

**Ajinomoto Co., Inc. (2802)
Forecast for the Fiscal Year
Ending March 31, 2017 (FY2016)
and Outlook**

May 10, 2016

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President & CEO**

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I. Overview of FY2016 Forecast

FY2016 Forecast

In the final fiscal year of the FY2014-2016 Medium-Term Management Plan, even though both net sales and operating income are expected to be basically unchanged year on year (YoY), we aim to achieve operating income in line with our initial plan.

(¥ Billion)	FY2016 Forecast	FY2015 Results	YoY Change
Net sales	1,186.0	1,185.9	0.0%
Operating income	91.0	91.0	-0.0%
Net income*	51.0	63.5	-19.8%
Net income per share (¥)	89.08	108.14	-17.6%

Ref.: Excluding impact of amortization of goodwill.

Amortization of goodwill	6.8	7.0	-3.1%
Operating income before amortization of goodwill	97.8	98.1	-0.3%

* "Net income refers to "profit (loss) attributable to owners of the parent" throughout this presentation.

■ Net sales

▲: Impact of exchange rates

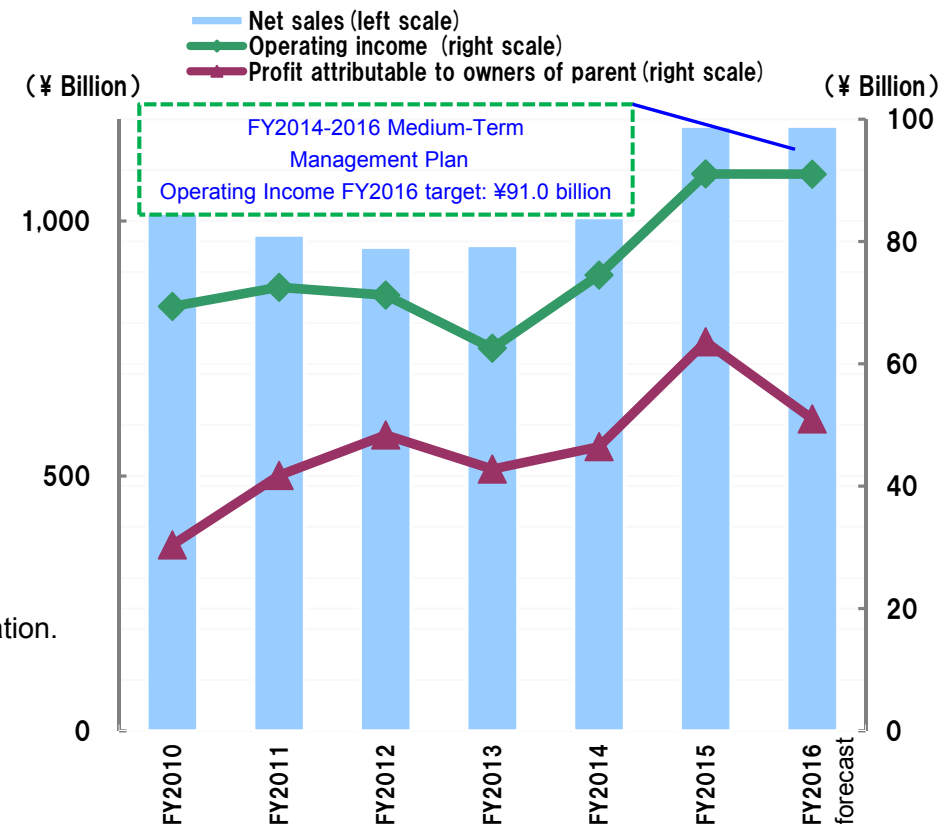
▲: Change to recording of pharmaceutical business under equity in earnings of nonconsolidated subsidiaries and affiliates due to integration into EA Pharma Co., Ltd.

■ Operating income

▲: Impact of exchange rates and higher raw material and fuel prices

■ Net income

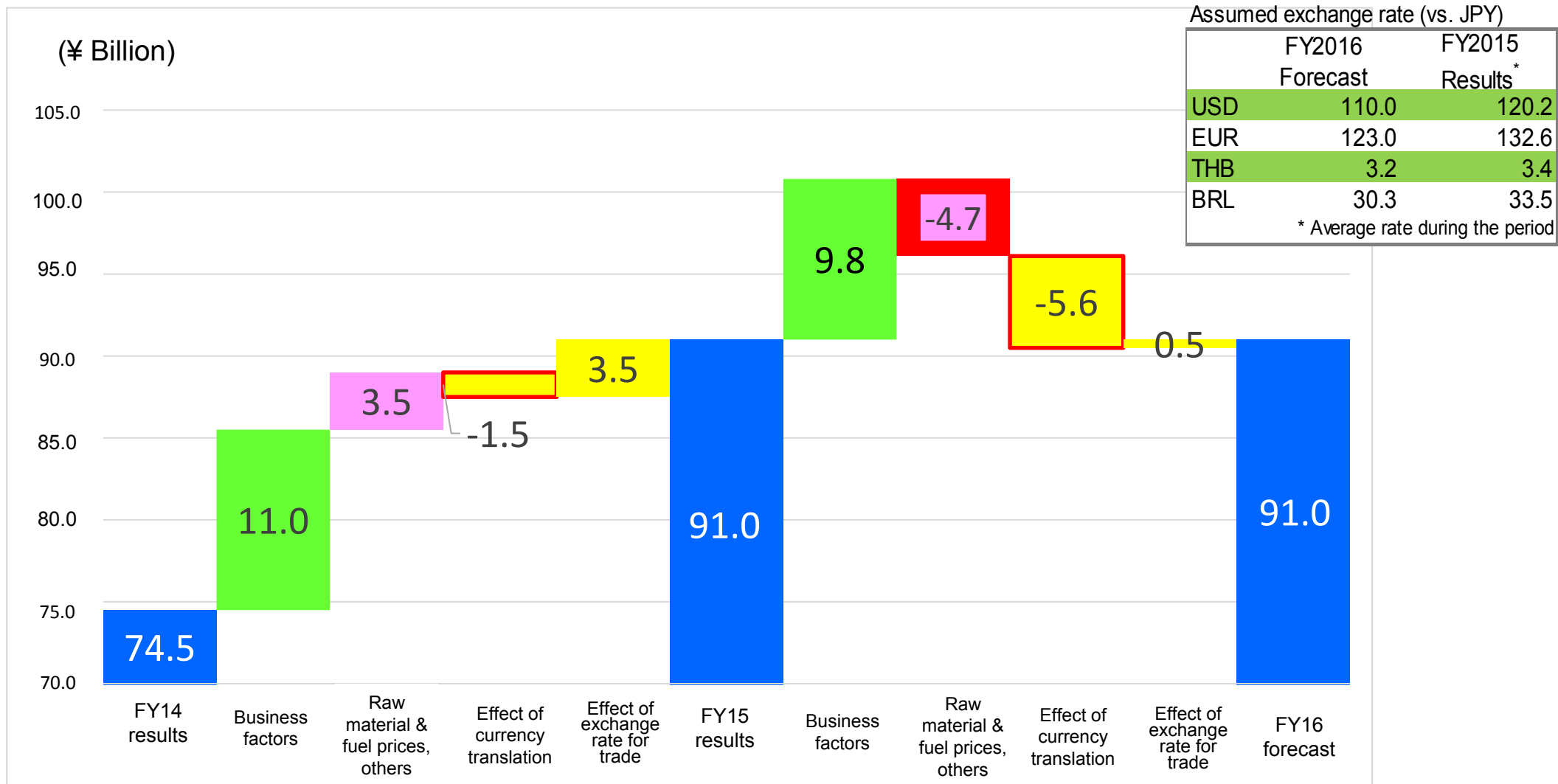
▲: Decrease in net non-operating income, and net extraordinary gains



Note: From FY2011, sales promotion discounts are deducted from net sales under a new accounting treatment.

Factors in Changes in FY2016 Operating Income Forecast

Negative impact on exchange rates from the appreciation of the yen. Increases forecast in both fermentation raw materials and fuel and food product raw materials. We will promote measures to further raise profitability to achieve the targets for the three-year plan.



FY2016 Forecast by Segment

(¥ Billion)

	FY2016 Forecast	O.P.%	FY2015	O.P.%	YoY Change		YoY Change*
					Amount	%	
Net sales	1,186.0		1,185.9		0.0	0%	3%
Japan Food Products	411.8		397.0		14.7	3%	3%
International Food Products	466.8		463.9		2.8	0%	7%
Life Support	145.2		142.4		2.7	2%	7%
Healthcare	98.0		89.5		8.4	9%	14%
Other	64.2		92.9		-28.7	-31%	-30%
Operating income	91.0	7.7%	91.0	7.7%	0.0	-0%	5%
Japan Food Products	35.2	8.5%	30.6	7.7%	4.5	14%	9%
International Food Products	41.4	8.9%	41.9	9.0%	-0.5	-1%	10%
Life Support	11.7	8.1%	11.8	8.2%	-0.1	-0%	7%
Healthcare	5.8	5.9%	5.6	6.2%	0.1	3%	16%
Other	-3.1	-4.8%	1.0	1.0%	-4.1	-209%	-426%
Ordinary income	91.6		94.3		-2.7	-2%	
Profit attributable to owners of parent	51.0		63.5		-12.5	-19%	
Exchange rate							
JPY/USD	110.0		120.2				
JPY/EUR	123.0		132.6				

* Excluding impact of exchange rate.

Changes as of FY2016 (Figures for FY2015 and subsequent fiscal years have been restated.)

1. Japan Food Products segment: The nutrition care business that was included in other in the Healthcare segment has been transferred to the seasonings & processed foods business.
2. International Food Products segment: Transfer within the segment. The international household sweeteners business has been transferred from sweeteners to international seasonings and processed foods.
3. Healthcare segment: The method for recording the former pharmaceuticals business was changed due to the inauguration of EA Pharma Co., Ltd.
4. Other: Recorded expenses related to the pharmaceuticals business.

* YoY change excluding the effect of exchange rates

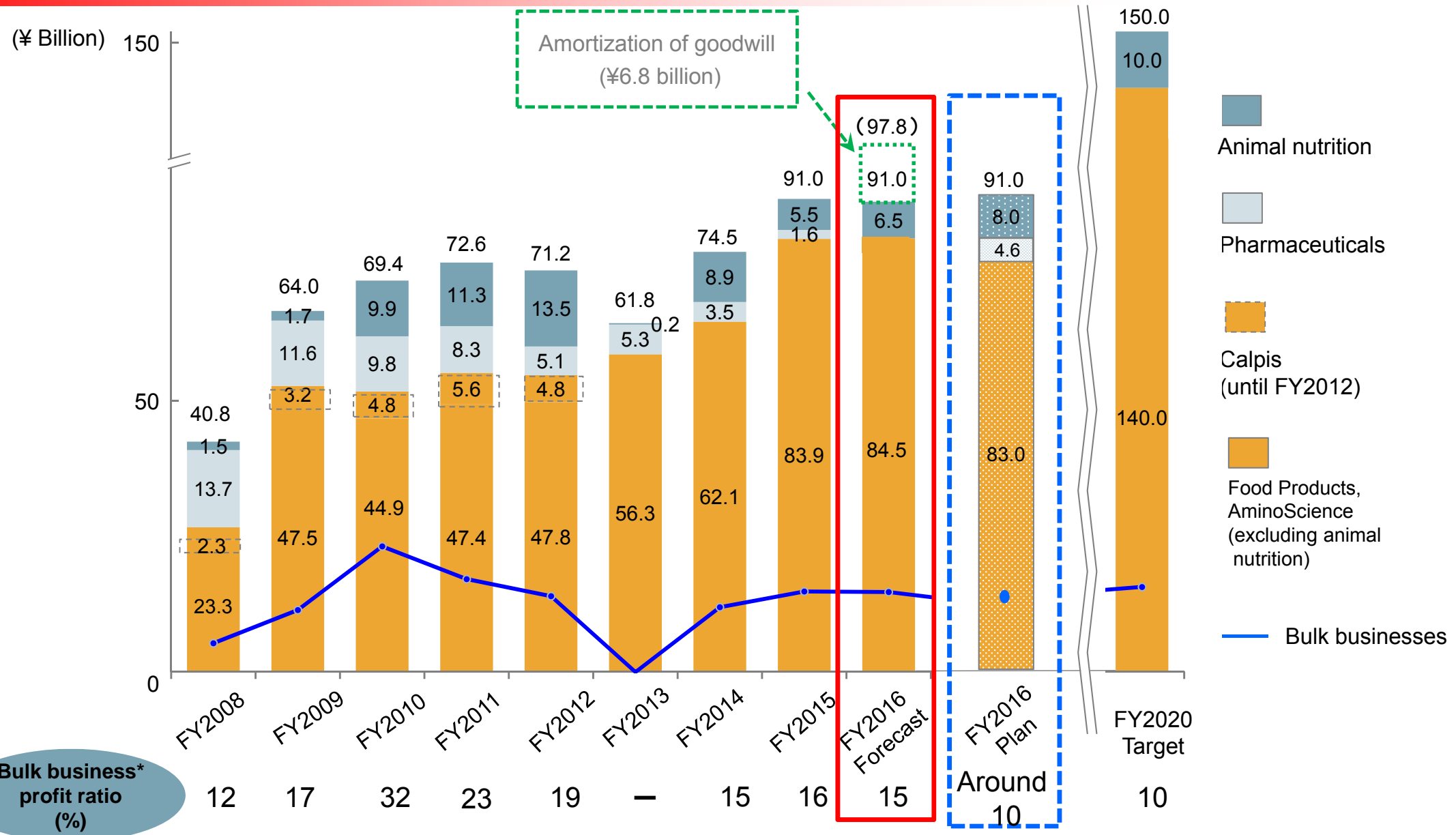
FY2016 Forecast - Ordinary Income and Net Income

Ordinary income and net income will decrease substantially. Excluding non-recurring items, they will be on par with the previous fiscal year.

	FY2016 Forecast	FY2015 Results	Difference	Main Factors	(¥ Billion)
Net sales	1,186.0	1,185.9	0.1		
Operating income	91.0	91.0	0.0		
Non-operating income (-:losses)	0.6	3.2	-2.6		
Interest income	2.3	2.8	-0.5		
Dividend income	1.0	1.3	-0.3		
Equity in earnings of nonconsolidated subsidiaries and affiliates	1.5	1.5	0.0		
Interest expense	-2.6	-2.2	-0.4		
Other (net)	-1.7	-0.1	-1.6		
Ordinary income	91.6	94.3	-2.7		
Extraordinary gains (-:losses)	-3.2	5.9	-9.1		
Gain on step acquisitions	0.0	18.0	-18.0	FY2015 Ajinomoto General Foods, Inc.	Net income before income taxes: Non-recurring items Approx. 12.0 <ul style="list-style-type: none"> •AGF: +18.0 •Brazil: approx. +25.0 •Thailand, China, etc.: approx. -7.5 •Pharmaceuticals: -16.6 •Sweeteners: approx. -7.0
Gain on sales of shares in affiliated companies	0.0	24.8	-24.8	FY2015 NISSIN-AJINOMOTO ALIMENTOS LTDA.	
Impairment losses	0.0	-7.4	7.4	FY2015 Ajinomoto Co., (Thailand) Ltd., Shanghai Ajinomoto Seasoning Co., Ltd.,	
Pharmaceutical business structural reform expenses	0.0	-16.6	16.6	FY2015 Pharmaceuticals business	
Other (net)	-3.2	-12.8	9.6		
Net income before income taxes	88.4	100.3	-11.9		
Income taxes	27.3	27.0	0.3	Effective tax rate FY2015:26.9%, FY2016 forecast:30.8%	
Profit for the period	61.1	73.3	-12.2		
Profit attributable to non-controlling interests	10.1	9.7	0.4		
Net income	51.0	63.5	-12.5		
Net income (excluding non-recurring items)	51.0	51.0	0.0		

Targeted Composition of Operating Income

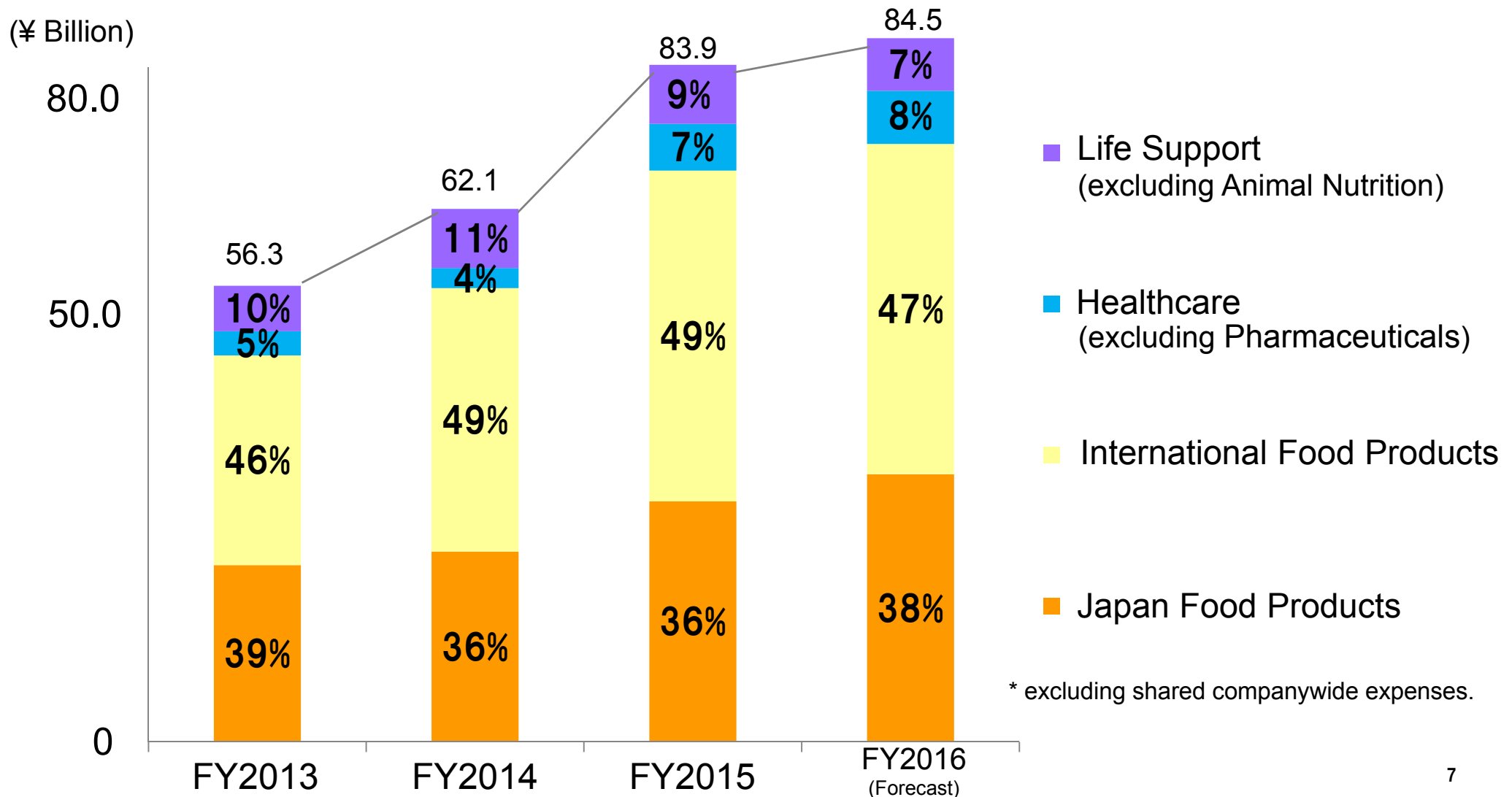
Raise earnings quality by controlling the ratio of bulk businesses and pursuing specialty groupwide.



* Bulk businesses: Umami seasonings for processed food manufacturers, animal nutrition, sweeteners

Share of Specialty Products in Operating Income FY2013~FY2016

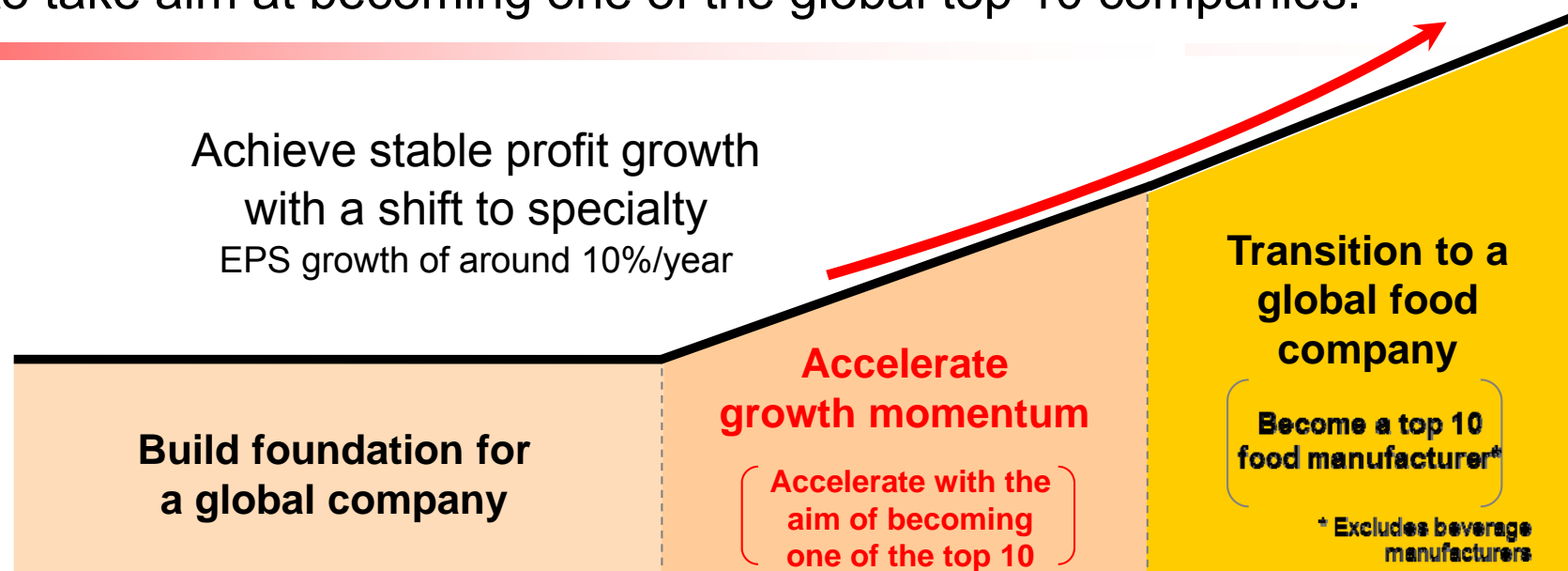
Share of specialty products in operating income is steadily growing.



* excluding shared companywide expenses.

Roadmap to a Genuine Global Specialty Company

Accelerate growth to take aim at becoming one of the global top 10 companies.



	FY2011 Actual	FY2012 Actual	FY2013 Actual	FY2014 Actual	FY2015 Actual	FY2016 Forecast	FY2016 (Target)	FY2020~ (Vision)
Operating income (¥ Bil.)	72.6	71.2	61.8	74.5	91.0	91.0	91.0	150.0
OP margin (%)	7.5	7.5	6.5	7.4	7.7	7.7	8	10
ROE	6.9%	7.8%	7.1%	7.4%	9.8%	8.1%	9%	10%~
EPS (¥)	61.3	74.4	68.7	78.5	108.14	89.08	100.0	150
Operating income excl. goodwill¹ /OP margin (%)				75.3 (7.5)	98.1 (8.3)	97.8 (8.3)		
ROE excl. goodwill¹				7.4%	10.7%	9.0%		
EPS excl. goodwill¹ (¥)				79.4	117.85	98.78		
Bulk business profit ratio²	23%	19%	—	15%	16%	15%	Around 10%	10%

1. Reference data excluding amortization of goodwill.

2. Bulk businesses: Umami seasonings for processed food manufacturers, animal nutrition, sweeteners

II. GROW: Accelerate Growth Momentum

(1) Growth Drivers

**International Food Products/Seasonings &
Processed Foods**

(2) Stable Growth Businesses

**Japan Food Products/Seasonings & Processed Foods
and Frozen Foods**

(3) Business Strengthening

Healthcare/Amino Acids

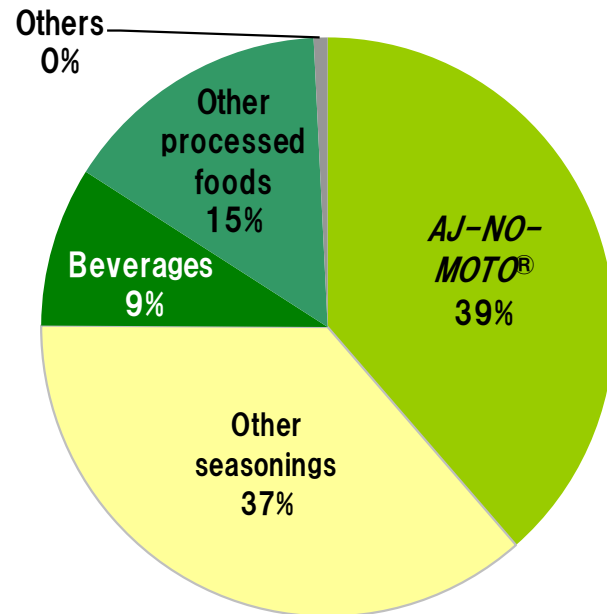
(4) M&A Follow-Up

International Frozen Food Products/Coffee Products

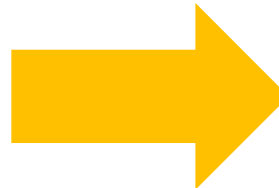
(1) Growth Drivers: International Seasonings and Processed Foods

Sales of international seasonings and processed foods remain firm, centered on *AJI-NO-MOTO®* and flavor seasonings.

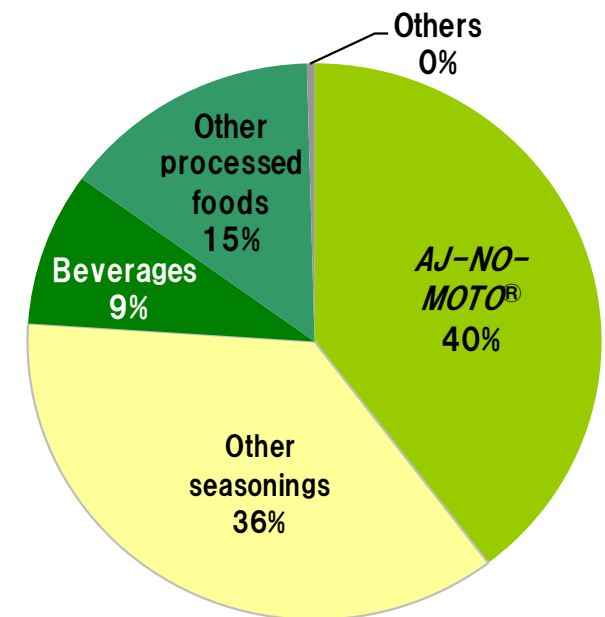
FY2014 ¥272.5 billion



YoY +2% growth
 (Local currency basis: +5%)



FY2015 ¥280.3 billion



***AJI-NO-MOTO®* and flavor seasonings account for around 80% of sales.**

(1)-1. ① Create country/area pillars to follow Japan with rapid growth in the “Five Stars” countries.

Aim to Double/Triple Growth in “Five Stars”: Steady growth of existing businesses and aggressive expansion of business domains at five target companies

○ : scale of sales expansion by FY2020 (vs. FY2012, local currency basis)



- Growth of middle and upper income brackets
- Modernization of eating habits/channels

◆ Seasonings Business

Steady expansion of AJI-NO-MOTO® and flavor seasonings



Indonesia
Expand Masako to approx. 70,000 tons

✓ Strengthen initiatives in restaurant channel

Enhance varieties for local menus



Thailand
Strengthen initiatives for restaurants/
varieties for noodle shops



Philippines
Launch of
SINIGANG Cube

✓ Further promote specialty

Use meat extract produced in-house and strengthen communication of “deliciousness” and “safety and reliability”



Vietnam
Ad for Aji-ngon

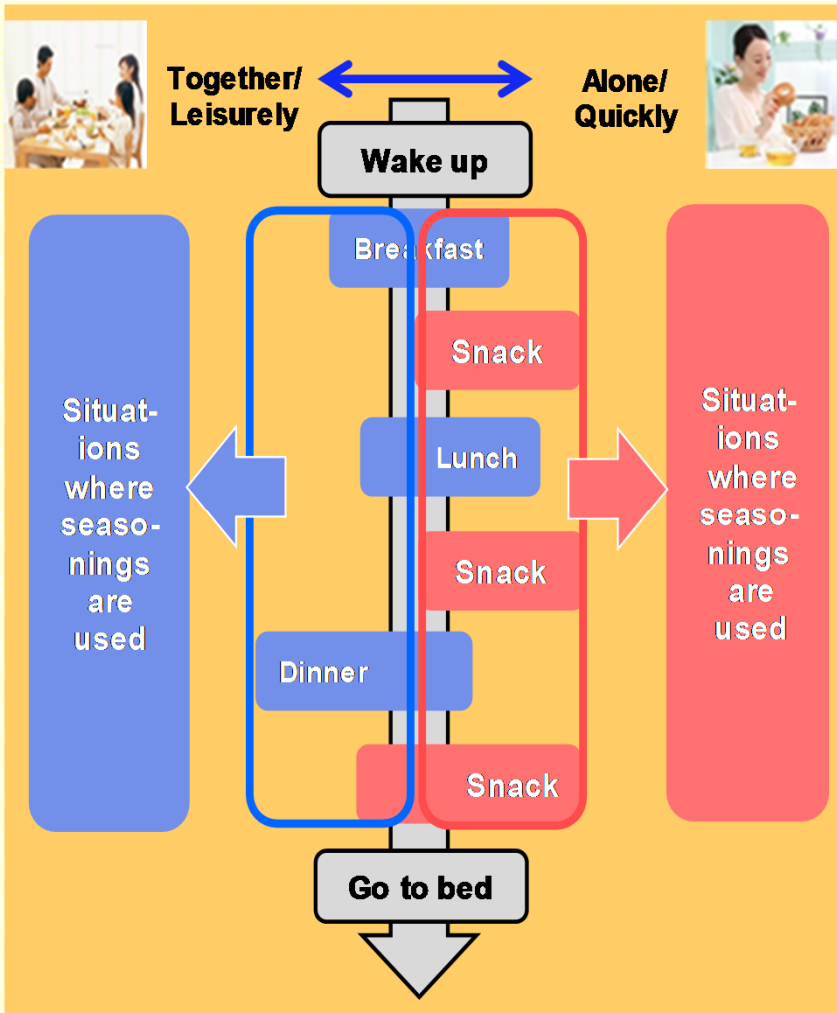


Five Stars	Growth rate of Ajinomoto Group (FY2015)		Growth rate of umami seasonings (Ajinomoto Co. estimate)		Growth rate of flavor seasonings (Ajinomoto Co. estimate)	
	Local currency basis		Market (FY14)	Ajinomoto (FY15)	Market (FY14)	Ajinomoto (FY15)
Thailand	+1%	+3%	+5%	+3%	+4%	
Brazil	+6%	+5%	+1%	+5%	0%	
Indonesia	+14%	0%	+1%	+14%	+14%	
Vietnam	+9%	+1%	+11%	+1%	+5%	
Phillipines	+9%	+8%	+8%	+5%	+17%	

(1)-1. ② Create country/area pillars to follow Japan with rapid growth in the “Five Stars” countries.

Aim to Double/Triple Growth in “Five Stars”: Steady growth of existing businesses and aggressive expansion of business domains at five target companies

◆ Processed Foods Business



Create demand in situations where instant foods are eaten
Further strengthen the portfolio using specialty products

- ✓ Strengthen beverages and powdered beverages (future co-creation with AGF)



Thailand
New varieties of Birdy® canned coffee



Vietnam
Birdy® 3 in 1 (Launch of new green tea flavor)

- ✓ Enter the frozen bread business



Establishment of frozen bread business in Indonesia with AJINOMOTO BAKERY CO., LTD. with start of sales scheduled for August 2016

- ✓ Launch of beverage (concentrated apricot extract) using ingredients with health value



Vietnam
Umechan

- ✓ Launch of light meals (noodle soup) targeting young women



Thailand Me Plus

(1)-2. Accelerate building a foundation for rapid growth with “expansion to adjacent areas”

Build a Foundation in ASEAN and South Asia: Select categories in line with conditions in target countries

Ajinomoto Lakson Pakistan (Private) Limited

(Scheduled to be established in July 2016)

- Joint venture with the Lakson Group
- Scheduled to import halal-certified products from PT Ajinomoto Indonesia for sale*



* Flavor seasoning *Masako®*

Myanmar Ajinomoto Foods CO., LTD.

(Established in February 2016)

- Autumn 2016: Scheduled start of construction of a packaging plant for *AJI-NO-MOTO®*
- Autumn 2017: Scheduled start of packaging and sales of *AJI-NO-MOTO®*

Ajinomoto (Cambodia) Co., Ltd.

(Established in 2009)

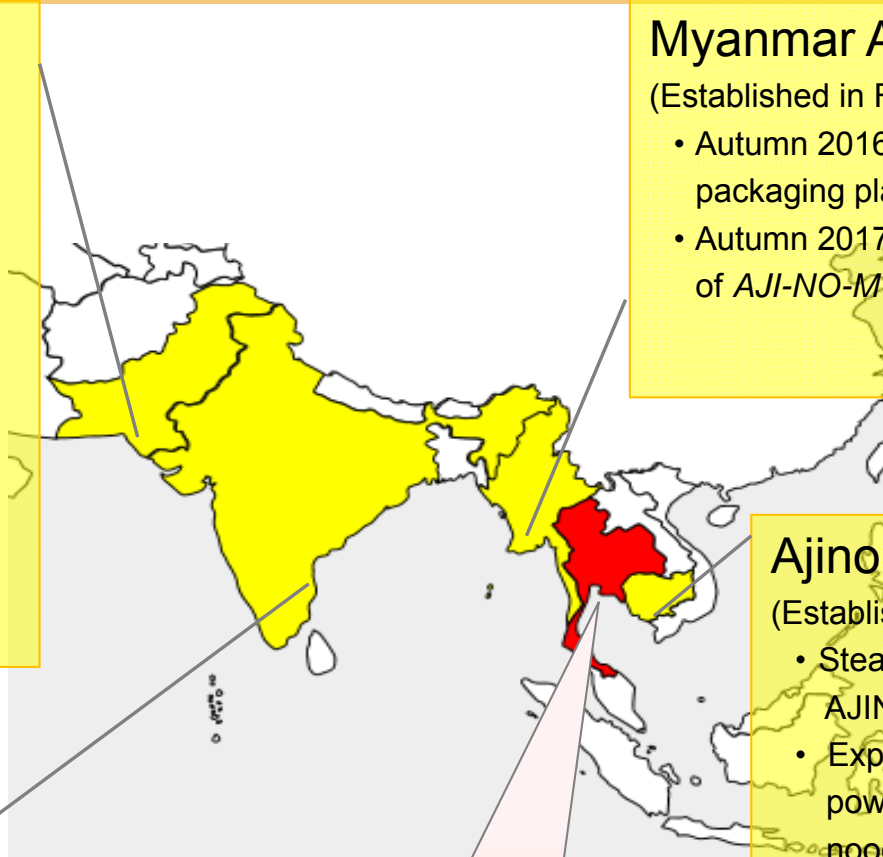
- Steady expansion while receiving support from AJINOMOTO CO., (THAILAND) LTD.
- Expand categories to flavor seasonings, powdered beverages and instant noodles from start in packaging and sales of *AJI-NO-MOTO®*

MARUCHAN AJINOMOTO PRIVATE INDIA LIMITED

(Established in December 2014)

- July 2016: Scheduled completion of factory
- Autumn 2016: Scheduled start of sales

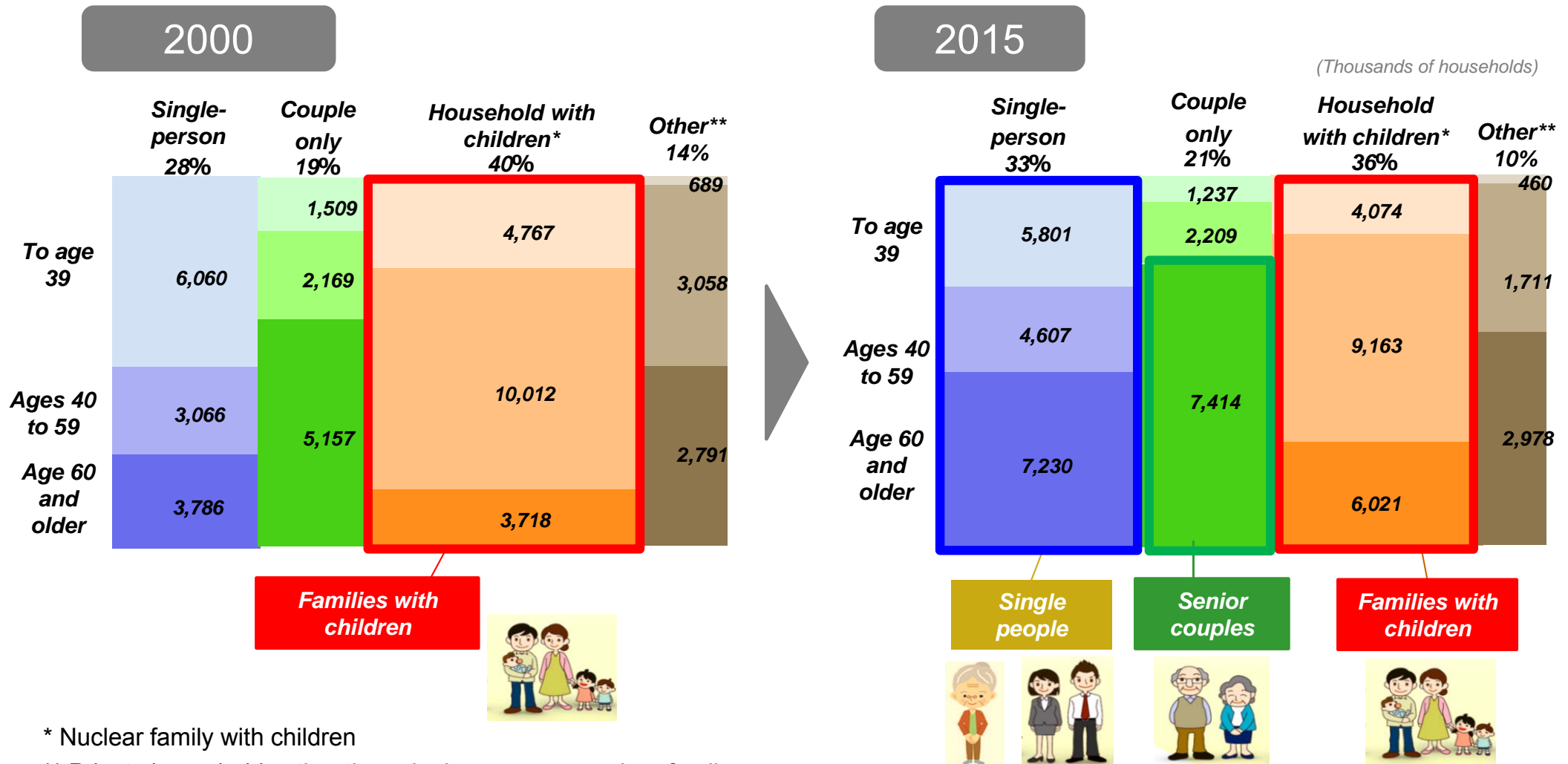
Expansion to adjacent areas centering on Thailand



(2)-1. ① Stable Growth Businesses:

Japan Food Products - Consumer Trends (Changes in Household Composition)

Household composition is diversifying from the era when typical parent-and-child households were the mainstream to include more single-person, senior couple and adult-only households.



* Nuclear family with children

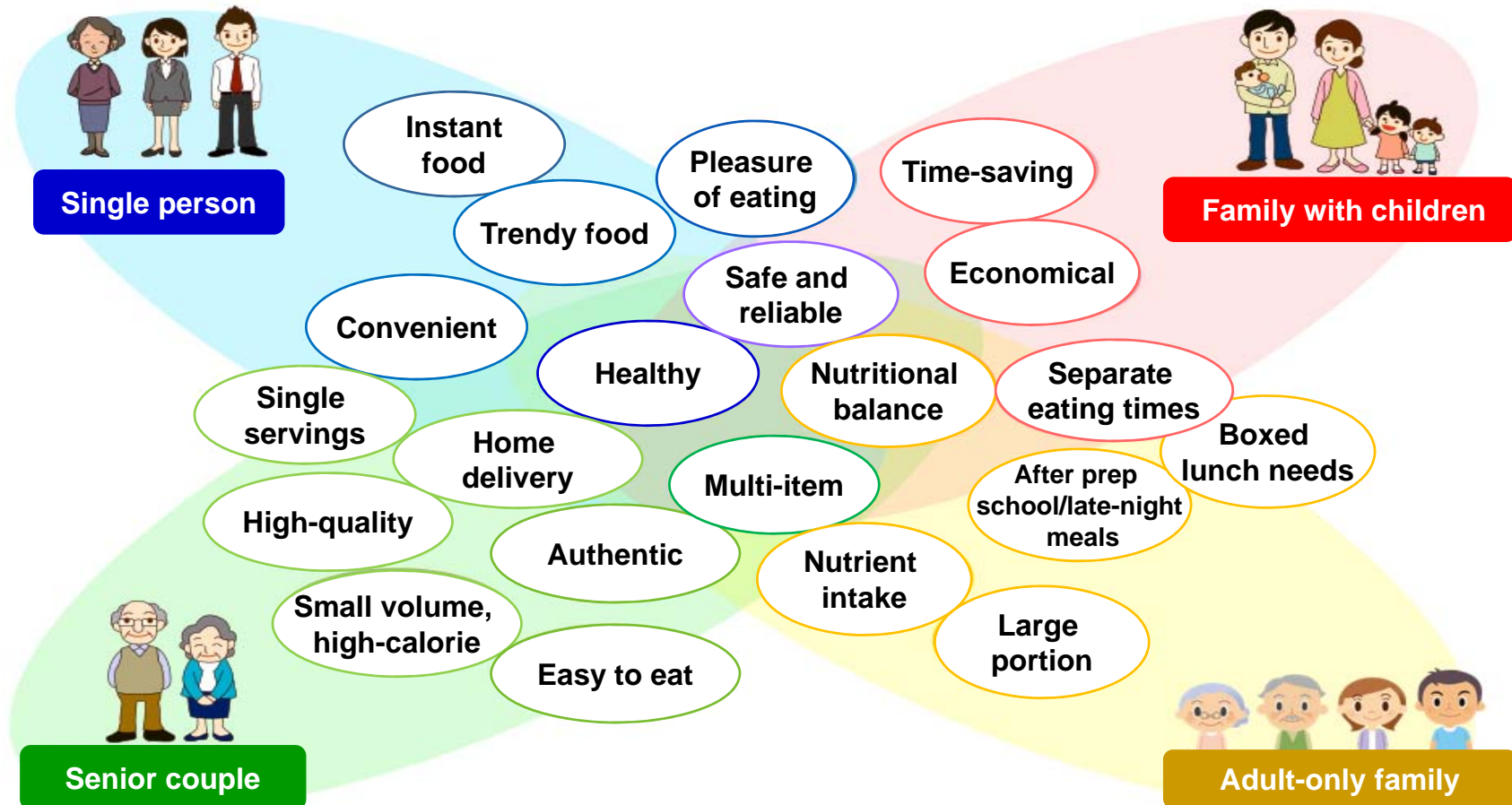
** Private households other than single-person or nuclear family

(Source: National Institute of Population and Social Security Research)

(2)-1. ① Stable Growth Businesses:

Japan Food Products - Consumer Trends (Changes in Food Needs)

Consumer food needs are becoming more sophisticated and diverse beyond factors such as generation and family composition



Diversification of Food Needs and Values

Source: Estimates from “d-camp” (Dentsu Consumers & Audience Multi Panel), DENTSU MAMA LAB report, SHOKU SEIKATSU LAB report, etc.

(2)-2. ① Growth in the Restaurant and Institutional-Use Market:
Expansion mainly in home meal replacement (HMR)

◆ Ratio of Household-Use/Restaurant and Institutional-Use in Ajinomoto Co. Net Sales
Restaurant and institutional-use is trending upward

● Seasonings and Processed Foods

	FY2014	FY2015
Household-Use	53%	52%
Restaurant and Institutional-Use	47%	↗ 48%

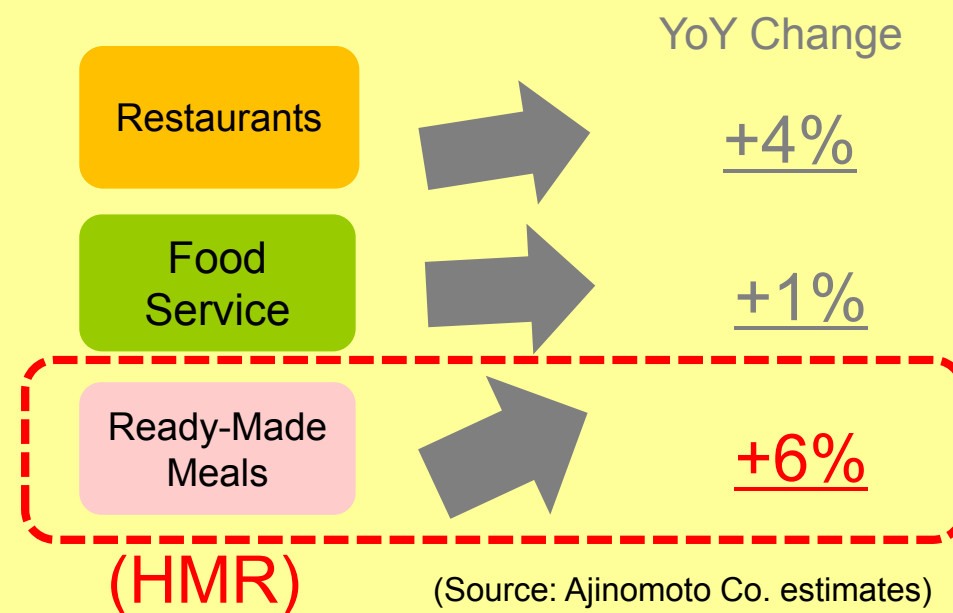
● Frozen Foods

Household-Use	61%	60%
Restaurant and Institutional-Use	39%	↗ 40%



◆ FY2016 Restaurant and Institutional-Use Market

- +5% year-on-year growth forecast
- Business category trend: Notable growth in takeout sales of **ready-made meals (HMR)** at mass merchandisers and convenience stores



(2)-2. ② Growth of HMR: Expansion of the B2B2C Business

B2C Business

- Target: Consumers
- Use: Home cooking, food products
- Customers: Mass merchandisers, convenience stores, etc.
- Products: Seasonings, processed foods, frozen foods, etc.



Seasonings



Frozen foods

Specialty

B2B2C Business

Growth of HMR



Broadening menus
(Rice balls, ready-made meals, boxed lunches, etc.)

Technologies for deliciousness

Moist

Tender

Long-lasting

B2B Business

- Target: Food processing companies
- Use: Raw materials (seasonings)
- Products: AJI-NO-MOTO®, etc.

B2B2C Business

- Target: Consumers
- Use: **Functional ingredients for HMR**
- Customers: Mass merchandiser stock rooms, central kitchens, etc.
- Products: **Ingredients for preparing rice and meat**



(2)-3. ① Improving Nutrition with Proteins and Amino Acids

Source: Lab. of Nutrition Science, Kyoto Prefectural University

• Excerpted from materials announced by Professor Yasuhiro Kido

New Understanding of Protein Requirements

- Toward greater, higher-quality protein intake -

	Previously	Currently
Year of announcement	1985	2007
Name	Nitrogen balance method	Indicator amino acid oxidation (IAAO) method
Calculation method	When nitrogen balance is zero = Protein requirements	When a specified level of labeled amino acid is oxidized = Amino acids requirements (Enables calculation of protein requirements)
Requirements	0.65~0.82g/kg body weight/day	Approx. 0.9~1.3g/kg body weight/day
	<p>Compared with previously 1.3~1.5 times the volume</p> <p>Same requirements for (Japanese) elderly and schoolchildren</p>	
	<ul style="list-style-type: none"> ✓ Previously, international nutrition organizations (FAO/WHO/UNU) used the nitrogen balance method. 	<ul style="list-style-type: none"> ✓ Since 2007, international nutrition organizations have been using the IAAO method. ✓ Particularly substantial increase in required amounts of essential amino acids (approx. double for Valine, Leucine, Isoleucine and Lysine)

(2)-3. ② Improving Nutrition with Proteins and Amino Acids

Evidence-Backed “Foods with Functional Claims” (FFC)

- *Glyna*®: August 2015
First FFC supplement in the field of sleep
- *Amino Aile*®: April 2016
First FFC muscle support supplement
- *Amino Care*® *Jelly Leucine 40*: March 2016
First FFC to be sold through Ajinomoto Co.’s household-use channel



B2B2C Business: Collaboration with Customers (Retailers)

Offering a leucine-enriched essential amino acid mixture



Muscle-building protein ingredients in a leucine-enriched essential amino acid mixture developed exclusively by Ajinomoto KK

Example of product containing 



Social Issue

“Locomotive Syndrome”
(Loss of muscle mass mainly due to aging)

Reference: Strengthening the “Amino Acids Inside” Strategy for Foods

Strengthening the “Amino Acids Inside” Strategy for Foods

- ◆ Create new value with amino acids
- ◆ Create new food processing technologies
- ◆ New merchandising to sales companies and retailers

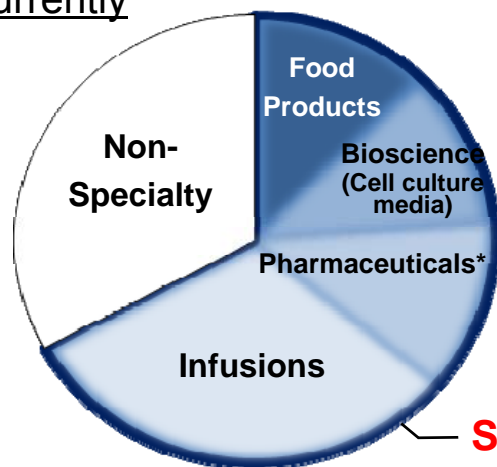


(3) Business Strengthening: Initiatives for Amino Acids for Pharmaceuticals and Foods

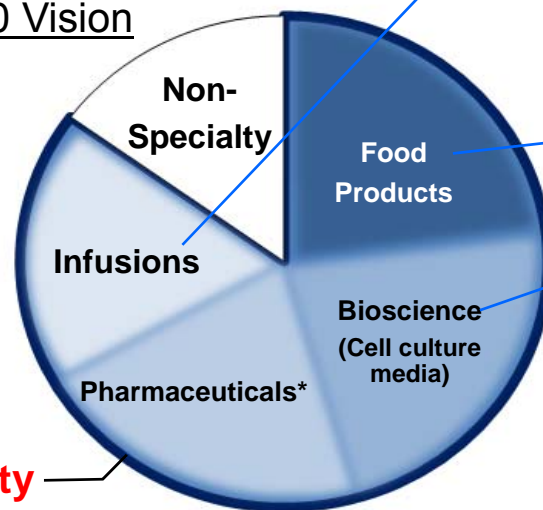
Promote the value of the traceability and non-animal origin of amino acids manufactured within the Group by fermentation

Change in “**Specialty**” Domains (Image of sales composition)

Currently



2020 Vision



Applications for Infusions

- Worldwide trend toward lower drug prices
- Many infusion manufacturers have become more cost-conscious

Applications for Food Products

- Growing consumer consciousness of safety and reliability

Applications for Bioscience

- When raw materials of animal origin cannot be used

* Disease Fields where Amino Acids Are Useful

- Gastrointestinal cancer
- Parkinson’s disease
- Diabetes, etc.

Recent Public Announcements

- ✓ 2013 Established joint venture to produce cell culture media in South Korea – Entered downstream bioscience field –
- ✓ 2014 Sales of the world’s first L-Tyrosine made by fermentation – Achieved **Specialty** for an important component in cell culture media –
- ✓ 2016 Scheduled establishment of J-CYSTEINE Co., Inc. – Increase production of most important amino acid for food product applications –

Future Initiatives

- ✓ 2020 Manufacture **all amino acids** by fermentation

Bioscience

- Produce cell culture media with absolutely no animal-origin components -

Food Products

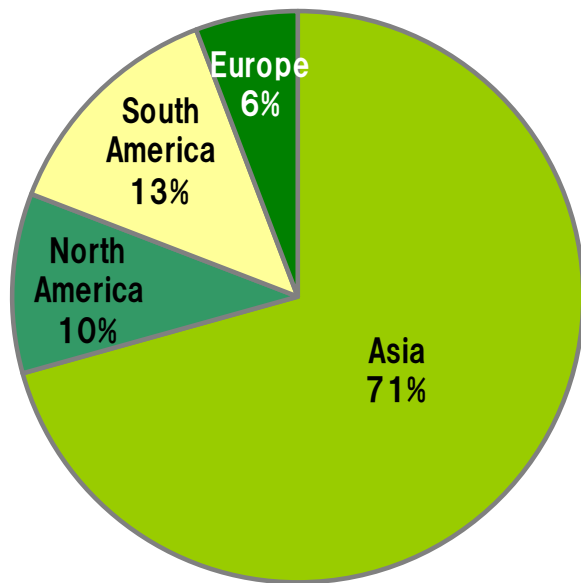
- Achieve completely “natural” ingredients (some food products) -

(4)-1. Ajinomoto Windsor, Inc.: Strengthening the Frozen Food Products Business in North America

Combine international seasonings/processed foods and international frozen foods to change to a portfolio based on sales regions.

Maximize the benefits of adding the former Windsor Quality Holdings, LP to the scope of consolidation.

FY2014 ¥305.2 billion

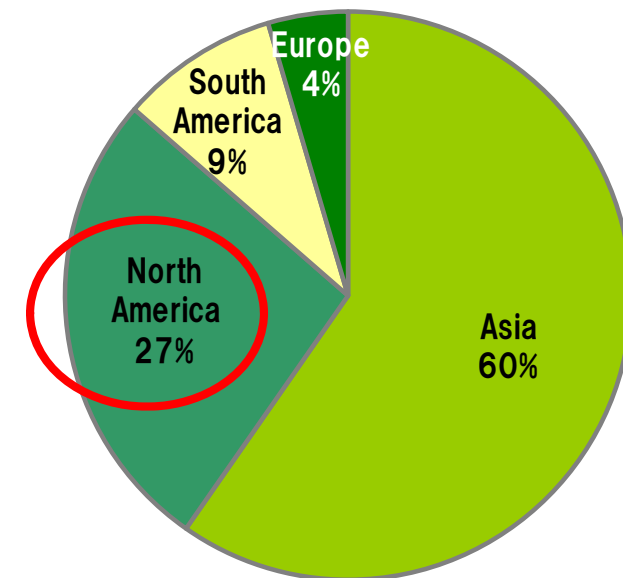


YoY +26%



Former Windsor Quality Holdings, LP acquisition price approx. ¥84.0 billion

FY2015 ¥385.8 billion



Mainly emerging countries
Asia accounts for about 70% of sales

Mainly emerging countries but growth in the proportion of **developed countries** in sales

Note: The former Windsor Quality Holdings, LP was within the scope of consolidation for only two months.

(4)-1. ① Ajinomoto Windsor, Inc.:

Initiatives in the Frozen Foods Business in North America – Growth Strategies

Basic Policy: Achieve ¥100 billion or more in sales in the North American frozen foods business by 2020 and establish the Ajinomoto Group as the clear No. 1 in Asian/Ethnic foods

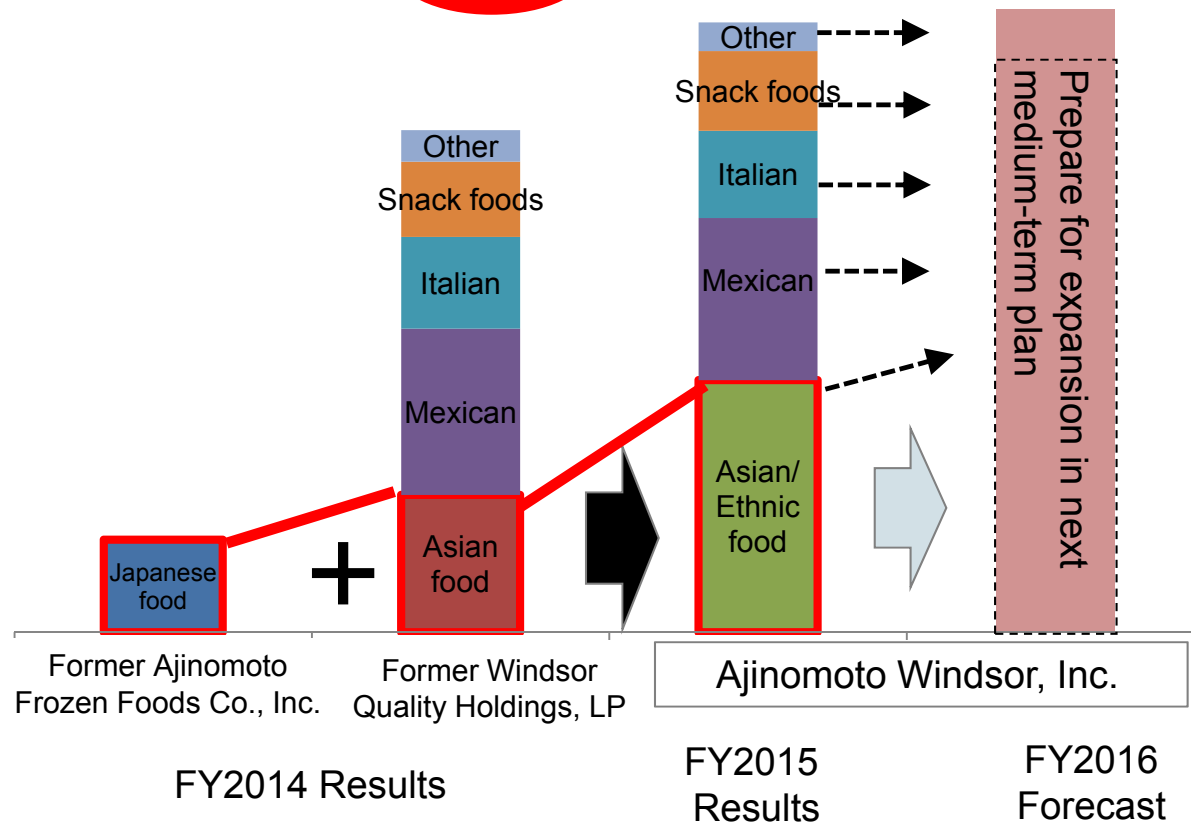
① The Ajinomoto Group's production and development technologies



② Customer base enhanced by integration with the former Windsor Quality Holdings, LP

Reinforce our portfolio of Asian/Ethnic food products and strengthen our profit structure

Achieved Approx. ¥100 billion



Strengthening the Product Portfolio

➤ FY2015

- Increased proportion of high-margin Asian/Ethnic food 39% → 41%

- Achieved target for 2020 of approx. ¥100 billion in sales ahead of schedule

➤ FY2016

Focus on strengthening the profit structure

Reference: Ajinomoto Windsor Inc.'s Customer Base and Main Products

Customer Base and Main Products

◆ For Mass Merchandisers (Walmart, Safeway)



Asian/Ethnic food
TAIPEI®

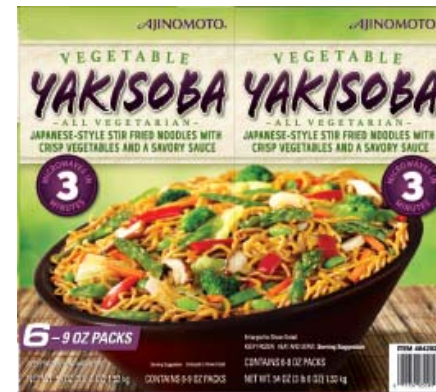


Asian/Ethnic food
Ling Ling®



Mexican
José Olé® Taquitos

◆ For Warehouse Clubs (Costco, Sam's Club)



Asian/Ethnic food
YAKISOBA



Asian/Ethnic food
Yakitori Chicken with Japanese-Style Fried Rice

II. GROW: M&A Follow-Up (International Food Products/Frozen Foods)

(4)-1. ② Ajinomoto Windsor, Inc.:

Initiatives in the Frozen Foods Business in North America – Generate Synergy

Expand Sales and Strengthen the Profit Structure

◇ Expand sales using an enhanced customer base

- Use the former Windsor Quality Holdings, LP's customer base for substantial growth in noodles, rice and gyoza

◇ Strengthen the profit structure with the Ajinomoto Group's production and development technologies

- Steadily roll out improvements using the Ajinomoto Group's technical training (IE training, TPM training*) and subsequent ongoing improvement activities

* IE: Industrial Engineering
 TPM: Total Productive Maintenance



Strong-selling *YAKISOBA* and *Yakitori Chicken with Japanese-Style Fried Rice*

Sell the former Ajinomoto Frozen Foods Co. Inc.'s gyoza through the former Windsor Quality Holdings, LP's channel of 206 outlets



Strengthen Development and Production Bases for Frozen Noodles and Frozen Rice

◇ Strengthen the production base for frozen noodles

- Through a joint venture with Toyo Suisan Kaisha, Ltd., established Ajinomoto Toyo Frozen Noodles Inc.
 - April 2015
- Built a frozen noodle plant with Toyo Suisan
 - June 2015: Start of construction
 - March 2016: Completion of construction



Ajinomoto Toyo Frozen Noodles Inc.

◇ Strengthen the production base for frozen rice

- New production line at Oakland Plant
- Expand production capacity and build an efficient supply system
 - September 2015: Start of construction
 - August 2016: Completion of construction (scheduled)

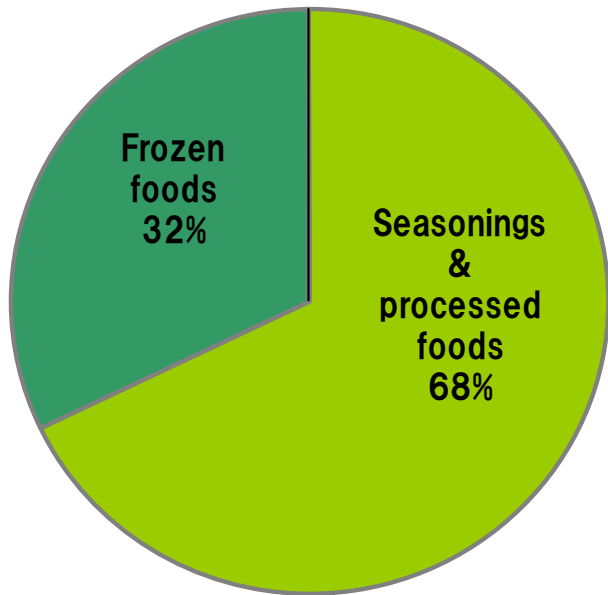


Oakland Plant

(4)-2. Ajinomoto General Foods, Inc. (AGF): Expand the Scale of Japan Food Products

Adding AGF (**coffee products**) to the scope of consolidation in FY 2015 has helped to substantially expand Japan Food Products (+ **approximately ¥100 billion compared with previous FY**)

FY2014 ¥289.0 billion

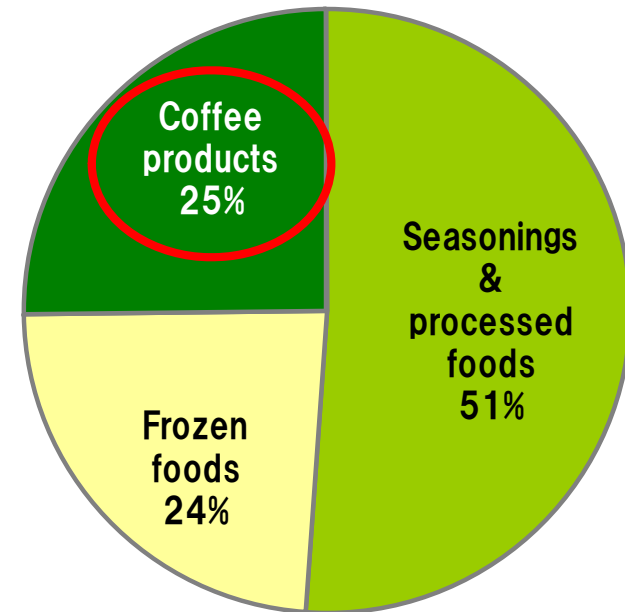


YoY +36%
(Excl. AGF + 2%)



¥27 billion to make
AGF
a wholly owned
subsidiary

FY2015 ¥394.4 billion



(4)-2.① Ajinomoto General Foods, Inc. (AGF): Initiatives in the Coffee Business

Market

- ◆ Continuing growth forecast for Japan's coffee market
Total amount of consumer purchases: ¥2,800 billion (FY2014)
Volume of coffee beans consumed: 460,000 tons
(+3% YoY for calendar year 2015)
 - ◆ Establishment and deepening of third coffee boom
Broadening of coffee-drinking situations and locations
such as convenience stores, etc.
- (Source: All Japan Coffee Association, AGF survey)
- ◆ National Cancer Center announcement (May 2015)
Drinking 3-4 cups of coffee a day reduces total
mortality risk by 24%

URL <http://www.ncbi.nlm.nih.gov/pubmed/25762807>

Reference

Annual consumption per person
(1 cup = 10g)
Japan: 354 cups
U.S./Europe: Approx. 520 cups



(Source: All Japan Coffee Association, AGF survey)

Initiatives

- ◆ FY2016 sales forecast: ¥108.9 billion
(+2% YoY)
- ◆ Expand personal domain (Market: +2% YoY)
 - Stick-type
 - Personal regular coffee, etc.
(Source: INTAGE Inc., AGF estimate)
- ◆ Evolve JapaNeeds Coffee®
and nurture *Sen*
- ◆ Strengthen gift business
 - Food/non-alcoholic beverages and health
 - Personal domain
- ◆ Expand restaurant and institutional use business
“AGF Professional”

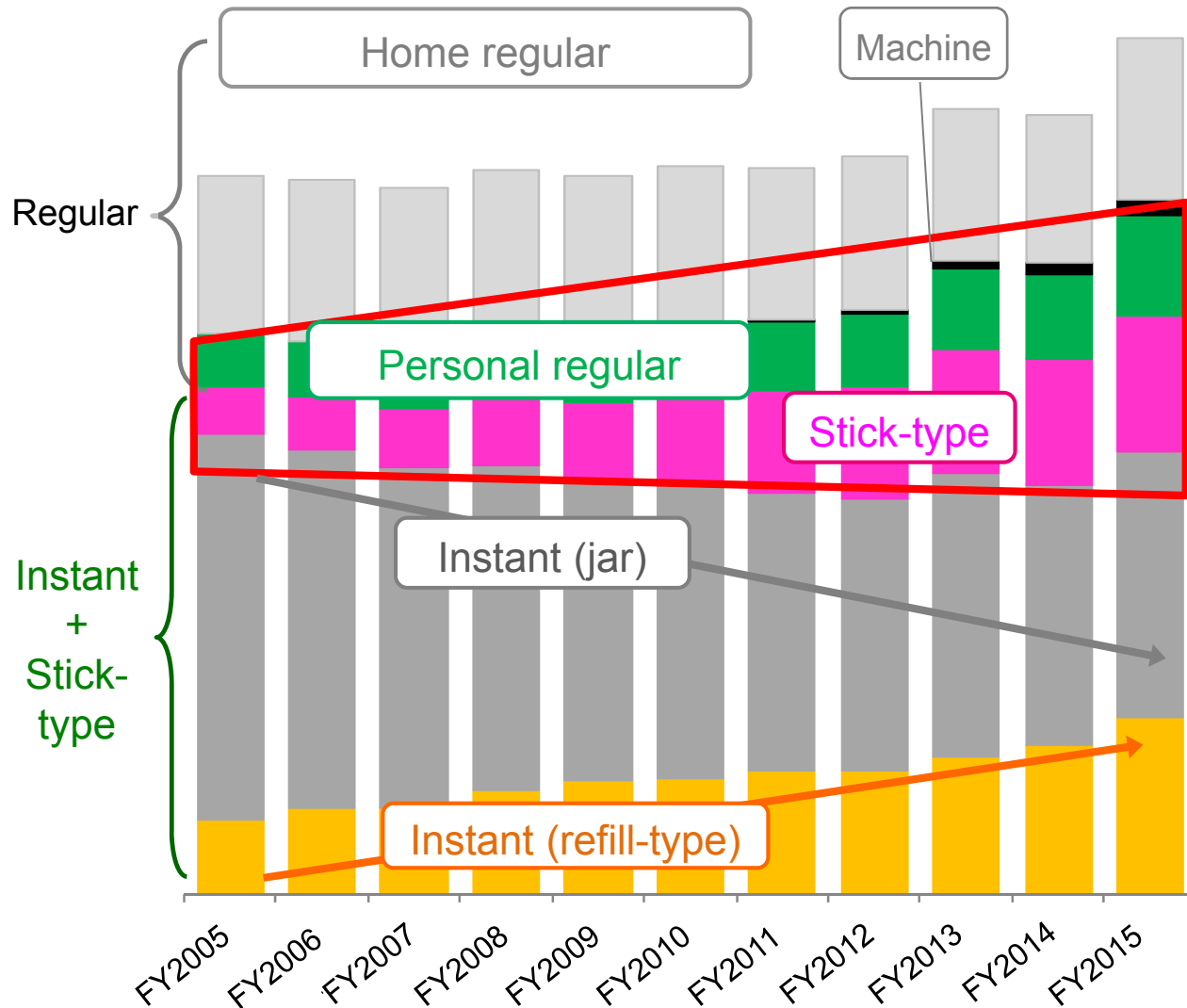


珈琲と和菓子って合う！
ほのかな香りの口溶けのよい
和菓子と珈琲は相性抜群！
和菓子とご一緒にすっきりとした
後味の（煎）をお楽しみください。



煎
せん

Reference: Dry Coffee Market



AGF's Position in the Dry Coffee Market

2005 to 2015 Growth Rate	Unit Price (Cup)	FY2015 AGF Share
+2%	¥10.8	3rd
+91%	¥26.8	2nd
+183%	¥15.6	1st
-31%	¥8.6	3rd
+135%	¥8.1	2nd

(Source: INTAGE Inc. SRI)

Retail (supermarket, convenience store, drug store, home center)

(4)-2. ② Accelerating Synergy with Ajinomoto General Foods, Inc. (AGF)

Newly consolidated from April 2015

Themes of Main Initiatives

Orientation for
Generating Synergy

Combine R&D

+

Domestic: Strengthen Group
collaboration

Overseas: Accelerate expansion of
beverage business areas
and product domains

+

Strengthen governance

Reference: Priority Products

AGF

Personal domain
(stick-type, etc.)

AJINOMOTO SALES
(THAILAND) CO., LTD.
Canned coffee,
stick-type



R&D

- Become a global center in the domain of beverages

Japan

- Integrate the gift product businesses at AGF (April 2016)
- Cooperation between sales divisions
(Sales of AGF products by Ajinomoto Co.)

Overseas

- AGF technical support in countries where the beverage business already operates
⇒ Start measures in Thailand to raise quality and reduce costs for *Birdy*®; begin consideration of support in Brazil
- Feasibility study for rollout to new areas and expansion into new business domains; start preparations for launch
 - 1) New areas: Consider entering beverage-related businesses
 - 2) New domains: ⇒ Consider expanding domain where the business already operates
⇒ Prepare for export sales from Japan
Start of FY2016: Scheduled start of sales in Asia

Purchasing

- Reduce costs with centralized purchasing and joint procurement

III. FIT: Further Business Structure Reinforcement

- (1) Shift to Specialty Products in Bulk Commodities Business**
- (2) Resource-Saving Fermentation Technologies**
- (3) Structural Reinforcement of Businesses with Issues**

III. FIT: Further Business Structure Reinforcement (Animal Nutrition, Umami Seasonings for Processed Food Manufacturers, Sweeteners)

(1)-1. Shift to Specialty Products in Bulk Commodities Business:
 Reducing Dependence on Bulk Products

Animal Nutrition

35% in FY2015 ⇒ 50% in FY2016

By strengthening sales channels for *AjiPro®-L* and enhancing promotion of the functions of Valine, we aim to expand the market and reach a 50% ratio of specialty products.

Umami Seasonings for Processed Food Mfrs.

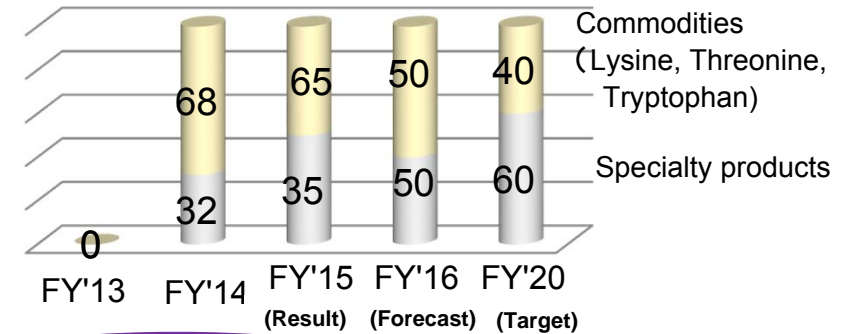
70% in FY2015 ⇒ 71% in FY2016

Growth of retail *AJI-NO-MOTO®*, flavor seasonings and menu-specific seasonings.
 Continue strengthening structure of bulk business with cost reductions.

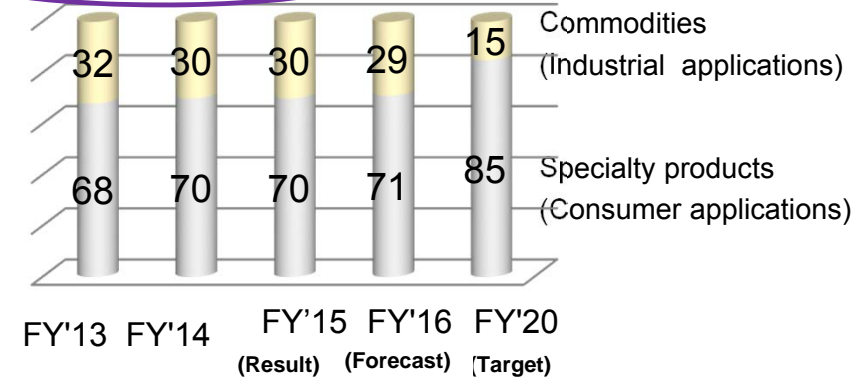
Sweeteners

Sold European bulk plant in FY2015. Maintained a 49% ratio of specialty products.
 From FY2016, accelerate international household business expansion with a portfolio shift in international processed foods (powdered beverages) (Graph not presented due to changes in assumed figures)

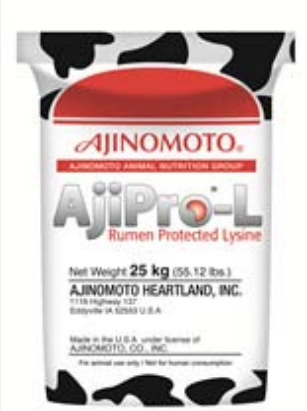

Animal Nutrition (% of operating income)



MSG (% based on weight)

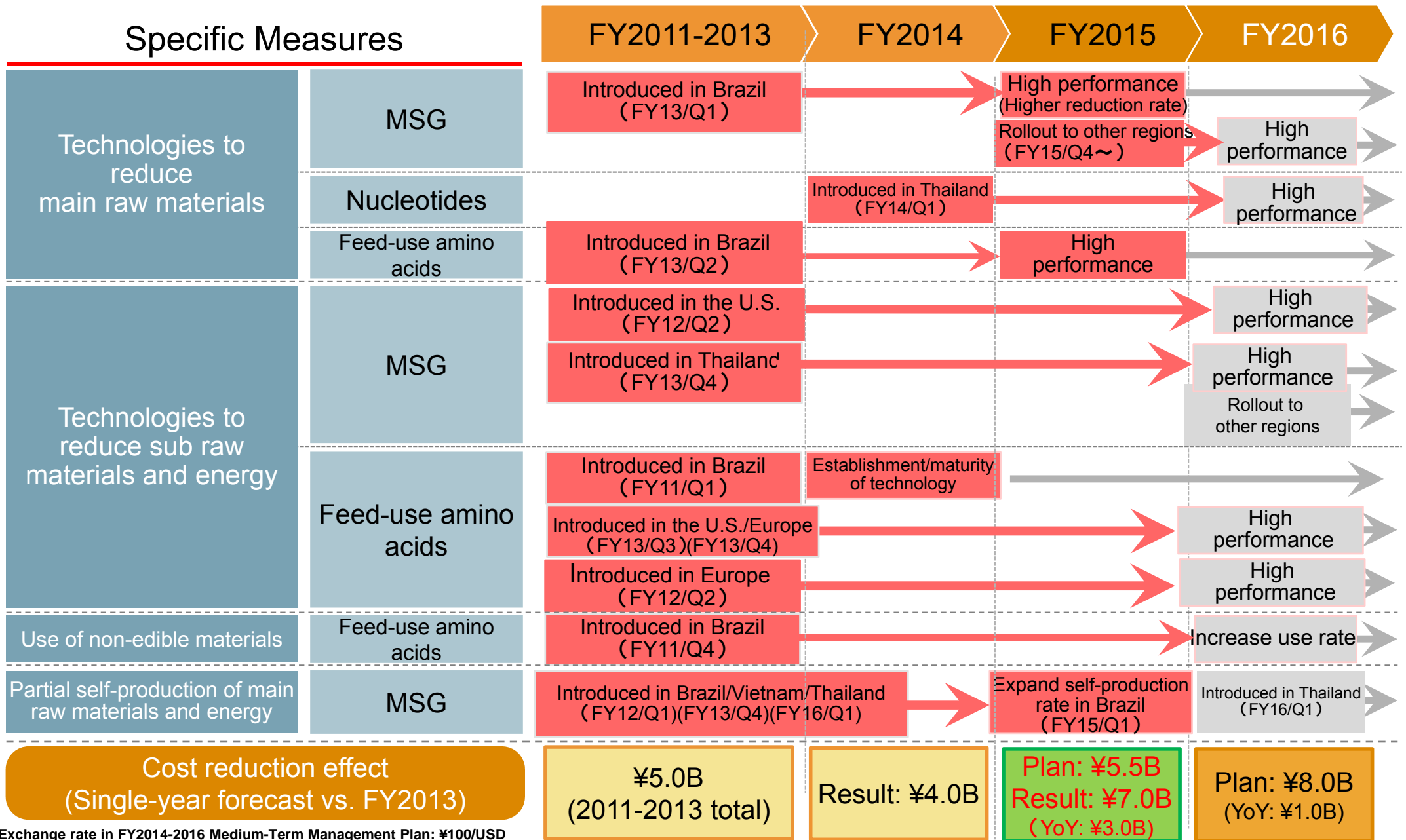


(1)-2. Shift to Specialty Products in Bulk Commodities Business: Initiatives to Promote Specialty in the Animal Nutrition Business

Item	Main Initiatives
 <p data-bbox="331 884 604 959"><i>AjiPro[®]-L</i></p> 	<p data-bbox="887 512 1115 571"><u>FY2015</u></p> <ul data-bbox="846 592 2096 775" style="list-style-type: none">• Started sales outside the U.S.• Fell substantially short of target in the U.S. market due to external factors (slump in milk price, etc.) <p data-bbox="887 868 1115 927"><u>FY2016</u></p> <ul data-bbox="846 948 2145 1262" style="list-style-type: none">• Sell entire production volume (6,500 tons) by setting up and strengthening sales channels and conducting a reasonable pricing strategy• Scheduled introduction of third-generation product (Lysine with higher availability) in July

(2) Resource-Saving Fermentation Technologies (R&D Leadership):

Cost reductions of **¥3.0 billion** achieved in FY2015, ¥1.0 billion planned in FY2016



Exchange rate in FY2014-2016 Medium-Term Management Plan: ¥100/USD

(3)-1. Structural Reinforcement of Businesses with Issues: Pharmaceuticals Business

Created EA Pharma Co., Ltd., one of Japan's largest gastrointestinal specialty pharmaceutical companies, through the integration of the former AJINOMOTO PHARMACEUTICALS CO., LTD. and the gastrointestinal disease treatment business of Eisai Co., Ltd.

Outline of EA Pharma Co., Ltd.

- Date of establishment: April 1, 2016
- Head office location: 1-1, Irifune 2-chome, Chuo-ku, Tokyo
- Company representative: Hajime Shimizu
Representative Director, President & CEO
- Scope of business: Pharmaceutical research and development, manufacture, sales, import and export of products
- Capital: ¥9,145 million
- Number of employees: Approximately 1,250
- Equity ownership: Eisai Co., Ltd. 60%; Ajinomoto Co., Inc. 40%



(3)-2. Structural Reinforcement of Businesses with Issues:
 Pharmaceuticals Business

Recorded extraordinary losses of **approx. ¥16.6 billion** in FY2015 for structural reform expenses in the pharmaceuticals business, etc.

Breakdown of Extraordinary Losses

• Ajinomoto Co.'s impairment loss on pharmaceutical manufacturing fixed assets and intellectual property rights	Approx. ¥4.8 billion
• Loss on sale of shares of an equity-method affiliate of Ajinomoto Co. in the infusion and dialysis business in connection with the transfer of equity	Approx. ¥5.0 billion
• Contract cancellation fees for multiple companies	Approx. ¥6.8 billion
<hr/>	
Total	Approx. ¥16.6 billion

IV. Evolution of the Management Foundation

Three Linked Areas of Reform

Toward Becoming a “Genuine Global **Specialty** Company”

Three Linked Areas of Reform: Human Resources, Rules and Organization

Setting One’s Own Career Path = Creating Opportunities for Self-Fulfillment
Promotion of Diversity

From April 2016

Human Resources

Revision of the Main Career Path HR System

After making clear the job requirements in each workplace (Position Management),
assign the right person for the job (Talent Management)

Organization

Establish a Global Corporate
Department at Global HQ

Rules

Adopt the Global Governance Policy
(GGP) for the Entire Group

1. Rules: Make clear the responsibilities and authority of each business and Group company with GGP
Accelerate all steps from drafting strategy to decision-making
2. Organization: Create a platform with an “HQ that leads”
3. Human Resources: Build a system to “assign the right person for the job” that is effective in promoting diversity

IV. Evolution of the Management Foundation

Reference: Establish a Global Corporate Department (April 2016)

Establish a Global Corporate Department at Global HQ

Objectives

- Strengthen corporate brand power
- Promote diversity
- Enhance professional services

Scheduled Functions

(New functions in red)

Global HR management, global communication, management planning, finance, legal, intellectual property, R&D planning, information planning, etc.

- ◆ Global business strategy/planning and administrative functions (Top-level support and some professional service functions)
- ◆ Reorganize global functions of Ajinomoto Co. HQ and work to make roles clear from the standpoint of global Group management
- ◆ Second reorganization scheduled for April 2017

Newly Strengthen Foundation (Reform of Working Practices)

Efforts to Establish Foundation for Promotion of Diversity

Zero-Base Reform of Working Practices

A company where diverse human resources participate, regardless of gender, nationality, values, etc.

Toward a global standard that assumes a 7-hour work day

Japanese Working Customs
(Current)

Global Standard

Assumption of leaving work on time
(Couples share housework/child rearing)

Impediment to participation
by female, non-Japanese
and other employees

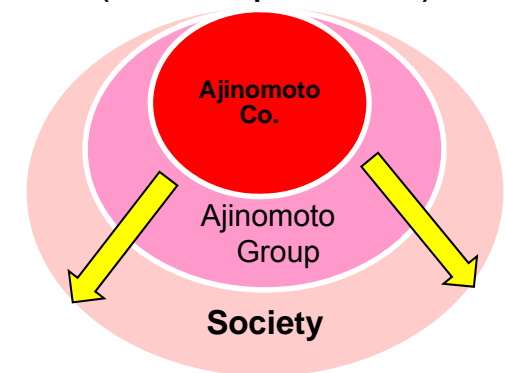
Ajinomoto Group (Japan)

Expectation of overtime work
(Minimal involvement in
housework/child rearing by men)

Zero-Base Reform of
Working Practices
(From FY2016)

**Management Reform
×
Work Style Reform**

20-Minute Reduction in
Regular Working Hours
(From April 2017)



Ajinomoto Co. ⇒ Ajinomoto Group ⇒ Society

Roadmap (Ajinomoto Co.)

	FY2014 (Actual)	FY2015 (Actual)	20-minute reduction	FY2017 (Target)	15-minute reduction	FY2020 (Vision)
Regular working hours (daily)	7 hrs. 35 min.	7 hrs. 35 min.	➔	7 hrs. 15 min.	➔	7 hours
Average working hours (yearly)	1,974 hrs.	1,947 hrs.		1,850 hrs.		Under 1,800 hours

IV. Evolution of the Management Foundation

Toward the Formulation of the FY2017-2019 Medium-Term Management Plan

Toward Becoming a "Genuine Global **Specialty** Company"

As a member of a trusted corporate group with a global impact...
Planning to Formulate "Integrated ASV Targets" That Combine Financial and Non-Financial Targets

Integrated Targets (Note: Main Points under Discussion)

Enter the Top 10 Global Food Companies

Essential Elements

Financial

- Business and profit scale at the level of a global corporation
- World-class efficiency

Non-Financial

- Contribution to advances for the future of people and the Earth
- World-leading core technology domain
- Diverse human resources on a global level

Corporate Brand

Financial Targets

- Scale
- Efficiency/Profitability

Non-Financial Targets

- Eat Well, Live Well.
- ESG

Scale

- Aim for presence and impact required to achieve ASV
- Adopt operating income as a profit indicator for main business

Efficiency/Profitability

- OP Margin
- EBITDA margin
- ROE/ROA and others

Monitoring Indicator

Ongoing dialogue with and feedback from investors and employees



「Eat Well, Live Well.」

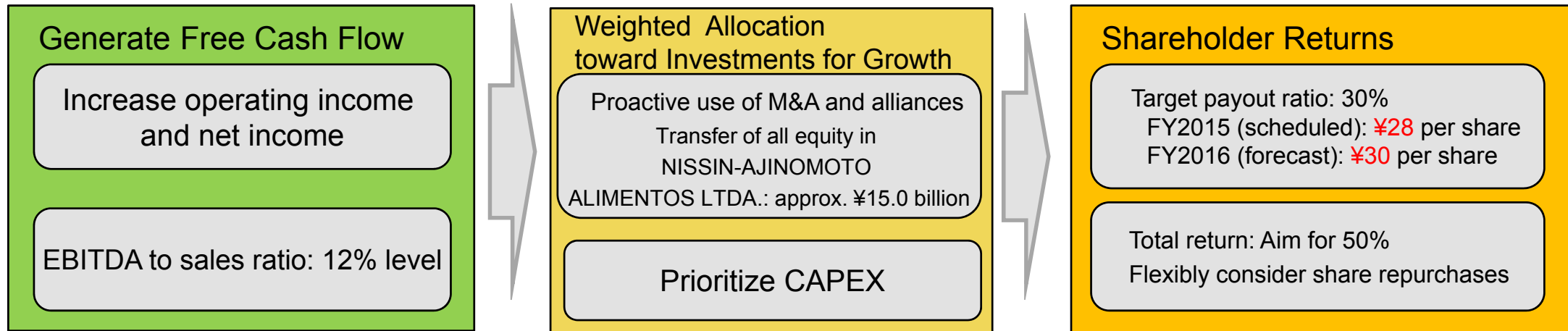
Close link to the UN's Sustainable Development Goals

V. FY2016 Financial Strategy

V. FY2016 Financial Strategy

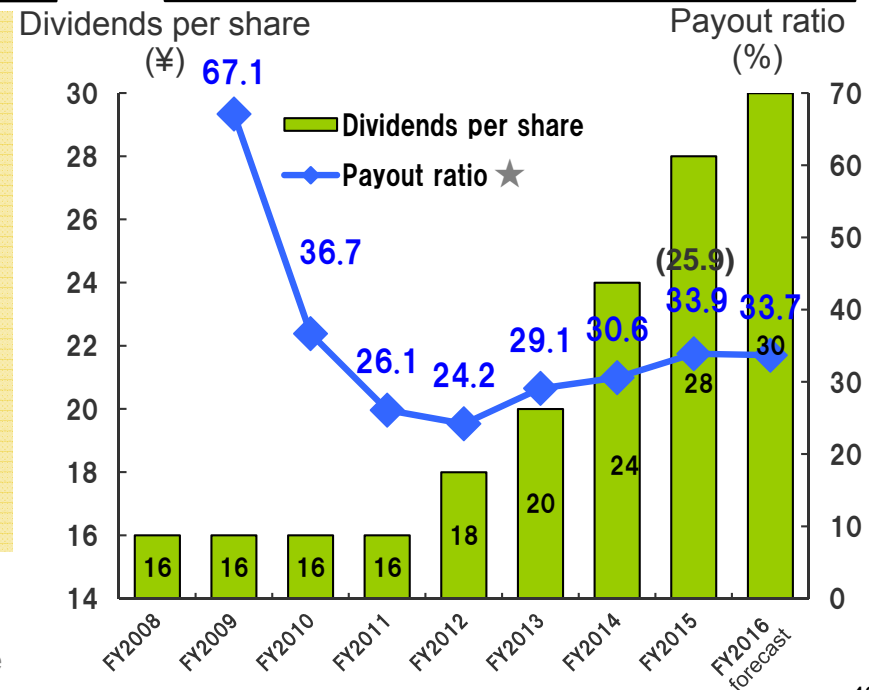
Investments for Growth and Shareholder Returns

No change from the policy in the FY2014-2016 Medium-Term Management Plan.
 Prioritize use of operating cash flow for investments for growth and schedule increases in dividends in FY2015 and FY2016.



Policies for Prioritizing Uses of Cash Flow and Shareholder Returns

- Investments for growth: Multiple projects under consideration
- Free cash flow target: ¥120 billion (3 years)
- Capital procurement: Interest-bearing debt (max. 50% net debt*/equity ratio)
 - * Net debt is interest-bearing debt - Cash on hand and in banks x 75%
- Payout ratio: 30% per single fiscal year
- Total shareholder returns: **Cumulative 68% expected** during FY2014-2016 Medium-Term Management Plan (3 years)
- Share repurchases: FY2014 ¥30.0 billion, FY2015 ¥30.0 billion
- Result of share repurchase: FY2016 ¥30.0 billion (scheduled)



★: Assumptions do not include extraordinary gain from the equity transfer of NISSIN-AJINOMOTO ALIMENTOS LTDA. in the denominator.

If extraordinary gain from the equity transfer of NISSIN-AJINOMOTO ALIMENTOS LTDA. is included in the denominator: 25.9%.

FY2016 Financial Strategy: Share Repurchase

Decision to conduct a share repurchase to increase the level of shareholder returns and improve capital efficiency.

1. Class of shares: Common stock
2. Total number of shares to be repurchased: 15 million* (maximum)
*2.58% of total shares outstanding, excluding treasury stock
3. Total amount to be paid for repurchase: JPY 30.0 billion (maximum)
4. Period of share repurchase: May 11, 2016 to July 29, 2016
5. Method of repurchase: Purchase in the market through a trust bank
6. Other: Ajinomoto Co. plans to retire all of the shares repurchased under this program by resolution of the board of directors, pursuant to Article 178 of the Corporation Law.

For reference (as of March 31, 2016)

Total number of shares outstanding (excluding treasury stock): 581,038,449

Number of shares of treasury stock: 2,724,205

Eat Well, Live Well.

AJINOMOTO®

Reference

Assumptions of FY2016 Forecast

[Reference] Assumptions of FY2016 Forecast

Foreign exchange rates (vs JPY)

	Avg. rate	Sensitivity of translation effects to full year O.P.
USD	110.0	±¥1 → approx. ¥50 million
EUR	123.0	±¥1 → approx. ¥50 million
THB	3.2	±¥0.01 → approx. ¥100 million
BRL	30.3	±¥1 → approx. ¥250 million

Impact of exchange rate for trade

- 1 JPY vs. USD → approx. + ¥100 million
- 0.1 EUR vs. USD → approx. - ¥100 million
- 1 THB vs. USD → approx. + ¥500 million
- 0.1 BRL vs. USD → approx. + ¥200 million

Feed-use amino acids

1) Estimated market size (Thousand MT)

	FY2014	FY2015	FY2016 (Forecast)
Lysine	around 2,300	around 2,200	around 2,300
Threonine	around 445	around 480	around 520
Tryptophan	around 23	around 28	around 33

2) Sales volume of the Ajinomoto Group (Thousand MT)

	FY2014	FY2015	FY2016 (Forecast)
Lysine	around 350	around 320	around 330
Threonine	around 110	around 110	around 110
Tryptophan	around 5	around 5	around 7.5

3) Market price forecast (USD/kg, CIF)

	FY2015	FY2016 (Forecast)**	
		1H	Full Year
Lysine	1.25	around 1.25	around 1.30
Threonine	2.3	around 1.95	around 2.00
Tryptophan	10	around 8	around 8
Spread*	170	around 140	around 140

*Spread (USD/ST) is the price difference between soybean meal and corn on the Chicago Board of Trade (CBOT).

** Does not correspond with assumptions in Ajinomoto's forecast of results.

Eat Well, Live Well.

AJINOMOTO®

- **Forward-looking statements, such as business performance forecasts, made in these materials are based on management's estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations.**
- **Unaudited figures are included in these materials for reference.**
- **Amounts presented in these materials are rounded off.**