

Notice of Revisions to Full-Year Consolidated Performance and Dividend Forecasts for the Fiscal Year Ending March 31, 2022 and Dividend from Retained Earnings

TOKYO, November 4, 2021 – Based on recent trends in business performance, Ajinomoto Co., Inc. (“Ajinomoto Co.”) has revised its full-year consolidated performance forecast and dividend forecast for fiscal 2021 (April 1, 2021 – March 31, 2022), which were announced on May 10, 2021, as follows, and announces its resolution to pay a dividend from retained earnings with a record date of September 30, 2021.

1. Revision to the Consolidated Performance Forecast for Fiscal 2021 (April 1, 2021 – March 31, 2022)

(JPY millions unless otherwise noted)

	Sales	Business Profit	Profit Attributable to Owners of the Parent Company	Basic Earnings per Share (Yen)
Previous Forecast (A)	1,113,000	115,000	60,000	111.25
Revised Forecast (B)	1,148,000	120,000	68,000	125.04
Amount of Change (B-A)	35,000	5,000	8,000	
Percentage Change (%)	3.1%	4.3%	13.3%	
[Reference] Results for the Fiscal Year Ended March 31, 2021 (Fiscal 2020)	1,071,453	113,136	59,416	108.36

(1) Reasons for the Revision

Ajinomoto Co. has revised its figures for sales, business profit and profit attributable to owners of the parent company from the performance forecast announced on May 10, 2021.

Sales are expected to be JPY 1,148.0 billion, an increase of JPY 35.0 billion from the previous forecast, as a result of a review of the impact of the novel coronavirus (“COVID-19”), economic conditions and other factors in the current business environment. The rate of progress of sales against the revised forecast is 47.9%.

Business profit is expected to be JPY 120.0 billion, an increase of JPY 5.0 billion from the previous forecast. Although business profit in the Seasonings and Foods segment is expected to fall short of the previous

forecast due to factors including the impact of higher prices for raw materials, fuel and other items, business profit in the Healthcare and Others segment is expected to substantially exceed the previous forecast due to factors including increased sales of electronic materials and amino acids for pharmaceuticals and foods. The rate of progress of business profit against the revised forecast is 57.8%.

Profit attributable to owners of the parent company is expected to be JPY 68.0 billion, an increase of JPY 8.0 billion from the previous forecast, mainly due to the recording of a gain on sale of fixed assets (idle assets) in other operating income during the first half of fiscal 2021, in addition to business profit that exceeded the previous forecast. The rate of progress of profit attributable to owners of the parent company against the revised forecast is 79.6%.

It remains difficult to reasonably predict the impact of COVID-19 on economic activities and on the performance of Ajinomoto Co. for the remainder of fiscal 2021. Ajinomoto Co. will continue to pay close attention to the status of COVID-19 infection and its impact on the economy and elsewhere going forward, and will make prompt disclosure in the event that it becomes necessary to further revise its performance forecast.

The assumed average exchange rate for the fiscal year is JPY 109.00 to USD 1.

Notes:

1. 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. The performance forecast above is based on certain assumptions and projections. Various factors and risks could cause actual results to differ materially from the above forecast.

2. Revision of Dividend Forecast for Fiscal 2021

(JPY)

Record Date	Annual Dividends per Share		
	Interim	Year-end	Total
Previous Forecast (Announced May 10, 2021)	22	22	44
Revision		24	48
Actual (Fiscal Year Ending March 31, 2022)	24		
Actual (Fiscal Year Ended March 31, 2021)	16	26	42

(1) Reasons for the Dividend Forecast Revision

During the FY2020-2025 Medium-Term Management Plan, the cash generated through profit expansion and asset reduction during Phase 1 for structural reform in FY2020-2022 will be allocated to investment in growth and Ajinomoto Co. will provide shareholder returns of more than JPY 100 billion.

From the current Medium-Term Management Plan, Ajinomoto Co. has raised its targeted dividend payout ratio from the former 30% to 40%, and will stably and continuously enhance shareholder returns so that

the total shareholder return ratio is 50% or higher. Because full-year results are now expected to exceed the previous forecast, Ajinomoto Co, will pay an interim dividend of JPY 24 per share, an increase of JPY 2 from the previous forecast, and has also revised its year-end dividend forecast to JPY 24 per share, an increase of JPY 2. As a result, total annual dividends per share will be JPY 48.

(2) Details of Dividend from Retained Earnings

	Details of Resolution	Most Recent Dividend Forecast (Announced on May 10, 2021)	Previous Fiscal Year (Interim Period for the Fiscal Year Ended March 2021)
Record Date	September 30, 2021	Same as on left	September 30, 2020
Dividend per Share	JPY 24	JPY 22	JPY 16
Total Amount of Dividend Payment	JPY 13,066 million	—	JPY 8,784 million
Effective Payout Date	December 3, 2021	—	December 4, 2020
Source of Dividend	Retained earnings	—	Retained earnings

By unlocking the power of amino acids, the Ajinomoto Group aims to resolve food and health issues associated with dietary habits and aging, and to shape the wellness of people worldwide.

Based on the corporate message Eat Well, Live Well, we will deliver further growth by engaging in the scientific pursuit of the potential of amino acids, and by creating new value together with local communities and society through our business.

The Ajinomoto Group achieved sales of 1.0714 trillion yen in fiscal 2020. The Group has offices in 35 countries and regions, and sells its products in more than 130 countries and regions (as of 2021). To learn more, visit www.ajinomoto.com.

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