

Main impact of IFRS adoption FY2016 and FY2017

	FY2016 J-GAAP	Impact of IFRS adoption	FY2016 IFRS	FY2017 Forecast IFRS	
					(100M¥)
Net sales	10,914	▲2	10,911	11,870	Net sales
COGS/ SGA expenses	▲10,060	91	▲9,968		COGS/SGA, R&D expenses
		25	25		Equity in earnings of affiliates
Operating income	853	※115	968	1,020	Business profit *1
		▲132	▲132	▲55	Other income/expenses
			836		Operating income
Equity in earnings of affiliates	43	▲43			Financial income/expenses
Non-operating income/expenses	5	24	30	▲18	
Ordinary income	902				
Extraordinary gains/losses	▲51	51			
Income before income taxes	851	15	866	947	Income before income taxes
Income taxes	▲207	▲9	▲217	▲277	Income taxes
Net income	643	6	649	670	Net income
Profit attributable to owners of parent	525	4	530	570	Profit attributable to owners of parent
Profit attributable to non-controlling interests	117	1	119	100	Profit attributable to non-controlling interests

※Detail of impact of IFRS adoption

- ①Reclassification: 44
- ②Recognition & measurement differences: 71
 - Adjustment to goodwill: 66
 - Equity in earnings of affiliates: ▲18
 - Adjustment to retirement benefit liabilities: 24, etc.

*1 Business profit:

A profit indicator defined by Ajinomoto for administrative purposes

Sales - Cost of sales - Selling expenses, Research & development expenses and General & administrative expenses + Share of profit of associates and joint ventures

*2 Figures in this material are unaudited.