

# Ajinomoto Co., Inc.

## Consolidated Results

First Quarter Ended June 30, 2015

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)

First quarter results for the year ending March 31, 2016

### Ajinomoto Co., Inc.

July 31, 2015

Stock Code:	2802	Listed exchanges:	Tokyo
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Scheduled date of submission of quarterly report:	August 7, 2015		Finance Department
Creation of supplementary quarterly results materials:	Yes		Telephone: 813 5250-8161
Quarterly results briefing:	No		Scheduled date of payment of dividend: N/A

### 1. Consolidated Financial Results for the Three Months Ended June 30, 2015

#### 1) Consolidated Operating Results

Millions of yen, rounded down

	Three months ended June 30, 2015		Three months ended June 30, 2014	
		Change %		Change %
Net sales .....	292,265	28.4	227,583	(2.6)
Operating income .....	23,802	78.8	13,312	(12.8)
Ordinary income .....	25,882	67.2	15,477	(10.1)
Net income .....	32,532	197.2	10,946	(8.2)
Net income per share (¥) .....	¥54.97	--	¥18.48	--
Fully diluted earnings per share (¥) .....	--	--	--	--

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

Comprehensive income:

Three months ended June 30, 2015: ¥45,695 million (273.8%)      Three months ended June 30, 2014: ¥12,224 million (-43.0%)

#### 2) Financial Position

Millions of yen, rounded down

	As of June 30, 2015	As of March 31, 2015
<b>Total assets</b> .....	1,316,243	1,255,090
Net assets .....	780,278	743,489
Shareholders' equity ratio (%) .....	53.5	53.3%
Book value per share (¥) .....	1,191.03	¥1,131.41

Note: Shareholders' equity      As of June 30, 2015: ¥704,845 million      As of March 31, 2015: ¥669,576 million

#### 2. Dividends

	FY ended March 31, 2015	FY ending March 31, 2016	FY ending March 31, 2016 (forecast)
Dividend per share			
Interim .....	¥10.00	¥--	¥13.00
Year-end .....	¥14.00	¥--	¥13.00
Annual .....	¥24.00	¥--	¥26.00

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

### 3. Forecast for the Fiscal Year Ending March 31, 2016

Millions of yen, rounded down

	FY ending March 31, 2016		Change (%)
Net sales.....	1,263,000		25.5
Operating income .....	82,000		10.0
Ordinary income .....	85,000		2.6
Net income .....	50,000		7.5
Net income per share .....	¥84.49		--

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

Revisions to consolidated earnings forecasts in the period under review: No

#### Notes:

- 1) **Transfer of important subsidiaries during the period** (transfer of specified subsidiaries resulting in changes in the scope of consolidation): Yes

Newly consolidated: 1 company (Ajinomoto General Foods, Inc.)

Removed from scope of consolidation: 1 company (Windsor Quality Holdings, LP)

Note: For more information, see page 8, "2. SUMMARY INFORMATION (NOTES) (1) Transfer of important subsidiaries in the quarterly period under review."

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

Note: For more information, see page 9, "2. SUMMARY INFORMATION (NOTES) (2) 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: Yes

(2) Other changes: None

(3) Changes in accounting estimates: None

(4) Retrospective restatements: None

Note: For more information, see page 9, "2. SUMMARY INFORMATION (NOTES) (3) Changes in accounting policy, changes in accounting estimates, and retrospective restatements" for details.

- 4) **Number of shares outstanding (ordinary shares)**

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

June 30, 2015: 594,470,654; March 31, 2015: 594,470,654 shares

(2) Number of treasury shares at end of period

June 30, 2015: 2,674,158; March 31, 2015: 2,663,656 shares

(3) Average number of shares during period

April 1, 2015 to June 30, 2015: 591,800,492; April 1, 2014 to June 30, 2014: 592,308,565 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 page 5, "1. QUALITATIVE INFORMATION ON FIRST QUARTER 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 Friday, July 31, 2015.

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## 1. QUALITATIVE INFORMATION ON FIRST QUARTER CONSOLIDATED RESULTS

From the first-quarter period under review, in accordance with the Accounting Standard for Business Combinations (Accounting Standards Board of Japan (ASBJ) Statement No. 21 of September 13, 2013), the Ajinomoto Group (“the Group”) has replaced the term ‘net income’ with ‘net income attributable to owners of parent’.

### (1) Explanation of operating results

Note: All comparisons are with first quarter period of the previous fiscal year, unless stated otherwise.

In the first quarter period under review (April 1, 2015 to June 30, 2015), the overall global economy showed mild recovery. In the U.S., weakness was apparent in some areas but a general recovery continued. In Europe there were some signs of positive economic recovery, while the easing of growth rates in emerging economies had a negative impact. In Japan, mild economic recovery continued, with further improvement in employment and a pick-up in personal consumption and corporate capital expenditure.

In this environment, Ajinomoto is engaging in its 2014-2016 Medium-Term Management Plan with the aim of becoming a “Genuine Global Specialty Company”, pursuing specialty and “Evolution of the Management Foundation” under the strategic themes of “Growth Driver Advancement” and “Further Reinforcement of Business Structure”.

Consolidated sales for the first quarter period increased 28.4% (¥64.6 billion) to ¥292.2 billion. This outcome reflected overseas growth in seasonings and processed foods on a local currency basis, higher revenues from animal nutrition, and inclusion of two additional companies in the scope of consolidation: Windsor Quality Holdings, LP (now Ajinomoto Windsor, Inc.; hereafter “Windsor”), a U.S. frozen foods manufacturer and distributor that was acquired on November 5, 2014 through the acquisition of all shares; and Ajinomoto General Foods, Inc. (hereafter “AGF”), whose shares were acquired on April 23, 2015.

Operating income increased 78.8% (¥10.4 billion) to ¥23.8 billion, influenced by a significant increase in income from animal nutrition and seasonings and processed foods (international), along with the consolidation of AGF and other factors. Ordinary income increased 67.2% (¥10.4 billion) to ¥25.8 billion. Net income attributable to owners of parent increased 197.2% (¥21.5 billion) to ¥32.5 billion, with a ¥18.0 billion valuation gain (gain on step acquisitions) recorded as an extraordinary gain due to the reevaluation of equity interest in AGF held prior to the additional acquisition in April 2015, based on the market value at the time of the additional acquisition.

### Consolidated operating results by segment

Note: All comparisons are with first quarter period of the previous fiscal year, unless stated otherwise.

From the consolidated first quarter period under review, reporting segments have been changed, and the results for the previous first quarter period 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	92.1	25.3	37.8%	6.2	1.5	32.0%
International Food Products	117.2	32.5	38.5%	10.7	3.2	43.2%
Life Support	37.6	4.9	15.3%	4.6	4.2	--

Healthcare	31.5	4.0	14.8%	2.1	1.2	149.9%
Other Business	13.6	(2.2)	(14.1%)	0.0	0.2	--
<b>Total</b>	<b>292.2</b>	<b>64.6</b>	<b>28.4%</b>	<b>23.8</b>	<b>10.4</b>	<b>78.8%</b>

Note: Domestic and international sales of *ACTIVA*<sup>®</sup> products to food processing companies, and savory seasonings are included in Japan food products. Domestic and international sales of *AJI-NO-MOTO*<sup>®</sup> for the food processing industry and nucleotides are included in International food products.

### 1) Japan Food Products Segment

Japan food products segment sales increased 37.8% (¥25.3 billion) to ¥92.1 billion, due to growth in sales of seasonings and processed foods (Japan) in addition to the effect of the inclusion of AGF in the scope of consolidation, despite a decline in sales of frozen foods. Operating income increased 32.0% (¥1.5 billion) to ¥6.2 billion, mainly due to the inclusion of AGF in the scope of consolidation, which more than offset a rise in import prices for frozen foods due to the weaker yen.

**Seasonings and processed foods (Japan):** In seasonings and processed foods for the retail market, although sales of Chinese menu seasoning *Cook Do*<sup>®</sup> declined, there was a significant increase in sales of new products such as *Toss Sala*<sup>®</sup>, a powdered salad dressing with toppings, as well as *Knorr*<sup>®</sup> *Cup Soup* made with cold milk and tube-type Chinese seasoning paste *Cook Do*<sup>®</sup> *Koumi Paste* for which TV advertising and related marketing initiatives were conducted, in addition to steady sales of *HON-DASHI*<sup>®</sup>. As a result, overall sales increased.

In seasonings and processed foods for the commercial market, sales of seasoning products for restaurant use increased due to growth in functional food products used to enhance texture and quality and draw out the flavors of rice and meat, and sales of *ACTIVA*<sup>®</sup>, a food enzyme (transglutaminase), and savory seasonings products also increased compared to the previous period, reflecting strong sales in Japan and overseas, resulting in an overall increase in commercial market sales.

As a result of the above, overall sales of seasonings and processed foods increased.

**Frozen foods (Japan):** In the retail market, sales of *Gyoza* increased with the strengthening of promotional activities aimed at increasing summer demand, and sales of *Yawaraka Wakadori Kara-Age* were in line with the previous year. However, sales of *Ebi Shumai* (shrimp dumpling) and *Ebiyose Fry* declined significantly, resulting in a decline in overall sales.

Total sales of products for the commercial market increased with an increase in sales of chicken products and dessert products.

As a result, overall sales of frozen food decreased.

**Coffee products:** From the consolidated fiscal year under review, due to the inclusion of AGF in the scope of consolidation, sales of AGF coffee products are included in the Japan Food Products segment.

In the retail market, sales of 3 in 1 and regular type coffee grew significantly, and instant coffee also trended strongly.

In the commercial market, sales to major customers increased significantly.

## 2) International Food Products Segment

International food products segment sales increased 38.5%, or ¥32.5 billion, to ¥117.2 billion, due to the inclusion of Windsor in the scope of consolidation, and growth in sales of seasonings and processed foods (international) and umami seasonings for processed food manufacturers and sweeteners. Operating income increased 43.2%, or ¥3.2 billion, to ¥10.7 billion, due to higher revenues from seasonings and processed foods (international), and umami seasonings for processed food manufacturers and sweeteners.

**Seasonings and processed foods (international):** In Asia, overall sales increased, reflecting a significant increase in sales of umami seasoning *AJI-NO-MOTO*<sup>®</sup> in the Philippines Indonesia, Vietnam and Thailand, and of flavor seasonings *Masako*<sup>®</sup> in Indonesia, as well as higher sales of flavor seasoning *Ros Dee*<sup>®</sup> and instant noodles in Thailand, as well as the effect of exchange rates.

In the Americas, sales decreased as growth in sales on a local currency basis of products such as flavor seasoning *Sazón*<sup>®</sup> in Brazil were offset by the effect of exchange rates.

In Europe and Africa, sales decreased, reflecting a decline in sales of *AJI-NO-MOTO*<sup>®</sup> in Africa, which offset an increase in sales of products such as instant noodles in Poland.

As a result of the above, overall consumer foods sales increased.

**Frozen Foods (international):** In addition to the inclusion of Windsor in the scope of consolidation, sales of rice products and noodles products such as yakisoba grew significantly in North America, leading to a significant increase in overall sales.

**Umami seasonings for processed food manufacturers and sweeteners:** Sales of *AJI-NO-MOTO*<sup>®</sup> for the food processing industry increased, mainly due to an increase in unit prices and sales volumes in Japan and overseas. Sales of nucleotides decreased, due to a significant decline in sales volumes in overseas markets, which offset an increase in sales volumes in Japan.

Sales of sweeteners increased due to growth in sales volumes of aspartame for the processing industry, despite a decline in sales in South America of powdered juice *RefrescoMID*<sup>®</sup>, which contains aspartame.

As a result of the above, overall sales increased.

## 3) Life Support Segment

Life Support segment sales increased 15.3% or ¥4.9 billion to ¥37.6 billion, mainly due to significant growth in animal nutrition sales, despite a decline in sales of specialty chemicals compared to the previous period. Operating income increased by ¥4.2 billion to ¥4.6 billion, as the significant increase in income from animal nutrition more than offset the decline in specialty chemicals.

**Animal nutrition:** Sales volumes of Lysine declined, while unit prices increased, resulting in an increase in sales. Sales of Threonine increased significantly due to an increase in sales volumes and a significant increase in unit prices, and sales of Tryptophan were in line with the previous first quarter period as a decline in unit prices and sales volumes was offset by the effect of exchange rates. Sales from specialty products such as Valine were also in line with the previous first quarter period. As result of the above, overall animal nutrition sales increased significantly.

**Specialty chemicals:** Overall sales decreased due to a decline in sales of insulation film for build-up printed wiring board used in computers, despite an increase in sales of cosmetics ingredients in Japan and overseas.

#### 4) Healthcare Segment

Healthcare segment sales increased 14.8% or ¥4.0 billion to ¥31.5 billion, despite a decline in pharmaceuticals, which was offset by an increase in sales in pharmaceutical custom manufacturing and amino acids for pharmaceuticals and foods, as well as the impact of exchange rates. Operating income increased 149.9%, or ¥1.2 billion, to ¥2.1 billion due to the increase in income from pharmaceutical custom manufacturing and pharmaceuticals.

**Amino acids:** Sales of amino acids for pharmaceuticals and foods increased despite a significant decline in sales in Japan, which was offset by significant growth in sales in overseas markets partly due to the effect of exchange rates. In pharmaceutical custom manufacturing, sales increased significantly due to growth in sales in North America and Europe.

As a result, overall sales of amino acids increased.

**Pharmaceuticals:** Sales of self-distributed products increased due to a substantial increase in sales of *MOVIPREP*®, an oral intestine cleansing solution, despite a decline in branched-chain amino acid formula *LIVACT*® due to the impact of generic drugs.

In products sold through business tie-ups, there was a large decrease in sales of *ATELEC*®, an antihypertensive calcium channel blocker, due to the effects of generic drugs and competition.

As a result of the above, overall sales declined.

#### 5) Other Business

Other business sales decreased 14.1%, or ¥2.2 billion, to ¥13.6 billion, with operating income increasing ¥0.2 billion to a positive figure.

### (2) Explanation of financial position

Total assets as of June 30, 2015 were ¥1,316.2 billion, ¥61.1 billion higher than the ¥1,255.0 billion recorded at the end of the previous fiscal year. This was primarily due to the inclusion of AGF in the scope of consolidation as of the first quarter period under review.

Total liabilities increased ¥24.3 billion to ¥535.9 billion, compared to ¥511.6 billion at the end of the previous fiscal year. Total interest bearing debt increased ¥37.7 billion to ¥249.3 billion, primarily due to the acquisition of AGF stocks.

Net assets increased ¥36.7 billion compared to the end of the previous fiscal year, due to an increase in retained earnings. Shareholders' equity, which is net assets minus non-controlling interests, was ¥704.8 billion, and the shareholders' equity ratio was 53.5%.

### (3) Explanation of consolidated earnings forecasts

No changes have been made to the full-year forecasts that the Company announced on May 8, 2015.

## 2. SUMMARY INFORMATION (NOTES)

### (1) Transfer of important subsidiaries in the quarterly period under review:

(Japan food products)

On April 23, 2015, the Company acquired all shares in Ajinomoto General Foods, Inc. (AGF) previously held by Kraft Foods Holdings Singapore Pte, an affiliate of Mondelez International Inc. Including indirect holdings, the ratio of voting rights held by the Company is now 100%. Accordingly, AGF is now designated as a consolidated

subsidiary of the Company. Furthermore, AGF is a specified subsidiary of the Ajinomoto Group. For more information on the acquisition of AGF, see page 17, 3. CONSOLIDATED FIRST QUARTER FINANCIAL STATEMENTS (3) Notes to the consolidated financial statements, Business Mergers, etc.

(International food products)

On April 1, 2015, an absorption-type merger was conducted, in which Ajinomoto Co. consolidated subsidiary Ajinomoto Windsor, Inc. was the surviving company in a merger with Windsor Quality Holdings, LP. Following this, Windsor Quality Holdings, LP no longer exists as a specified subsidiary of the Company. For more information on this absorption-type merger in which Ajinomoto Windsor, Inc. was the surviving company, see page 17, 3. CONSOLIDATED FIRST QUARTER FINANCIAL STATEMENTS (3) Notes to the consolidated financial statements, Business Mergers, etc.

**(2) 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 first quarter period under review, and applying this rate to net income before income taxes for the first quarter 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.

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

**Changes in accounting policy**

**Adoption of accounting standards related to business mergers**

The Accounting Standard for Business Mergers (Accounting Standards Board of Japan (ASBJ) Statement No.21) of September 13, 2013, the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No.22) of September 13, 2013, and the Accounting Standard for Business Divestitures (ASBJ Statement No.7) of September 13, 2013, have been applied from the first quarter period under review. Differences arising from changes in holdings of equity-method subsidiaries in cases where the parent company continues to have control are now recorded in capital surplus, and expenses related to business mergers are now treated as expenses in the consolidated financial statements for the year in which they arise. For business mergers which occur after the beginning of the first quarter period under review, in cases where provisional accounting treatments are confirmed, any change to the allocation of the acquisition price arising from confirmation of the provisional accounting treatment must be reflected in the quarterly consolidated financial statements for the quarter in which the business mergers occurred. Additionally, a change in presentation has been made to 'net income', and the previous accounting standard category of 'minority interests' has changed to 'non-controlling interests'. To reflect these changes in presentation, the consolidated financial statements for the first quarter of the previous consolidated fiscal year, and the previous consolidated fiscal year, have been restated.

The Company has adopted these accounting standards from the beginning of the first quarter period under review, in accordance with transitional treatment based on Article 58-2 (4) of the Accounting Standard for Business Mergers, Article 44-5 (4) of the Accounting standard for Consolidated Financial Statements, and Article 57-4 (4) of the Accounting Standard for Business Divestitures.

As a result, operating income, ordinary income and net income before income taxes in the first quarter period under review have each decreased ¥276 million.

### 3. CONSOLIDATED FIRST QUARTER FINANCIAL STATEMENTS

#### (1) Consolidated balance sheet

Millions of yen, rounded down

	As of end of first quarter (June 30, 2015)	As of end of previous fiscal year (March 31, 2015)
<b>Assets</b>		
<b>Current assets</b>		
Cash on hand and in banks .....	176,538	168,294
Notes and accounts receivable .....	183,084	202,980
Marketable securities .....	372	608
Goods and products .....	135,658	117,297
Goods in process .....	11,381	8,871
Raw materials and supplies .....	58,991	57,493
Deferred tax assets .....	11,624	8,706
Other .....	44,861	44,959
Allowance for doubtful accounts .....	(1,375)	(1,291)
<b>Total current assets .....</b>	<b>621,137</b>	<b>607,919</b>
<b>Fixed assets</b>		
<b>Tangible fixed assets</b>		
Buildings and structures .....	395,914	377,948
Accumulated depreciation and accumulated impairment losses .....	(241,741)	(229,556)
<b>Net buildings and structures .....</b>	<b>154,173</b>	<b>148,391</b>
Machinery and vehicles .....	656,843	609,015
Accumulated depreciation and accumulated impairment losses .....	(489,714)	(456,824)
<b>Net machinery and vehicles .....</b>	<b>167,129</b>	<b>152,191</b>
Land .....	55,471	47,583
Construction in progress .....	14,811	19,819
Other .....	79,580	76,677
Accumulated depreciation and accumulated impairment losses .....	(63,265)	(61,395)
<b>Net other .....</b>	<b>16,314</b>	<b>15,282</b>
<b>Total tangible fixed assets .....</b>	<b>407,900</b>	<b>383,269</b>
<b>Intangible fixed assets</b>		
Goodwill .....	104,955	71,396
Other .....	48,690	49,259
<b>Total intangible fixed assets .....</b>	<b>153,645</b>	<b>120,656</b>
<b>Investments and other assets</b>		
Investment in securities .....	114,366	125,440
Long-term loans receivable .....	2,480	2,820
Deferred tax assets .....	3,999	3,986
Net defined benefit assets .....	1,721	698
Other .....	11,506	10,784
Allowance for doubtful accounts .....	(305)	(299)
Allowance for investment losses .....	(210)	(186)
<b>Total investment and other assets .....</b>	<b>133,560</b>	<b>143,244</b>
<b>Total fixed assets .....</b>	<b>695,106</b>	<b>647,170</b>
<b>Total Assets .....</b>	<b>1,316,243</b>	<b>1,255,090</b>

(Continued)

Millions of yen, rounded down

	As of end of first quarter (June 30, 2015)	As of end of previous fiscal year (March 31, 2015)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable.....	95,632	114,488
Short-term borrowings .....	25,554	87,191
Commercial paper.....	30,000	15,000
Current portion of bonds	--	15,000
Current portion of long-term debt.....	26,082	18,677
Accrued income taxes.....	11,618	7,725
Bonus reserve.....	5,628	7,601
Bonus reserve for directors and others .....	65	420
Provision for shareholder benefit program .....	197	200
Other.....	95,019	92,288
<b>Total current liabilities</b> .....	<b>289,799</b>	<b>358,594</b>
<b>Long-term liabilities</b>		
Corporate bonds .....	19,994	19,994
Long-term borrowings .....	146,010	54,152
Deferred tax liabilities.....	14,896	13,028
Accrued retirement benefits for directors and others.....	390	427
Provision for loss on guarantees.....	577	564
Allowance for environmental measures .....	602	648
Liability for retirement benefits .....	41,854	43,631
Asset retirement obligations.....	589	509
Other.....	21,251	20,048
<b>Total long-term liabilities</b> .....	<b>246,166</b>	<b>153,006</b>
<b>Total liabilities</b> .....	<b>535,965</b>	<b>511,600</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock.....	79,863	79,863
Capital surplus .....	53,725	53,725
Retained earnings.....	559,568	536,170
Treasury stock .....	(4,099)	(4,070)
<b>Total shareholders' equity</b> .....	<b>689,058</b>	<b>665,689</b>
<b>Accumulated other comprehensive income (loss)</b>		
Unrealized holding gain on securities .....	27,647	22,783
Unrealized gain (loss) from hedging instruments .....	(76)	223
Translation adjustments.....	2,191	(4,655)
Accumulated adjustments for retirement benefits.....	(13,976)	(14,465)
<b>Total accumulated other comprehensive income (loss)</b> .....	<b>15,786</b>	<b>3,886</b>
<b>Noncontrolling interests</b> .....	<b>75,433</b>	<b>73,913</b>
<b>Total net assets</b> .....	<b>780,278</b>	<b>743,489</b>
<b>Total Liabilities and Net Assets</b> .....	<b>1,316,243</b>	<b>1,255,090</b>

**(2) Consolidated statement of income and consolidated statement of comprehensive income**

**Consolidated statement of income**

*Millions of yen, rounded down*

	First quarter (April 1, 2015 to June 30, 2015)	First quarter (April 1, 2014 to June 30, 2014)
Net sales .....	292,265	227,583
Cost of sales .....	190,542	150,479
Gross profit .....	101,722	77,103
Selling, general and administrative expenses .....	77,920	63,790
Operating income .....	23,802	13,312
<b>Non-operating income</b>		
Interest income .....	721	679
Dividend income .....	632	615
Equity in earnings of non-consolidated subsidiaries and affiliates .....	634	1,168
Other .....	1,249	832
Total non-operating income .....	3,237	3,295
<b>Non-operating expenses</b>		
Interest expense .....	588	536
Other .....	568	594
Total non-operating expenses .....	1,157	1,131
Ordinary income .....	25,882	15,477
<b>Extraordinary gains</b>		
Gain on step acquisitions .....	18,027	--
Insurance proceeds .....	--	9
Gain on bad debts recovered .....	--	583
Other .....	135	80
Total extraordinary income .....	18,162	673
<b>Extraordinary losses</b>		
Loss on retirement of fixed assets .....	219	205
Other .....	518	261
Total extraordinary losses .....	738	466
Net income before income taxes .....	43,306	15,684
Income taxes .....	7,922	2,532
Net income .....	35,383	13,151
Net income attributable to noncontrolling interests .....	2,850	2,205
<b>Net income attributable to owners of parent .....</b>	<b>32,532</b>	<b>10,946</b>

## Consolidated Statement of Comprehensive Income

Millions of yen, rounded down

	First quarter (April 1, 2015 to June 30, 2015)	First quarter (April 1, 2014 to June 30, 2014)
Net income.....	35,383	13,151
<b>Other comprehensive income</b>		
Unrealized holding gain on securities .....	4,779	2,637
Unrealized gain (loss) from hedging instruments .....	(60)	157
Translation adjustments .....	5,190	(5,136)
Adjustments for retirement benefits.....	646	1,024
Share of other comprehensive income of equity-method affiliates .....	(243)	389
Total other comprehensive income .....	10,312	(927)
<b>Comprehensive income .....</b>	<b>45,695</b>	<b>12,224</b>
(Breakdown)		
Comprehensive income attributable to owners of parent ..	43,395	11,295
Comprehensive income attributable to noncontrolling interests.....	2,300	928

### (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

No applicable items.

#### Segment information

#### I. First quarter of the fiscal year ending March 31, 2016 (April 1, 2015 – June 30, 2015)

##### 1. Information on sales and income or loss 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.....	92,148	117,240	37,624	31,580	13,671	--	292,265
(2) Intra-group sales and transfers.....	487	1,487	476	538	12,780	(15,770)	--
Total sales .....	92,636	118,728	38,101	32,118	26,451	(15,770)	292,265
Segment income (loss)							
(Operating income (loss))...	6,225	10,747	4,633	2,144	51	--	23,802

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

##### 2. Asset information by business segment

The amount of assets in the Japan food products segment increased ¥65,357 million compared to the end of the previous fiscal year. This was primarily due to the acquisition of all shares in Ajinomoto General Foods, Inc. (AGF) previously held by Mondelēz International Inc. through its affiliate Kraft Foods Holdings Singapore Pte, and the inclusion of AGF in the scope of consolidation as of the first quarter period under review.

For more information regarding the inclusion of AGF in the scope of consolidation, see page 17, 3. CONSOLIDATED FIRST QUARTER FINANCIAL STATEMENTS (3) Notes to the consolidated financial statements, Business Mergers, etc.

##### 3. Changes in the classification of business segments

The Company's reporting segments in the previous fiscal year consisted of domestic food products, overseas food products, bioscience products and fine chemicals, and pharmaceuticals. However from the fiscal year under review, reporting segments have changed to Japan food products, international food products, life support, and healthcare. This change has been made due to the establishment of a new structure in line with the 2014-2016 Medium Term Management Plan.

The main changes are the splitting of the bioscience products and fine chemicals segment into the life support and healthcare segments, and the merger of the pharmaceuticals segment with the healthcare segment. Additionally, frozen foods, which was previously included in the domestic food products segment, has been split between the

Japan food products and international food products segments; sweeteners, which was previously included in the bioscience products and fine chemicals segment has been moved to the international food products segment; and the wellness business is included in the healthcare segment.

The segment results for the first quarter of the previous fiscal year (II. First quarter of the fiscal year ended March 31, 2015 (April 1, 2014 – June 30, 2014)) have been retrospectively restated to reflect changes in the classification of business segments.

#### 4. Information by region

*Millions of yen, rounded down*

	“Japan”	“Asia”	“Americas”	“Europe”	Total
Sales .....	126,526	73,753	63,783	28,202	292,265
Percentage of total consolidated sales .....	43.3%	25.2%	21.8%	9.6%	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

##### Significant loss on impairment related to fixed assets

No significant impairment losses for the first quarter period under review.

##### Significant changes in goodwill amounts

In the Japan food products segment, goodwill increased ¥35,198 million due to the acquisition of all shares in Ajinomoto General Foods, Inc. by the Company.

As the allotment of the acquisition price is not yet complete, this is a provisional calculation.

## II. First quarter of the fiscal year ended March 31, 2015 (April 1, 2014 – June 30, 2014)

### 1. Information on sales and income or loss by reporting segment

*Millions of yen, rounded down*

	Reporting segment				Other Business *	Adjustment amount	Consolidated
	Japan Food Products	International Food Products	Life Support	Healthcare			
<b>Sales</b>							
(1) Sales to third parties.....	66,847	84,680	32,628	27,509	15,917	--	227,583
(2) Intra-group sales and transfers.....	179	1,374	303	533	11,071	(13,462)	--
Total sales .....	67,027	86,054	32,931	28,042	26,989	(13,462)	227,583
<b>Segment income (loss)</b>							
(Operating income (loss))...	4,717	7,505	417	858	(185)	--	13,312

Note 1: Other Business includes the business tie-ups, the packaging business, the logistics business and other service businesses.

2: The segment results for the first quarter 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 page 14, “I. First quarter of the fiscal year ending March 31, 2016 (April 1, 2015 – June 30, 2015) 3. Changes in the classification of business segments”.

## 2. Information by region

Millions of yen, rounded down

	"Japan"	"Asia"	"Americas"	"Europe"	Total
Sales .....	103,886	60,222	36,870	26,604	227,583
Percentage of total consolidated sales .....	45.6%	26.5%	16.2%	11.7%	100.0%

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

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

No applicable items.

(Reference)

### Segment information by geographical area

First quarter of the fiscal year ending March 31, 2016 (April 1, 2015 to June 30, 2015)

Millions of yen, rounded down

	"Japan"	"Asia"	"Americas"	"Europe"	Consolidated
Sales to third parties .....	131,175	70,019	63,036	28,033	292,265
Percentage of consolidated sales .....	44.9%	24.0%	21.6%	9.6%	100.0%
Operating income.....	8,860	10,424	3,400	1,116	23,802
Percentage of consolidated operating income.....	37.2%	43.8%	14.3%	4.7%	100.0%

First quarter of the fiscal year ended March 31, 2015 (April 1, 2014 to June 30, 2014)

Millions of yen, rounded down

	"Japan"	"Asia"	"Americas"	"Europe"	Consolidated
Sales to third parties .....	109,848	57,733	35,222	24,778	227,583
Percentage of consolidated sales .....	48.3%	25.4%	15.5%	10.9%	100.0%
Operating income.....	5,339	7,368	616	(10)	13,312
Percentage of consolidated operating income.....	40.1%	55.3%	4.6%	(0.1%)	100.0%

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

## Business Mergers, etc.

### 1. Merger through acquisition

#### 1. Outline of business merger

##### (1) Name of acquired company and business outline

Name of acquired company: Ajinomoto General Foods, Inc. (hereafter “AGF”)

Business outline: Manufacture and sales of food and beverage products

##### (2) Reason for merger

AGF was established in 1973 as a joint venture between Ajinomoto Co. and General Foods Corporation (currently Mondelēz Internationa Inc.; hereafter Mondelēz) of the United States. In the coffee business in Japan, AGF has created new markets for 3 in 1 and other products and has continued to provide new value adapted to consumer needs. With both marketing and technological capabilities, AGF holds a large share in Japan in the home-use coffee products market (excluding canned coffee) and has been expanding sales in the restaurant and institutional-use business. Currently, AGF provides a wide range of high-quality, delicious beverage products in addition to coffee, including tea and cocoa. Ajinomoto Co. and Mondelēz have been holding ongoing discussions on AGF’s operating format. Motivated by the current global reorganization of Mondelēz’s coffee business, Ajinomoto Co. had considered making AGF a consolidated subsidiary, which led to the agreement.

As part of its aim to become “a genuine global specialty company,” Ajinomoto Co. is reinforcing its business structure and working to expand into adjacent business domains (products adjacent to existing product domains and adjacent markets) for rapid growth. After making AGF a consolidated subsidiary, Ajinomoto Co. intends to expand AGF’s business scale together with its current management and employees. Both companies will aim to achieve synergy in their coffee and powdered drink businesses in ASEAN markets and other regions, and will work to reinforce their business structures by promoting cooperation in each division and generate synergy in new product development and production by leveraging their common core of powdered and processed products.

##### (3) Date of merger

April 23, 2015

##### (4) Legal form of merger

Acquisition of stock with cash compensation

##### (5) Post-merger company name

Ajinomoto General Foods, Inc.

##### (6) Percentage of voting shares acquired

Percentage of voting shares held immediately before merger: 50%

Percentage of voting shares additionally acquired: 50%

Percentage of total voting shares held following acquisition: 100%

##### (7) Primary basis of decision to acquire the company

Ajinomoto Co. acquired AGF stock with cash compensation

##### (8) Other transaction information

After the additional acquisition of 50% of AGF’s shares by Ajinomoto Co., although 5% of shares in AGF have been sold to Ajinomoto Co.’s consolidated subsidiary Ajinomoto Co., (Thailand) Ltd. for the purpose of ensuring fast synergy in the coffee and powdered drink businesses in the ASEAN region, the Ajinomoto Group’s percentage of total voting shares is 100%.

#### 2. Period that AGF is included in the consolidated financial results for the fiscal year under review

April 1, 2015 to June 30, 2015

3. Acquisition cost and price breakdown

Fair value of shares held in AGF immediately before acquisition on date of merger	¥27,000 million
<u>Cash amount paid for additional acquisition</u>	<u>¥27,000 million</u>
Acquisition cost	¥54,000 million

4. Difference between acquisition cost and total acquisition cost of individual transactions leading to the acquisition

Gain on step acquisitions ¥18,027 million

5. Amount of goodwill, reason for its occurrence, and amortization method and period

(1) Amount of goodwill

¥ 35,198 million

As the allotment of the acquisition price is not yet complete, this is a provisional calculation.

(2) Reason for its occurrence

Mainly due to the excess earning power expected from AGF's solid brand power and customer base.

(3) Amortization method and period

Straight-line amortization over an effective period of time. The amortization period will be finalized following the results of the allotment of the acquisition price.

## 2. Transactions under common control

### 1. Outline of transaction

#### (1) Names of subsidiaries and outline of their business

Names of subsidiaries: Ajinomoto North America, Inc., Ajinomoto Frozen Foods U.S.A., Ajinomoto North America NJ, Inc., Windsor Quality Holdings, LP, and Amoy North America, Inc.

Outline of business of subsidiaries: Manufacture and sales of amino acids, umami seasonings for processed foods, and frozen foods

#### (2) Date of merger

April 1, 2015

#### (3) Legal configuration of company merger

Ajinomoto North America, Inc.\* transferred its amino acid and bulk food products businesses to Ajinomoto North America NJ, Inc., and its consumer foods business to Ajinomoto Windsor, Inc. (formerly Ajinomoto Frozen Foods U.S.A.) by contribution in kind, and changed its name to Ajinomoto North America Holdings, Inc..

Additionally, an absorption-type merger was conducted, in which Ajinomoto Windsor, Inc.\* was the surviving company in a merger with Windsor Quality Holdings, LP\*, and Amoy North America, Inc.\* (a subsidiary of Amoy Food Limited.) Amoy Food Limited received shares in Ajinomoto North America Holdings as compensation for this absorption-type merger, but sold those shares to Ajinomoto Co.

\*A consolidated subsidiary of Ajinomoto Co.

#### (4) Names of surviving companies

Ajinomoto North America Holdings, Inc. (formerly Ajinomoto North America Inc)\*

Ajinomoto Windsor, Inc. (formerly Ajinomoto Frozen Foods)\*

Ajinomoto North America, Inc. (formerly Ajinomoto North America NJ, Inc.)\*

\*A consolidated subsidiary of Ajinomoto Co.

#### (5) Other items regarding outline of business

With the acquisition of Windsor Quality Holdings, LP last year, Ajinomoto Co. has decided to restructure its organization in North America in line with its business model, to accelerate growth in the consumer foods business. Ajinomoto will make further advancements in the marketing and sales capabilities of each business and accelerate business development by dividing its operations into the consumer foods business – consolidated under Ajinomoto Windsor, Inc., and the amino acids/foods for processed food manufacturers business – consolidated under Ajinomoto North America.

### 2. Outline of accounting treatment conducted

This restructure was treated as a transaction under common control, based on the Accounting Standard for Business Mergers (ASBJ Statement No.21) of September 13, 2013, and the Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No.10) of September 13, 2013.