

# Ajinomoto Co., Inc.

## Consolidated Results

First Quarter Ended June 30, 2014

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, 2015

### Ajinomoto Co., Inc.

July 31, 2014

Stock Code:	2802	Listed exchanges:	Tokyo
<a href="http://www.ajinomoto.com/en">http://www.ajinomoto.com/en</a>		Inquiries:	Koichi Morita
President:	Masatoshi Ito		General Manager
Scheduled date of submission of quarterly report:	August 7, 2014		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, 2014

#### 1) Consolidated Operating Results

Millions of yen, rounded down

	Three months ended June 30, 2014		Three months ended June 30, 2013	
		Change %		Change %
Net sales .....	227,583	(2.6)	233,706	--
Operating income .....	13,312	(12.8)	15,262	--
Ordinary income .....	15,477	(10.1)	17,206	--
Net income .....	10,946	(8.2)	11,924	--
Net income per share (¥) .....	¥18.48	--	¥19.06	--
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, 2014: ¥12,224 million (-43.0%)      Three months ended June 30, 2013: ¥21,433 million (--%)

Note: Due to amounts being restated in accordance with a change in accounting policy, the YoY percentage change for the three-month period ended June 30, 2013 has not been recorded.

#### 2) Financial Position

Millions of yen, rounded down

	As of June 30, 2014	As of March 31, 2014
<b>Total assets</b> .....	1,086,998	1,093,165
Net assets .....	656,385	655,507
Shareholders' equity ratio (%) .....	54.9%	54.4%
Book value per share (¥) .....	¥1,009.02	¥1,002.29

Note: Shareholders' equity      As of June 30, 2014: ¥597,213 million.      As of March 31, 2014: ¥594,950 million

Note: The impact of the retrospective restatement in accordance with a change in accounting policy has been reflected in the figures for the period ended March 31, 2014.

#### 2. Dividends

	FY ended March 31, 2014	FY ending March 31, 2015	FY ending March 31, 2015 (forecast)
Dividend per share			
Interim .....	¥10.00	¥--	¥10.00
Year-end .....	¥10.00	¥--	¥10.00
Annual .....	¥20.00	¥--	¥20.00

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

### 3. Forecast for the Fiscal Year Ending March 31, 2015

Millions of yen, rounded down

	FY Ending March 31, 2015		Change %
Net sales.....	1,008,000		6.0
Operating income .....	70,000		13.3
Ordinary income .....	75,000		9.0
Net income .....	44,000		4.4
Net income per share .....	74.32		--

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

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

Note: Due to a change in accounting policy, comparisons with the same period of the previous fiscal year are based on amounts restated in accordance with this method.

#### Notes:

- 1) **Transfer of important subsidiaries during the period** (transfer of specified subsidiaries resulting in changes in the scope of consolidation): None
- 2) **Adoption of special accounting methods for preparation of quarterly financial statements:** Yes  
Note: For more information, see page 8, "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: None
  - (2) Other changes: Yes
  - (3) Changes in accounting estimates: Yes
  - (4) Retrospective restatements: None

Note: A change has been made to the method for calculation of depreciation, which is categorized under "Changes in accounting policies for items that are difficult to categorize as changes in accounting estimates". For more information, see page 8, "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, 2014: 594,470,654 shares;                      March 31, 2014: 614,115,654 shares

- (2) Number of treasury shares at end of period

June 30, 2014: 2,594,118 shares;                      March 31, 2014: 20,523,658 shares

- (3) Average number of shares during period

April 1, 2014 to June 30, 2014: 592,308,565 shares;    April 1, 2013 to June 30, 2013: 625,721,884 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 8, "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 Thursday, July 31, 2014.

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## 1. QUALITATIVE INFORMATION ON FIRST QUARTER CONSOLIDATED RESULTS

Effective the first quarter period under review, the Ajinomoto Group (“the Group”) has changed its accounting policy regarding standards for recording sales, and consequently, comparisons with the end of the previous fiscal year and the same period of the previous fiscal year are based on amounts restated in accordance with this method. For more information, please refer to page 8, “2. SUMMARY INFORMATION (NOTES), (3) Changes in accounting policy, changes in accounting estimates, and retrospective restatements.

### (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, 2014 to June 30, 2014), U.S. economic conditions gradually improved and a trend towards recovery was also seen in Europe. However, a slowdown in growth among developing nations meant that overall there was only slight improvement in the global economy.

Corporate earnings improved in Japan - a pick-up in capital expenditure was observed and there were other signs that a gradual economic recovery is underway.

In the food industry, raw material costs remain at a high level and the pullback from a last-minute surge in demand that preceded the rise in consumption tax also had an impact.

Within this environment, in the 2014-2016 Medium-Term Management Plan, the Group will use the pursuit of specialization to engage in “Further Reinforcement of Business Structure” and “Growth Driver Enhancement”. Specialization is the high added value that arises from combining the Group’s proprietary technology with the ability to create value from the discovery of customer opportunities, and through this specialization the Group aims to become a “Genuine Global Specialty Company”. The Group will pursue “Growth Driver Advancement” through global growth and R&D leadership and “Further Reinforcement of Business Structure”, based on specializing in bulk operations and increasing capital efficiency, while working on “Evolution of the Management Foundation”.

Consolidated sales for the first quarter period decreased 2.6% (¥6.1 billion) to ¥227.5 billion, reflecting the exclusion of sales from the infusions and dialysis business units that were spun off into equity method affiliate AY Pharmaceuticals Co. on July 1, 2013, as well as the impact of a spike in demand for certain products prior to the consumption tax increase and a subsequent fall-off in demand, and other factors. Operating income decreased 12.8% (¥1.9 billion) to ¥13.3 billion, strongly influenced by weaker results from feed-use amino acids, and ordinary income decreased 10.1% (¥1.7 billion) to ¥15.4 billion. Net income decreased 8.2% (¥0.9 billion) to ¥10.9 billion.

### Consolidated operating results by segment

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

*Billions of yen, rounded down*

	Net sales	YoY change -amount	YoY change - percent	Operating income	YoY change -amount	YoY change - percent
Domestic food products	70.9	0.8	1.2%	4.9	(1.1)	(18.8%)
Overseas food products	74.3	2.9	4.2%	7.7	1.6	26.2%
Bioscience products and fine chemicals	53.1	(1.8)	(3.4%)	0.7	(1.7)	(68.6%)
Pharmaceuticals	9.4	(7.3)	(43.8%)	0.1	(0.2)	(56.1%)
Other business	19.6	(0.6)	(3.4%)	(0.3)	(0.4)	--
<b>Total</b>	<b>227.5</b>	<b>(6.1)</b>	<b>(2.6%)</b>	<b>13.3</b>	<b>(1.9)</b>	<b>(12.8%)</b>

Note: Domestic and overseas sales of *ACTIVA*® products to food processing companies, savory seasonings and frozen foods are included in domestic food products.

## 1) Domestic food products

Domestic food product sales increased 1.2% (¥0.8 billion) to ¥70.9 billion, due to factors such as growth in sales of frozen foods, and despite a decline in sales of seasonings and processed foods which saw a pullback from a last-minute surge in demand in the lead up to the consumption tax increase. Operating income decreased 18.8% (¥1.1 billion) to ¥4.9 billion, mainly due to an increase in sales expenses.

**Seasonings and processed foods:** In seasonings and processed foods for the retail market, sales of Japanese and western-style menu seasoning *Cook Do*® *Kyo-no Ohzara*, trended strongly partially impacted by TV advertising and related marketing initiatives, and sales of tube-type Chinese seasoning paste *Cook Do*® Koumi Paste, and Chinese menu seasoning *Cook Do*® increased. However, sales of *HON-DASHI* and mayonnaise products decreased as a result of a pullback from a last-minute surge in demand in the lead up to the consumption tax increase, leading to a decline in overall sales.

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 increases were recorded for *ACTIVA*®, a food enzyme (transglutaminase), and savory seasonings products, reflecting strong overseas sales, resulting in an overall increase in commercial market sales. As a result overall sales of seasonings and processed foods increased.

**Frozen foods:** In the retail market, sales of *Gudakusan Ebi Pilaf* grew significantly in response to product revisions, and sales products such as *Yawaraka Wakadori Kara-Age* and *Ebiyose Fry* also grew. However sales of *Gyoza* slowed, resulting in retail market sales largely in line with the previous year. Total sales of products for the commercial market increased with growth in sales to large-scale domestic customers. Overseas, sales of frozen rice products and frozen noodle products such as yakisoba noodles increased significantly in North America. As a result, overall sales of frozen food increased.

## 2) Overseas food products

Overseas food product sales increased 4.2%, or ¥2.9 billion, to ¥74.3 billion, due to higher sales on a local currency basis of consumer foods, despite the negative impact of foreign exchange rates along with a decline in sales of umami seasonings for processed food manufacturers. Operating income increased significantly, up 26.2%, or ¥1.6 billion, to ¥7.7 billion, due to higher revenues from consumer foods, and other factors.

**Consumer foods:** In Asia, despite the negative effect of exchange rates, overall sales increased, benefitting from higher sales on a local currency basis of umami seasoning *AJI-NO-MOTO*® in Vietnam, Thailand and Indonesia and, higher sales of flavor seasonings *Masako*® in Indonesia and *Ros Dee*® in Thailand, and instant noodles.

In the Americas, sales increased significantly, reflecting higher sales on a local currency basis of products such as flavor seasoning *Sazón*® in Brazil.

In Europe and Africa, sales decreased, reflecting a decline in sales of *AJI-NO-MOTO*® in Europe, which offset an increase in sales on a local currency basis of products such as instant noodles in Poland.

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

**Umami seasonings for processed food manufacturers:** Sales of *AJI-NO-MOTO*® for the food processing industry increased, mainly due to an increase in sales volumes and despite a decline in unit prices in both Japan and overseas markets. Sales of nucleotides decreased, due to a decline in both sales volumes and unit prices in Japan and overseas markets.

As a result, overall sales of umami seasonings for processed food manufacturers decreased.

### 3) Bioscience products and fine chemicals

Bioscience products and fine chemicals sales decreased 3.4%, or ¥1.8 billion, to ¥53.1 billion, as growth in sales of pharmaceutical custom manufacturing and sweeteners was offset by a decline in sales of feed-use amino acids. Operating income decreased 68.6%, or ¥1.7 billion, to ¥0.7 billion, reflecting a significant impact from a fall in unit prices for feed-use amino acids, despite an increase in income from amino acids for pharmaceuticals and foods, pharmaceutical custom manufacturing and specialty chemicals.

**Feed-use amino acids:** Sales of Tryptophan increased due to an increase in sales volumes and despite a decline in unit prices. Sales volumes of Lysine increased but unit prices decreased significantly, leading to a large decline in sales, and both sales volumes and unit prices of Threonine decreased, resulting in a decrease in sales.

As result of the above, overall feed-use amino acid revenues decreased.

**Amino acids:** Sales of amino acids for pharmaceuticals and foods increased, supported by sales growth in Japan, which offset lower sales in North America and Europe. Sales of sweeteners also increased, due to higher sales in North America and China of aspartame for the processing industry. In pharmaceutical custom manufacturing, sales increased due to growth in sales in North America and Europe.

As a result, overall revenues increased.

**Specialty chemicals:** Overall sales decreased despite growth in sales of higher value added products in insulation film for build-up printed wiring board used in computers, partially impacted by a decline in amino acid-based cosmetics *Jino*<sup>®</sup> resulting from a pullback from a last-minute surge in demand in the lead-up to the consumption tax increase.

### 4) Pharmaceuticals

Pharmaceutical sales decreased 43.8%, or ¥7.3 billion, to ¥9.4 billion despite an increase in royalty income, reflecting the elimination of sales of infusion and dialysis business products from the consolidated results due to the spin-off of these operations into equity method affiliate AY Pharma Co., Ltd. from July 1, 2013, as well as the impact of NHI drug price revisions. Operating income decreased 56.1%, or ¥0.2 billion, to ¥0.1 billion.

In self-distributed products, sales fell significantly, impacted by the elimination of sales of infusion and dialysis business products, and NHI drug price revisions.

In products sold through business tie-ups, despite an increase in royalty income and contributions from new hypertension treatment *ATEDIO*<sup>®</sup> which was launched in May 2014, sales fell significantly due to a large decrease in sales of risedronate products such as *ACTONEL*<sup>®</sup> for osteoporosis and *ATELEC*<sup>®</sup>, an antihypertensive calcium channel blocker, due to the effects of competition.

### 5) Other business

Other business sales decreased 3.4%, or ¥0.6 billion, to ¥19.6 billion, with operating income decreasing ¥0.4 billion to an operating loss of ¥0.3 billion

## (2) Explanation of financial position

Total assets as of June 30, 2014 were ¥1,086.9 billion, ¥6.1 billion less than the ¥1,093.1 billion recorded at the end of the previous fiscal year. This was primarily due to a decrease in the yen values of the balance sheets of overseas subsidiaries after translation.

Total interest-bearing debt increased ¥2.9 billion from the end of the previous fiscal year, to ¥145.8 billion.

Net assets increased ¥0.8 billion compared to the end of the previous fiscal year, due to an increase in retained earnings and despite a decrease in foreign currency translation adjustments. Shareholders' equity, which is net assets minus minority interests, was ¥597.2 billion, and the shareholders' equity ratio was 54.9%.

## (3) Explanation of consolidated earnings forecasts

No changes have been made to the full-year forecasts that the Company announced on May 8, 2014.

## 2. SUMMARY INFORMATION (NOTES)

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

No applicable items

### (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

##### Changes to standards for recording sales

Some discounts provided to customers for sales promotion purposes (hereafter "sales promotion discounts, etc.") mainly by the home-use business and restaurant-use business in the domestic food products segment, were previously recorded as sales commissions in selling, general and administrative expenses at the time that the payment amount was fixed. However from the first quarter period under review, the Group has changed to the same method used in the overseas food products segment and bioscience products and fine chemicals segment, in which sales promotion discounts, etc., are subtracted from net sales at the time net sales are recorded.

Under the Group's management policy of further promoting global expansion, and amid an environment in which the ratio of overseas sales is increasing from year to year, this change has been implemented based on the recognition of a greater need to improve its ability to compare actual business conditions across each segment and each region, conduct more detailed business management practices, and present operating results more adequately. Based on this recognition, a factual investigation was conducted across the Group regarding the definition of sales promotion discounts, etc., their scope, the accounting methods used and other matters, with the aim of unifying standards for recording net sales—an important indicator of business performance across all segments. After making progress with regard to the consideration of necessary

administrative processes and system development, as of the first quarter period under review, preparation for this change in the standards of recording sales has been completed.

This accounting method has been applied retrospectively and the consolidated financial statements for the previous consolidated fiscal year have been restated.

As a result, sales and gross profit for the previous first quarter period are ¥8,373 million lower than the figures prior to this change, selling, general and administrative expenses are ¥9,190 million lower, and operating income, ordinary income and income before income taxes are each ¥817 million higher. Additionally, in the consolidated balance sheets for the previous fiscal year, other current liabilities and deferred tax assets (current assets) are respectively ¥5,495 million, ¥1,515 million higher.

The impact on net assets at the beginning of the previous fiscal year has been reflected, resulting in a decrease of ¥3,339 million in the retained earnings balance.

Details regarding the impact of this change on segment information are stated in each of the relevant sections.

### **Changes in accounting policies for items that are difficult to categorize as changes in accounting estimates**

#### **Changes in method for calculation of depreciation of tangible fixed assets, and revision of useful life**

Formerly, the Company and its domestic consolidated subsidiaries determined depreciation of tangible fixed assets principally using the declining-balance method. However, from the first quarter period under review, the Company and its domestic consolidated subsidiaries have changed to the straight-line method. At the same time, revisions have been made to the useful life of tangible fixed assets of the Company and its domestic and overseas consolidated subsidiaries, in accordance with their actual status of physical and functional use.

Under the Group's management policy of further promoting global expansion, and amid an environment in which the ratio of overseas sales is increasing each year, progress is being made to strengthen overseas production functions. In these circumstances, in the formulation of the 2014-2016 Medium-Term Management Plan we decided to revise the depreciation method based on the business conditions across all domestic and overseas businesses, with the objective of improving our ability to compare actual business conditions across each segment and each region.

As a result, with operations at both domestic and overseas production facilities expected to remain stable, we decided that allocating depreciation expenses equally over the course of the useful lifespan of tangible fixed assets using the straight-line method would be a more appropriate representation of the Group's actual situation.

With this change in accounting policy and revision of accounting estimates, operating income for the first quarter period under review is ¥582 million higher, and ordinary income and income before income taxes are each ¥641 million higher than under the previously used method.

Details regarding the impact of this change on segment information are stated in each of the relevant sections

### 3. CONSOLIDATED FIRST QUARTER FINANCIAL STATEMENTS

#### (1) Consolidated balance sheet

Millions of yen, rounded down

	As of end of first quarter (June 30, 2014)	As of end of previous fiscal year (March 31, 2014)
<b>Assets</b>		
<b>Current assets</b>		
Cash on hand and in banks .....	141,978	132,416
Notes and accounts receivable.....	174,299	200,115
Marketable securities .....	357	293
Goods and products .....	109,608	103,543
Goods in process .....	8,443	8,076
Raw materials and supplies .....	52,294	51,908
Deferred tax assets.....	10,883	8,919
Other.....	48,740	44,309
Allowance for doubtful accounts .....	(1,517)	(1,375)
<b>Total current assets .....</b>	<b>545,087</b>	<b>548,209</b>
<b>Fixed assets</b>		
<b>Tangible fixed assets</b>		
Buildings and structures .....	361,507	358,043
Accumulated depreciation and accumulated impairment losses .....	(220,083)	(218,630)
<b>Net buildings and structures.....</b>	<b>141,423</b>	<b>139,412</b>
Machinery and vehicles .....	561,996	562,769
Accumulated depreciation and accumulated impairment losses .....	(421,254)	(420,605)
<b>Net machinery and vehicles .....</b>	<b>140,742</b>	<b>142,163</b>
Land.....	47,012	47,068
Construction in progress .....	11,286	17,689
Other	72,292	71,614
Accumulated depreciation and accumulated impairment losses.....	(58,762)	(58,578)
<b>Net other .....</b>	<b>13,529</b>	<b>13,036</b>
<b>Total tangible fixed assets .....</b>	<b>353,995</b>	<b>359,370</b>
<b>Intangible fixed assets</b>		
Goodwill .....	18,718	19,327
Other.....	32,046	32,994
<b>Total intangible fixed assets .....</b>	<b>50,765</b>	<b>52,322</b>
<b>Investments and other assets</b>		
Investment in securities .....	112,755	107,621
Long-term loans receivable.....	3,324	3,559
Deferred tax assets.....	10,709	11,671
Other.....	10,924	10,866
Allowance for doubtful accounts .....	(301)	(303)
Allowance for investment losses .....	(262)	(152)
<b>Total investment and other assets.....</b>	<b>137,149</b>	<b>133,263</b>
<b>Total fixed assets .....</b>	<b>541,910</b>	<b>544,956</b>
<b>Total Assets.....</b>	<b>1,086,998</b>	<b>1,093,165</b>

(Continued)

Millions of yen, rounded down

	As of end of first quarter (June 30, 2014)	As of end of previous fiscal year (March 31, 2014)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable.....	103,106	104,711
Short-term borrowings .....	20,435	14,641
Current portion of bonds	29,999	14,999
Current portion of long-term debt.....	6,017	7,011
Accrued income taxes.....	9,447	8,497
Bonus reserve.....	3,954	5,953
Bonus reserve for directors and others ..	68	319
Other.....	73,529	79,394
Total current liabilities.....	246,558	235,529
<b>Long-term liabilities</b>		
Bonds.....	19,993	34,993
Long-term debt .....	67,658	69,435
Deferred tax liabilities.....	13,101	13,423
Accrued officers' severance benefits .....	406	415
Allowance for environmental measures ..	739	342
Liability for retirement benefits .....	61,143	61,845
Asset retirement obligations.....	513	555
Other.....	20,497	21,117
Total long-term liabilities.....	184,053	202,128
<b>Total liabilities</b> .....	430,612	437,657
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock.....	79,863	79,863
Capital surplus.....	53,725	83,443
Retained earnings.....	506,598	501,945
Treasury stock.....	(3,924)	(31,085)
Total shareholders' equity.....	636,263	634,168
<b>Accumulated other comprehensive income (loss)</b>		
Unrealized holding gain on securities .....	15,802	13,043
Unrealized gain from hedging instruments .....	27	(26)
Translation adjustments.....	(35,230)	(31,668)
Accumulated adjustment for retirement benefit liabilities or assets .....	(19,649)	(20,567)
Total accumulated other comprehensive income (loss).....	(39,049)	(39,218)
<b>Minority interests</b> .....	59,172	60,557
<b>Total net assets</b> .....	656,385	655,507
<b>Total Liabilities and Net Assets</b> .....	1,086,998	1,093,165

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

**Consolidated statement of income**

*Millions of yen, rounded down*

	First quarter (April 1, 2014 to June 30, 2014)	First quarter (April 1, 2013 to June 30, 2013)
Net sales .....	227,583	233,706
Cost of sales .....	150,479	155,499
Gross profit .....	77,103	78,206
Selling, general and administrative expenses .....	63,790	62,944
Operating income .....	13,312	15,262
<b>Non-operating income</b>		
Interest income .....	679	491
Dividend income .....	615	552
Equity in earnings of non-consolidated subsidiaries and affiliates .....	1,168	992
Other .....	832	1,124
Total non-operating income .....	3,295	3,161
<b>Non-operating expenses</b>		
Interest expense .....	536	512
Other .....	594	704
Total non-operating expenses .....	1,131	1,216
Ordinary income .....	15,477	17,206
<b>Extraordinary gains</b>		
Insurance proceeds .....	9	1,211
Gain on bad debts recovered .....	583	--
Other .....	80	91
Total extraordinary income .....	673	1,303
<b>Extraordinary losses</b>		
Loss on retirement of fixed assets .....	205	302
Loss on liquidation of subsidiaries .....	--	554
Provision of allowance for investment losses .....	110	--
Other .....	151	230
Total extraordinary losses .....	466	1,087
Net income before income taxes .....	15,684	17,422
Income taxes .....	2,532	5,185
Refund of income taxes for prior periods .....	--	(1,575)
Net income before minority interests .....	13,151	13,813
Minority interests .....	2,205	1,888
<b>Net income</b> .....	<b>10,946</b>	<b>11,924</b>

## Consolidated Statement of Comprehensive Income

Millions of yen, rounded down

	First quarter (April 1, 2014 to June 30, 2014)	First quarter (April 1, 2013 to June 30, 2013)
Net income before minority interests.....	13,151	13,813
<b>Other comprehensive income</b>		
Unrealized holding gain on securities .....	2,637	2,048
Unrealized gain from hedging instruments .....	157	185
Translation adjustments .....	(5,136)	4,531
Adjustments for retirement benefits.....	1,024	601
Share of other comprehensive income of equity-method affiliates .....	389	252
Total other comprehensive income .....	(927)	7,620
<b>Comprehensive income</b> .....	<b>12,224</b>	<b>21,433</b>
(Breakdown)		
Comprehensive income attributable to parent company ...	11,295	19,572
Comprehensive income attributable to minority interests ..	928	1,861

### (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 a Board of Directors meeting on May 27, 2014 on matters pertaining to the retirement of shares based on Article 178 of the Companies Act. Subsequently, on June 6, 2014 the Company retired 19,645,000 shares of common stock. As a result, capital surplus and treasury shares each decreased by ¥29,718 million respectively. The total number of outstanding shares became 594,470,654.

As of the first quarter of the fiscal year ending March 31, 2015, the Group has changed its accounting standards for recording sales. For details on the impact of this change, please refer to page 8, "Summary Information (NOTES), (3) Changes in accounting policy, changes in accounting estimates, and retrospective restatements."

#### Segment information

##### I. First quarter of the fiscal year ending 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
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharmaceuticals			
Sales							
(1) Sales to third parties.....	70,974	74,350	53,149	9,424	19,683	--	227,583
(2) Intra-group sales and transfers.....	199	1,386	712	15	11,063	(13,377)	--
Total sales .....	71,173	75,736	53,862	9,440	30,747	(13,377)	227,583
Segment income (loss)							
(Operating income (loss))...	4,971	7,755	791	191	(396)	--	13,312

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

##### 2. Changes to reporting segments

As stated on page 8, "2. SUMMARY INFORMATION (NOTES) (3) Changes in accounting policy, changes in accounting estimates, and retrospective restatements", a change to accounting standards for recording sales has been applied retrospectively and the quarterly financial statements for the previous consolidated fiscal year have been restated. As a result of this change, domestic food products sales for the previous first quarter period are ¥7,777 million lower and operating income is ¥878 million higher than the figures prior to this change, overseas food products sales are ¥223 million lower and operating income is ¥31 million lower, bioscience products and fine chemicals sales are ¥101 million lower and operating income is ¥12 million lower, pharmaceuticals operating income is ¥8 million lower, and other net sales are ¥340 million lower and, operating income is ¥9 million lower, and the net sales adjustment amount is ¥68 million higher.

Additionally, as a result of the change in method for calculation of depreciation of tangible fixed assets, and revision of useful life, domestic food products operating income for the first quarter period under review is ¥203 million higher than the figures prior to this change, overseas food products operating income is ¥176 million higher, bioscience products and fine chemicals operating income is ¥86 million higher, pharmaceuticals, operating income is ¥52 million higher, other operating income is ¥62 million higher.

### 3. 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.

### 4. 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

No significant changes in the first quarter period under review.

## II. First quarter of the fiscal year ended March 31, 2014 (April 1, 2013 – June 30, 2013)

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

Millions of yen, rounded down

	Reporting segment				Other Business *	Adjustment amount	Consolidated
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharmaceuticals			
Sales							
(1) Sales to third parties.....	70,147	71,370	55,040	16,767	20,379	--	233,706
(2) Intra-group sales and transfers.....	393	1,810	1,392	19	11,118	(14,734)	--
Total sales .....	70,540	73,181	56,432	16,787	31,498	(14,734)	233,706
Segment income (loss)							
(Operating income (loss))...	6,122	6,145	2,517	435	42	--	15,262

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

### 2. Information by region

Millions of yen, rounded down

	"Japan"	"Asia"	"Americas"	"Europe"	Total
Sales .....	112,175	61,522	34,789	25,219	233,706
Percentage of total consolidated sales .....	48.0%	26.3%	14.9%	10.8%	100.0%

Note 1: Sales are based on the location of customers, and are classified by country or region.

Note 2: The impact of changes to standards for recording sales has been reflected in the figures for the first quarter period of the previous fiscal year.

As a result, Japan sales are ¥8,149 million lower, Asia sales are ¥224 million lower, and the percentage of total consolidated sales is 1.7% lower for Japan, 0.8% higher for Asia, 0.5% higher for Americas, and 0.4% higher for Europe.

### 3. 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 Bioscience Products and Fine Chemicals segment, the Company acquired all shares in Althea Technologies, Inc. (currently Ajinomoto Althea, Inc.), which is now included in the scope of consolidation. The increase in goodwill that occurred in the first-quarter period under review as a result of this acquisition was ¥14,890 million.

(Reference)

## Segment information by geographical area

First quarter of the fiscal year ending 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%

First quarter of the fiscal year ended March 31, 2014 (April 1, 2013 to June 30, 2013)

*Millions of yen, rounded down*

	"Japan"	"Asia"	"Americas"	"Europe"	Consolidated
Sales to third parties .....	117,695	57,455	33,253	25,301	233,706
Percentage of consolidated sales .....	50.4%	24.6%	14.2%	10.8%	100.0%
Operating income.....	7,370	6,697	743	450	15,262
Percentage of consolidated operating income.....	48.3%	43.9%	4.9%	3.0%	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

3. The impact of changes to standards for recording sales has been reflected in the figures for the first quarter period of the previous fiscal year.

As a result, Japan sales to third parties are ¥8,149 million lower, and operating income is ¥876 million higher; Asia sales to third parties are ¥224 million lower, and operating income is ¥12 million higher; Americas operating income is ¥43 million lower; and Europe operating income is ¥28 million lower.

Additionally, as a result of a change in the method for the calculation of depreciation of tangible fixed assets, and revision of useful life, Japan operating income for the first quarter period under review is ¥505 million higher than the figures prior to this change, Asia operating income is ¥150 million higher, and Europe operating income is ¥73 million lower.