Ajinomoto Co., Inc.

Consolidated Results

Third Quarter Ended December 31, 2016

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 beliefs made by management in light of information currently available. Actual financial results may differ materially 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 (Consolidated)

Third quarter results for the year ending March 31,2017

Ajinomoto Co., Inc. **January 31, 2017**

Stock Code:	2802		Listed exchanges:	Tokyo
URL: www.ajinomoto.com/en			Inquiries:	Koichi Morita
President:	Takaaki Nishii			General Manager
Scheduled date of submission of quarterly report:		February 10, 2017		Finance and Accounting Department
Scheduled date of starting payment of dividend:		-		
Creation of supplementary quarterly results materials:		Yes	Telephone:	813 5250-8161
Quarterly results briefing:		No		

1. Consolidated Financial Results for the Nine Months Ended December 31, 2016

1) Consolidated Operating Results

Millions of yen, rounded down

	Nine months ended December 31, 2016		Nine months ended December 31, 2015	
		Change %		Change %
Net sales	811,775	(10.1)	902,600	-
Operating income	68,889	(12.8)	78,991	-
Ordinary income	74,269	(10.4)	82,871	-
Profit attributable to owners of parent	45,358	(43.3)	80,063	-
Earnings per share (¥)	¥79.22	-	¥135.66	-
Fully diluted earnings per share (¥)	-	-	-	-

Note: "Change %" indicates the percentage change compared to the same period of the previous fiscal year.

Comprehensive income:

Nine months ended December 31, 2016: ¥ 69,504 million (11.1%) Nine months ended December 31,2015: ¥ 62,550 million (- %)

Note1: At the end of the fiscal year ended March 31, 2016, the Company finalized a provisional accounting treatment related to the business combination. The impact of the finalization of the provisional accounting treatment has been reflected in the nine-month period consolidated financial statements for the fiscal year ended March 31, 2016.

Note2: The impact of the retrospective restatement in accordance with the change in accounting policy has been reflected in the figures for the nine-month period of the fiscal year ended March 31, 2016. Due to amounts being restated, the year-on-year change % for the quarter of the fiscal year has not been recorded.

2) Financial Position

Millions of yen, rounded down

	As of December 31, 2016	As of March 31, 2016
Total assets	1,328,147	1,262,113
Net assets	706,389	691,928
Shareholders' equity ratio (%)	47.7%	49.1%
Book value per share (¥)	¥1,114.03	¥1,066.84

Shareholders' equity:

As of December 31, 2016: ¥634,032 million

As of March 31, 2016: ¥619,872 million

Note: The impact of the retrospective restatement in accordance with a change in accounting policy has been reflected in the figures for the fiscal year ended March 31, 2016.

AJINOMOTO®

2. Dividends

	FY ended March 31, 2016	FY ending March 31, 2017	FY ending March 31, 2017 (forecast)
Dividend per share			
Interim..	¥13.00	¥15.00	¥-
Year-end..	¥15.00	¥-	¥15.00
Annual	¥28.00	¥-	¥30.00

Note: Revisions to dividend forecasts in the period under review: None

3. Forecast for the Fiscal Year Ending March 31, 2017

Millions of yen rounded down

	FY ending March 31, 2017	
		Change (%)
Net sales...	1,095,000	(7.5)
Operating income....................................	81,500	(10.3)
Ordinary income......................................	83,700	(11.1)
Profit attributable to owners of parent	44,500	(29.8)
Earnings per share..................................	¥77.83	-

Note1: Revisions to consolidated earnings forecasts in the period under review: None

Note2: Due to retrospective restatement in accordance with a changing accounting policy being reflected, the changes represent comparisons of the previous fiscal year after adjusted.

Notes:

1) Transfer of important subsidiaries during the period (Transfers of certain subsidiaries resulting in changes in the scope of consolidation): Yes

Newly consolidated: -

Removed from scope of consolidation: 1 company (Ajinomoto Pharmaceuticals Co., Ltd.) (Currently EA Pharma Co., Ltd.)

Note: For more information, see page 9, *"2.SUMMARY INFORMATION (NOTES) (1) Transfer of important subsidiaries in the nine-month period under review."*

2) Adoption of special accounting methods for preparation of quarterly financial statements: Yes

Note: For more information, see page 10, *"2. SUMMARY INFORMATION (NOTES) (3) Adoption of special accounting methods for preparation of quarterly financial statements."*

3) Changes in accounting policy, changes in accounting estimates, and retrospective restatements

(1) Changes in line with revision to accounting standards: None

(2) Other changes: Yes

(3) Changes in accounting estimates: None

(4) Retrospective restatements: None

Note: For more information, see page 10, *"2. SUMMARY INFORMATION (NOTES) (4) Changes in accounting policy, changes in accounting estimates, and retrospective restatements".*

4) Number of shares outstanding (ordinary shares)

(1) Number of shares outstanding at end of period (including treasury shares):

December 31, 2016: 571,863,354 shares March 31, 2016: 583,762,654 shares

(2) Number of treasury shares at end of period

December 31, 2016: 2,728,607 shares March 31, 2016: 2,724,205 shares

(3) Average number of shares during period

April 1,2016 to December 31,2016: 572,572,823 shares

April 1,2015 to December 31,2015: 590,171,632 shares

*Status of implementation of quarterly review procedures

This quarterly *kessan tanshin* document is outside the scope of quarterly review procedures based on the Financial Instruments and Exchange Act. As of the time of its disclosure, quarterly review procedures with respect to the quarterly financial statements were in the process of being implemented.

*Forward-looking statements, such as business forecasts, made in these financial statements 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. For more information regarding our business forecasts, see supplementary results materials page 9, "*1. QUALITATIVE INFORMATION ON NINE-MONTH PERIOD CONSOLIDATED RESULTS (3) Explanation of consolidated earnings forecasts.*"

*Method of obtaining supplementary results materials

Supplementary results materials will be published on the website of Ajinomoto Co., Inc. ("the Company") on Tuesday, January 31, 2017.

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1. QUALITATIVE INFORMATION ON NINE-MONTH PERIOD CONSOLIDATED RESULTS

Owing to a change in accounting policy of EA Pharma Co., Ltd. (hereafter "EA Pharma," formerly Ajinomoto Pharmaceuticals Co., Ltd.), an equity-method affiliate of Ajinomoto, effective from at the first quarter of the fiscal year under review (April 1, 2016 to June 30, 2016), comparisons with results of the previous fiscal year and the first nine-month period of that year are based on retroactively revised figures for those periods. For details, please refer to page 10, "*2. SUMMARY INFORMATION (NOTES) (4) Changes in accounting policy, changes in accounting estimates, and retrospective restatements.*"

Also, at the end of the previous fiscal year, the Company decided on a provisional accounting treatment related to the business combination of Ajinomoto General Foods, Inc. (hereafter "AGF"). Consolidated results for the first nine months of the previous fiscal year have been revised to reflect a significant change in the initial distribution of the acquisition cost of AGF. For details, please refer to page 19, "*3. CONSOLIDATED NINE-MONTH PERIOD FINANCIAL STATEMENTS (3) Notes to the consolidated financial statements (Business Mergers, etc.)*."

(1) Explanation of operating results

During the nine-month period under review, the global economy as a whole remained in a moderate recovery, with improving conditions in the United States and Europe offsetting weakness in the economies of some emerging countries.

The Japanese economy remained in a moderate recovery and the employment environment continued to improve despite the strong yen's impact on corporate earnings and signs that the recovery in capital investment was stagnating.

In this environment, Ajinomoto is implementing its 2014–2016 Medium-Term Management Plan with the aim of becoming a "Genuine Global Specialty Company". Under this plan, the Company is striving to "Advance New Growth Drivers" and "Reinforce the Business Structure" by pursuing specialty businesses, while also endeavoring to "Build a Stronger Management Foundation" to guide the Company over the longer term.

Consolidated sales for the first nine months of the fiscal year declined 10.1% year on year, or ¥90.8 billion, to ¥811.7 billion. The decline was mainly due to the impact of shifting EA Pharma from consolidated subsidiary status to an equity-method affiliate upon restructuring of the Company's pharmaceuticals business as well as a forex-related decline in sales of seasonings and processed foods (international) and a large drop in sales of animal nutrition products. Operating income fell 12.8%, or ¥10.1 billion, to ¥68.8 billion, mainly reflecting a large decline in profits on animal nutrition products and the forex impact. Ordinary income declined 10.4%, or ¥8.6 billion, to ¥74.2 billion. Profit attributable to owners of parent fell 43.3%, or ¥34.7 billion, to ¥45.3 billion, with the decline largely reflecting the absence of the gain on the sale of the Company's entire equity stake in Nissin-Ajinomoto Alimentos Ltda. that was posted as an extraordinary gain in the Company's consolidated accounts for the first nine months of the previous fiscal year.

Consolidated operating results by segment

Results for individual business segments are summarized below.

From the first quarter of the current fiscal year, reporting segments have been changed, and results for the same periods of the previous fiscal year have been restated to match the new segment classifications following this change.

Billions of yen, rounded down

	Net sales	YoY change - amount	YoY change - percent	Operating income	YoY change - amount	YoY change - percent
Japan food products	298.2	(4.9)	98.4%	31.4	5.3	120.5%
International food products	315.7	(38.9)	89.0%	30.8	(4.4)	87.4%
Life support	92.0	(18.6)	83.1%	3.4	(7.4)	31.7%
Healthcare	61.7	(2.9)	95.5%	4.0	(0.5)	87.5%
Other business	44.1	(25.3)	63.5%	(0.9)	(3.0)	-
Total	811.7	(90.8)	89.9%	68.8	(10.1)	87.2%

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 *AJINO-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 decreased 1.6%, or ¥4.9 billion, to ¥298.2 billion, as growth in sales of Japan frozen foods was offset by a decline in sales of coffee products and Japan seasonings and processed foods due to the effect of the sale of a subsidiary. Operating income, however, increased 20.5%, or ¥5.3 billion, to ¥31.4 billion, mainly owing to the increase in Japan sales of frozen foods and profits on sales of Japan seasonings and processed foods.

Seasonings and processed foods: Sales of our home use products increased year on year, despite flat sales of Chinese menu seasoning *Cook Do®.* The category's overall sales gain was driven by strong sales of other products, including *Knorr® Cup Soup* and tube-type Chinese seasoning paste *Cook Do*® Koumi Paste.

Sales of restaurant and industrial seasonings and processed foods declined year on year, owing to the impact of the sale of a subsidiary and the forex impact on overseas sales of *ACTIVA*®, a food enzyme (transglutaminase).

As a result of the above trends, overall sales of seasonings and processed foods in the Japan Food Products segment were less than in the first nine months of the previous year.

Frozen foods: Sales of home use frozen foods expanded year on year, driven by strong growth in sales of *Gyoza*, which were boosted by strengthening of sales campaigns, as well as higher sales of *Yawaraka Wakadori Kara-Age* (fried chicken) and *THE CHA-HAN* (fried rice).

Sales of frozen foods targeted at the restaurant and industrial market increased year on year on strong sales of chicken and dessert product offerings.

As a result, overall sales of frozen foods were higher than in the first nine months of the previous year.

Coffee products: Sales of home use coffee products declined year on year, as sales gains by 3-in-1 stick products were outweighed by a decline in sales of instant coffee, bottled coffee products, and gift-packaged products.

Sales of restaurant and industrial coffee products decreased, owing to lower sales to major customers.

As a result, overall sales of coffee products were lower than during the same period of the previous fiscal year.

2) International Food Products Segment

International food products segment sales fell 11.0%, or ¥38.9 billion, to ¥315.7 billion, as the strong yen depressed yen-based sales of overseas seasonings and processed foods, frozen foods, and umami seasonings and sweeteners for processed food manufacturers. The negative forex impact also depressed segment operating income, which fell 12.6%, or ¥4.4 billion, to ¥30.8 billion.

Seasonings and processed foods: In Asia, many products posted year-on-year sales gains on a local-currency basis—including umami seasoning *AJI-NO-MOTO*® in Indonesia and Vietnam, *RosDee*® flavor seasonings in Thailand, and *Masako*® flavor seasonings in Indonesia. On a yen-basis, however, sales of these products fell below previous-year levels owing to unfavorable forex rates.

In the Americas, region-wide sales decreased as the negative effect of exchange rate fluctuations offset growth in sales on a local-currency basis of such products as the flavor seasoning *Sazón*® in Brazil.

Sales in Europe and Africa declined sharply on an overall basis, as sales of *AJI-NO-MOTO*® in Africa decreased significantly from the same period of the previous fiscal year.

As a result, overall sales of seasonings and processed foods were lower than during the same period of the previous fiscal year.

Frozen foods: Overseas sales of frozen foods fell year on year, owing to a decline in sales at Ajinomoto Windsor, Inc., and the negative impact of the strong yen.

Umami seasonings for processed food manufacturers and sweeteners: Sales of *AJI-NO-MOTO*® to the food processing industry were less than in the first nine months of the previous fiscal year, as higher average sales prices in Japan offset by lower domestic and overseas sales volumes and the negative forex impact on overseas sales expressed in yen.

Sales of nucleotides were around the same level as a year earlier, as strong increases in overseas sales volumes offset the negative forex impact and lower average sales prices in Japan and overseas.

Sales of sweeteners fell year on year, adversely affected by lower sales volumes of aspartame for the processing industry and the adverse forex impact.

Overall, sales of umami seasonings for processed food manufacturers and sweeteners were sharply lower than in the same period of the previous fiscal year.

3) Life Support Segment

Life Support segment sales fell 16.9%, or ¥18.6 billion, to ¥92.0 billion. Sales of specialty chemicals were up year on year, but sales of animal nutrition products were sharply lower. Segment operating income declined 68.3%, falling ¥7.4 billion to ¥3.4 billion, owing to lower profits on sales of specialty chemicals and a large drop in income from animal nutrition.

Animal nutrition: Lysine sales fell sharply in the first nine months of the fiscal year, as both sales volume and prices were lower than a year earlier. Threonine sales volume was were up year on year and tryptophan volumes increased sharply. However, sales prices for both products were sharply lower than a year earlier, resulting in sales declines for both. Sales of specialty products, such as Valine, were up year on year.

Overall, sales of animal nutrition products were sharply lower than in the same period of the previous fiscal year.

Specialty chemicals: Sales of specialty chemicals increased year on year, as strong sales of insulation film for build-up printed wiring board used in semiconductor packaging offset lower sales of cosmetics ingredients, which fell owing to unfavorable forex rates.

4) Healthcare Segment

Healthcare segment sales decreased 4.5%, or ¥2.9 billion to ¥61.7 billion, owing to declines in sales of amino acids for pharmaceuticals and foods as well as in sales of pharmaceutical custom manufacturing services. Segment operating income decreased 12.5%, or ¥0.5 billion, to ¥4.0 billion, as a sharp increase in the profitability of our pharmaceutical custom manufacturing service was offset by lower profits on sales of amino acids for pharmaceuticals and foods.

Amino acids: Sales of our amino acids for pharmaceuticals and foods declined year on year, as unfavorable forex rates depressed overseas sales, offsetting sales growth in Japan. The pharmaceutical custom manufacturing service also saw revenues fall as forex rates negatively affected sales in Europe.

As a result, overall sales of amino acids were lower than a year earlier.

5) Other Business

Other business sales decreased 36.5%, or ¥25.3 billion, to ¥44.1 billion, reflecting the impact of shifting EA Pharma from consolidated subsidiary status to an equity-method affiliate upon restructuring of the Company's pharmaceuticals business. The segment posted an operating loss of ¥0.9 billion, representing a ¥3.0 billion deterioration from the previous year's result.

(2) Explanation of financial position

As of December 31, 2016, total assets stood at ¥1,328.1 billion, ¥66.0 billion higher than the ¥1,262.1 billion on the balance sheet at the end of the previous fiscal year. The increase reflects the acquisition of an equity stake in Promasidor Holdings Limited and AGF's acquisition of previously licensed trademarks from Koninklijke Douwe Egberts B.V.

Total liabilities totaled ¥621.7 billion, ¥51.5 billion more than the ¥570.1 billion on the balance sheet at the end of the previous fiscal year. Interest-bearing debt amounted to ¥336.1 billion, up ¥71.4 billion from the end of the previous fiscal year.

Net assets increased ¥14.4 billion from the end of the previous fiscal year, reflecting the positive impact of foreign exchange translation adjustments and other factors. As of December 31, 2016, shareholders' equity, which is net assets minus non-controlling interests, totaled to ¥634.0 billion, for a shareholders' equity ratio of 47.7%.

(3) Explanation of consolidated earnings forecasts

No revisions have been made to the forecast of consolidated earnings announced on November 8, 2016.

2. SUMMARY INFORMATION (NOTES)

(1) Transfer of important subsidiaries in the nine-month period under review:

(Other business)
Ajinomoto Pharmaceuticals Co., Ltd. (hereafter “Ajinomoto Pharmaceuticals”, currently EA Pharma Co., Ltd., hereafter “EA Pharma”), which is a wholly owned subsidiary of the Company, acquired a portion of the gastrointestinal disease treatment related business of Eisai Co., Ltd. (hereafter “Eisai”) through an absorption-type demerger as of April 1, 2016, shares of EA Pharma having been delivered to Eisai in compensation of such acquisition.

As a result, EA Pharma has become an equity-method affiliate with a 40% of stake in this first quarterly period, excluded from a consolidated subsidiary (specified subsidiary).

(2) Change in scope of consolidation or equity method :

Significant change in scope of equity method

The company acquired a 33.3 % stake in Promasidor Holdings Limited (hereafter “Promasidor”) on November 8, 2016, which is a major manufacturer of processed food and develops business in African countries. Accordingly, Promasidor has been included in the scope of equity method in the nine-month period. As the deemed acquisition date is set to December 31, 2016, the business results of Promasidor are not included in the consolidated statement of income for the nine-month period.

(3) Adoption of special accounting methods for preparation of quarterly financial statements:

Method of estimating tax expenses

The Company and its consolidated subsidiaries estimate tax expenses by making a reasonable estimation of the effective tax rate on net income before income taxes after the application of tax effect accounting for the fiscal year, including the nine-month period under review, and applying this rate to net income before income taxes for the nine-month period under review. However, for the Company and any subsidiaries for which calculating tax expenses using an estimation of the effective tax rate would significantly lack rationality, tax expenses are estimated by using the statutory effective tax rate and factoring in material additions or deductions.

(4) Changes in accounting policy, changes in accounting estimates, and retrospective restatements:

(Changes in accounting policy of equity-method affiliates)
The Group has changed accounting policy of EA Pharma about revenue recognition from the first quarter of the fiscal year under review.

As mentioned in “*(1) Transfer of important subsidiaries in the nine-month period under review*,“ EA Pharma was established through the acquisition of a portion of the gastrointestinal disease treatment related business of Eisai. The wholly owned subsidiary Ajinomoto Pharmaceuticals, which mainly conducts food products business, acquired the aforementioned business of Eisai, which mainly conducts pharmaceutical business. By this trans-industry integration, Eisai has become the parent company of EA Pharma, and EA Pharma changes the way of managing the business to the way applied by the new parent company. Therefore, change of accounting policy was believed to be reasonable.

The major changes are described below.

Revenue recognition
As to royalty revenue when the Company derives the treatment agent and sales related rights to external firms, in the past it was fully recognized at the time of acceptance based on the contract, however, from the first quarter of the fiscal year under review, the recognition method has been changed to the method where the royalty before gaining approval of product sales is posted in reverse of research and development, the royalty after gaining approval of product sales is separately recognized as revenue according to the contract period.

The change in accounting policy has been applied retrospectively to the consolidated financial statement. The nine-month period and full-year period of the previous fiscal year have been adjusted retrospectively.

Compared with the accounting policy before retrospective adjustment, sales in the nine-month period of the previous fiscal year declined ¥647 million, while, operating income, ordinary income, and net income before income taxes, respectively declined ¥338 million. Reflecting the cumulative impact on net assets at the beginning of the previous year, retained earnings at the beginning of previous year declined ¥4,208 million.

Details regarding the impact of this change on segment information are stated in page 16 "*(3) Notes to the consolidated financial statements (Segment information)*".

(5) Additional information

(Adoption of the Implementation Guidance on Recoverability of Deferred Tax Assets)

The Company has adopted "Implementation Guidance on Recoverability of Deferred Tax Assets" (Guideline of Financial Accounting Standard of Japan, March 28, 2016) in this first quarterly period.

3. CONSOLIDATED NINE-MONTH PERIOD FINANCIAL STATEMENTS

(1) Consolidated Balance Sheet

Millions of yen, rounded down

	As of end of third quarter (December 31, 2016)	As of end of previous fiscal year (March 31, 2016)
Assets		
Current assets		
Cash on hand and in banks	167,611	221,242
Notes and accounts receivable	190,490	181,860
Goods and products	115,096	116,303
Goods in process	9,255	8,270
Raw materials and supplies	54,346	54,833
Deferred tax assets	9,518	9,711
Other	36,840	33,034
Allowance for doubtful accounts	(1,230)	(1,191)
Total current assets	581,930	624,063
Fixed assets		
Tangible fixed assets		
Buildings and structures	364,301	362,650
Accumulated depreciation and accumulated impairment losses	(221,552)	(218,576)
Net buildings and structures	142,748	144,074
Machinery and vehicles	594,901	588,820
Accumulated depreciation and accumulated impairment losses	(443,986)	(438,207)
Net machinery and vehicles	150,915	150,613
Land	52,377	53,772
Construction in progress	22,359	22,260
Other	71,755	73,725
Accumulated depreciation and accumulated impairment losses	(56,306)	(58,245)
Net other assets	15,448	15,480
Total tangible fixed assets	383,848	386,201
Intangible fixed assets		
Goodwill	86,292	89,450
Other	65,674	46,560
Total intangible fixed assets	151,967	136,011
Investments and other assets		
Investments in securities	192,705	96,133
Long-term loans receivable	1,338	1,084
Deferred tax assets	4,359	4,930
Net defined benefit assets	1,395	964
Other	11,429	13,343
Allowance for doubtful accounts	(826)	(320)
Allowance for investment losses	-	(297)
Total investments and other assets	210,400	115,837
Total fixed assets	746,216	638,050
Total assets	1,328,147	1,262,113

(Continued)

	Millions of yen, rounded down	
	As of end of third quarter (December 31, 2016)	As of end of previous fiscal year (March 31, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable	94,018	90,459
Short-term borrowings	68,824	6,456
Commercial paper	20,000	-
Current portion of long-term borrowings	11,137	11,189
Accrued income taxes	12,437	10,288
Bonus reserve	6,123	9,863
Bonus reserve for directors and others..............................	192	427
Provision for shareholder benefit program.........................	20	160
Asset retirement obligations	-	27
Other..	95,442	104,432
Total current liabilities	308,196	233,304
Long-term liabilities		
Corporate bonds..	89,996	89,995
Long-term borrowings..	144,310	155,211
Deferred tax liabilities	12,093	13,892
Accrued retirement benefits for directors and others........ ..	453	435
Provision for loss on guarantees	-	681
Allowance for environmental measures	562	585
Liability for retirement benefit..	44,721	52,325
Asset retirement obligations	555	594
Other..	20,867	23,158
Total long-term liabilities	313,560	336,880
Total Liabilities	621,757	570,185
Net assets		
Shareholders' equity		
Common stock	79,863	79,863
Capital surplus...	3,872	26,031
Retained earnings	598,655	578,451
Treasury stock	(6,892)	(6,944)
Total shareholders' equity	675,498	677,402
Accumulated other comprehensive income		
Unrealized holding gain on securities	18,935	17,804
Unrealized gain (loss) from hedging instruments...............	(1,090)	(1,578)
Translation adjustments..	(37,017)	(47,746)
Accumulated adjustments for retirement benefits..............	(22,293)	(26,008)
Total accumulated other comprehensive income (loss)...	(41,466)	(57,529)
Non-controlling interests...	72,357	72,056

Total net assets	706,389	691,928
Total liabilities and net assets...	**1,328,147**	**1,262,113**

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

Millions of yen, rounded down

	Nine-month period (April 1, 2016 to December 31, 2016)	Nine-month period (April 1, 2015 to December 31, 2015)
Net sales	811,775	902,600
Cost of sales	521,161	582,939
Gross profit	290,614	319,661
Selling, general and administrative expenses	221,724	240,669
Operating income	68,889	78,991
Non-operating income		
Interest income	2,262	2,105
Dividend income	1,203	1,205
Equity in earnings of non-consolidated subsidiaries and affiliates	3,577	1,504
Other	2,336	3,140
Total non-operating income	9,381	7,955
Non-operating expenses		
Interest expense	1,890	1,668
Other	2,110	2,406
Total non-operating expenses	4,000	4,074
Ordinary income	74,269	82,871
Extraordinary gains		
Gain on sale of investment securities	4,463	0
Gain on sale of shares in affiliates companies	-	24,872
Gain on step acquisitions	-	18,027
Other	1,825	1,043
Total extraordinary gains	6,289	43,943
Extraordinary losses		
Loss on disposal of fixed assets	1,948	1,037
Other	4,780	9,723
Total extraordinary losses	6,729	10,761
Net income before taxes	73,830	116,053
Income taxes – total	20,908	27,690
Net income	52,922	88,363
Profit attributable to non-controlling interests	7,564	8,300
Profit attributable to owners of parent	45,358	80,063

Consolidated Statement of Comprehensive Income

	Millions of yen, rounded down	
	Nine-month period (April 1, 2016 to December 31, 2016)	Nine-month period (April 1, 2015 to December 31, 2015)
Net income	52,922	88,363
Other comprehensive income		
Unrealized holding gain (loss) on securities	836	3,106
Unrealized gain (loss) from hedging instruments	367	(355)
Translation adjustments	11,575	(33,728)
Adjustment for retirement benefits	3,070	2,132
Share of other comprehensive income of equity method affiliates..	732	3,033
Total other comprehensive income	16,582	(25,812)
Comprehensive income	69,504	62,550
(Breakdown)		
Comprehensive income attributable to owners of parent	61,097	60,282
Comprehensive income attributable to non-controlling interests	8,406	2,268

(3) Notes to the consolidated financial statements

Notes regarding premise of a going concern

No applicable items.

Notes regarding marked changes in amount of shareholders' equity

The Company resolved at the meeting of its Board of Directors on May 10, 2016, to acquire its treasury stock under Article 156, as applied pursuant to paragraph 3, Article 165, of the Corporate Law. Accordingly, the Company buybacked 11,899,300 shares of common stock at ¥29,999 million in the market via a trust bank during the period from May 11, 2016 to July 15, 2016.

The Company, at its Board of Directors meeting held on July 28, 2016, determined retirement of treasury stock pursuant to Article 178 of the Corporate Law. The 11,899,300 shares of our common stock were retired on August 9, 2016. Accordingly, capital surplus, retained earnings, and treasury stock decreased ¥22,158 million, ¥7,903 million and ¥30,061 million respectively. After this, the number of shares outstanding is 571,863,354 shares.

Segment information

I. Nine-month period of the fiscal year ending March 31, 2017 (April 1, 2016 to December 31, 2016)

1. Information on sales, income or loss, assets and other items by reporting segment

Millions of yen, rounded down

	Reporting segment				Other Business*	Adjustment amount	Consolidated
	Japan Food Products	International Food Products	Life Support	Healthcare			
Sales							
(1) Sales to third parties .	298,209	315,702	92,000	61,724	44,139	-	811,775
(2) Intra-group sales and transfers...................	2,986	4,437	2,106	1,789	41,225	(52,545)	-
Total sales............	301,196	320,140	94,106	63,513	85,365	(52,545)	811,775
Segment income (loss) (Operating income (loss))...........................	31,493	30,822	3,432	4,067	(927)	-	68,889

Note: Other business includes the business tie-ups, the packaging business, the logistics business and other service businesses.

2. Assets in reporting segments

The amount of the segment assets in "International Food Product" increased ¥64,632 million compared to the end of the previous fiscal year. The increase is mainly due to Company's acquisition of a 33.3% stake in Promasidor and inclusion of Promasidor in the scope of equity-method affiliate in the nine-month period.

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3. Change in reporting segments

As mentioned in *"2. SUMMARY INFORMATION (NOTES), (4) Changes in accounting policy, changes in accounting estimates, and retrospective restatements"* , in accordance with the change in accounting policy of EA Pharma, an equity-method affiliate of the Company, the impact of the retrospective restatement has been reflected in the figures for the nine-month period of the previous fiscal year.

From this first quarter of period, pharmaceutical and nutrition care businesses used to belong to the “Healthcare” segment have been included respectively in the “Other Business” and the “Japan Food Products” segments.

Accordingly, the segment information for the nine-month period of the previous fiscal year has been adjusted and restated reflecting the segment change. As is described in the “*1. Information on sales, income or loss, assets and other items by reporting segment”* for the nine-month period of the previous fiscal year.

4. Information by region

Millions of yen, rounded down

	“Japan”	“Asia”	“Americas”	“Europe”	Total
Sales	381,599	208,175	170,258	51,740	811,775
Percentage of total consolidated sales	47.0%	25.6%	21.0%	6.4%	100.0%

Note: Sales are based on the location of customers, and are classified by country or region.

5. Information on fixed assets, impairment losses and goodwill by reporting segment

No applicable items.

II. Nine-month period of the fiscal year ended March 31, 2016 (April 1, 2015 to December 31, 2015)

1. Information on sales, income or loss, assets and other items by reporting segment

Millions of yen, rounded down

	Reporting segment				Other Business	Adjustment amount	Consolidated
	Japan Food Products	International Food Products	Life Support	Healthcare			
Sales							
(1) Sales to third parties	303,115	354,680	110,676	64,643	69,485	-	902,600
(2) Intra-group sales and transfers	1,854	4,434	1,936	3,128	40,968	(52,321)	-
Total sales	304,969	359,115	112,612	67,771	110,453	(52,321)	902,600
Segment income(loss) (Operating income (loss))	26,139	35,261	10,841	4,651	2,097	-	78,991

Note1: Other business includes the business tie-ups, the packaging business, the logistics business and other service businesses.

Note2: The segment results for the nine-month period of the previous fiscal year have been retrospectively restated to reflect changes in the classification of business segments. For more information on the change, see “*I. Nine-month period of the fiscal year ending March 31, 2017 (April 1, 2016 to December 31, 2016), 3. Change in reporting segments*”.

Note3: Regarding AGF’s business combination in the nine-month period of the previous fiscal year, the provisional accounting treatment was tentatively applied, as the allocation of acquisition costs had not yet been completed. However, the Company finalized the allocation of the acquisition costs at the end of previous fiscal year, and consolidated results for the nine-month period of the previous fiscal year have been revised to reflect it. As a result, segment income in “Japan Products” declined ¥836 million in the nine-month period of the previous fiscal year.

Note4: Along with the change in accounting policy of EA Pharma, an equity-method affiliate of the Company, the impact of the retrospective restatement has been reflected in the figures for the nine-month period of the previous fiscal year. Accordingly, sales to third parties in "others" and segment income decreased respectively ¥647 million and ¥338 million in the nine-month period of the previous fiscal year.

2. Information by region

Millions of yen, rounded down

	"Japan"	"Asia"	"Americas"	"Europe"	Total
Sales	407,979	221,346	191,094	82,179	902,600
Percentage of total consolidated sales	45.2%	24.5%	21.2%	9.1%	100.0%

Note1: Sales are based on the location of customers, and are classified by country or region.

Note2: Along with the change in accounting policy of EA Pharma, an equity-method affiliate of the Company, the impact of the retrospective restatement has been reflected in the figures for the nine-month period of the previous fiscal year. Accordingly, in the nine-month period of the previous fiscal year, sales in "Japan" decreased ¥647 million, percentages of total consolidated sales has not changed.

3. Information on fixed assets, impairment losses and goodwill by reporting segment

Significant impairment losses in fixed assets

No applicable items.

Significant change in the amount of good will

The amount of goodwill that occurred from the business combination of AGF in the previous first quarter period was calculated tentatively because the allocation of acquisition cost had not been completed. At the end of the previous fiscal year, however, the allocation was completed and the provisional accounting treatment was finalized. As a result of it, the amount of goodwill has been modified. For the details, see *"3. CONSOLIDATED NINE-MONTH PERIOD FINANCIAL STATEMENTS (Business mergers, etc.)".*

Significant gain on negative goodwill

No applicable items.

(Reference)

Segment information by geographical area

Nine-month period of the fiscal year ending March 31, 2017

Millions of yen, rounded down

	"Japan"	"Asia"	"Americas"	"Europe"	Total
Sales to third parties	395,723	188,596	165,494	61,959	811,775
Percentage of total consolidated sales	48.7%	23.2%	20.4%	7.6%	100.0%
Operating income....................................	32,860	28,023	6,944	1,060	68,889
Percentage of total consolidated operating income	47.7%	40.7%	10.1%	1.5%	100.0%

Nine-month period of the fiscal year ended March 31, 2016

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	"Japan"	"Asia"	"Americas"	"Europe"	Total
	Millions of yen, rounded down				
Sales to third parties	422,999	208,743	189,002	81,854	902,600
Percentage of total consolidated sales....	46.9%	23.1%	20.9%	9.1%	100.0%
Operating income...................................	34,661	30,386	10,961	2,982	78,991
Percentage of total consolidated operating income	43.9%	38.5%	13.9%	3.8%	100.0%

Note 1: Geographical area segments are categorized on the basis of geographic proximity and indicated in inverted commas.

Note 2: Main countries and regions in segments other than "Japan":
"Asia": Countries of East and Southeast Asia
"Americas": Countries of North, Central and South America
"Europe": Countries of Europe and Africa

Note3: Regarding business combination of AGF in the nine-month period of the previous fiscal year, the provisional accounting treatment was tentatively applied as the allocation of acquisition costs had not yet been completed. However, the Company finalized the allocation of the acquisition costs at the end of previous fiscal year, and consolidated results in the nine-month period of the previous fiscal year have been revised to reflect it. As a result, operating income in "Japan" declined ¥836 million.

Note4: Along with the change in accounting policy of EA Pharma, an equity-method affiliate of the Company, the impact of the retrospective restatement has been reflected in the figures in the nine-month period of the previous fiscal year. Accordingly, in the previous nine-month period, sales to third party and operating income in "Japan" declined respectively ¥647 million and ¥338 million.

Business mergers, etc.

Integration through acquisition

Significant change in the original allocation of the acquisition cost included in comparative data

In its consolidated accounts for the nine-month period of fiscal 2015, the Company used a provisional accounting treatment to account for the acquisition of shares that resulted in AGF becoming a consolidated subsidiary on April 23, 2015. However, the actual allocation the acquisition cost was determined at the end of the previous fiscal year.

In line with this final determination, the comparative data in the consolidated balance sheet for the nine-month period of the year under review reflect a significant change in the original allocation of the acquisition cost of AGF. The main change was the allocation of ¥5,704 million in customer-related assets accounted for as intangible fixed assets. As result, the provisional calculation of goodwill related to the AGF acquisition of ¥35,198 million was reduced by ¥4,937 million to ¥30,261 million.

Owing to a result of this change, mainly a decrease in amortization of goodwill and an increase in depreciation of intangible fixed assets, the consolidated statement of income for the nine-month period of the previous fiscal year has been adjusted as follows: operating income, ordinary income, and net income before taxes were each reduced by ¥836 million, net income was reduced by ¥476 million, and profit attributable to owners of the parent was reduced by ¥468 million.