Ajinomoto Co., Inc.

Consolidated Results

Fiscal Year Ended March 31, 2013

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.

AJINOMOTO®

SUMMARY OF FINANCIAL STATEMENTS (Consolidated)

For the year ended March 31, 2013

Ajinomoto Co., Inc. **May 8, 2013**

Stock Code:	2802	Listed exchanges:	Tokyo, Osaka
URL: http://www.ajinomoto.com		Inquiries:	Yukihiko Kobayashi
President:	Masatoshi Ito		General Manager
Scheduled date of the general meeting of shareholders:	June 27, 2013		Finance Department
Scheduled date of starting payment of dividend:	June 28, 2013	Telephone:	813 5250-8161
Scheduled date of submission of Securities Report:	June 27, 2013		
Creation of supplementary results materials:	Yes		
Results briefing:	Yes (for analysts)		

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2013

1) Consolidated Operating Results

Millions of yen, rounded down

	FY ended March 31, 2013		FY ended March 31, 2012	
		Change (%)		Change (%)
Net sales	1,172,442	(2.1)	1,197,313	(0.9)
Operating income	71,232	(1.9)	72,584	4.6
Ordinary income	77,167	1.6	75,919	7.7
Net income (loss)	48,373	15.9	41,754	37.3
Net income (loss) per share (¥)	¥74.35		¥61.28	
Fully diluted earnings per share (¥)	--		--	
Return on equity	7.8%		6.9%	
Ratio of ordinary income to total assets	7.1%		7.0%	
Ratio of operating income to net sales	6.1%		6.1%	

Notes: Comprehensive income:

FY ended March 31, 2013: ¥104,581 million (increase of 214.6%) FY ended March 31, 2012: ¥33,245 million (increase of 64.1%)

Gain from investments in subsidiaries and affiliates accounted for by the equity method:

FY ended March 31, 2013: ¥3,058 million FY ended March 31, 2012: ¥2,401 million

2) Financial Position

Millions of yen, rounded down

	As of March 31, 2013	As of March 31, 2012
Total assets	1,091,741	1,097,057
Net assets	691,710	650,159
Shareholders' equity ratio (%)	58.2%	55.2%
Book value per share (¥)	¥1,004.38	¥894.58

Note: Shareholders' equity as of: March 31, 2013: ¥635,287 million

March 31, 2012: ¥605,349 million

3) Cash Flows

Millions of yen, rounded down

	FY ended March 31, 2013	FY ended March 31, 2012
Net cash provided by operating activities	88,501	93,312
Net cash used in investing activities	15,201	(41,701)
Net cash used in financing activities	(74,419)	(37,456)
Cash and cash equivalents at end of year	184,770	146,647

2. Dividends

	FY ended March 31, 2012	FY ended March 31, 2013	FY ending March 31, 2014 (forecast)
Dividend per share			
Interim	¥8.00	¥8.00	¥10.00
Year-end	¥8.00	¥10.00	¥10.00
Annual	¥16.00	¥18.00	¥20.00
Total annual dividend amount	¥10,827 million	¥11,512 million	--
Dividend payout ratio	26.1%	24.2%	25.2%
Ratio of dividends to net assets	1.8%	1.9%	--

3. Forecast for the Fiscal Year Ending March 31, 2014

Millions of yen

	FY ending March 31, 2014		(Ref) FY ended March 31, 2013 Adjusted net amount	(Ref) FY ending March 31, 2014 Year-on-year increase	
		Change %			Change %
Net sales	1,019,000	(13.1)	984,967	1,019,000	3.5
Operating income	75,000	5.3	71,232	75,000	5.3
Ordinary income	79,000	2.4	77,167	79,000	2.4
Net income	49,000	1.3	48,373	49,000	1.3
Net income per share	¥79.52	--	--	--	--

Note 1: "Change %" indicates the percentage change compared to the previous fiscal year.

Note 2: Formerly, for the coffee and edible oils businesses and some other businesses, the gross figures for sales and cost of goods sales were recorded in the accounts but from the fiscal year ending March 31, 2014 this method is scheduled to change by netting off sales and cost of goods sold and recording the net figure in the accounts. For more information regarding our business forecasts, please refer to page 9, "1. ANALYSIS OF OPERATING RESULTS AND FINANCIAL POSITION, I. Analysis of Operating Results, 2. Outlook for the Fiscal Year Ending March 31, 2014"

Notes:

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

Newly consolidated: 0 companies

Removed from scope of consolidation: 1 company (Calpis Co., Ltd.)

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

(1) Changes in line with revision to accounting standards: Yes

(2) Other changes: No

(3) Changes in accounting estimates: Yes

(4) Retrospective restatements: No

Note: The changes meet the definition of "Regulations concerning the terms, forms and preparation methods for Consolidated Financial Statements" in Article 14-7 (changes in accounting policies which are difficult to categorize as changes in accounting estimates). For further details, please refer to "Changes in accounting policies for items that are difficult to categorize as changes in accounting estimates" on page 28

3) Number of shares outstanding (ordinary shares)

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

March 31, 2013: 635,010,654 shares — March 31, 2012: 678,980,654 shares

(2) Number of treasury shares at end of fiscal year

March 31, 2013: 2,496,068 shares — March 31, 2012: 2,298,309 shares

(3) Average number of shares during period

FY ended March 31, 2013: 650,638,116 shares — FY ended March 31, 2012: 681,422,324 shares

Note: See "Per share information" on page 40 for details on the number of outstanding shares used as the basis of calculation of net income per share.

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

*Forward-looking statements, such as business forecasts, made in these financial statements are based on managements' estimates, assumptions and projections at the time of publication and do not represent a commitment from Ajinomoto. Co., Inc. ("the Company") that they will be achieved. A number of factors could cause actual results to differ materially from expectations. For more information regarding our business forecasts, please refer to page 9, "1. ANALYSIS OF OPERATING RESULTS AND FINANCIAL POSITION, I. Analysis of Operating Results, 2. Outlook for the Fiscal Year Ending March 31, 2014"

(Method of obtaining supplementary results materials)
Supplementary results materials will be published on the Company's website on Wednesday, May 8, 2013.

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1. ANALYSIS OF OPERATING RESULTS AND FINANCIAL POSITION

I. Analysis of Operating Results

1. Consolidated results outline

Billions of yen, rounded down

	Net sales	Operating income	Ordinary income	Net income
FY ended March 31, 2013	1,172.4	71.2	77.1	48.3
FY ended March 31, 2012	1,197.3	72.5	75.9	41.7
Change	(2.1%)	(1.9%)	1.6%	15.9%

Overview of results for this period

In the period under review, despite signs of recovery in the U.S. economy, the recovery trend in the global economy remained weak as whole, due in part to a slowdown in economic growth in China and India and continued weakness in Europe as it grappled with fiscal uncertainty.

The Japanese economy, despite some positive signs including the correction of the strong yen towards the end of the period, also remained weak, impacted by the global economy.

The environment in the Japanese food industry remained challenging, with the market in a mild deflationary phase.

Within this environment, the Ajinomoto Group ("Ajinomoto" or "the Group") positioned the three-year period from 2011 as a period to focus its efforts on building a foundation to make Ajinomoto a "Genuine Global Company", and endeavored to achieve growth led by two drivers, "Global growth" and "R&D leadership", while pursuing three policies for strengthening the business structure, namely, "From VOLUME to VALUE", "From PROFIT to CASH", and "Enhance capital efficiency to boost stockholder value".

As a result of the above, while consolidated net sales for the fiscal year ended March 31, 2013 decreased 2.1% (¥24.8 billion) year on year to ¥1,172.4 billion and operating income decreased 1.9% (¥1.3 billion) to ¥71.2 billion, ordinary income increased 1.6% (¥1.2 billion) to ¥77.1 billion, a record level, due to an increase in equity in earnings of affiliates and the recording of foreign exchange gains. Net income increased 15.9% (¥6.6 billion) to a record high of ¥48.3 billion, reflecting the recording of an extraordinary gain of ¥49.1 billion associated with the transfer of benefit obligation relating to employees' pension fund, the sale of Calpis Co., Ltd. ("Calpis") and others, along with an extraordinary loss of ¥25.4 billion due to the impairment of pharmaceuticals manufacturing facilities and other items associated with business restructuring, and the impairment of sweeteners manufacturing facilities in France.

Changes to main accounting items during the period under review

Note: All comparisons are with the previous fiscal year, ended March 31, 2012, unless otherwise stated.

1) Net sales

Net sales decreased 2.1%, or ¥24.8 billion, year on year to ¥1,172.4 billion, mainly impacted by the removal of sales of Calpis products from the third quarter. By region, while sales in "Japan" decreased 6.1% to ¥764.9 billion, sales overseas increased 6.6% to ¥407.5 billion. Sales increased 9.5% to ¥194.8 billion in "Asia," 3.0% to ¥117.4 billion in "Americas" and 5.4% to ¥95.1 billion in "Europe". Excluding the impact of sales of Calpis products, net sales increased ¥1.9%, or 20.9 billion to ¥1,111.3 billion, partly due to growth in sales of seasonings and processed foods and frozen foods in "Japan", and an increase in sales of consumer foods and feed-use amino acids overseas, which offset a decline in sales in the pharmaceuticals segment, etc. in "Japan".

2) **Cost of sales / Selling, general and administrative expenses**

In line with the decrease in sales, the cost of sales decreased 0.7%, or ¥5.4 billion, to ¥788.1 billion. The ratio of the cost of sales to net sales rose 0.9 percentage points to 67.2%, mainly due to the effect of NHI drug price revisions and a decline in royalty income in the pharmaceuticals business, a fall in unit prices and an increase in capital expenditures in umami seasoning for processed food manufacturers. Selling, general and administrative expenses decreased 5.5%, or ¥18.0 billion, from the previous fiscal year to ¥313.1 billion, impacted by the removal of Calpis from the scope of consolidation as of the third-quater, despite a rebound in selling expenses from the downturn due to the earthquake in the previous period.

3) **Operating income**

Operating income decreased 1.9%, or ¥1.3 billion, from the previous fiscal year to ¥71.2 billion. By region, operating income in "Japan" decreased 3.4% to ¥34.3 billion, while operating income from operations overseas decreased 0.4% to ¥36.8 billion.

The overall decrease in operating income in "Japan" was attributable to a decline in net sales from specialty chemicals and the pharmaceuticals segment, etc., despite contributions from seasonings, processed foods, frozen foods and others, and an improvement from the previous year in amino acids for pharmaceuticals and foods. In overseas regions, operating income maintained around the same level as the previous fiscal year mainly due to contributions from amino acids for pharmaceuticals and foods, feed-use amino acids, and consumer foods. Operating income increased 2.4% to ¥22.1 billion in "Asia", 4.5% to ¥9.2 billion in "Americas", and decreased 16.2% to ¥5.4 billion in "Europe".

4) **Non-operating income (expenses)**

The difference between non-operating income and non-operating expenses was a positive figure of ¥5.9 billion, an increase of ¥2.6 billion compared to a positive figure of ¥3.3 billion in the previous year. The main factor in this increase was an increase in equity in earnings of non-consolidated subsidiaries and affiliates and foreign exchange gains.

5) **Ordinary income**

Ordinary income increased 1.6%, or ¥1.2 billion, year on year to a record high of ¥77.1 billion.

6) **Extraordinary gains**

Extraordinary gains for the period under review were ¥49.1 billion, compared to ¥7.0 billion in the previous fiscal year. The main items recorded in the fiscal year under review were ¥27.7 billion associated with the transfer of benefit obligation relating to the employees' pension fund, and a ¥18.2 billion gain on sales of shares in affiliated companies. The main factor in the gain on sales of shares in affiliated companies was a gain of ¥17.5 billion for the sale of shares in Calpis.

7) **Extraordinary losses**

Extraordinary losses were ¥25.4 billion, compared to ¥10.9 billion in the previous year. The main factor was ¥14.5 billion for impairment losses, including ¥7.9 billion for the impairment of pharmaceuticals manufacturing facilities and other items associated with business restructuring at a consolidated subsidiary in Japan, and ¥6.4 billion for the impairment of sweeteners manufacturing facilities at a consolidated subsidiary in France.

8) Net income

Net income for the period under review increased 15.9%, or ¥6.6 billion, to a record high of ¥48.3 billion. Net income per share for the year was ¥74.35, a record level, compared to ¥61.28 for the previous year.

Consolidated operating results by segment

Note: All comparisons are with the previous fiscal year, ended March 31, 2012, unless otherwise stated.

Billions of yen, rounded down

	Net sales	YoY change - amount	YoY change - percent	Operating income	YoY change - amount	YoY change - percent
Domestic food products	401.1	(37.2)	(8.5%)	32.6	0.9	3.0%
Overseas food products	245.3	14.8	6.4%	20.7	(0.8)	(3.9%)
Bioscience products and fine chemicals	204.2	6.1	3.1%	14.3	2.2	18.2%
Pharmaceuticals	71.4	(6.4)	(8.3%)	3.1	(3.2)	(50.8%)
Business tie-ups	180.0	(2.7)	(1.5%)	1.5	(0.0)	(2.0%)
Other business	70.1	0.5	0.8%	(1.2)	(0.3)	--
Total	1,172.4	(24.8)	(2.1%)	71.2	(1.3)	(1.9%)

Note 1: On October 1, 2012, the Company sold its shares in Calpis, and Calpis was removed from the scope of consolidation as of the third-quarter period October 1, 2012 to December 31, 2012. Results for Calpis for the interim period are included in domestic food products.

Note 2: Domestic and overseas sales of *ACTIVA*® products to food processing companies, savory seasonings and frozen foods are included in domestic food products.

Note 3: For the main products of each business segment, see page 33, “Segment Information, a. Segment information, 1. Overview of reporting segments”.

1) Domestic food products

Due to the removal of sales of Calpis products from the third quarter, domestic food product sales decreased 8.5%, or ¥37.2 billion, to ¥401.1 billion. However, operating income increased 3.0%, or ¥0.9 billion, to ¥32.6 billion. Excluding the impact of sales of Calpis products, net sales increased ¥2.6% or 8.6 billion to ¥341.7 billion, due to growth in sales of seasonings and processed foods for the retail market and frozen foods. Operating income increased 6.7%, or ¥1.7 billion, to ¥27.8 billion despite a rebound in selling expenses from the downturn due to the earthquake in the previous period.

Seasonings and processed foods: In seasonings and processed foods for the retail market, while sales of *HON-DASHI* decreased, sales of Chinese menu seasoning product *Cook Do*® and Chinese dashi product *Ajinomoto KK Marudori Gara Soup* grew due to TV advertising and related marketing initiatives. Sales of gift products increased compared to the previous year, and three products which were launched nationwide in the current period—hot pot soup cube *Nabe Cube*®, tube-type Chinese seasoning paste *Cook Do*® Flavor Paste, and *Cook Do*® *Kyo-no Ohzara,* Japanese and western-style menu seasoning, also contributed significantly, resulting in an increase in overall sales.

Sales of seasonings and processed foods for the commercial market increased, due to an increase in sales of *ACTIVA*®, a food enzyme (transglutaminase), and savory seasonings products at major domestic customers, and growth in sales of seasoning products for restaurant use and functional food products used to enhance rice and meat texture and quality.

Frozen foods: Overall sales of products for the retail market increased, due to a significant increase in sales of *Gyoza* after a product revision and associated sales promotion activities. Overall sales of products for restaurant and institutional use decreased compared to the previous fiscal year, due to a decline in the sales volumes of some products despite an increase in sales of pork products and desserts. As a result, overall sales increased.

Beverages: Beverage sales decreased due to the transfer of the Company's shares in Calpis, to Asahi Group Holdings, Ltd. ("Asahi GH") on October 1, 2012, and associated exclusion of Calpis sales from results thereafter.

2) Overseas food products

Overseas food product sales increased 6.4%, or ¥14.8 billion, to ¥245.3 billion due to growth in sales volumes of consumer foods, combined with the impact of the weaker yen. Operating income decreased 3.9%, or ¥0.8 billion, to ¥20.7 billion despite a significant profit increase for consumer foods, reflecting the negative impact of a decline in unit prices and higher raw material prices, among other factors.

Consumer foods: In Asia, overall sales increased due to higher sales of umami seasoning *AJI-NO-MOTO*®, along with higher sales of flavor seasonings *Ros Dee*® for home use in Thailand, *Masako*® for home use in Indonesia, *Aji-ngon*® for home use in Vietnam, as well as *Birdy*® canned coffee, powdered drink *Birdy*® *3in1,* and instant noodles, which were each supported by increased sales volumes and the weaker yen.

In the Americas, despite the negative impact from exchange rates in Central and South America, sales revenue increased due to an increase in sales volumes and the unit price of *Sazon*® a flavor seasoning for home use in Brazil.

In Europe and Africa, sales remained similar to the previous year. As a result, overall sales increased.

Umami seasonings for processed food manufacturers: In Japan, sales of *AJI-NO-MOTO*® for the food processing industry decreased, with a fall in sales volume. Overseas, sales of *AJI-NO-MOTO*® for the food processing industry decreased despite the weaker yen, impacted by a decline in sales volumes and unit prices attributable to increases in exports by competitors. Sales of nucleotides also decreased due to a substantial fall in unit prices.

3) Bioscience products and fine chemicals

Bioscience products and fine chemicals sales increased 3.1%, or ¥6.1 billion, to ¥204.2 billion due to growth in sales of feed-use amino acids and amino acids for pharmaceuticals and foods. Operating income increased 18.2%, or ¥2.2 billion, to ¥14.3 billion, impacted by an increase in sales of feed-use amino acids and amino acids for pharmaceuticals and foods, along with favorableforeign exchange rates, which offset a decrease in sales of sweeteners.

Feed-use amino acids: Sales of Lysine and Threonine increased due to an increase in sales volumes, despite a fall in unit prices from the previous year. Sales of Tryptophan increased from the previous year due to a substantial increase in unit prices and sales volumes.

Amino acids: Sales of sweeteners declined, impacted by a decline in sales volumes of aspartame for the processing industry. However, results for pharmaceutical fine chemicals remained similar to the previous year, and sales of amino acids for pharmaceuticals and foods, centered on North America, increased, resulting in an overall increase in sales.

Specialty chemicals: Sales of cosmetic ingredients grew overseas, but impacted by a downturn in computer sales worldwide, sales of insulation film for build-up printed wiring boards decreased, resulting in a decline in overall sales.

4) Pharmaceuticals

Pharmaceutical sales decreased 8.3%, or ¥6.4 billion, to ¥71.4 billion. The decline in overall sales was attributable to the effects of NHI drug price revisions, decreases in sales of products sold through business tie-ups due to the effects of competition, and a decline in royalty income. Impacted by the decline in net sales, operating income decreased 50.8%, or ¥3.2 billion, to ¥3.1 billion.

Self-distributed products sales were affected by NHI drug price revisions but the start of sales of *MARZULENE®*, a newly launched therapeutic agent for gastric inflammation and ulcers, led to an increase in sales.

In products sold through business tie-ups, sales of risedronate products such as *ACTONEL®* for osteoporosis treatment declined significantly, affected by competing products and the NHI drug price revisions, while royalty income also declined, resulting in a substantial decline in sales.

5) Business tie-ups

Business tie-up sales decreased 1.5% (¥2.7 billion) to ¥180.0 billion. Operating income decreased 2.0% (¥32 million) to ¥1.5 billion.

Edible oils: Despite growth in sales volume, sales decreased due to lower prices.

Coffee products: Overall coffee product sales were similar to last year. Despite continuous growth of sales of stick-type mixed coffee, supported by sales promotion activities to consumers, this was largely offset by a decline in sales of bottle coffee and chilled type liquid coffee drinks.

6) Other business

Other business sales increased 0.8%, or ¥0.5 billion, to ¥70.1 billion but the operating loss increased by ¥0.3 billion to ¥1.2 billion.

2. Outlook for the Fiscal Year Ending March 31, 2014

Billions of yen, rounded down

	Net sales (see Note 1)	Operating income	Ordinary income	Net income
FY ending March 31, 2014	1,019.0	75.0	79.0	49.0
FY ended March 31, 2013	1,172.4 (see Note 2)	71.2	77.1	48.3
Change	(13.1%) (see Note 3)	5.3%	2.4%	1.3%

Note 1: The net sales figure shown is net amount for FY ending March 31, 2014, and gross amount for FY ended March 31, 2013.

Note 2: If the net sales figure was shown as the net amount in FY ended March 31, 2013 the amount would be ¥984.9 billion.

Note 3: The forecast increase from the previous year would be 3.5% if compared to the amount in Note 2

Amid fears of a resurgence of the European financial crisis the outlook for the global economy remains uncertain, while in Japan social conditions are changing rapidly due to the financial easing and other policies introduced following the change of government. As a result the Group’s operating environment is expected to remain difficult due to unstable foreign exchange markets, continued high prices of main raw materials and fuels, and intensifying competition for our bulk and other businesses.

Given such conditions, in the fiscal year ending March 31, 2014, the final year of its 2011-2013 medium-term business plan, Ajinomoto will continue with initiatives for achieving steady profit growth as it seeks to become a “Genuine Global Company”. In domestic food products Ajinomoto will endeavor to achieve an expansion in market share and reinforce its stable profit base by strengthening its brand power and proceeding with marketing aimed at the consumers' viewpoint. In overseas food products Ajinomoto will seek to achieve global growth in consumer foods by increasing profitability through deepening the Group's presence in existing markets and by developing new markets. In bioscience products and fine chemicals, by creating new businesses through technological innovation and working closely with customers Ajinomoto will prioritize its efforts in high value added businesses. In pharmaceuticals, Ajinomoto intends to proceed with reform of the business structure, while also working to strengthen its product pipeline by expanding overseas sales and strategic alliances.

As a result of these initiatives, Ajinomoto forecasts operating income for the fiscal year ending March 31, 2014 to increase 5.3% to ¥75.0 billion, and ordinary income to increase 2.4% to ¥79.0 billion. Net income is forecast to increase 1.3% to ¥49.0 billion.

Regarding consolidated sales, formerly, for the coffee and edible oils businesses and some other businesses, the gross figures for sales and cost of goods sales were recorded in the accounts but from fiscal 2013 this method is scheduled to change by netting off sales and cost of goods sold and recording the net figure in the accounts. As a result of this change sales are forecast to decline by 13.1% compared to the previous fiscal year. However, if this method had been applied to the fiscal 2012 accounts the sales amount would have been ¥984.9 billion therefore the sales forecast of ¥1,019.0 billion for fiscal 2013 represents a 3.5% increase.

These forecasts are based on an assumed exchange rate of ¥90.0 to the U.S. dollar.

II. Analysis of Financial Position

1. Overview of year under review

Financial position as of March 31, 2013

Total assets as of March 31, 2013 were ¥1,091.7 billion, ¥5.3 billion less than the ¥1,097.0 billion recorded one year earlier. The key factor contributing to this decrease was a reduction in assets arising from share repurchases, the transfer of Calpis shares and removal of Calpis from the scope of consolidation, which offset an increase in the yen values of the balance sheets of overseas subsidiaries after translation.

Total liabilities was ¥400.0 billion, ¥46.8 billion less than the ¥446.8 billion recorded in March 31, 2012. The key factors contributing to this decrease were a reduction in the provision for retirement benefits due to the return of the benefit obligations related to past employee service under the substitutional portion of the welfare pension fund, and the removal of Calpis from the scope of consolidation. Total interest-bearing debt decreased ¥10.7 billion compared to the end of the previous fiscal year to ¥119.3 billion.

Net assets increased ¥41.5 billion compared to March 31, 2012, despite a decrease in capital surplus due to the retirement of repurchased shares, as a result of factors such as an increase in retained earnings and a change in foreign exchange translation adjustments. Shareholders' equity, which is net assets minus minority interests, was ¥635.2 billion, and the shareholders' equity ratio was 58.2%.

Summary of consolidated cash flow

Billions of yen, rounded down

	FY ended March 31, 2013	FY ended March 31, 2012	Change
Net cash provided by operating activities	88.5	93.3	(4.8)
Net cash used in investing activities	15.2	(41.7)	56.9
Net cash used in financing activities	(74.4)	(37.4)	(36.9)
Effect of exchange rate changes on cash and cash equivalents	8.8	(1.3)	10.1
Increase (decrease) in cash and cash equivalents	38.1	12.7	25.3
Increase in initial balance due to change in scope of consolidation	--	0.1	0.1
Cash and cash equivalents at end of period	184.7	146.6	38.1

Net cash provided by operating activities decreased ¥4.8 billion over the previous year to ¥88.5 billion. This decrease was mainly attributable to factors such as a gain on the transfer of benefit obligation relating to employees' pension fund, which does not involve the movement of funds, and a gain from the sale of Calpis shares, which offset an increase in net income before taxes.

Net cash used in investing activities was an inflow of ¥15.2 billion, mainly attributable to inflow from the sale of Calpis shares, along with outflows from the acquisition of fixed tangible assets, etc.

Net cash used in financing activities increased ¥36.9 billion to ¥74.4 billion partly due to the share repurchase.

As a result of the foregoing, cash and cash equivalents at March 31, 2013 was ¥184.7 billion, an increase of ¥38.1 billion compared to March 31, 2012.

2. Trends in cash flow-related indices

	FY ended March 31, 2013	FY ended March 31, 2012	FY ended March 31, 2011	FY ended March 31, 2010
Equity ratio (%)	58.2	55.2	56.4	55.7
Equity ratio based on market price (%)	82.0	64.0	56.2	59.7
Ratio of interest-bearing debt to cash flow (%)	149.1	153.2	129.7	151.8
Interest coverage ratio (times)	45.0	42.7	44.8	28.6

- Shareholders' equity ratio = (Net assets – minority interests)/total assets
- Shareholders' equity ratio based on market price = Market capitalization/total assets
- Ratio of interest-bearing debt to cash flow = Interest-bearing debt (including customers' deposits received) /cash flow
- Interest coverage ratio = Cash flow/interest paid

Note 1: All indices are calculated from consolidated financial results figures.
Note 2: Market capitalization = market price on last trading day of March each year x total shares outstanding at end of period (excluding treasury stock)
Note 3: Cash flow is the net cash provided from operating activities figure in the consolidated statements of cash flows
Note 4: Interest paid is the interest paid figure in the consolidated statements of cash flows

III. Basic Policy Regarding Allocation of Profits and Dividends for Fiscal Year Ended March 31, 2013 and Fiscal Year Ending March 31, 2014

The Company adopts the basic principle of ensuring continuous and stable dividends, taking into consideration its consolidated earnings. For the fiscal year under review (ended March 31, 2013), the Company plans to pay a dividend of ¥18 per share (with an interim dividend of ¥8 per share), 2 yen more than the previous forecast. For the next fiscal year (ending March 31, 2014), an annual dividend of ¥20 per share is planned, a further ¥2 increase from the fiscal year under review (with an interim dividend payment of ¥10).

Furthermore, the Company takes the basic policy of payment of dividends twice a year, an interim dividend and a year-end dividend. The year-end dividend is approved by the General Meeting of Shareholders and the interim dividend is decided by the Board of Directors. It is stipulated in the Articles of Incorporation that the Company can provide an interim dividend in accordance with the provisions of Article 454 paragraph 5 of the Companies Act in Japan.

In addition, as a measure to improve the level of returns to shareholders, in continuation from the previous period, the Company repurchased and retired shares in the period under review, and will continue to explore the possibility of flexibly implementing share repurchases. The Company seeks to manage shareholders' equity efficiently, and in a way that continues to meet the expectations of its shareholders.

For details of dividend payments for the fiscal year under review, please refer to "Notice regarding payment of dividends from surplus earnings", released today. For details of share repurchases in the next fiscal year, please refer to P40. "Important post-balance sheet events" and "Notice of Decisions on Matters Related to Share Repurchase" released today.

2. MANAGEMENT POLICY

I. Basic Management Policy

What we are aiming for

Ajinomoto aims to be “a group of companies that contributes to human health globally”, by contributing to significant advances in Food and Health and working for Life, while always taking a global perspective. The Group intends to contribute to resolving issues that face humankind in the 21st century—*global sustainability, securing food sources,* and *healthy living.*

Ajinomoto is a globally unique group of food companies that is expanding its business in three interrelated areas, ‘Foods’, ‘Bioscience Products and Fine Chemicals’, and ‘Pharmaceuticals and Wellness,” with amino acids playing a central role. Increasing the connections between these three areas will serve as a driver for growth as Ajinomoto seeks to achieve its vision of becoming “a group of companies that contributes to human health globally”.

Becoming a “Genuine Global Company”

In order to realize its vision of being “a group of companies that contributes to human health globally”, Ajinomoto intends to endeavor to become a “Genuine Global Company” by fulfilling the following five criteria:

(1) Contributing to the future progress of humanity

(2) Achieving the “business and profit scale” of a global company

(3) Possessing our own “industry-leading technologies”

(4) Assembling a group of “globally capable and diversified talent”

(5) Meeting global “efficiency” standards to generate profits

II. Management Goals

Ajinomoto aims to achieve stable growth in profits by around 10% every year, and to continue such a growth trajectory in order to become one of the world’s top ten global food groups.

The targets to be achieved in fiscal 2013 in the 2011-2013 medium-term management plan are to increase the proportion of sales and income derived from overseas business, invest 40% of R&D resources in the company-wide core growth domains, and enhance value-added business, through which the Group will target an operating margin of 7%. The Group also aims to generate free cash flow of ¥40 billion and allocate the cash to a variety of applications aimed at achieving growth. The Group is targeting ROE of 8%.

III. Tasks Ahead

2011-2013 medium-term management plan – further progress

In the current fiscal year, the final year of our fiscal 2011-2013 medium-term management plan, Ajinomoto will continue “growth driver development” and target “business structure reinforcement” and support these initiatives by pursuing a basic policy of “foundation building” and endeavoring to become a “Genuine Global Company”.

Growth driver development

1. Deepen our position in the Japanese market and accelerate growth by cultivating overseas markets, mainly in newly emerging and developing countries.

2. Through R&D leadership create new value and businesses by using our in-house technology to develop new seasonings, grow our businesses in pharmaceuticals used in making biomedical products that support cutting-edge medical treatments and in cell culture media for biopharmaceutical production, and develop synthesis and fermentation technology for biopharmaceutical product development and manufacturing service businesses.

Business structure reinforcement

1. Realize the cost reduction benefits of the low resource fermentation technology that we began introducing in fiscal 2011, and raise cost-competitiveness in the food products and bioscience products and fine chemicals segments.

2. In the pharmaceuticals segment, through the spin-off of the low profitability infusions and dialysis business of Ajinomoto Pharmaceuticals Co., Ltd. and formation of a joint venture with Yoshindo Inc., fundamentally reform its business structure and raise cost competitiveness.

3. In the sweeteners business, raise the cost-competitiveness of aspartame by adopting new production methods and also work to evolve and shift focus to become a compound sweeteners business.

Foundation building

1. With respect to human resource development, the Group will carefully select people to manage the business, by hiring and training its core staff from a diverse pool of talent without being restricted by nationality, work history or gender. In the previous year, we also began hiring new graduates of various nationalities in Japan and we will further intensify our efforts to appoint non-Japanese directors and female directors.

2. As the Group's operations globalize and the business categories expand, Ajinomoto will further improve governance at Group companies.

Contribution to the issues for 21st century human society through our business

The Ajinomoto Group will continue, through its business activities, to make a contribution to the issues for 21st century human society —global sustainability, food resources, and healthy living.

1. Ajinomoto will continue to be involved in programs which support international cooperation projects, aiming to improve the nutrition and health of people in developing countries.

2. We will also continue to provide support such as working to correct nutrient imbalances for people living in areas affected by the Great East Japan Earthquake.

3. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheet

Millions of yen, rounded down

	As of March 31, 2013	As of March 31, 2012
Assets		
Current assets		
Cash on hand and in banks	186,501	149,913
Notes and accounts receivable	197,568	206,952
Marketable securities	417	414
Goods and products	102,550	96,855
Goods in process	7,701	7,960
Raw materials and supplies	49,566	42,842
Deferred tax assets	9,077	8,329
Other	33,786	30,282
Allowance for doubtful accounts	(1,095)	(1,173)
Total current assets	586,074	542,375
Fixed assets		
Tangible fixed assets		
Buildings and structures	348,963	350,782
Accumulated depreciation and accumulated impairment losses	(215,961)	(213,132)
Net buildings and structures	133,002	137,649
Machinery and vehicles	528,879	508,031
Accumulated depreciation and accumulated impairment losses	(402,081)	(392,678)
Net machinery and vehicles	126,798	115,352
Tools, furniture and fixtures	69,982	66,738
Accumulated depreciation and accumulated impairment losses	(57,992)	(56,690)
Net tools, furniture and fixtures	11,989	10,047
Land	51,065	96,139
Leased assets	4,944	5,099
Accumulated depreciation and accumulated impairment losses	(3,138)	(2,202)
Net leased assets	1,805	2,896
Construction in progress	26,562	26,598
Total tangible fixed assets	351,224	388,683
Intangible fixed assets		
Goodwill	4,779	25,080
Other	33,912	34,107
Total intangible fixed assets	38,691	59,188
Investments and other assets		
Investment in securities	94,357	84,491
Long-term loans receivable	601	1,057
Deferred tax assets	8,549	7,796
Other	13,135	14,723
Allowance for doubtful accounts	(278)	(789)
Allowance for investment losses	(616)	(470)
Total investments and other assets	115,749	106,808
Total fixed assets	505,666	554,681
Total assets	1,091,741	1,097,057

(Continued)
(1) Consolidated Balance Sheet

Millions of yen, rounded down

	As of March 31, 2013	As of March 31, 2012
Liabilities		
Current liabilities		
Notes and accounts payable	108,903	112,965
Short-term borrowings	12,365	17,790
Current portion of bonds	20,000	--
Current portion of long-term borrowings	3,411	4,406
Accrued income taxes	20,590	9,465
Bonus reserve	5,496	6,896
Bonus reserve for directors and others	325	357
Other	84,447	87,572
Total current liabilities	255,541	239,455
Long-term liabilities		
Bonds	49,992	69,990
Long-term debt	31,442	34,847
Deferred tax liabilities	11,244	14,786
Accrued employees' retirement benefits	28,796	62,962
Accrued officers' severance benefits	517	1,016
Allowance for environmental measures	380	506
Asset retirement obligations	586	584
Other	21,528	22,747
Total long-term liabilities	144,489	207,442
Total Liabilities	400,030	446,897
Net assets		
Shareholders' equity		
Common stock	79,863	79,863
Capital surplus	112,757	162,381
Retained earnings	482,501	444,728
Treasury stock	(2,817)	(2,219)
Total shareholders' equity	672,304	684,755
Accumulated other comprehensive income		
Unrealized holding gain on securities	9,419	2,678
Unrealized gain from hedging instruments	(141)	(1)
Translation adjustments	(46,295)	(81,603)
Adjustment in pension liabilities of overseas subsidiaries	--	(478)
Total accumulated other comprehensive income	(37,017)	(79,405)
Minority interests	56,423	44,809
Total net assets	691,710	650,159
Total liabilities & net assets	**1,091,741**	**1,097,057**

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

Consolidated Statement of Income

Millions of yen, rounded down

	FY ended Mar. 31, 2013	FY ended Mar. 31, 2012
Net sales	1,172,442	1,197,313
Cost of sales	788,105	793,524
Gross profit	384,337	403,788
Selling, general and administrative expenses	313,104	331,203
Operating income	71,232	72,584
Non-operating income		
Interest income	1,857	1,847
Dividend income	1,044	974
Equity in earnings of non-consolidated subsidiaries and affiliates	3,058	2,401
Other	3,983	2,263
Total non-operating income	9,944	7,487
Non-operating expenses		
Interest expense	1,931	2,167
Other	2,077	1,985
Total non-operating expenses	4,009	4,152
Ordinary income	77,167	75,919
Extraordinary gains		
Insurance income	*1 1,800	*1 6,012
Gain on sales of shares in affiliated company	*2 18,201	--
Gain on transfer of benefit obligation relating to employees' pension fund	27,752	--
Other	1,387	1,076
Total extraordinary gains	49,141	7,088
Extraordinary losses		
Loss on disposal of fixed assets	2,951	3,320
Impairment losses	*3 14,562	*3 1,106
Other	7,966	6,488
Total extraordinary losses	25,481	10,915
Net income before taxes	100,828	72,091
Income, inhabitant and business taxes	39,716	20,881
Income and other tax adjustments	6,015	3,631
Income taxes – total	45,732	24,513
Net income before minority interests	55,095	47,578
Minority interests	6,722	5,823
Net income	**48,373**	**41,754**

Consolidated Statement of Comprehensive Income

Millions of yen, rounded down

	FY ended Mar. 31, 2013	FY ended Mar. 31, 2012
Net income before minority interests	55,095	47,578
Other comprehensive income		
Unrealized holding gain on securities	6,363	1,227
Unrealized gain from hedging instruments	(159)	(9)
Translation adjustments	41,462	(14,831)
Adjustment in pension liabilities of overseas subsidiaries	478	(151)
Share of other comprehensive income of equity-method affiliates	1,339	(567)
Total other comprehensive income	49,485	(14,332)
Comprehensive income	104,581	33,245
(Breakdown)		
Comprehensive income attributable to parent company	90,761	28,413
Comprehensive income attributable to minority interests	13,819	4,831

(3) Consolidated Statement of Changes in Net Assets

(Fiscal year ended March 31, 2013)

Millions of yen, rounded down

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balances as of March 31, 2012	79,863	162,381	444,728	(2,219)	684,755
Changes in fiscal year ended March 31, 2013					
Dividends from retained earnings			(10,600)		(10,600)
Net income			48,373		48,373
Changes in the scope of consolidation			--		--
Decrease on merger of non-consolidated subsidiaries			--		--
Purchase of treasury stock				(50,225)	(50,225)
Disposal of treasury stock		(49,624)		49,627	2
Total of changes in fiscal year ended March 31, 2013		(49,624)	37,772	(598)	(12,450)
Balances as of March 31, 2013	79,863	112,757	482,501	(2,817)	672,304

Millions of yen, rounded down

	Accumulated Other Comprehensive Income						
	Unrealized holding gain on securities	**Unrealized gain from hedging instruments**	**Translation adjustments**	**Adjustment in pension liabilities of overseas subsidiaries**	**Total accumulated other comprehensive income**	**Minority interests**	**Total net assets**
Balances as of March 31, 2012	2,678	(1)	(81,603)	(478)	(79,405)	44,809	650,159
Changes in fiscal year ended March 31, 2013							
Dividends from retained earnings							(10,600)
Net income							48,373
Changes in the scope of consolidation							--
Decrease on merger of non-consolidated subsidiaries							--
Purchase of treasury stock							(50,225)
Disposal of treasury stock							2
Net changes in items other than those in shareholders' equity	6,741	(140)	35,308	478	42,388	11,613	54,001
Total of changes in fiscal year ended March 31, 2013	6,741	(140)	35,308	478	42,388	11,613	41,551
Balances as of March 31, 2013	9,419	(141)	(46,295)	--	(37,017)	56,423	691,710

(Continued)

Consolidated Statement of Changes in Net Assets

(Fiscal year ended March 31, 2012)

Millions of yen, rounded down

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balances as of March 31, 2011	79,863	182,716	414,189	(2,514)	674,255
Changes in fiscal year ended March 31, 2012					
Dividends from retained earnings			(10,995)		(10,995)
Net income			41,754		41,754
Changes in the scope of consolidation			(36)		(36)
Decrease on merger of non-consolidated subsidiaries			(182)		(182)
Purchase of treasury stock				(20,045)	(20,045)
Disposal of treasury stock		(20,334)		20,340	5
Total of changes in fiscal year ended March 31, 2012	--	(20,334)	30,539	294	10,499
Balances as of March 31, 2012	79,863	162,381	444,728	(2,219)	684,755

Millions of yen, rounded down

	Accumulated Other Comprehensive Income						
	Unrealized holding gain on securities	Unrealized gain from hedging instruments	Translation adjustments	Adjustment in pension liabilities of overseas subsidiaries	Total accumulated other comprehensive income	Minority interests	Total net assets
Balances as of March 31, 2011	1,339	(31)	(67,045)	(327)	(66,064)	42,099	650,291
Changes in fiscal year ended March 31, 2012							
Dividends from retained earnings							(10,995)
Net income							41,754
Changes in the scope of consolidation							(36)
Decrease on merger of non-consolidated subsidiaries							(182)
Purchase of treasury stock							(20,045)
Disposal of treasury stock							5
Net changes in items other than those in shareholders' equity	1,338	29	(14,557)	(151)	(13,340)	2,709	(10,630)
Total of changes in fiscal year ended March 31, 2012	1,338	29	(14,557)	(151)	(13,340)	2,709	(131)
Balances as of March 31, 2012	2,678	(1)	(81,603)	(478)	(79,405)	44,809	650,159

(4) Consolidated Statement of Cash Flows

	FY ended Mar. 31, 2013	FY ended Mar. 31, 2012
	Millions of yen, rounded down	
I. Cash flows from operating activities		
Income before income taxes and minority interests	100,828	72,091
Depreciation and amortization	42,463	43,717
Loss on impairment of fixed assets	14,562	1,106
Amortization of goodwill and negative goodwill	2,265	4,503
Insurance income	(1,800)	(6,012)
Increase (decrease) in allowance for doubtful accounts	(210)	(211)
Increase (decrease) in bonus reserve	(237)	227
Increase (decrease) in bonus reserve for directors and others	(16)	(2)
Increase (decrease) in accrued employees' retirement benefits	(3,688)	4,095
Increase (decrease) in allowance for directors' retirement benefits	(240)	(314)
Increase (decrease) in allowance for environmental measures	52	(67)
Increase (decrease) in allowance for investment losses	107	209
Interest and dividend income	(2,902)	(2,821)
Interest expense	1,931	2,167
Equity in earnings of non-consolidated subsidiaries and affiliates	(3,058)	(2,401)
Loss (gain) on sale of investment securities	37	(526)
Loss (gain) on sale of shares in affiliated company	(18,201)	--
Loss (gain) on transfer of benefit obligation relating to employees' pension fund	(27,752)	--
Loss (gain) on revaluation of investment securities	2,346	607
Loss (gain) on sale and disposal of tangible fixed assets	2,174	3,927
Decrease (increase) in notes and accounts receivable	15,158	(14,098)
Increase (decrease) in notes and accounts payable	(18,516)	10,562
Decrease (increase) in inventories	(7,048)	(16,040)
Increase (decrease) in accrued consumption tax	1,863	(1,814)
Decrease (increase) in other current assets	1,180	(3,677)
Increase (decrease) in other current liabilities	6,699	538
Other	(1,518)	4,797
Sub-total	106,480	100,563
Insurance fees received	2,764	5,087
Interest and dividends received	3,697	4,166
Interest paid	(1,965)	(2,185)
Income taxes paid	(22,475)	(14,318)
Net cash provided by operating activities	**88,501**	**93,312**
II. Cash flows from investing activities		
Acquisition of tangible fixed assets	(60,691)	(45,401)
Proceeds from sale of tangible fixed assets	1,134	1,412
Acquisition of intangible assets	(5,045)	(3,659)
Acquisition of investment securities	(324)	(214)
Proceeds from sale of investment securities	241	2,102
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	80,890	--
Acquisition of shares of affiliates	(3,650)	(1,414)
Decrease (increase) in term deposits	1,862	4,435
Other	784	1,037
Net cash used in investing activities	**15,201**	**(41,701)**

(Continued)

	Millions of yen, rounded down	
	FY ended Mar. 31, 2013	FY ended Mar. 31, 2012
III. Cash flows from financing activities		
Net change in short-term borrowings	(6,026)	2,122
Proceeds from long-term debt	115	23
Repayment of long-term debt	(4,344)	(5,225)
Cash dividends paid	(10,604)	(10,997)
Distribution of dividends to minority shareholders	(2,226)	(2,224)
Acquisition of own stock	(50,225)	(20,045)
Sale of treasury stock	2	5
Other	(1,109)	(1,114)
Net cash used in financing activities	**(74,419)**	**(37,456)**
IV. Effect of exchange rate changes on cash and cash equivalents	**8,838**	**(1,356)**
V. (Decrease) increase in cash and cash equivalents	**38,122**	**12,798**
VI. Cash and cash equivalents at the beginning of the year	**146,647**	**133,744**
Increase due to change in scope of consolidation	--	0
Increase in cash and cash equivalents on merger of non-consolidated subsidiaries	--	103
VII. Cash and cash equivalents at the end of the year	**184,770**	**146,647**

(5) Notes to the Consolidated Financial Statements

Notes Regarding Premise of a Going Concern

No applicable items

Significant Items for the Preparation of Consolidated Financial Statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries:

86 companies

(2) Names of main non-consolidated subsidiaries:

Bonito Technical Laboratory Co., Inc.

(Reasons for exclusion from scope of consolidation)

Subsidiaries classified as non-consolidated are all small, and none has total assets, sales, current year net income (corresponding to the percentage of shares held), retained earnings (corresponding to the percentage of shares held), etc. that materially impact the consolidated financial statements.

(3) Ajinomoto System Techno Corporation has been excluded from the scope of consolidated subsidiaries due to the transfer of 51% of the 100% issued and outstanding shares held by the Company to Nomura Research Institute, Ltd.

AJINOMOTO BUSINESS ASSOCIATES CO., INC. has been excluded from the scope of consolidated subsidiaries as a result of being merged by Ajinomoto Communications, Inc.

Calpis Co., Ltd. (specified subsidiary) has been excluded from the scope of consolidated subsidiaries due to the transfer of all shares held by the Company to Asahi GH. As a result, Calpis Foods Service Co., Ltd., Taiwan Calpis Co., Ltd., Calpis U.S.A., Inc., and PT Ajinomoto Calpis Beverages Indonesia, were also excluded from the scope of consolidated subsidiaries.

2. Scope of application of the equity method

(1) Number of non-consolidated subsidiaries accounted for by the equity method:

4 overseas companies

Names of main companies:

Si Ayutthaya Realestate Co., Ltd., Erawan Industrial Development Co., Ltd.

(2) Number of affiliated companies accounted for by the equity method:

7 companies

Names of main companies:

Ajinomoto General Foods, Inc., J-OIL MILLS, INC., Nissin-Ajinomoto Alimentos Ltda.

(3) As consolidated net income and retained earnings (corresponding to the percentage of shares held) of non-consolidated subsidiaries not accounted for by the equity method (such as Bonito Technical Laboratory Co., Inc.) and affiliated companies not accounted for by the equity method (such as Healthcare Committee Inc.) are immaterial to the consolidated results and therefore these companies have immaterial impact, they are not included in the scope of the equity method.

(4) Ajinomoto System Techno Corporation has been excluded from the scope of consolidated subsidiaries, as a result of the transfer of 51% of the 100% issued and outstanding shares held by the Company to Nomura Research Institute, Ltd., but it is accounted for by the equity method. Its corporate name has been changed to NRI System Techno, Ltd.

3. Fiscal year, etc. of consolidated subsidiaries and affiliated companies accounted for by the equity method

The fiscal year end of Ajinomoto del Perú S.A. and 13 other consolidated subsidiaries is December 31, and the fiscal year end of GABAN Co., Ltd. is the end of February. Of these, 13 companies prepare their financial statements as of March 31 for consolidated purposes. With regard to the other companies, the Company used their financial statements as of their own fiscal year end in the preparation of the consolidated financial statements, making adjustments, if necessary, for significant transactions that occurred in the period from their fiscal year end to the consolidated fiscal year end.

Of the companies accounted for by the equity method, Nissin-Ajinomoto Alimentos Ltda. and 1 other company have fiscal year end of December 31. Of this total, 1 company prepares its financial statements as of March 31 for consolidated purposes. With regard to the other companies, the Company used their financial statements as of their own fiscal year end in the preparation of the consolidated financial statements, making adjustments, if necessary, for significant transactions that occurred in the period from their fiscal year end to the consolidated fiscal year end.

4. Accounting treatment standards

(1) Valuation standards and methods

1) Marketable securities

Other securities:

Other securities for which market value is available are stated at market value at the fiscal year end and the changes in market value, net of applicable income taxes, are directly charged or credited to net assets. The cost of such securities sold is mainly determined by the moving-average method.

Other securities for which a price is not available are stated at cost, mainly determined by the moving-average method.

2) Derivatives:

Derivatives are carried out at fair value

However, with respect to interest rate swaps for which criteria for special treatment are met, special treatment is, in principle, applied.

3) Inventories:

Inventories of the Company and its domestic consolidated subsidiaries are mainly stated at cost determined by the average method (in cases where the profitability has declined, the book value is reduced accordingly). Inventories of overseas consolidated subsidiaries are mainly stated at the lower of cost or market, cost being determined by the average method.

(2) Depreciation and amortization of significant depreciable assets

1) Tangible fixed assets (excluding leased assets):

The Company and its domestic consolidated subsidiaries recognize their depreciation expense mainly by using the declining-balance method and its overseas consolidated subsidiaries calculate the depreciation expense mainly by using the straight-line method. However, for buildings (excluding building improvements) acquired on or after April 1, 1998 by the Company and its domestic consolidated subsidiaries, the depreciation expense is calculated by the straight-line method. The range of useful life is from 3 to 50 years for buildings and structures and from 2 to 20 years for machinery and vehicles.

2) Intangible fixed assets (excluding leased assets):

Amortization of intangible fixed assets is mainly calculated by the straight-line method for the Company and its domestic consolidated subsidiaries. Computer software held by the Company and its domestic consolidated subsidiaries for internal use is amortized by the straight-line method over the estimated useful life (5 years).

3) Leased assets

The straight-line method is applied with the useful life of the asset being the lease term and the residual value being zero. Finance lease transactions that do not transfer ownership, for which the starting date of the lease was March 31, 2008 or earlier, are accounted for as operating leases.

(3) Accounting for significant reserves

1) Allowance for doubtful accounts:

An allowance for doubtful accounts is provided for possible bad debts at the amount estimated based on historical bad debt experience for normal receivables and by reference to the individual collectability of specific doubtful receivables.

2) Bonus reserve:

At certain consolidated subsidiaries, a bonus reserve for employees has been provided based on the estimated amount to be paid to employees.

3) Allowance for retirement benefits for employees:

Accrued retirement benefits for employees are provided for at the Company and its major domestic consolidated subsidiaries based on projected benefit obligations and the fair value of pension plan assets at the end of the fiscal year. Prior service cost is amortized by the straight-line method over a period within the average remaining service years for employees (mainly 10 years) at the time of recognition. Actuarial gain and loss is amortized by the straight-line method over a period within the average remaining service years for employees (mainly 10 years) at the time of recognition, and allocated proportionately from the fiscal year following the respective fiscal year of recognition.

(Additional information)

On September 1, 2012 the Ajinomoto employee's pension fund, in which Ajinomoto Co. participates, received approval from the Minister of Health, Labour and Welfare for the return of the benefit obligations related to past employee service under the substitutable portion of the welfare pension fund in connection with the enforcement of the Defined-Benefit Corporate Pension Law. Accordingly, based on Section 44-2 of the "Practical Guidelines on Accounting for Retirement Benefits (Interim Report)" (Accounting Committee Report No. 13 of the Japanese Institute of Certified Public Accountants), the Company recorded an extraordinary gain of ¥27,752 million in the fiscal year ended March 31, 2013.

4) Allowance for severance benefits for directors:

At the Company and certain domestic consolidated subsidiaries, accrued retirement benefits for directors and others are provided at the amount required to be paid in accordance with internal rules in order to provide for payment of severance benefits to those directors and others.

The Company abolished the system of payment of severance benefits to directors in June 2007, and has decided to pay severance benefits at the time of retirement with respect to the period in which the system was applied.

5) Allowance for bonuses for directors:

In preparation for the payment of bonuses to directors and others, a reserve for bonuses for directors and others has been provided for the amount of payment expected for the fiscal year ended March 31, 2013.

6) Allowance for environmental measures:

In preparation for payment relating to disposal of polychlorinated biphenyl (PCB) and other wastes, an allowance for environmental measures has been provided for the amount of costs expected to be incurred.

(4) Translation of significant assets and liabilities denominated in foreign currencies into yen

Monetary assets and liabilities denominated in foreign currencies have been translated into yen at the rates of exchange in effect at the fiscal year end. The resulting exchange gain or loss is charged or credited to income. Assets and liabilities of overseas subsidiaries have been translated into yen at the exchange rates in effect as of the fiscal year end, and revenues and expenses of overseas subsidiaries have been translated into yen at the average rates prevailing during the fiscal year. The resulting translation differences are included in minority interests and translation adjustments in net assets.

(5) Hedge accounting

1) Hedge accounting method

The Company and its consolidated subsidiaries adopt deferred hedge accounting.

Special treatment is, in principle, applied with respect to interest rate swaps, in cases where criteria for special treatment are met.

2) Means of hedging and transactions subject to hedging

Foreign exchange forward contracts	Forecasted transactions and sales transactions pertaining to the acquisition of stock of or investments in affiliated companies denominated in foreign currencies
Interest rate swaps	Interest paid on borrowings

3) Hedging policy

The Company and some of its consolidated subsidiaries hedge foreign exchange rate risk and interest rate risk for certain transactions, mainly those that are financially significant and that can be recognized individually, based on internal rules for derivative transactions.

4) Methods for evaluating the effectiveness of hedges

Assessment of hedge effectiveness is not undertaken for forward exchange contracts, as the material conditions pertaining to the hedging instrument and the hedged item are identical. For interest rate swaps for which special treatment is applied, evaluation of effectiveness is not conducted.

(6) Amortization of goodwill

As a general rule, goodwill is amortized on a straight-line basis over its estimated useful life. However, immaterial goodwill is charged or credited to expense or income at the time of acquisition.

(7) Scope of ‘Cash’ in the Consolidated Statement of Cash Flows

The category ‘cash’ covers cash on hand, deposits with immediate liquidity, and easily convertible short-term investments with low risk of price fluctuation that mature within three months of acquisition.

(8) Other significant items for the preparation of consolidated financial statements

1) Accounting for consumption taxes

Transactions of the Company and domestic consolidated subsidiaries subject to consumption tax and/or regional consumption tax are recorded at amounts exclusive of the consumption tax. Unearned consumption tax is included in ‘Current assets – Other’, while unpaid consumption tax is included in ‘Current liabilities – Other.’

2) Adoption of consolidated tax accounting system

The Company and some of its consolidated subsidiaries adopt the consolidated taxation system, with Ajinomoto Co., Inc. as the consolidated taxable parent company.

3) Recognition of revenue from finance lease transactions

Revenue from finance lease transactions is not recorded in sales, but instead recorded by allocating the corresponding amount of interest to each period.

Changes in Accounting Policies for Items that are Difficult to Categorize as Changes in Accounting Estimates

Fiscal year ended March 31, 2013 (April 1, 2012 – March 31, 2013)

Effective the fiscal year under review and in line with the corporation tax revision, the Company and its domestic consolidated subsidiaries have changed to a depreciation method based on the revised Corporation Tax Act for tangible fixed assets acquired on or after April 1, 2012. The impact of these changes on operating income, ordinary income, and net income before income taxes is minimal.

Unapplied Accounting Standards, etc.

Fiscal year ended March 31, 2013 (April 1, 2012 – March 31, 2013)

Accounting standards related to consolidated financial statements

Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan (ASBJ) Statement No. 26 of May 17, 2012), and Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No.25. of May 17, 2012)

(1) Outline

Under the revised accounting standard, actuarial gains and losses and past service costs shall be recognized within net assets on the consolidated balance after adjusting for tax effects, and the accumulated deficit or surplus shall be recognized as a liability or asset. Also, regarding the estimated amount of retirement benefits and the method of attributing them to accounting periods, in addition to the straight line attribution standard, the benefit formula may be used and the method of calculating the discount rate has been revised.

(2) Scheduled date of adoption

These accounting standards will be adopted from the start of the fiscal year ending March 2014. However, as no retrospective application of this accounting standard is required it will not be applied to consolidated financial statements for prior periods.

(3) Impact of adoption of new accounting standard

The impact in the consolidated financial statements as a result of the adoption of this accounting standard is currently being evaluated.

Changes in Presentation

Fiscal year ended March 31, 2013 (April 1, 2012 – March 31, 2013)

Consolidated Statement of Income

1. "Rental income", which was presented as a separate item in the previous fiscal year, is included in "Other" in "Non-operating income" in the fiscal year under review, as its amount corresponds to 10/100ths or less of total non-operating income. Consolidated financial statements for the previous fiscal year have been restated in order to reflect this change in presentation.

   As a result, ¥757 million presented as "Rental income" in the consolidated statement of income for the previous fiscal year has been restated as "Other."

2. "Gain on sale of investment securities", which was presented as a separate item in the previous fiscal year, is included in "Other" in "Extraordinary gains" in the fiscal year under review, as its amount

corresponds to 10/100ths or less of total extraordinary gains. Consolidated financial statements for the previous fiscal year have been restated in order to reflect this change in presentation.

As a result, ¥554 million presented as “Gain on sale of investment securities” in the consolidated statement of income for the previous fiscal year has been restated as “Other.”

3. “Loss on valuation of investment securities”, which was presented as a separate item in the previous fiscal year, is included in “Other” in “Extraordinary losses” in the fiscal year under review as its amount corresponds to 10/100ths or less of total extraordinary losses. Consolidated financial statements for the previous fiscal year have been restated in order to reflect this change in presentation.

   As a result, ¥607 million presented as “Other” in “Extraordinary losses” in the consolidated statement of income for the previous fiscal year has been restated as “Other.”

4. “Loss from natural disaster”, which was presented as a separate item in the previous fiscal year, is included in “Other” in “Extraordinary losses” in the fiscal year under review, as its amount corresponds to 10/100ths or less of total extraordinary losses. Consolidated financial statements for the previous fiscal year have been restated in order to reflect this change in presentation.

   As a result, ¥3,759 million presented as “Loss from natural disaster” in the consolidated statement of income for the previous fiscal year has been restated as “Other.”

Consolidated Statement of Cash Flows

1. “Loss from natural disaster”, which was presented as a separate item in “Cash flows from operating activities” in the previous fiscal year, is included in “Other” in the fiscal year under review. Consolidated financial statements for the previous fiscal year have been restated in order to reflect this change in presentation.

   As a result, ¥3,759 million presented as “Loss from natural disaster” in “Cash flows from operating activities” in the consolidated statement of cash flows for the previous fiscal year has been restated as “Other”

2. “Increase (decrease) in other current liabilities”, which was included in “Other” in “Cash flows from operating activities” in the previous fiscal year, is presented as a separate item in the fiscal year under review. Consolidated financial statements for the previous fiscal year have been restated in order to reflect this change in presentation.

   As a result, ¥538 million presented as “Other” in “Cash flows from operating activities” in the consolidated statement of cash flows for the previous fiscal year has been restated as “Increase (decrease) in other current liabilities”.

Consolidated Statement of Income

***1. Insurance income**

Fiscal year ended March 31, 2013 (April 1, 2012 – March 31, 2013)

“Insurance income” mainly consists of insurance benefits of ¥1,001 million received resulting from the Thailand floods.

***2. Gain on sale of shares in affiliated company**

Fiscal year ended March 31, 2013 (April 1, 2012 – March 31, 2013)

“Gain on sale of shares in affiliated company” mainly consists of gains from the transfer of all shares held in Calpis Co., Ltd.

***3. Impairment losses**

Fiscal year ended March 31, 2013 (April 1, 2012 – March 31, 2013)

The main assets with respect to which impairment losses were recorded in the fiscal year under revieware as follows. In addition to these, other impairment losses of ¥166 million were also recorded.

Location	Use	Classification
Saitama Prefecture, Japan Shimizu-ku, Shizuoka City Yaizu City, Shizuoka Prefecture	Manufacturing facilities	Buildings and structures, land, machinery and vehicles, leased assets
France	Manufacturing facilities	Machinery and vehicles, buildings and structures

The Ajinomoto Group mainly groups assets in accordance with management accounting business categories. Furthermore, important idle assets and assets leased to others are grouped according to each individual asset.

With respect to the manufacturing facilities in Kawajima, Hiki District, Saitama Prefecture, and Shimizu-ku, Shizuoka City and Yaizu City, Shizuoka Prefecture, in accordance with the restructuring of the pharmaceuticals business, the Company reduced the book value to a recoverable amount, and recorded an impairment loss of ¥7,955 million. This is broken down into, buildings and structures ¥3,292 million, land, ¥2,123 million, machinery and vehicles, ¥2,041 million, leased assets ¥339 million, and other ¥159 million. The recoverable amount was determined based on the scheduled transfer amount.

With respect to the sweeteners business in France, as demand in European markets has cooled and decreases in sales volumes due to an intensified competition with other companies continue to create losses, and as prospects for future recovery are currently poor, the book value of the aforementioned sweeteners manufacturing facilities has been recorded as an extraordinary loss under impairment losses. The amount of the impairment loss is ¥6,440 million, broken down into machinery and vehicles, ¥3,414 million, buildings and structures, ¥2,829 million, and other, ¥197 million.

Business Mergers, etc.

The Company resolved at a Board of Directors meeting on May 8, 2012 to sell all outstanding shares of its wholly owned subsidiary Calpis to Asahi GH, and on the same day concluded a contract with Asahi GH for the transfer of the shares. Calpis was a specified subsidiary as provided by Article 19-10 of the Cabinet Office Order on Disclosure of Corporate Information, etc.

In accordance with the contract, on October 1, 2012, the Company closed the sale of its entire holding of Calpis shares to Asahi GH.

1. Reason for sale of shares

Under the FY2011-2013 Medium-Term Management Plan, the Company is focusing resources on the core businesses of "seasonings & food products" and "advanced bioscience & fine chemicals" to generate growth and reinforce its business structure toward becoming a genuine global company.
Calpis has focused its operations on lactic acid beverages since its establishment in 1917. Its flagship Calpis brand was the first such beverage in Japan.
The Company became the largest Calpis shareholder in 1990, integrated Calpis by acquiring 100% of its outstanding shares in October 2007, accelerated overseas development of its beverage business, and expanded its operations while leveraging synergies in functional areas including purchasing and logistics.
Under these circumstances, the Company carefully considered a formal proposal from Asahi GH in January 2012 to purchase Calpis's shares.
Asahi GH expressed its desire to expand Calpis as a key component for growing its core beverage business, citing a strong appreciation for the Calpis brand and Calpis's technology for utilizing lactobacillus and microorganisms, corporate culture and history spanning more than 90 years, and outstanding human resources. Moreover, Calpis and Asahi GH group company Asahi Soft Drinks Co., Ltd. have been building mutual trust through their joint business for vending machine beverages.
After due consideration of these issues, the Company decided that selling its Calpis shares to Asahi GH would contribute to the Company's plan to concentrate on core businesses, and would further optimize growth over the long term for Calpis. The Company therefore decided to conclude the contract.

2. Overview of Calpis

1) Corporate name Calpis Co., Ltd.
2) Outstanding shares 73,936,871 shares
3) Main business Manufacture and sale of beverages, functional health foods and drinks, dairy products, alcoholic beverages, feed additives, etc., and other business activities

3. Overview of transactions between the Company and Calpis

The Company purchases and sells Calpis products and the companies engage in joint raw materials purchasing and logistics.

4. Overview of sale

1) Closing date October 1, 2012
2) Number of shares to be sold 73,936,871 shares (entire holding)
3) Sale price ¥121.7 billion*
*The sale price includes dividends from retained earnings paid to Ajinomoto in September 2012 by Calpis of ¥27.0 billion.
4) The Company’s ownership ratio after sale -%

5. **Overview of accounting treatment of sale**
   1. Gain or loss on sale
      Gain on sale of shares in affiliated company ¥17.5 billion
   2. Book value of assets and liabilities associated with separated company

Current assets	¥22.4 billion
Fixed assets	¥86.1 billion
Total assets	¥108.6 billion
Current liabilities	¥29.3 billion
Long-term liabilities	¥17.3 billion
Total liabilities	¥46.6 billion

6. **Segment to which Calpis belongs in "Segment Information"**
   Domestic Food Products

7. **Overview of sales and income attributable to Calpis for the fiscal year under review**
   Sales: ¥59.3 billion
   Operating income: ¥4.7 billion

Segment Information

a. Segment information

Fiscal year ended March 31, 2013 (April1, 2012 March 31, 2013)

1. Overview of reporting segments

The Company's reporting segments mainly consist of product-based segments, with the food products business further subdivided into domestic and overseas segments. The Company has five reporting segments: domestic food products, overseas food products, bioscience products and fine chemicals, pharmaceuticals, and business tie-ups.

Among the Group's units, separate financial information is also obtainable for each reporting segment, and the Board of Directors and the Management Committee regularly consider these segments in order to decide on allocation of business resources and evaluate business performance.

The product categories and products belonging to each reporting segment are as follows.

Reporting Segment	Product Category	Main Products
Domestic Food Products	Seasonings and Processed Foods	*AJI-NO-MOTO®*, *HON-DASHI®*, *Ajinomoto KK Consommé*, *Cook Do®*, *Knorr® Cup Soup*, *Pure Select® Mayonnaise*, *Kellogg's®* products, savory seasonings, food enzyme *ACTIVA®*, Lunchboxes and delicatessen products, bakery products, etc.
	Frozen Foods	*Gyoza*, *Yawaraka Wakadori Kara-Age, Puripuri-no-Ebi Shumai, Ebi-yose Fry*, *Fried rice with various ingredients,* etc.
	Beverages	*CALPIS®*, *CALPIS Water®*, etc.
Overseas Food Products	Consumer Foods	*AJI-NO-MOTO®*, *Ros Dee®* (flavor seasoning), *Masako®* (flavor seasoning), *Aji-ngon®* (flavor seasoning), *Sazón®* (flavor seasoning), *YumYum®* (instant noodles), *VONO®* (noodle soup), *Birdy®* (canned coffee), *Birdy®3in1* (powdered drink), etc.
	Umami Seasonings for Processed Food Manufacturers	*AJI-NO-MOTO®* for the food processing industry, nucleotides
Bioscience Products and Fine Chemicals	Feed-Use Amino Acids	Feed-use Lysine, feed-use Threonine, feed-use Tryptophan
	Amino Acids	Arginine, glutamine, valine, leucine, isoleucine, and other amino acids *PAL SWEET®*, aspartame, *Refresco MID®* (powdered juice), Pharmaceutical fine chemicals, etc.
	Specialty Chemicals	*Amisoft®*, *Jino®* (cosmetics), Insulation film for build-up printed wiring board, etc.
Pharmaceuticals	Pharmaceuticals	*LIVACT®*, *SOLITA®-T*, *ELENTAL®*, *FASTIC®*, *ATELEC®*, *ACTONEL®*, etc.
Business Tie-Ups	Edible Oils	*Salad Oil*, *Sara-Sara Canola Oil*, *Kenko Sarara®*, etc.
	Coffee	*MAXIM®*, *Blendy®*, *Blendy® Bottled Coffee*, etc.

Formerly, for the coffee and edible oils businesses and some other businesses, the gross figures for sales and cost of sales were recorded in the accounts but from fiscal 2013 this method is scheduled to change by netting off sales and cost of goods sold and recording the net figure in the accounts. Accompanying this change, from fiscal 2013 Business Tie-Ups will be included in the Other segment and classification into five segments: Domestic Food Products; Overseas Food Products; Bioscience Products and Fine Chemicals; Pharmaceuticals; Business Tie-Ups; and Other, will be replaced by classification into four segments: Domestic Food Products; Overseas Food Products; Bioscience Products and Fine Chemicals; Pharmaceuticals; and Other.

2. Methods of calculating amounts for net sales, income or loss, assets and other items by reporting segment

The accounting treatment methods for each reported business segment are broadly similar to those outlined in “Significant items for the preparation of consolidated financial statements”.

Reporting segment income figures are on an operating income basis.

Internal sales between segments are mainly based on prices for third-party transactions.

(Changes in depreciation methods)

Effective the fiscal year under review and in line with the corporation tax revision, the Company and its domestic consolidated subsidiaries have changed to a depreciation method based on the revised Corporation Tax Act for tangible fixed assets acquired on or after April 1, 2012. The impact of these changes on segment income is minimal.

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

Fiscal year ended March 31, 2013

Millions of yen, rounded down

	Reporting segment					Other Business *1	Adjustment amount*2	Consolidated
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharma-ceuticals	Business Tie-ups			
Sales								
(1) Sales to third parties..................	401,183	245,397	204,206	71,450	180,079	70,126	--	1,172,442
(2) Intra-group sales and transfers	5,556	6,621	6,614	90	236	52,755	(71,874)	--
Total sales	406,739	252,019	210,820	71,540	180,315	122,881	(71,874)	1,172,442
Segment income	32,641	20,703	14,368	3,194	1,585	(1,261)	--	71,232
Segment assets	191,008	294,304	245,908	64,808	60,593	68,539	166,578	1,091,741
Other								
Depreciation	10,272	9,832	11,344	3,321	--	1,921	5,771	42,463
Increase in tangible and intangible fixed assets	11,718	23,451	16,306	3,469	--	1,849	4,809	61,605

Notes

1. Other business includes the wellness business, the packaging business, the logistics business and other service businesses.
2. Adjustments are as follows:
   (1) Adjustments of ¥166,578 million for segment assets mainly includes, 'Corporate' assets of ¥250,136 and intersegment offsetting of receivables against payables of minus ¥84,070. 'Corporate' assets primarily consist of accumulated working capital, long-term investments, land not used in operations, and certain assets associated with the Company's administrative divisions and research facilities.
   (2) Adjustments of ¥5,771 million for 'Depreciation' is depreciation related to 'Corporate' assets.
   (3) Adjustments of ¥4,809 million for 'Increase in tangible and intangible fixed assets' is the acquisition cost of tangible and intangible fixed assets related to 'Corporate' assets.

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Fiscal year ended March 31, 2012

Millions of yen, rounded down

	Reporting segment					Other Business *1	Adjustment amount*2	Consolidated
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharma-ceuticals	Business Tie-ups			
Sales								
(1) Sales to third parties....................	438,423	230,541	198,021	77,922	182,830	69,574	--	1,197,313
(2) Intra-group sales and transfers	4,779	6,771	5,699	102	297	67,779	(85,431)	--
Total sales	443,202	237,312	203,721	78,025	183,128	137,354	(85,431)	1,197,313
Segment income	31,705	21,545	12,159	6,488	1,618	(931)	--	72,584
Segment assets	299,789	229,883	231,897	69,110	58,677	76,203	131,495	1,097,057
Other								
Depreciation	12,911	8,569	10,599	3,661	--	2,180	5,795	43,717
Increase in tangible and intangible fixed assets	12,281	24,021	12,423	3,233	--	2,005	2,813	56,778

Notes

1. Other business includes the wellness business, the packaging business, the logistics business and other service businesses.
2. Adjustments are as follows:
   (1) Adjustments of ¥131,495 million for segment assets mainly includes, 'Corporate' assets of ¥231,210 and intersegment offsetting of receivables against payables of minus ¥100,195. 'Corporate' assets primarily consist of accumulated working capital, long-term investments, land not used in operations, and certain assets associated with the Company's administrative divisions and research facilities.
   (2) Adjustments of ¥5,795 million for 'Depreciation' is depreciation related to 'Corporate' assets.
   (3) Adjustments of ¥2,813 million for 'Increase in tangible and intangible fixed assets' is the acquisition cost of tangible and intangible fixed assets related to 'Corporate' assets.

b. Related information

Fiscal year ended March 31, 2013

1. Information by product and service

Information by product and service has been omitted as it contains the same information as Segment information.

2. Information by geographical area

(1) Sales

Millions of yen, rounded down

	"Japan"	"Asia"	"Americas"	"Europe"	Total
Sales	744,586	210,192	123,256	94,407	1,172,442
Percentage of total consolidated sales	63.5%	17.9%	10.5%	8.1%	100.0%

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

(2) Tangible fixed assets

Millions of yen, rounded down

	"Japan"	"Asia"	"Americas"	"Europe"	Total
Tangible fixed assets	151,552	96,098	52,766	50,807	351,224

Fiscal year ended March 31, 2012

1. Information by product and service

Information by product and service has been omitted as it contains the same information as Segment information.

2. Information by geographical area

(1) Sales

Millions of yen, rounded down

	"Japan"	"Asia"	"Americas"	"Europe"	Total
Sales	792,020	198,435	116,979	89,877	1,197,313
Percentage of total consolidated sales	66.1%	16.6%	9.8%	7.5%	100.0%

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

(2) Tangible fixed assets

Millions of yen, rounded down

	"Japan"	"Asia"	"Americas"	"Europe"	Total
Tangible fixed assets	222,011	71,591	43,434	51,647	388,683

c. Impairment losses on fixed assets by reporting segment

Fiscal year ended March 31, 2013

	Reporting segment					Other Business	Adjustment amount	Total
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharma-ceuticals	Business Tie-ups			
Impairment losses	164	1	6,440	7,955	--	--	--	14,562

Fiscal year ended March 31, 2012

	Reporting segment					Other Business	Adjustment amount	Total
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharma-ceuticals	Business Tie-ups			
Impairment losses	411	--	--	129	--	161	404	1,106

d. Depreciation of goodwill and remaining amounts by reporting segment

Fiscal year ended March 31, 2013

	Reporting segment					Other Business	Adjustment amount	Total
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharma-ceuticals	Business Tie-ups			
Depreciation	983	148	35	1,097	--	--	--	2,265
Remaining amounts	2,844	1,897	37	--	--	--	--	4,779

Fiscal year ended March 31, 2012

	Reporting segment					Other Business	Adjustment amount	Total
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharma-ceuticals	Business Tie-ups			
Depreciation	2,673	148	34	1,646	--	--	--	4,503
Remaining amounts	21,868	2,046	68	1,097	--	--	--	25,080

e. Gains on negative goodwill by reporting segment

Fiscal year ended March 31, 2013

No applicable items.

Fiscal year ended March 31, 2012

No applicable items.

f. Reference

Segment information by geographical area

Fiscal year ended March 31, 2013

Millions of yen, rounded down

	"Japan"	"Asia"	"Americas"	"Europe"	Consolidated
Sales to third parties	764,934	194,846	117,483	95,178	1,172,442
Operating income	34,350	22,105	9,285	5,491	71,232

Fiscal year ended March 31, 2012

Millions of yen, rounded down

	"Japan"	"Asia"	"Americas"	"Europe"	Consolidated
Sales to third parties	814,912	177,977	114,084	90,338	1,197,313
Operating income	35,555	21,585	8,888	6,554	72,584

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 and South America
   "Europe": Countries of Europe and Africa

Per Share Information

	FY ended March 31, 2013	FY ended March 31, 2012
Net assets per share	¥1,004.38	¥894.58
Net income (loss) per share	¥74.35	¥61.28

Note: Fully diluted earnings per share is not stated for either year, since the Company does not have residual securities.

1. The basis for calculation of net assets per share is as follows

Millions of yen, rounded down

	As of March 31, 2013	As of March 31, 2012
Total net assets on balance sheet	691,710	650,159
Deductions from net assets		
Minority interests	56,423	44,809
Total amount of deduction from net assets	56,423	44,809
Net assets attributable to common stock	635,287	605,349
Number of shares of common stock used for the calculation of net assets per share (thousand shares)	632,514	676,682

2. The basis for calculation of net income per share is as follows

Millions of yen, rounded down

	FY ended March 31, 2013	FY ended March 31, 2012
Net income	48,373	41,754
Net income not attributable to common stock	--	--
Net income attributable to common stock	48,373	41,754
Average number of shares of common stock outstanding during the year (thousand shares)	650,638	681,422

Important Post-Balance Sheet Events

1. Merger through acquisition

(1) Name of acquired company
Althea Technologies, Inc. (“Althea”)

(2) Reason for merger
Althea possesses sophisticated technology, rigorous quality control, expertise for each manufacturing process required for biopharmaceuticals, and established relationships with its biopharmaceutical customer base. The Company, a market leader in amino acids for 100 years, developed unique biotech capabilities, and has recently been promoting its own contract process development business for biopharmaceuticals.
Through the acquisition of Althea, we aim to expand the business for biopharmaceutical development and manufacturing in the markets of North America, as well as Asia and Japan and strengthen the Ajinomoto Group's advanced biomedical business by combining its unique biotechnology with Althea's sophisticated technology, experienced personnel and expertise in manufacturing and development.

(3) Date of merger
April 4, 2013

(4) Legal form of merger
Acquisition of shares with cash compensation

(5) Post-merger company name
Ajinomoto Althea, Inc.

(6) Percentage of voting shares acquired
100%

(7) Cost of acquisition and cost breakdown
¥16.8 billion

(8) Amount of goodwill, reason for its occurrence, and amortization method and period
(1) Amount of goodwill, reason for its occurrence
As the allotment of the acquisition price is not yet complete, the value is pending at the present time.
(2) Amortization method and period
Undetermined at the present time.

(9) Amount of assets and liabilities assumed at the time of the merger and their breakdown
Undetermined at the present time.

2. Share repurchase based on Articles of Incorporation pursuant to Article 165-2 of the Companies Act
The company resolved at a Board of Directors meeting on May 8, 2013, on matters pertaining to a share repurchase based on Article 156 of the Companies Act as applied pursuant to Article 165-3 of the same act. The details are as follows.

(1) Reason for conducting the share repurchase
The purpose is to increase the level of shareholder returns and improve capital efficiency

(2)Details of repurchase

(1) Class of shares	Common stock
(2) Total number of shares to be repurchased	30 million (maximum) (4.74% of total shares outstanding, excluding treasury stock)
(3) Total amount to be paid for repurchase	¥30.0 billion (maximum)
(4) Period of share repurchase	May 9 through to July 19, 2013
(5) Method of repurchase	Purchase in the market through a trust bank
(6) Other	The Company plans to retire all of the shares repurchased under this program by resolution of the Board of Directors, pursuant to Article 178 of the Companies Act.

Reference: Total number of shares outstanding (excluding treasury stock) as of March 31, 2013:
632,514,586

Reference:

Five year trends in consolidated financial results and key indicators

Millions of yen, rounded down

	FY ending March 31, 2014 (est.)	FY ended March 31, 2013	FY ended March 31, 2012	FY ended March 31, 2011	FY ended March 31, 2010
Net sales	1,019,000	1,172,442	1,197,313	1,207,695	1,170,876
Growth rate	(13.1%)	(2.1%)	(0.9%)	3.1%	(1.6%)
Operating income	75,000	71,232	72,584	69,374	64,034
Growth rate	5.3%	(1.9%)	4.6%	8.3%	56.8%
Operating margin	7.4%	6.1%	6.1%	5.7%	5.5%
Ordinary income	79,000	77,167	75,919	70,499	67,621
Ordinary margin	7.8%	6.6%	6.3%	5.8%	5.8%
Net income (loss)	49,000	48,373	41,754	30,400	16,646
Return on sales	4.8%	4.1%	3.5%	2.5%	1.4%
Net income (loss) per share (yen)	¥79.52	¥74.35	¥61.28	¥43.56	¥23.85
Return on equity	--	7.8%	6.9%	5.0%	2.8%
Ratio of net income to total assets	--	4.4%	3.8%	2.8%	1.6%
Total assets	--	1,091,741	1,097,057	1,077,418	1,082,238
Net assets	--	691,710	650,159	650,291	643,179
Interest-bearing debt	--	119,314	130,040	133,391	147,902
Equity ratio	--	58.2%	55.2%	56.4%	55.7%
Book value per share (yen)	--	¥1,004.38	¥894.58	¥871.61	¥863.72
Share price at end of period (yen)	--	¥1,415	¥1,038	¥867	¥926
P/E ratio (times)	--	19.0	16.9	19.9	38.8
Dividend per share (yen)	¥20.0	¥18.0	¥16.0	¥16.0	¥16.0
Dividend payout ratio	25.2%	24.2%	26.1%	36.7%	67.1%
Net cash provided by operating activities	--	88,501	93,312	112,716	105,924
Net cash used in investment activities	--	15,201	(41,701)	(45,882)	(63,327)
Net cash used in financing activities	--	(74,419)	(37,456)	(25,893)	(18,011)
Free cash flow	--	103,703	51,611	66,833	42,597
Number of consolidated subsidiaries	--	86	93	95	100
Number of affiliated companies accounted for by the equity method	--	11	10	10	10

Notes: 1. Net sales is exclusive of consumption tax, etc.

2. Figures are based mainly on consolidated results ("*kessan tanshin*") for each period

3. Free cash flow = net cash provided by operating activities + cash flow used in investing activities