

Ajinomoto Co., Inc.
1H-FY2015 Consolidated Results

Note:

- Forward-looking statements, such as business forecasts, made in these financial statements are based on managements' estimates, assumptions and projections at the time of publication and do not represent a commitment from Ajinomoto Co., Inc. that they will be achieved. A number of factors could cause actual results to differ materially from expectations.
- Unaudited figures are included in this material for reference.
- Yen amounts presented in these materials are truncated for amounts in millions and in billions.
- In these materials, "-" indicates that an amount has not been recognized, and "0" indicates a fractional amount due to rounding.

<Based on accounting policies applied from FY2015>

*Change of product classification: :

- Overseas frozen foods: from the former Domestic Food Products to International Food Products
- Sweeteners: from the former Bioscience Products & Fine Chemicals to International Food Products
- Coffee products: from Other Business to Japan Food Products
- Wellness business: from Other Business to Healthcare
- Pharmaceuticals: from Pharmaceuticals (business classification is terminated) to Healthcare

<Based on accounting policies applied from FY2014 >

- *The following changes in accounting policies are conducted in FY2014. Sales promotion discounts paid to customers to expand sales are deducted from net sales. (Figures for FY2011 and subsequent fiscal years have been restated.)
- *In FY2014, the Company change its depreciation method (from the declining balance method to the straight-line method) and revise the terms of useful lives. (Figures for previous periods have not been restated)
- *Names and definitions of items in the breakdown of sales expenses have been changed from fiscal 2014. (Figures for FY2013 and subsequent fiscal years have been restated.)

1. Financial Statement Overview

< Based on accounting policies applied from FY2014 >

(in millions of JPY)

		FY ending Mar/16 (projected)	6 Months ended Sept/15	FY ended Mar/15	6 Months ended Sept/14	FY ended Mar/14	FY ended Mar/13	FY ended Mar/12
(1) Operating Results								
Net Sales	M. JPY	1,263,000	589,848	1,006,630	467,622	951,359	948,705	972,648
Gross profit	M. JPY	435,300	205,369	347,121	157,921	315,765	348,075	369,227
Operating income	M. JPY	86,000	48,081	74,519	28,588	61,807	71,232	72,584
Ordinary profit	M. JPY	89,000	50,592	82,808	31,909	68,800	77,167	75,919
Profit attributable to owners of parent	M. JPY	67,500	42,507	46,495	20,747	42,159	48,373	41,754
Earnings per share	JPY	114.72	71.83	78.54	35.04	68.67	74.35	61.28
Return on equity (ROE)		9.8%		7.4%		7.1%	7.8%	6.9%
Ratio of net income to total assets		5.3%		4.0%		3.8%		
Ratio of operating income to net sales		6.8%	8.2%	7.4%	6.1%	6.5%	7.5%	7.5%
Ratio of ordinary income to net sales		7.0%	8.6%	8.2%	6.8%	7.2%	8.1%	7.8%
Ratio of net income to net sales		5.3%	7.2%	4.6%	4.4%	4.4%	5.1%	4.3%
(2) Dividends								
Dividend per share		26		24		20	18	16
Payout ratio		22.7%		30.6%		29.1%	24.2%	26.1%
(3) Statement of Changes in Financial Position								
Total assets	M. JPY	1,300,200	1,257,649	1,255,090	1,111,771	1,093,165	1,091,741	1,097,057
Net assets	M. JPY	796,400	743,033	743,489	689,027	655,507	691,710	650,159
Shareholders' equity	M. JPY	714,700	673,116	669,576	624,127	594,950	635,287	605,349
Shareholders' equity ratio		55.0%	53.5%	53.3%	56.1%	54.4%	58.2%	55.2%
Book value per share	JPY	1,214.67	1,137.44	1,131.41	1,054.53	1,002.29	1,004.38	894.58
(4) Summary of Cash Flow Statement								
Net cash provided by operating activities	M. JPY		60,488	109,259	56,838	63,017	88,501	93,312
Net cash used in investing activities	M. JPY		-55,525	-140,391	-22,788	-63,497	15,201	-41,701
Net cash used in financing activities	M. JPY		2,800	52,822	-14,546	-55,248	-74,419	-37,456
Cash and cash equivalents at end of period	M. JPY		160,384	165,160	153,780	130,028	184,770	146,647

< Reference: Figures before amortization of goodwill, etc. of Windsor and AGF >

(in millions of JPY)

		FY ending Mar/16 (projected)	6 Months ended Sept/15	FY ended Mar/15
Operating Results				
Operating income	M. JPY	93,000	51,716	75,337
Ordinary profit	M. JPY	96,000	54,227	83,626
Net income*	M. JPY	72,800	45,202	47,003
Earnings per share	JPY	123.73	76.38	79.40
Return on equity (ROE)		10.5%		7.4%
Ratio of net income to total assets		7.4%	8.8%	7.5%
Ratio of operating income to net sales		7.6%	9.2%	8.2%
Ratio of ordinary income to net sales		5.8%	7.7%	4.6%

* Amortization of goodwill, etc. of AGF is provisional based on projections for FY ending Mar/16

2. Number of Consolidated Subsidiaries/Affiliates

		FY ending Mar/16 (projected)	6 Months ended Sept/15	FY ended Mar/15	6 Months ended Sept/14	FY ended Mar/14	FY ended Mar/13	FY ended Mar/12	FY ended Mar/11
Consolidated domestic subsidiaries		42	42	39	40	39	38	42	41
Consolidated overseas subsidiaries		54	54	60	51	50	48	51	54
	<i>Sub-Total</i>	96	96	99	91	89	86	93	95
Domestic affiliates subject to equity method		5	5	6	6	6	5	4	4
Overseas affiliates subject to equity method		0	1	5	6	6	6	6	6
	<i>Sub-Total</i>	5	6	11	12	12	11	10	10
Parent company		1	1	1	1	1	1	1	1
	<i>Total</i>	102	103	111	104	102	98	104	106

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3. Change of Number of Consolidated Subsidiaries/Affiliates (from Mar/15 to Sept/15)

Increase(10)	Increase:	Ajinomoto General Foods, Inc., AGF Suzuka, Inc., AGF Kanto, Inc., Ajinomoto SEA Regional Headquarters Co., Ltd., Ajinomoto Genexine Co., Ltd., AJINOMOTO NORTH AMERICA, INC.(after spin-off), GABAN SPICE MANUFACTURING (M) SDN. BHD., Other 3 companies
Decrease(13)	Decrease:	Amoy North America, Inc., Shenzhen Amoy Foods Ltd , Ajinomoto Sweeteners Europe S.A.S., Windsor Quality Holdings, LP, Other 9 companies
Equity method	Increase:	None
Increase(0)	Decrease:	Ajinomoto General Foods, Inc., Other 4 Companies
Decrease(5)		

4. Foreign Exchange Information

		FY ending Mar/16 (projected)	6 Months ended Sept/15	FY ended Mar/15	6 Months ended Sept/14	FY ended Mar/14	FY ended Mar/13	FY ended Mar/12	FY ended Mar/11
JPY/US Dollar	End of Period	120.0	119.96	120.17	109.45	102.92	94.05	82.19	83.15
	Average	120.0	121.87	109.76	103.01	100.17	82.91	79.08	85.74
JPY/Euro	End of Period	135.0	134.97	130.32	138.87	141.65	120.73	109.80	117.57
	Average	135.0	135.11	138.69	138.90	134.21	106.78	109.02	113.13
JPY/THB	End of Period	3.40	3.29	3.70	3.38	3.17	3.20	2.67	2.75
	Average	3.50	3.57	3.38	3.19	3.19	2.70	2.59	2.75
JPY/100IDR	End of Period	0.9	0.82	0.92	0.90	0.91	0.98	0.91	0.96
	Average	0.9	0.91	0.91	0.89	0.93	0.88	0.91	0.96
JPY/BRL	End of Period	31.0	29.53	37.21	44.71	45.52	46.52	45.12	51.05
	Average	34.0	36.87	44.35	45.76	44.55	41.19	46.52	49.65
JPY/RMB	End of Period	19.2	18.96	19.36	17.73	16.59	15.14	13.05	12.68
	Average	19.2	19.45	17.71	16.62	16.38	13.18	12.36	12.78

5. Number of Employees

	FY ending Mar/16 (projected)	6 Months ended Sept/15	FY ended Mar/15	6 Months ended Sept/14	FY ended Mar/14	FY ended Mar/13	FY ended Mar/12	FY ended Mar/11
Parent Company		3,509	3,484	3,518	3,398	3,343	3,300	3,310
(including expatriates)		4,220	4,220	4,252	4,199	4,211	4,195	4,186
Consolidated Basis		34,136	31,312	29,829	27,579	27,518	28,245	28,084

6. Interest-bearing Debts

(in millions of JPY)

	As of Mar/16 (projected)	As of Sept/15	As of Mar/15	As of Sept/14	As of Mar/14	As of Mar/13	As of Mar/12	As of Mar/11
Short-term borrowings and debt		35,214	121,446	33,437	37,327	36,764	23,423	22,407
Commercial paper		15,000	15,000	15,000	0	0	0	0
Bonds		19,995	19,994	19,994	34,993	49,992	69,990	69,989
Long-term debt		162,011	55,153	68,705	70,634	32,557	36,626	40,994
	<i>Total</i>	232,220	211,594	137,137	142,954	119,314	130,040	133,391
Cash and deposits with bank		164,607	168,294	156,397	132,416	186,501	149,913	141,801
	<i>Net</i>	67,612	43,299	-19,260	10,538	-67,187	-19,873	-8,410

7. Depreciation

(in billions of JPY)

	FY ending Mar/16 (projected)	6 Months ended Sept/15
(1) Parent company	102	55
Subsidiaries	410	199
Adjustment	-	-1
	<i>Total</i>	512
(2) By business segment		
Japan Foods Products	107	50
International Food Products	178	90
Life Support	90	38
Healthcare	61	36
Other Business	26	10
All Company	50	27
	<i>Total</i>	512

(in billions of JPY)

	FY ended Mar/15	6 Months ended Sept/14	FY ended Mar/14	FY ended Mar/13	FY ended Mar/12	FY ended Mar/11
(1) Parent company	102	50	128	129	131	156
Subsidiaries	334	162	333	303	315	355
Adjustment	-2	-1	-4	-8	-10	-13
	<i>Total</i>	433	211	457	424	498
(2) By business segment						
Domestic Food Products	83	39	95	102	129	136
Overseas Food Products	127	64	132	98	85	99
Bioscience Products & Fine Chemicals	138	64	132	113	105	137
Pharmaceuticals	12	6	21	33	36	35
Other Business	21	11	20	19	21	23
All Company	50	25	54	57	57	64
	<i>Total</i>	433	211	457	424	498

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8. Capital Expenditure/Investment

(in billions of JPY)

	FY ending Mar/16 (projected)	6 Months ended Sept/15
(1) Parent company	135	46
Subsidiaries	562	142
Adjustment	-	3
Total	697	191
(2) By business segment		
Japan Foods Products	147	62
International Food Products	322	62
Life Support	103	22
Healthcare	72	26
Other Business	19	6
All Company	34	11
Total	697	191

(in billions of JPY)

	FY ended Mar/15	6 Months ended Sept/14	FY ended Mar/14	FY ended Mar/13	FY ended Mar/12	FY ended Mar/11
(1) Parent company	121	44	111	119	102	77
Subsidiaries	410	149	405	501	471	393
Adjustment	-22	-6	-10	-5	-6	-13
Total	509	186	506	615	567	457
(2) By business segment						
Domestic Food Products	126	53	85	117	122	107
Overseas Food Products	151	45	149	234	240	173
Bioscience Products & Fine Chemicals	152	60	164	163	124	100
Pharmaceuticals	10	2	12	34	32	29
Other Business	19	11	25	18	20	17
All Company	48	14	67	47	28	28
Total	509	186	506	615	567	457

9. R&D Expenditure

(in billions of JPY)

	FY ending Mar/16 (projected)	6 Months ended Sept/15
(1) Parent company	268	117
Subsidiaries	83	38
Total	351	156
(2) By business segment		
Japan Foods Products	36	17
International Food Products	41	18
Life Support	58	23
Healthcare	89	32
Other Business	0	0
All Company	127	65
Total	351	156

(in billions of JPY)

	FY ended Mar/15	6 Months ended Sept/14	FY ended Mar/14	FY ended Mar/13	FY ended Mar/12	FY ended Mar/11
(1) Parent company	242	101	241	239	244	269
Subsidiaries	79	46	77	86	103	99
Total	322	148	319	326	348	369
(2) By business segment						
Domestic Food Products	33	17	29	37	47	59
Overseas Food Products	30	15	28	27	30	27
Bioscience Products & Fine Chemicals	79	37	75	75	76	86
Pharmaceuticals	58	28	81	94	114	111
Other Business	7	4	7	7	7	11
All Company	112	46	97	83	72	71
Total	322	148	319	326	348	369

10. Selling, G&A Expenses

< Based on accounting policies applied from FY2014 >

(in millions of JPY)

	FY ending Mar/16 (projected)	6 Months ended Sept/15	FY ended Mar/15	6 Months ended Sept/14	FY ended Mar/14	FY ended Mar/13	FY ended Mar/12
(1) Selling Expense							
Transportation		24,030	37,315	17,443	31,143	32,231	35,538
Advertisement		13,716	25,278	11,039	21,938	22,322	22,007
Sales commission		12,356	23,859	10,377	23,798	39,890	50,013
Miscellaneous		1,668	1,871	651	1,273	1,259	1,068
Total		51,771	88,325	39,512	78,155	95,703	108,627
(2) General and Administrative Expenses							
Salaries		27,348	46,955	23,412	44,581	43,955	45,238
Bonuses and other allowances		10,948	18,039	9,133	17,095	17,421	18,888
Periodic pension and severance cost		3,099	7,333	3,824	5,781	6,561	8,971
Depreciation expense		5,590	9,528	4,219	9,687	9,948	10,395
Amortization of goodwill*	7,607	3,745	2,201	769	1,589	2,265	4,503
Other		54,782	100,217	48,461	97,066	100,989	100,021
Total		105,516	184,276	89,820	175,802	181,139	188,016
Total Selling, G&A expenses	351,600	157,287	272,601	129,332	253,957	276,842	296,643

11. Non-Operating Income & Loss

(in millions of JPY)

	FY ending Mar/16 (projected)	6 Months ended Sept/15	FY ended Mar/15	6 Months ended Sept/14	FY ended Mar/14	FY ended Mar/13	FY ended Mar/12	FY ended Mar/11
(1) Non-Operating Income								
Interest income		1,437	2,873	1,383	2,129	1,857	1,847	1,232
Dividend income		736	1,147	700	1,067	1,044	974	939
Equity in earnings of affiliates		937	5,177	2,128	3,360	3,058	2,401	2,990
Exchange gains		-	1,675	-	699	0	0	-
Other		2,341	3,512	1,840	4,331	3,983	2,263	2,250
Total		5,451	14,384	6,053	11,588	9,944	7,487	7,411
(2) Non-Operating Expense								
Interest expense		1,105	2,140	1,061	2,032	1,931	2,167	2,440
Exchange losses		-	-	-	-	0	0	205
Commission paid		-	675	573	328	0	0	0
Other		1,835	3,281	1,098	2,234	2,077	1,985	3,639
Total		2,940	6,096	2,732	4,595	4,009	4,152	6,286

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(in millions of JPY)								
	FY ending Mar/16 (projected)	6 Months ended Sept/15	FY ended Mar/15	6 Months ended Sept/14	FY ended Mar/14	FY ended Mar/13	FY ended Mar/12	FY ended Mar/11
(1) Extraordinary Gains								
Gain on sale of fixed assets		-	-	-	3,081	0	0	0
Gain on sales of investment securities		-	-	-	-	-	554	912
Gain on sales of shares in affiliated companies		-	-	-	2,315	18,201	-	0
Insurance income		-	-	10	1,189	1,800	6,012	182
Gain on transfer of benefit obligation relating to employees' pension fund		-	-	-	-	27,752	-	0
Gain on liquidation of affiliated companies		-	-	-	1,005	-	-	-
Gain on termination of retirement benefit system		-	9,290	-	-	-	-	-
Gain on step acquisitions		18,027	-	-	-	-	-	-
Other		318	3,568	898	1,029	1,387	521	2,126
Total		18,345	12,858	908	8,621	49,141	7,088	3,220
(2) Extraordinary Losses								
Loss on disposal of fixed assets		819	1,757	505	1,222	2,951	3,320	-
Impairment losses		-	10,486	-	624	14,562	1,106	8,503
Loss on devaluation of securities		-	-	-	0	2,346	607	7,416
Compensation expenses		-	-	-	664	-	-	-
Loss on liquidation of affiliates		6,587	-	-	859	-	0	0
Loss from natural disaster		-	-	-	-	0	3,759	3,231
Other		1,661	4,374	838	1,489	5,620	2,121	6,123
Total		9,067	16,617	1,343	4,860	25,481	10,915	25,275

13. Information by Business segment

< Based on accounting policies applied from FY2015 >

(in millions of JPY)						
	FY ending Mar/16 (projected)	6 Months ended Sept/15	FY ended Mar/15	6 Months ended Sept/14	FY ended Mar/14	FY ended Mar/13
Japan Foods Products						
Sales to external customers	404,500	189,665	289,084	138,771	286,088	346,687
Y/Y %	139%	137%	101%	-	83%	-
Operating income	26,800	12,967	24,799	9,519	26,075	32,510
Y/Y %	108%	136%	95%	-	80%	-
International Food Products						
Sales to external customers	502,700	234,416	384,102	173,371	329,766	277,881
Y/Y %	130%	135%	116%	-	119%	-
Operating income	43,200	23,204	31,984	16,459	25,186	19,110
Y/Y %	135%	141%	127%	-	132%	-
Life Support						
Sales to external customers	157,500	74,498	149,129	67,152	142,423	137,506
Y/Y %	105%	111%	105%	-	104%	-
Operating income	12,800	8,310	14,356	2,035	4,233	14,801
Y/Y %	89%	408%	339%	-	29%	-
Healthcare						
Sales to external customers	135,700	63,808	120,924	56,403	128,523	126,714
Y/Y %	112%	113%	94%	-	101%	-
Operating income	3,700	3,277	3,123	755	5,127	2,141
Y/Y %	118%	434%	61%	-	239%	-
Other Business						
Sales to external customers	62,600	27,458	63,390	31,922	64,558	59,917
Y/Y %	98%	86%	98%	-	108%	-
Operating income	-500	320	257	-181	1,185	2,671
Y/Y %	-	-	22%	-	44%	-
Consolidated, Total						
Net Sales	1,263,000	589,848	1,006,630	467,622	951,359	948,706
Y/Y %	125%	126%	106%	-	100%	-
Operating income	86,000	48,081	74,519	28,588	61,807	71,233
Y/Y %	115%	168%	121%	-	87%	-

(in millions of JPY)					
	FY ended Mar/15	6 Months ended Sept/14	FY ended Mar/14	FY ended Mar/13	FY ended Mar/12
Domestic Food Products					
Sales to external customers	321,814	147,298	299,925	357,057	396,268
Y/Y %	107%	102%	84%	90%	-
Operating income	23,822	10,107	27,045	32,641	31,705
Y/Y %	88%	89%	83%	103%	-
Overseas Food Products					
Sales to external customers	326,789	153,135	292,366	245,085	229,960
Y/Y %	112%	106%	119%	107%	-
Operating income	34,154	16,421	25,046	20,703	21,545
Y/Y %	136%	128%	121%	96%	-
Bioscience Products & Fine Chemicals					
Sales to external customers	239,544	108,265	228,102	203,801	197,648
Y/Y %	105%	97%	112%	103%	-
Operating income	17,073	2,573	6,393	14,368	12,159
Y/Y %	267%	66%	44%	118%	-
Pharmaceuticals					
Sales to external customers	39,704	18,793	51,228	71,450	77,922
Y/Y %	78%	67%	72%	92%	-
Operating income	2,155	235	3,812	3,194	6,488
Y/Y %	57%	15%	119%	49%	-
Other Business					
Sales to external customers	78,777	40,129	79,736	71,312	70,847
Y/Y %	99%	98%	112%	101%	-
Operating income	-2,686	-750	-491	324	686
Y/Y %	547%	-	-	47%	-
Consolidated, Total					
Net Sales	1,006,630	467,622	951,359	948,705	972,648
Y/Y %	106%	100%	100%	98%	-
Operating income	74,519	28,588	61,807	71,232	72,584
Y/Y %	121%	96%	87%	98%	-

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14. Information by Geographic segment

< Based on accounting policies applied from FY2014 >

(in millions of JPY)

	FY ending Mar/16 (projected)	6 Months ended Sept/15	FY ended Mar/15	6 Months ended Sept/14	FY ended Mar/14	FY ended Mar/13	FY ended Mar/12
Japan							
Sales to external customers	580,300	268,750	460,402	225,339	474,948	541,509	590,828
Y/Y %	126%	119%	97%	96%	88%	92%	-
Operating income	30,400	17,013	29,625	11,882	32,723	34,350	35,555
Y/Y %	102%	143%	91%	84%	95%	97%	-
Asia							
Sales to external customers	295,200	138,759	260,440	120,334	230,269	194,533	177,396
Y/Y %	113%	115%	113%	104%	118%	110%	-
Operating income	38,200	21,239	30,458	14,945	24,848	22,105	21,585
Y/Y %	125%	142%	123%	113%	112%	102%	-
Americas							
Sales to external customers	264,800	126,157	175,317	72,043	139,287	117,483	114,084
Y/Y %	151%	175%	126%	106%	119%	103%	-
Operating income	12,700	7,724	11,656	3,130	4,197	9,285	8,888
Y/Y %	108%	247%	278%	118%	45%	104%	-
Europe							
Sales to external customers	122,700	56,180	110,469	49,904	106,853	95,178	90,338
Y/Y %	111%	113%	103%	100%	112%	105%	-
Operating income	4,700	2,104	2,778	-1,369	37	5,491	6,554
Y/Y %	169%	-	7508%	-	1%	84%	-
Consolidated, Total							
Sales to external customers	1,263,000	589,848	1,006,630	467,622	951,359	948,705	972,648
Y/Y %	125%	126%	106%	100%	100%	98%	-
Operating income	86,000	48,081	74,519	28,588	61,807	71,232	72,584
Y/Y %	115%	168%	121%	96%	87%	98%	-