

Ajinomoto Co., Inc.

Consolidated Results

[IFRS]

Fiscal Year Ended March 31, 2019

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, 2019

Ajinomoto Co., Inc.

May 10, 2019

Stock Code: 2802	Stock exchange listing: Tokyo Stock Exchange
URL: www.ajinomoto.com/en	
President: Takaaki Nishii	
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Corporate Executive Officer, General Manager Finance & Accounting Department	
Scheduled date of the general meeting of shareholders:	June 25, 2019
Scheduled date of starting payment of dividend:	June 26, 2019
Scheduled date of submission of securities report:	June 25, 2019
Creation of supplementary results materials:	Yes
Results briefing:	Yes (for analysts)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2019

(1) Consolidated Operating Results

Millions of yen, rounded down

	Fiscal year ended March 31, 2019		Fiscal year ended March 31, 2018	
	Change %		Change %	
Sales	1,127,483	1.1	1,114,784	-
Business profit	92,635	(3.2)	95,672	-
Profit before income taxes	54,202	(32.9)	80,819	-
Profit	39,004	(42.8)	68,174	4.9
Profit attributable to owners of the parent company	29,698	(50.6)	60,124	13.3
Basic earnings per share (yen)	¥53.62	-	¥105.76	-
Diluted earnings per share (yen)	-	-	-	-
ROE attributable to owners of the parent company (%) ...	4.7%	-	9.6%	-
Ratio of business profit to total assets (%)	6.6%	-	6.9%	-
Ratio of business profit to sales (%)	8.2%	-	8.6%	-

“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, 2019:

¥(515)million

Fiscal year ended March 31, 2018:

¥3,966 million

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 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) From the fiscal year ended March 31, 2019, the logistics business has been reclassified as a discontinued operation. Accordingly, profit from discontinued operation in the consolidated statements of income is presented separately from the profit from continuing operations. Sales, business profit and profit before income taxes in the above table are amounts related to continuing operations only. Amounts shown for the fiscal year ended March 31, 2018, have also been adjusted to reflect this change; accordingly, the percent change from the previous year’s quarterly results is not shown.
- (3) In the second quarter ended September 30, 2018, the Company finalized a provisional accounting treatment related to business combinations and jointly controlled companies. The figures in the fiscal year ended March 31 2018, reflect the finalization of the provisional accounting treatment.

(2) Consolidated Financial Position

Millions of yen, rounded down

	As of March 31, 2019	As of March 31, 2018
Total assets	1,393,869	1,426,230
Total equity	685,960	720,613
Equity attributable to owners of the parent company	610,543	640,833
Ownership ratio attributable to owners of the parent company (%)	43.8%	44.9%
Equity per share (attributable to owners of the parent company) (yen)	¥1,113.93	¥1,128.44

Note: In the second quarter, ended September 30, 2018, the Company finalized a provisional accounting treatment related to business combinations. The figures for the fiscal year ended March 31, 2018 reflect the finalization of the provisional accounting treatment.

(3) Consolidated Cash Flows

	<i>Millions of yen, rounded down</i>	
	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2018
Net cash provided by (used in) operating activities.....	123,256	126,655
Net cash provided by (used in) investing activities	(72,923)	(99,104)
Net cash provided by (used in) financing activities	(78,923)	(23,951)
Cash and cash equivalents at end of year	153,725	187,869

2. Dividends

	<i>Millions of yen, rounded down</i>		
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ending March 31, 2020 (forecast)
Dividend per share			
Interim (yen)	¥15.00	¥16.00	¥16.00
Year-end (yen).....	¥17.00	¥16.00	¥16.00
Annual (yen).....	¥32.00	¥32.00	¥32.00
Total annual dividend amount	18,207	17,570	
Dividend payout ratio (consolidated) (%)	30.0%	59.7%	35.0%
Ratio of dividends to equity attributable to owners of the parent company (consolidated) (%)	2.9%	2.9%	

3. Forecast for the Fiscal Year Ending March 31, 2020

	<i>Millions of yen, rounded down</i>	
	Fiscal year ending March 31, 2020	
		Change %
Sales.....	1,171,000	3.9
Business profit	97,000	4.7
Profit attributable to owners of the parent company.....	50,000	68.4
Basic earnings per share (yen)	91.30	

Along with reclassifying the logistics business as a discontinued operation from the fiscal year ended March 31, 2019, the amounts in sales and business profit indicate the amounts of continuing operation.

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: Yes
- 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, 2019	As of March 31, 2018
Number of shares outstanding at end of period (including treasury shares):	549,163,354	571,863,354
Number of treasury shares at end of period	1,063,513	3,971,026
	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
Average number of shares during period	553,908,172	568,512,730

(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, 2019: 966,200 shares. As of the fiscal year ended March 31, 2018: 971,000 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 an audit by a public certified accountant or an auditing 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 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 11, "1. QUALITATIVE INFORMATION ON FISCAL YEAR-END CONSOLIDATED RESULTS, I. Overview of operating results for the fiscal year ended March 31, 2019, 2. Outlook for the Fiscal Year Ending March 31, 2020."

Method of obtaining supplementary results materials

Supplementary results materials will be published on the Company's website on Friday, May 10, 2019.

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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, 2019

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.

On April 26, 2018, the Company entered into an agreement with Kagome Co., Ltd., Nisshin Oillio Group Ltd., Nisshin Foods Inc., and House Foods Group Inc. to restructure the companies' logistics operations and in April 2019 establish a nationwide logistics company by merging their logistics subsidiaries, Ajinomoto Logistics Corporation, Kagome Distribution Service Co., Ltd., House Logistics Service Corporation, F-LINE Corporation, and Kyushu F-LINE Corporation.

Consequently, the loss of control of Ajinomoto Logistics business has been recognized effective from April 2019. Accordingly, Ajinomoto Logistics' assets and liabilities have been included under a disposal group of assets/liabilities classified as held for sale, and the logistics business has been classified as a discontinued business, effective from the fiscal year ended March 31, 2019.

As of April 1, 2019, a new F-LINE Corporation was established as a result of the integration of the above companies' logistics businesses.

Also, in the second quarter of the fiscal year under review, the Company has adopted a provisional accounting treatment related to business combinations and jointly controlled companies. Accordingly, a significant restatement has been made in the initial allocation of acquisition costs for the previous consolidated fiscal year.

1. Review of operating results

During the fiscal year ended March 31, 2019, the Ajinomoto Group's consolidated sales increased by 1.1% year-on-year, or ¥12.6 billion, to ¥1,127.4 billion, supported by a large increase in sales of pharmaceutical custom manufacturing and amino acids for pharmaceuticals and foods, as well as growth in sales of frozen foods (Overseas) and seasonings and processed foods (Overseas). Business profit declined 3.2%, or ¥3.0 billion, to ¥92.6 billion, owing to large falls in profits from frozen foods (Japan), frozen foods (Overseas), and coffee products and, in addition, an impairment loss on the trademark rights of Promasidor Holdings Limited (PH) recorded in share of profit of associates and joint ventures.

Operating profit declined 32.5% year-on-year, or ¥25.5 billion, to ¥53.1 billion due to impairment losses on goodwill related to both Ajinomoto Foods North America, Inc. (AFNA) and Ajinomoto Istanbul Food Industry and Trade Ltd. Co. (AIS), impairment loss on investments in associates and joint ventures related to PH, and other factors. Profit attributable to owners of the parent company totaled ¥29.6 billion, a year-on-year, a decrease of 50.6% or ¥30.4 billion.

An itemization of the details of the impairment losses related to PH, AFNA, and AIS for the fiscal year under review, is below.

Millions of yen

	Business profit	Operating profit Profit before income taxes	Profit attributable to owners of the parent company
(1) Impairment loss on goodwill: AFNA	-	13,525	10,047
(2) Impairment loss on investments in PH, equity method associate (equivalent to 33.33% investment)	-	14,107	14,107
(3) Impairment loss on the trademark rights of PH (equivalent to 33.33% investment)	3,222	3,222	3,222
(4) Impairment loss on goodwill: AIS	-	3,843	3,843
Total	3,222	34,698	31,220

Consolidated operating results by segment

Results for individual business segments are summarized below.

From the fiscal year ended March 31, 2019, the Personal Care business has been transferred from the Life Support segment to the Healthcare segment. Segment information for the previous fiscal year has been restated to reflect this change.

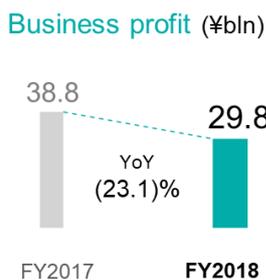
Billions of yen, rounded down

	Sales	YoY change - amount	YoY change - percent	Business profit	YoY change -amount	YoY change -percent
Japan Food Products	375.0	(9.1)	(2.4)%	29.8	(9.0)	(23.1)%
International Food Products	481.6	16.9	3.7%	42.3	0.8	2.0%
Life Support	107.9	(10.6)	(9.0)%	9.5	1.4	18.5%
Healthcare	135.3	15.3	12.8%	12.0	2.7	28.9%
Other	27.4	0.1	0.5%	(1.2)	0.9	-%
Total	1,127.4	12.6	1.1%	92.6	(3.0)	(3.2)%

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 *AJI-NO-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 2.4% year on year, or ¥9.1 billion, to ¥375.0 billion, in the fiscal year under review. The decline mainly reflects lower sales of coffee products and frozen foods (Japan) than in the previous fiscal year due to an intensified competition and other factors. Segment business profit fell 23.1%, or ¥9.0 billion, to ¥29.8 billion, on the declines in sales of frozen foods and coffee products.



Main factors affecting segment sales

- **Seasonings and processed foods:** Both home-use and restaurant and industrial-use were level with the previous period, and overall sales were level with the previous period.
- **Frozen foods:** Sales of restaurant and industrial-use products increased due to expansion of major categories. Despite increased year-on-year sales of the Gyoza series in total, sales in home-use products decreased primarily due to the effect of stiffening competition for kara-age and fried rice (major products). Therefore, overall sales decreased.
- **Coffee products:** Decrease in overall sales due to decreased sales to convenience stores and of gift products and the effect of stiffening competition for home-use products accompanying the shrinking of the market.

Main factors affecting segment profits

- **Seasonings and processed foods:** Even though home-use products were level with the previous period, there was a large decrease in profit primarily due to the effect of increased raw materials and fuel prices for restaurant and industrial-use products, so overall profit decreased.
- **Frozen foods and coffee products:** Large decrease in profit primarily due to the decreased sales mentioned above.

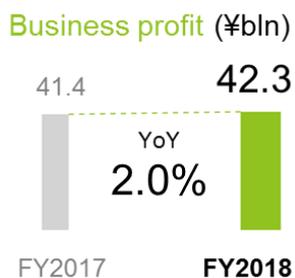
2) International Food Products Segment

International Food Products segment sales totaled ¥481.6 billion, up 3.7%, or ¥16.9 billion year-on-year. Sales growth was driven by strong sales in the frozen foods (Overseas) category and seasonings and processed foods (Overseas) category. Segment business profits increased by 2.0%, or ¥0.8 billion year on year to ¥42.3 billion, owing to a large increase in profits on umami seasonings for processed food manufacturers in addition to an increase in profits on the seasonings and processed foods which offset impairment loss on the trademark rights of PH.



Main factors affecting segment sales

- **Seasonings and processed foods:** Even with the negative effect of currency translation, with the expansion of sales of seasonings, *AJI-NO-MOTO®*, and canned coffee in Thailand, overall sales increased.
- **Frozen foods:** Increase in sales primarily due to expansion of sales of Asian food products and appetizers in North America and expansion of sales in Europe.
- **Umami seasonings for processed food manufacturers and sweeteners:** Sales of umami seasonings for processed food manufacturers increased due to expansion of overseas sales. Sales of sweeteners increased due to expanded sales to industrial customers.



Main factors affecting segment profits

- **Seasonings and processed foods:** Overall profit was level with the previous period, primarily due to Promasidor's impairment loss, negative effect of currency translation, and increased fermentation raw materials and fuel prices, despite the effect of increased profit accompanying increased sales.
 - **Frozen foods:** Large decrease in profit due to steep rise in logistics costs despite improvement in productivity in the U.S.
 - **Umami seasonings for processed food manufacturers and sweeteners:** Large increase in profit due to effect of trade exchange and increased sales despite the effect of increased prices for fermentation raw materials and fuels.
- Sweeteners:** Increase in profit primarily due to increased sales.

3) Life Support Segment

Life Support segment sales totaled ¥107.9 billion, down 9.0% or ¥10.6 billion year-on-year. Sales of specialty chemicals increased but sales of animal nutrition products declined. Segment business profit expanded strongly, increasing 18.5%, or ¥1.4 billion, to ¥9.5 billion, supported by large increases in profits from specialty chemicals.



Main factors affecting segment sales

- **Animal nutrition:** Large decrease in sales primarily due to decline in quantity of threonine and lysine sold.
- **Specialty chemicals:** Increase in sales primarily due to strong sales of electronic materials.



Main factors affecting segment profits

- **Animal nutrition:** Large decrease in profit primarily due to the effect of falling unit sales price of tryptophan.
- **Specialty chemicals:** Large increase in profit accompanying increase in sales.

4) Healthcare Segment:

Healthcare segment sales totaled ¥135.3 billion, up 12.8% or ¥15.3 billion from the previous year's result. The gain was driven by large increases in sales of amino acids for pharmaceuticals and foods and pharmaceutical custom manufacturing. Strong sales growth in these two categories drove segment business profit up 28.9%, or ¥2.7 billion, to ¥12.0 billion.



Main factors affecting segment sales

- **Amino acids:** Large increase in sales due to the effect of expansion of sales of pharmaceutical custom manufacturing and amino acids for pharmaceuticals and foods, and the new consolidation of a subsidiary.
- **Other products:** Increase in sales primarily due to expansion of sales of personal care ingredients.



Main factors affecting segment profits

- **Amino acids:** Large increase in profit accompanying large increase in sales of both amino acids for pharmaceuticals and foods, and pharmaceutical custom manufacturing.
- **Other products:** Decrease in profit due to a change in the recorded sub-segment (moved to pharmaceutical custom manufacturing).

5) Other

In the Other segment, sales increased by 0.5%, or ¥0.1 billion, to ¥27.4 billion, and the segment posted a business loss of ¥1.2 billion, a ¥0.9 billion improvement from the previous year.

2. Outlook for the Fiscal Year Ending March 31, 2020

Billions of yen, rounded down

	Sales	Business profit	Profit attributable to owners of the parent company
FY ending March 31, 2020	1,171.0	97.0	50.0

In FY2019 (ending March 31, 2020), the final year of the Ajinomoto Group's three-year medium-term plan for FY2017-2019 (ending March 31, 2020), we will be implementing measures against emerging challenges while also taking on streamlining measures to put the Group back on the track of growth.

We expect these efforts will enable us to achieve consolidated sales of ¥1,171.0 billion and business profit of ¥97.0 billion in FY2019. We also forecast profit attributable to owners of the parent company of ¥50.0 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, 2019

1. Review of factors affecting financial condition during the fiscal year ended March 31, 2019

As of March 31, 2019, the Ajinomoto Group's consolidated total assets stood at ¥1,393.8 billion, a decrease of ¥32.3 billion from the ¥1,426.2 billion on March 31, 2018. The main reason for the decrease is the reduction in cash and cash equivalents brought about by the buyback of common shares.

Total liabilities came to ¥707.9 billion, an increase of ¥2.2 billion from ¥705.6 billion at the end of the previous fiscal year. Interest-bearing debt totaled ¥337.0 billion, ¥7.1 billion less than a year earlier.

Total equity as of March 31, 2019, was ¥34.6 billion lower than a year earlier, mainly due to an increase in share repurchases. Equity attributable to owners of the parent company, which is total equity minus non-controlling interests, totaled ¥610.5 billion, and the equity ratio attributable to owners of the parent company was 43.8%.

Summary of consolidated cash flow

Billions of yen, rounded down

	FY ended March 31, 2019	FY ended March 31, 2018	Change
Net cash provided by operating activities	123.2	126.6	(3.3)
Net cash provided by (used in) investing activities	(72.9)	(99.1)	26.1
Net cash provided by (used in) financing activities	(78.9)	(23.9)	(54.9)
Effect of exchange rate changes on cash and cash equivalents	(0.7)	(1.7)	0.9
Increase (decrease) in cash and cash equivalents	(29.3)	1.8	(31.2)
Cash and cash equivalents included in assets of disposal groups classified as held for sale	(4.7)	—	(4.7)
Cash and cash equivalents at end of the year	153.7	187.8	(34.1)

Net cash provided by operating activities during the fiscal year totaled ¥123.2 billion, down from ¥126.6 billion in the previous fiscal year. The main factors included ¥54.2 billion in profit before income taxes, ¥52.4 billion in depreciation and amortization, and ¥23.3 billion in income taxes paid.

Net cash used in investing activities came to ¥72.9 billion, down from ¥99.1 billion used in the previous fiscal year. Key investments during the year included ¥70.1 billion in purchase of property, plant and equipment and ¥9.8 billion in purchase of intangible assets.

Net cash used in financing activities came to ¥78.9 billion, compared with ¥23.9 billion used in financing activities in the previous year. Purchase of treasury stock of ¥40.0 billion and dividends paid were among the main outflows.

As a result of the foregoing, cash and cash equivalents as of March 31, 2019, totaled ¥153.7 billion.

2. Trends in cash flow-related indices

	FY ended March 31, 2019	FY ended March 31, 2018	FY ended March 31, 2017
Equity ratio attributable to owners of the parent company (%)	43.8	44.9	45.6
Equity ratio based on market price (%)	69.6	76.6	92.6
Ratio of interest-bearing debt to cash flow (%)	273.4	271.8	308.5
Interest coverage ratio (times)	38.1	43.3	44.0

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, 2019 and fiscal year ending March 31, 2020

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, 2019), the Company plans to pay a dividend of ¥32 per share (including the interim dividend of ¥16 per share). For the next fiscal year (ending March 31, 2020), 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, 2019	As of March 31, 2018
Assets		
Current assets		
Cash and cash equivalents	153,725	187,869
Trade and other receivables	194,270	200,272
Other financial assets	16,526	10,615
Inventories	185,036	184,109
Income taxes receivable	8,095	8,374
Others	13,944	12,919
Sub total	571,599	604,160
Assets of disposal groups classified as held for sale	19,568	-
Total current assets	591,167	604,160
Non-current assets		
Property, plant and equipment	423,369	411,640
Intangible assets	66,132	66,144
Goodwill	91,373	107,394
Investments in associates and joint ventures	116,900	131,190
Long-term financial assets	64,812	70,042
Deferred tax assets	15,589	13,080
Others	24,523	22,576
Total non-current assets	802,701	822,069
Total assets	1,393,869	1,426,230

	As of March 31, 2019	As of March 31, 2018
Liabilities		
Current liabilities		
Trade and other payables	183,276	185,269
Short-term borrowings	10,989	15,280
Current portion of long-term borrowings	13,089	11,285
Other financial liabilities	5,935	4,049
Short-term employee benefits	37,273	37,811
Provisions	6,560	6,348
Income taxes payable	9,549	10,429
Others	11,510	9,636
Sub total	278,185	280,111
Liabilities of disposal groups classified as held for sale	13,571	-
Total current liabilities	291,756	280,111
Non-current liabilities		
Corporate bonds	169,479	169,413
Long-term borrowings	137,157	140,298
Other financial liabilities	25,412	28,428
Long-term employee benefits	64,406	64,807
Provisions	11,135	11,397
Deferred tax liabilities	7,392	10,448
Others	1,167	710
Total non-current liabilities	416,153	425,505
Total liabilities	707,909	705,616
Equity		
Common stock	79,863	79,863
Capital surplus	3,266	955
Treasury stock	(2,361)	(9,585)
Retained earnings	595,311	628,966
Other components of equity	(65,521)	(59,366)
Disposal groups classified as held for sale	(16)	-
Equity attributable to owners of the parent company	610,543	640,833
Non-controlling interests	75,417	79,780
Total equity	685,960	720,613
Total liabilities and equity	1,393,869	1,426,230

(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, 2019	Fiscal year ended March 31, 2018
Continuing operations		
Sales	1,127,483	1,114,784
Cost of sales	(731,904)	(720,118)
Gross profit	395,578	394,666
Share of profit of associates and joint ventures	(515)	3,966
Selling expenses	(175,118)	(176,319)
Research and development expenses	(27,823)	(27,833)
General and administrative expenses	(99,485)	(98,807)
Business profit	92,635	95,672
Other operating income	6,131	7,854
Other operating expenses	(45,616)	(24,821)
Operating profit	53,149	78,706
Financial income	8,114	9,578
Financial expenses	(7,061)	(7,465)
Profit before income taxes	54,202	80,819
Income taxes	(17,721)	(15,330)
Profit from continuing operations	36,480	65,489
Profit from discontinued operations	2,523	2,684
Profit	39,004	68,174
Attributable to:		
Owners of the parent company	29,698	60,124
Non-controlling interests	9,306	8,049
Profit from continuing operations attributable to owners of the parent company	27,276	57,533
Profit from discontinued operations attributable to owners of the parent company	2,421	2,590
Profit attributable to owners of the parent company	29,698	60,124
Earnings per share from continuing operations (yen):		
Basic	49.24	101.20
Diluted	-	-
Earnings per share from discontinued operations (yen):		
Basic	4.37	4.56
Diluted	-	-
Earnings per share (yen):		
Basic	53.62	105.76
Diluted	-	-

Consolidated Statements of Comprehensive Income
Millions of yen

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2018
Profit	39,004	68,174
Other comprehensive income (Net of related tax effects)		
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	(641)	2,282
Remeasurements of defined benefit pension plans	(4,294)	(9,340)
Share of other comprehensive income (loss) of associates and joint ventures	(185)	384
Items that may be reclassified subsequently to profit or loss:		
Cash flow hedges	(165)	90
Change in fair value of forward elements of forward contracts	(335)	(114)
Exchange differences on translation of foreign operations	3,429	(4,666)
Share of other comprehensive income (loss) of associates and joint ventures	(552)	112
Other comprehensive income (Net of related tax effects)	(2,745)	(11,252)
Comprehensive income	36,259	56,921
Comprehensive income attributable to:		
Owners of the parent company	25,512	47,100
Non-controlling interests	10,747	9,821

(3) Consolidated Statements of Changes in Equity
(Fiscal year ended March 31, 2019)
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
Balance as of April 1, 2018	79,863	955	(9,585)	628,966	24,454	(28,079)	(2,902)	(215)
Cumulative effects of changes in accounting policies				369				
Restated balance	79,863	955	(9,585)	629,335	24,454	(28,079)	(2,902)	(215)
Profit				29,698				
Other comprehensive income					(635)	(4,397)	(167)	(278)
Comprehensive income				29,698	(635)	(4,397)	(167)	(278)
Purchase of treasury stock			(40,008)					
Disposal of treasury stock		(0)	0					
Retirement of treasury stock		(47,221)	47,221					
Dividends				(18,423)				
Changes in transactions with non-controlling interests								
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		2,097						
Transfer from other components of equity to retained earnings				1,952	(1,935)			
Transfer of negative balance of other capital surplus		47,221		(47,221)				
Transfer to non-financial assets							(33)	
Stock-based remuneration transaction		214	10					
Disposal groups classified as held for sale					24	(7)		
Other				(30)				
Total net changes in transactions with owners of the parent company	-	2,311	7,224	(63,722)	(1,911)	(7)	(33)	-
Balance as of March 31, 2019	79,863	3,266	(2,361)	595,311	21,907	(32,484)	(3,103)	(494)

	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				
Balance as of April 1, 2018	(53,610)	987	(59,366)	-	640,833	79,780	720,613
Cumulative effects of changes in accounting policies			-		369		369
Restated balance	(53,610)	987	(59,366)	-	641,203	79,780	720,983
Profit			-		29,698	9,306	39,004
Other comprehensive income	2,031	(737)	(4,186)		(4,186)	1,440	(2,745)
Comprehensive income	2,031	(737)	(4,186)	-	25,512	10,747	36,259
Purchase of treasury stock			-		(40,008)		(40,008)
Disposal of treasury stock			-		0		0
Retirement of treasury stock			-		-		-
Dividends			-		(18,423)	(4,954)	(23,378)
Changes in transactions with non-controlling interests			-		-		-
Changes due to business combinations			-		-	1,094	1,094
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			-		2,097	(11,183)	(9,085)
Transfer from other components of equity to retained earnings		(17)	(1,952)		-		-
Transfer of negative balance of other capital surplus			-		-		-
Transfer to non-financial assets			(33)		(33)	(0)	(33)
Stock-based remuneration transaction			-		225		225
Disposal groups classified as held for sale			16	(16)	-		-
Other			-		(30)	(66)	(97)
Total net changes in transactions with owners of the parent company	-	(17)	(1,969)	(16)	(56,172)	(15,110)	(71,282)
Balance as of March 31, 2019	(51,579)	232	(65,521)	(16)	610,543	75,417	685,960

(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
Balance as of April 1, 2017	79,863	3,797	(6,895)	584,849	22,624	(18,763)	(3,018)	(126)
Profit				60,124				
Other comprehensive income					2,285	(9,316)	91	(88)
Comprehensive income	-	-	-	60,124	2,285	(9,316)	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						
Other								
Total net changes in transactions with owners of the parent company	-	(2,842)	(2,690)	(16,007)	(455)	-	24	-
Balance as of March 31, 2018	79,863	955	(9,585)	628,966	24,454	(28,079)	(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				
Balance as of April 1, 2017	(47,118)	1,102	(45,299)	-	616,315	74,358	690,673
Profit			-		60,124	8,049	68,174
Other comprehensive income	(6,491)	496	(13,023)		(13,023)	1,771	(11,252)
Comprehensive income	(6,491)	496	(13,023)	-	47,100	9,821	56,921
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			-		-	1,135	1,135
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
Other			-		-	526	526
Total net changes in transactions with owners of the parent company	-	(612)	(1,043)	-	(22,582)	(4,398)	(26,981)
Balance as of March 31, 2018	(53,610)	987	(59,366)	-	640,833	79,780	720,613

(4) Consolidated Statements of Cash Flows
Millions of yen

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2018
Cash flows from operating activities		
Profit before income taxes	54,202	80,819
Profit before income taxes from discontinued operations	2,427	4,009
Depreciation and amortization	52,485	51,783
Impairment loss	18,384	11,681
Impairment loss on shares of associates and joint ventures	14,107	-
Increase (decrease) in employee benefits	(1,823)	(2,560)
Increase (decrease) in provisions	975	1,202
Interest income	(4,373)	(4,405)
Dividend income	(1,351)	(1,341)
Interest expense	3,342	3,042
Share of profit of associates and joint ventures	560	(3,981)
Loss on disposal of property, plant and equipment	3,414	2,973
Gain on sales of property, plant and equipment	(1,251)	(2,712)
Gain on sales of shares of subsidiaries	(74)	(40)
Loss on sales of shares of subsidiaries	688	-
Environmental measures expenses	1,244	859
Decrease (increase) in trade and other receivables	(644)	(9,329)
Increase (decrease) in trade and other payables	3,375	20,720
Decrease (increase) in inventories	(3,877)	(11,287)
Increase (decrease) in consumption taxes payable	492	(1,588)
Increase (decrease) in other assets and liabilities	(236)	4,097
Others	1,264	2,351
Subtotal	143,334	146,295
Interest received	4,378	3,619
Dividends received	2,111	2,976
Interest paid	(3,239)	(2,922)
Income taxes paid	(23,328)	(23,313)
Net cash provided by operating activities	123,256	126,655

Millions of yen

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2018
Cash flows from investing activities		
Purchase of property, plant and equipment	(70,185)	(70,727)
Proceeds from sales of property, plant and equipment	4,441	3,693
Purchase of intangible assets	(9,822)	(7,239)
Purchase of financial assets	(3,495)	(1,869)
Proceeds from sales of financial assets	6,940	3,082
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	3,276	386
Purchase of shares in investments accounted for using equity method	-	(240)
Others	(4,078)	(881)
Net cash used in investing activities	(72,923)	(99,104)
Cash flows from financing activities		
Net change in short-term borrowings	(3,283)	3,313
Proceeds from long-term borrowings	8,543	23,388
Repayments of long-term borrowings	(11,962)	(24,174)
Dividends paid	(18,455)	(17,065)
Dividends paid to non-controlling interests	(4,889)	(5,893)
Purchase of treasury stock	(40,062)	(2,690)
Purchase of shares in subsidiaries not resulting in change of scope of consolidation	(8,640)	(217)
Others	(171)	(611)
Net cash provided by (used in) financing activities	(78,923)	(23,951)
Effect of currency rate changes on cash and cash equivalents	(754)	(1,734)
Net change in cash and cash equivalents	(29,344)	1,865
Cash and cash equivalents at beginning of the year	187,869	186,003
Cash and cash equivalents included in assets of disposal groups classified as held for sale	(4,799)	-
Cash and cash equivalents at end of the year	153,725	187,869

(5) Notes to Consolidated Financial Statements

(Going Concern Assumption)

Not applicable

(Changes in Accounting Policies)

(Impact of Applying New Accounting Policies)

The Group has applied the following accounting standards from the fiscal year ending March 31, 2019:

IFRS		Overview of new standards or amendments
IFRIC 22	<i>Foreign Currency Transactions and Advance Consideration</i>	Clarified accounting for foreign currency transactions and advance consideration
IFRS 15	<i>Revenue from Contracts with Customers</i>	Amended accounting for revenue recognition and related disclosures

Note 1: IFRIC 22 Foreign Currency Transactions and Advance Consideration

This Interpretation provides guidance on how to determine the exchange rate used for initial recognition of the related asset, expense or income (or part of such) upon derecognizing a non-monetary asset or liability related to the payment or receipt of advance consideration, and clarifies that the transaction date is the date a nonmonetary asset or liability arising from the payment or receipt of advance consideration is initially recognized. If there are multiple payments or receipts of advance consideration, the transaction date is determined for each payment or receipt of advance consideration.

The Group currently estimates that the adoption of this standard does not have a material impact on the Company's Condensed Consolidated Financial Statements since such transactions denominated in foreign currencies are monetarily immaterial to the Company's operating results and financial position.

Note 2: IFRS 15 Revenue from Contracts with Customers

IFRS15 requires the Group to recognize revenue, excluding interest and dividend income recognized in accordance with IFRS 9 and insurance revenue recognized in accordance with IFRS 4, upon transfer of promised goods or services to customers in amounts that reflect the consideration to which the Group expects to be entitled in exchange for those goods or services based on the following five-step approach:

Step 1: Identify the contracts with customers

Step 2: Identify the performance obligations in each contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Group mainly engages in selling seasonings, processed foods, frozen foods, amino acids, and other products. The sale of such goods meets the above requirements for revenue recognition when the Group satisfies its performance obligation by transferring control over the goods to the customer at the time of the delivery. Revenues from the sale of goods have been previously required to be recognized when the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership of the goods to the buyer;
- the Group does not retain continuing involvement nor effective control over the goods;
- it is probable that the economic benefits will flow to the Group; and
- the benefits and corresponding costs can be measured reliably.

The Group has previously recognized revenue at the time of the delivery of goods, and thus currently estimates that the adoption of this standard does not have a material impact on the Company's Condensed Consolidated Financial Statements.

EA Pharma Co., Ltd., an equity-method associate of the Company, has changed its revenue recognition policy on licensing of development and products (initial payments and milestones) due to applying this standard, but it has no material impact on the Group's operating results and financial

position.

In accordance with the transition requirements, the Group applies IFRS 15 retrospectively to contracts with customers not completed on the date of initial application (April 1, 2018) by recognizing the cumulative effect of initially applying this standard as an adjustment to the beginning balance of retained earnings for the fiscal year ended March 31, 2019.

(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."

In the fiscal year ended March 31, 2019, the personal care business was transferred from the Life Support segment to the Healthcare segment. The segment information for the previous fiscal year has been restated accordingly to reflect this change.

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.

In the fiscal year ended March 31, 2019, the logistics business was reclassified as a discontinued operation. Segment information in this document shows values for continuing operations only, which now excludes the logistics business.

Also, in the the second quarter of the fiscal year covered in this report, the Company finalized a provisional accounting treatment related to business combinations. The consolidated results for the previous fiscal year have been revised to reflect a significant change in the initial allocation of acquisition costs relating to the finalization of this provisional accounting treatment.

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> [®] , <i>HON-DASHI</i> [®] , <i>Cook Do</i> [®] , <i>Knorr</i> [®] Cup Soup, <i>Ajinomoto KK Consommé</i> , <i>Pure Select</i> [®] Mayonnaise, Seasonings and processed foods for restaurant use, Food ingredients (savory seasonings, enzyme <i>ACTIVA</i> [®]), Lunchboxes and delicatessen products, Bakery products, etc.
	Frozen Foods	<i>Gyoza</i> (Chinese dumplings), <i>Shoga Gyoza</i> , <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), <i>THE SHUMAI</i> , etc.
	Coffee Products	<i>Blendy</i> [®] (<i>CAFÉ LATORY</i> [®] , Stick coffee, etc.), <i>MAXIM</i> [®] (<i>Chyotto Zeitakuna Kohiten</i> [®]), 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> [®] (outside Japan), <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 seasonings/Indonesia), <i>CRISPY FRY</i> [®] (menu-specific seasonings/Philippines), <i>YumYum</i> [®] (instant noodles/Thailand), <i>Birdy</i> [®] (coffee beverage/Thailand), <i>Birdy</i> [®] 3in1 (powdered drink/Thailand), etc.
	Frozen Foods	<i>Gyoza</i> (POT STICKERS), Cooked rice (CHICKEN FRIED RICE, YAKITORI CHICKEN FRIED RICE etc.), Noodles (YAKISOBA, RAMEN, etc.), Desserts (MACARON, etc.) and others.
	Umami Seasonings for Processed Food Manufacturers and Sweeteners	Umami Seasonings <i>AJI-NO-MOTO</i> [®] for the food processing manufacturers, Nucleotides, Advantame, <i>PAL SWEET</i> [®] , etc.
Life Support	Animal Nutrition	Lysine, Threonine, Tryptophan, Valine, <i>AjiPro</i> [®] -L, etc.
	Specialty Chemicals	<i>Ajinomoto Build-up Film</i> [®] (<i>ABF</i>) (interlayer insulating material for semiconductor packages), etc.
Healthcare	Amino Acids	Amino acids (for intravenous drip etc.), pharmaceutical intermediates and active ingredients, etc.
	Others	Fundamental Foods (<i>Glyna</i> [®] , <i>Amino Aile</i> [®]) Functional foods (<i>amino VITAL</i> [®]), <i>Amilite</i> [®] (mild surfactant), <i>Amisoft</i> [®] , <i>Ajidew</i> [®] , 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, 2019

Millions of yen

	Reportable segment				Other *	Total	Adjustments	As included in consolidated statements of income
	Japan Food Products	International Food Products	Life Support	Healthcare				
Sales								
Sales to third parties	375,034	481,699	107,947	135,342	27,458	1,127,483	-	1,127,483
Inter-segment sales and transfers	4,252	5,290	3,521	2,578	35,054	50,697	(50,697)	-
Total sales	379,286	486,989	111,468	137,920	62,512	1,178,180	(50,697)	1,127,483
Share of profit of associates and joint ventures	352	(2,402)	85	11	1,436	(515)	-	(515)
Segment profit or loss (Business profit or loss)	29,896	42,312	9,579	12,079	(1,232)	92,635	-	92,635
	Other operating income							6,131
	Other operating expense							(45,616)
	Operating profit							53,149
	Financial income							8,114
	Financial expense							(7,061)
	Profit before income taxes							54,202

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

Fiscal year ended March 31, 2018

Millions of yen

	Reportable segment				Other *	Total	Adjustments	As included in consolidated statements of income
	Japan Food Products	International Food Products	Life Support	Healthcare				
Sales								
Sales to third parties	384,185	464,712	118,584	119,982	27,319	1,114,784	-	1,114,784
Inter-segment sales and transfers	3,853	4,639	3,259	2,509	30,315	44,577	(44,577)	-
Total sales	388,039	469,352	121,844	122,491	57,635	1,159,362	(44,577)	1,114,784
Share of profit of associates and joint ventures	348	1,816	53	125	1,623	3,966	-	3,966
Segment profit or loss (Business profit or loss)	38,899	41,491	8,082	9,373	(2,173)	95,672	-	95,672
	Other operating income							7,854
	Other operating expense							(24,821)
	Operating profit							78,706
	Financial income							9,578
	Financial expense							(7,465)
	Profit before income taxes							80,819

* 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, 2019	Fiscal year ended March 31, 2018
Profit from continuing operations	27,276	57,533
Profit from discontinued operations	2,421	2,590
Amount used for calculating the basic and diluted earnings per share	29,698	60,124

2) Weighted average number of ordinary shares

	<i>Thousands of shares</i>	
	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2018
Weighted average number of ordinary shares	553,908	568,512

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

	<i>Yen</i>	
	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2018
Basic earnings per share:		
Continuing operations	49.24	101.20
Discontinued operations	4.37	4.56
Basic earnings per share	53.62	105.76

Upon calculation of the basic earnings per share, the Company's shares held by Director's remuneration BIP Trust 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.