42.9	(73.0)
Cash and cash equivalents included in assets of disposal groups classified as held for sale	—	(2.9)	2.9
Cash and cash equivalents at end of the year	151.4	181.6	(30.1)

Net cash provided by operating activities during the fiscal year totaled ¥145.5 billion, down from ¥165.6 billion in the previous fiscal year. The main factors included ¥122.4 billion in profit before income taxes, ¥66.2 billion in depreciation and amortization, and ¥31.6 billion in income taxes paid.

Net cash used in investing activities came to ¥61.5 billion, down from ¥66.2 billion used in the previous fiscal year. The main factors during the year included ¥73.8 billion in purchase of property, plant and equipment and ¥6.8 billion in purchase of intangible assets.

Net cash used in financing activities came to ¥123.0 billion, compared with ¥60.3 billion used in the previous year. Purchase of treasury stock of ¥40.0 billion, dividends paid of ¥27.2 billion, and decrease in commercial papers of ¥30.0 billion were among the main outflows.

As a result of the foregoing, cash and cash equivalents as of March 31, 2022, totaled ¥151.4 billion.

2. Trends in cash flow–related indices

	FY ended March 31, 2022	FY ended March 31, 2021	FY ended March 31, 2020
Equity ratio attributable to owners of the parent company (%)	47.1	43.3	39.8
Equity ratio based on market price (%)	127.9	86.8	81.4
Ratio of interest-bearing debt to cash flow (%)	250.0	245.6	360.2
Interest coverage ratio (times)	45.0	49.2	32.6

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

Notes

- (1) All indices are based on consolidated financial results.
- (2) Market capitalization = market price on last trading day of March each year x total shares outstanding at end of period (excluding treasury stock)
- (3) The scope of interest-bearing debt is all debt recorded on the consolidated statements of financial position on which the Company pays interest.

III. Basic policy regarding allocation of profits and dividends for the fiscal year ended March 31, 2022 and the fiscal year ending March 31, 2023

Under the current Phase 1 (FY2020 – 2022) structural reforms in the Medium-Term Management Plan for 2020-2025, the Company will use the cash generated from increased revenues and reduced assets for further growth and for dividends exceeding ¥100.0 billion.

Starting from the current Medium-Term Management Plan, the Company will increase the target dividend payout ratio from the previous 30% to 40% and enhance shareholder returns in a stable and continual manner to make the total return ratio 50% or more.

The Company's basic policy is to distribute dividends twice a year, in the form of interim and year-end dividends. For the fiscal year under review (ended March 31, 2022), the Company plans to pay a dividend of ¥52 per share (including the interim dividend of ¥24 per share), an increase of ¥10 from the previous fiscal year.

For the next fiscal year (ending March 31, 2023), an annual dividend of ¥58 per share is planned (with an interim dividend payment of ¥29), an increase of ¥6 in the annual dividend from the fiscal year ended March 31, 2022.

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

	(Millions of yen)	
	As of March 31, 2022	As of March 31, 2021
Assets		
Current assets		
Cash and cash equivalents	151,454	181,609
Trade and other receivables	162,397	162,104
Other financial assets	17,810	12,078
Inventories	219,356	188,664
Income taxes receivable	6,024	7,459
Others	24,375	18,746
Subtotal	581,419	570,662
Assets of disposal groups classified as held for sale	—	14,506
Total current assets	581,419	585,169
Non-current assets		
Property, plant and equipment	522,312	486,443
Intangible assets	68,309	72,201
Goodwill	99,839	96,024
Investments in associates and joint ventures	115,248	112,246
Long-term financial assets	51,864	53,576
Deferred tax assets	7,017	14,537
Others	11,049	11,090
Total non-current assets	875,641	846,119
Total assets	1,457,060	1,431,289

	As of March 31, 2022	As of March 31, 2021
Liabilities		
Current liabilities		
Trade and other payables	199,908	188,452
Short-term borrowings	8,219	10,820
Commercial papers	—	30,000
Current portion of bonds	19,990	—
Current portion of long-term borrowings	14,418	18,085
Other financial liabilities	15,802	11,603
Short-term employee benefits	38,567	38,288
Provisions	4,486	4,343
Income taxes payable	10,085	10,770
Others	13,153	11,371
Subtotal	324,631	323,736
Liabilities of disposal groups classified as held for sale	—	12,603
Total current liabilities	324,631	336,339
Non-current liabilities		
Corporate bonds	139,631	149,608
Long-term borrowings	131,650	141,911
Other financial liabilities	56,740	69,381
Long-term employee benefits	38,788	43,487
Provisions	3,708	4,704
Deferred tax liabilities	20,945	16,240
Others	1,219	1,770
Total non-current liabilities	392,684	427,103
Total liabilities	717,316	763,443
Equity		
Common stock	79,863	79,863
Capital surplus	—	—
Treasury stock	(1,371)	(1,464)
Retained earnings	616,286	608,031
Other components of equity	(7,869)	(65,454)
Other components of equity related to disposal groups classified as held for sale	—	(718)
Equity attributable to owners of the parent company	686,909	620,257
Non-controlling interests	52,834	47,589
Total equity	739,744	667,846
Total liabilities and equity	1,457,060	1,431,289

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

Consolidated Statements of Income

	(Millions of yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021
Sales	1,149,370	1,071,453
Cost of sales	(723,472)	(665,234)
Gross profit	425,897	406,219
Share of profit of associates and joint ventures	985	1,317
Selling expenses	(168,847)	(160,646)
Research and development expenses	(24,842)	(25,900)
General and administrative expenses	(112,277)	(107,853)
Business profit	120,915	113,136
Other operating income	26,788	24,436
Other operating expenses	(23,132)	(36,450)
Operating profit	124,572	101,121
Financial income	6,868	3,900
Financial expenses	(8,968)	(6,701)
Profit before income taxes	122,472	98,320
Income taxes	(42,244)	(32,040)
Profit	80,228	66,280
Attributable to:		
Owners of the parent company	75,725	59,416
Non-controlling interests	4,503	6,864
Earnings per share (yen):		
Basic	¥139.42	¥108.36
Diluted	¥139.42	¥108.32

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021
Profit	80,228	66,280
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	3,828	3,405
Remeasurements of defined benefit pension plans	2,202	17,809
Share of other comprehensive income (loss) of associates and joint ventures	(30)	404
Items that may be reclassified subsequently to profit or loss:		
Cash flow hedges	514	423
Hedge surplus	49	169
Exchange differences on translation of foreign operations	55,748	29,883
Share of other comprehensive income (loss) of associates and joint ventures	856	(614)
Other comprehensive income (Net of related tax effects)	63,169	51,482
Comprehensive income	143,398	117,762
Comprehensive income attributable to:		
Owners of the parent company	134,742	106,560
Non-controlling interests	8,656	11,202

(3) Consolidated Statements of Changes in Equity
Fiscal year ended March 31, 2022

(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	Hedge surplus
Balance as of April 1, 2021	79,863	—	(1,464)	608,031	15,465	(16,367)	(2,314)	(286)
Profit				75,725				
Other comprehensive income					3,826	2,359	514	46
Comprehensive income	—	—	—	75,725	3,826	2,359	514	46
Purchase of treasury stock			(40,041)					
Disposal of treasury stock		0	0					
Retirement of treasury stock		(39,874)	39,874					
Dividends				(27,316)				
Changes in transactions with non-controlling interests		(1,026)						
Changes in ownership interests in subsidiaries that do not result in loss of control								
Transfer from other components of equity to retained earnings				629	(629)			
Transfer of negative balance of other capital surplus		40,710		(40,710)				
Transfer to non-financial assets							(83)	
Stock-based remuneration transaction		(76)	259					
Other components of equity related to disposal groups classified as held for sale								
Other		267		(71)				
Total net changes in transactions with owners of the parent company	—	—	93	(67,470)	(629)	—	(83)	—
Balance as of March 31, 2022	79,863	—	(1,371)	616,286	18,663	(14,008)	(1,883)	(240)

Equity attributable to owners of the parent company							
Other components of equity			Other components of equity		Non-controlling interests	Total	
Exchange differences on translation of foreign operations	Share of other comprehensive income (loss) of associates and joint ventures	Total	Other components of equity related to disposal groups classified as held for sale	Total			
Balance as of April 1, 2021	(61,567)	(384)	(65,454)	(718)	620,257	47,589	667,846
Profit			—		75,725	4,503	80,228
Other comprehensive income	50,723	826	58,297	718	59,016	4,152	63,169
Comprehensive income	50,723	826	58,297	718	134,742	8,656	143,398
Purchase of treasury stock			—		(40,041)		(40,041)
Disposal of treasury stock			—		0		0
Retirement of treasury stock			—		—		—
Dividends			—		(27,316)	(3,367)	(30,684)
Changes in transactions with non-controlling interests			—		(1,026)		(1,026)
Changes in ownership interests in subsidiaries that do not result in loss of control			—		—		—
Transfer from other components of equity to retained earnings			(629)		—		—
Transfer of negative balance of other capital surplus			—		—		—
Transfer to non-financial assets			(83)		(83)		(83)
Stock-based remuneration transaction			—		183		183
Other components of equity related to disposal groups classified as held for sale			—		—		—
Other			—		195	(43)	152
Total net changes in transactions with owners of the parent company	—	—	(712)	—	(68,089)	(3,410)	(71,500)
Balance as of March 31, 2022	(10,843)	441	(7,869)	—	686,909	52,834	739,744

Fiscal year ended March 31, 2021

(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	Hedge surplus
Balance as of April 1, 2020	79,863	—	(2,160)	574,287	12,472	(34,411)	(2,764)	(441)
Profit				59,416				
Other comprehensive income					3,405	18,044	423	154
Comprehensive income	—	—	—	59,416	3,405	18,044	423	154
Purchase of treasury stock			(7)					
Disposal of treasury stock		(0)	0					
Retirement of treasury stock								
Dividends				(17,544)				
Changes in transactions with non-controlling interests		1,439						
Changes in ownership interests in subsidiaries that do not result in loss of control		(9,454)						
Transfer from other components of equity to retained earnings				328	(412)			
Transfer of negative balance of other capital surplus		8,458		(8,458)				
Transfer to non-financial assets							26	
Stock-based remuneration transaction		(443)	702					
Other components of equity related to disposal groups classified as held for sale								
Other				1				
Total net changes in transactions with owners of the parent company	—	—	695	(25,671)	(412)	—	26	—
Balance as of March 31, 2021	79,863	—	(1,464)	608,031	15,465	(16,367)	(2,314)	(286)

Equity attributable to owners of the parent company							
	Other components of equity			Other components of equity related to disposal groups classified as held for sale	Total	Non-controlling interests	Total
	Exchange differences on translation of foreign operations	Share of other comprehensive income (loss) of associates and joint ventures	Total				
Balance as of April 1, 2020	(87,611)	(258)	(113,015)	—	538,975	53,095	592,070
Profit			—		59,416	6,864	66,280
Other comprehensive income	25,325	(209)	47,144		47,144	4,337	51,482
Comprehensive income	25,325	(209)	47,144	—	106,560	11,202	117,762
Purchase of treasury stock			—		(7)		(7)
Disposal of treasury stock			—		0		0
Retirement of treasury stock			—		—		—
Dividends			—		(17,544)	(3,721)	(21,265)
Changes in transactions with non-controlling interests			—		1,439		1,439
Changes in ownership interests in subsidiaries that do not result in loss of control			—		(9,454)	(13,338)	(22,793)
Transfer from other components of equity to retained earnings		83	(328)		—		—
Transfer of negative balance of other capital surplus			—		—		—
Transfer to non-financial assets			26		26		26
Stock-based remuneration transaction			—		259		259
Other components of equity related to disposal groups classified as held for sale	718		718	(718)	—		—
Other			—		1	352	353
Total net changes in transactions with owners of the parent company	718	83	416	(718)	(25,278)	(16,708)	(41,987)
Balance as of March 31, 2021	(61,567)	(384)	(65,454)	(718)	620,257	47,589	667,846

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	122,472	98,320
Depreciation and amortization	66,234	63,045
Impairment loss and gain on reversal of impairment loss	9,356	16,465
Increase (decrease) in employee benefits	(3,510)	(2,407)
Increase (decrease) in provisions	(929)	1,657
Interest income	(1,334)	(1,851)
Dividend income	(944)	(913)
Interest expense	3,314	3,543
Share of profit of associates and joint ventures	(985)	(1,317)
Loss on disposal of property, plant and equipment	4,825	4,450
Gain on sale of fixed assets	(15,505)	(15,803)
Loss on sale of fixed assets	143	692
Gain on sale of shares of subsidiaries	(0)	(118)
Decrease (increase) in trade and other receivables	6,057	21,580
Increase (decrease) in trade and other payables	10,972	8,315
Decrease (increase) in inventories	(17,914)	(8,090)
Increase (decrease) in consumption taxes payable	(2,065)	(2,397)
Increase (decrease) in other assets and liabilities	(10,132)	(2,122)
Others	6,949	7,661
Subtotal	177,004	190,710
Interest received	1,425	1,850
Dividends received	2,061	2,631
Interest paid	(3,233)	(3,370)
Income taxes paid	(31,681)	(26,172)
Net cash provided by operating activities	145,576	165,650

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021
Cash flows from investing activities		
Purchase of property, plant and equipment	(73,842)	(76,889)
Proceeds from sale of property, plant and equipment	17,763	17,226
Purchase of intangible assets	(6,877)	(9,148)
Purchase of financial assets	(1,342)	(652)
Proceeds from sale of financial assets	3,555	2,200
Purchase of shares in subsidiaries resulting in change in scope of consolidation	—	(5,601)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	1,142	—
Purchase of shares in investments accounted for using equity method	—	(257)
Proceeds from sale of shares of investments accounted for using equity method	—	4,404
Others	(1,966)	2,471
Net cash used in investing activities	(61,567)	(66,247)
Cash flows from financing activities		
Net change in short-term borrowings	(3,949)	3,051
Net change in commercial papers	(30,000)	(10,000)
Proceeds from long-term borrowings	538	33,500
Repayments of long-term borrowings	(18,328)	(15,547)
Proceeds from issuance of bonds	9,953	—
Redemption of bonds	—	(20,000)
Dividends paid	(27,273)	(17,526)
Dividends paid to non-controlling interests	(3,779)	(3,585)
Purchase of treasury stock	(40,041)	(7)
Net change in money held in trust to purchase treasury stock	(66)	—
Purchase of shares in subsidiaries not resulting in change of scope of consolidation	(151)	(22,077)
Repayments of lease liabilities	(10,168)	(8,939)
Others	211	745
Net cash used in financing activities	(123,055)	(60,387)
Effect of currency rate changes on cash and cash equivalents	8,891	3,891
Net change in cash and cash equivalents	(30,155)	42,908
Cash and cash equivalents at beginning of the year	181,609	141,701
Cash and cash equivalents included in assets of disposal groups classified as held for sale	—	(2,999)
Cash and cash equivalents at end of the year	151,454	181,609

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable

Changes in Significant Accounting Policies

(Impact of Applying New Accounting Policies)

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 seasonings <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/Thailand), <i>Masako</i> [®] (flavor seasoning/Indonesia), <i>Aji-ngon</i> [®] (flavor seasoning/Vietnam), <i>Sazón</i> [®] (flavor seasoning/Brazil), <i>Sajiku</i> (menu-specific seasoning/Indonesia), <i>CRISPY FRY</i> (menu-specific seasoning/Philippines), etc.
	Quick Nourishment	<i>Knorr</i> [®] <i>Cup Soup</i> , <i>YumYum</i> [®] (instant noodles/Thailand), <i>Birdy</i> [®] (coffee beverage/Thailand), <i>Birdy</i> [®] <i>3in1</i> (powdered drink/Thailand), <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 & 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> [®]), Drinks supplied to restaurants, Ingredients for industrial use, Delicatessen products, Bakery products, Nucleotides, Sweeteners (aspartame for food processing, <i>PAL SWEET</i> [®] for home use, etc.), and others
Frozen Foods	Frozen Foods	Chinese dumplings (<i>Gyoza</i> , <i>Shoga Gyoza</i> , <i>POT STICKERS</i> , etc.), Cooked rice (<i>THE CHA-HAN</i> , <i>CHICKEN FRIED RICE</i> , <i>YAKITORI CHICKEN FRIED RICE</i> , etc.), Noodles (<i>YAKISOBA</i> , <i>RAMEN</i> , etc.), Desserts (cakes for restaurant and industrial-use, <i>MACARON</i> , etc.), Shumai (<i>THE SHUMAI</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	Contract manufacturing services of pharmaceutical intermediates and active ingredients, sterile products (fill and finish), etc.
	Functional Materials	Electronic materials (<i>Ajinomoto Build-up Film</i> [®] (ABF) interlayer insulating material for semiconductor packages and others), Functional materials (adhesive <i>PLENSET</i> [®] , magnetic materials [<i>AFTINNOVA</i> [®] <i>Magnetic Film</i> and others]), activated carbon, release paper, etc.

	Others	Feed-use amino acids (Lysine, Threonine, Tryptophan, Valine, <i>AjiPro</i> [®] -L, etc.), Fundamental Foods (<i>Glyna</i> [®] , <i>Amino Aile</i> [®]), Functional foods and drinks (<i>amino VITAL</i> [®]), Personal Care ingredients (amino acid-based mild surfactant <i>Amisoft</i> [®] , <i>Amilite</i> [®] , amino acid-based humectant <i>Ajidew</i> [®] , etc.), Medical foods, and others
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From the fiscal year ended March 31, 2022, medical foods, which was previously included in amino acids for pharmaceuticals and foods in Healthcare and Others, and some of the businesses previously included in Bio-Pharma Services in Healthcare and Others were included in Others in Healthcare and Others.

In addition, the name of the product category previously classified as Specialty Chemicals was changed to Functional Materials.

(2) Information by reportable segment

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

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

Fiscal year ended March 31, 2022

(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	664,237	221,702	251,259	12,171	1,149,370	—	1,149,370
Inter-segment sales and transfers	6,040	63	5,195	27,842	39,141	(39,141)	—
Total sales	670,277	221,765	256,455	40,013	1,188,511	(39,141)	1,149,370
Share of profit of associates and joint ventures	1,459	—	(48)	(425)	985	—	985
Segment profit or loss (Business profit or loss)	81,269	(678)	43,362	(3,038)	120,915	—	120,915
Other operating income							26,788
Other operating expense							(23,132)
Operating profit							124,572
Financial income							6,868
Financial expense							(8,968)
Profit before income taxes							122,472

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.

Fiscal year ended March 31, 2021

(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	620,507	198,254	239,518	13,173	1,071,453	—	1,071,453
Inter-segment sales and transfers	6,279	1,662	5,690	38,627	52,260	(52,260)	—
Total sales	626,786	199,917	245,209	51,800	1,123,713	(52,260)	1,071,453
Share of profit of associates and joint ventures	1,767	—	74	(525)	1,317	—	1,317
Segment profit or loss (Business profit or loss)	86,796	2,318	26,264	(2,244)	113,136	—	113,136
Other operating income							24,436
Other operating expense							(36,450)
Operating profit							101,121
Financial income							3,900
Financial expense							(6,701)
Profit before income taxes							98,320

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.

Information for Earnings per Share

Information related to the calculation of earnings per share attributable to owners of the parent company is as follows:

1) Profit attributable to owners of the parent company

	(Millions of yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021
Amount used for calculating the basic earnings per share	75,725	59,416
Amount used for calculating the diluted earnings per share	75,725	59,416

2) Weighted average number of ordinary shares

	(Thousands of shares)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021
Weighted average number of ordinary shares	543,131	548,344
Effect of dilutive potential ordinary shares	5	157
Weighted average number of dilutive potential ordinary shares	543,137	548,502

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

	Yen	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021
Basic earnings per share	139.42	108.36
Diluted earnings per share	139.42	108.32

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