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AJINOMOTO®

Ajinomoto Co., Inc.

FINANCIAL REPORT 2012

For the year ended March 31, 2012

Financial Report 2012

Ajinomoto Co., Inc. and Consolidated Subsidiaries
For the year ended March 31

Contents

FORWARD-LOOKING STATEMENTS

This financial report contains forward-looking statements regarding the plans, outlook, strategies and results of the Ajinomoto Group. All forward-looking statements are based on judgments derived from the information available to the Group at the time of publication. Certain risks and uncertainties could cause the Group's actual results to differ materially from any projections presented in this report. These risks and uncertainties include, but are not limited to, the economic circumstances surrounding the Group's businesses; competitive pressures; related laws and regulations; product development programs; and changes in exchange rates.

Note: In this document the Ajinomoto Group is referred to as "the Group", and Ajinomoto Co., Inc. is referred to as "Ajinomoto Co." or "the Company". *AJI-NO-MOTO*® is the trademark of the Ajinomoto Group's umami seasoning products.

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

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SOLID PROGRESS AND MEANINGFUL GROWTH

Ajinomoto Co. produced a solid increase in performance for the year under review, amid a very challenging business environment. Following the higher sales and earnings of the previous year, we generated higher income at every level—including an approximately 39% increase in net income. This was despite a slight decline in consolidated sales, which was mainly influenced by weaker sales of pharmaceuticals and the negative impact of a stronger yen.

Masatoshi Ito

Masatoshi Ito became President & CEO of Ajinomoto Co., Inc. in June 2009. His career with the Company spans 41 years.

The business environment was far from benign, amid a weakening of the already patchy global economic recovery, reduced Asian growth, instability in Europe, and high levels of unemployment in the United States. In Japan, from the second half we saw steady recovery in consumer activity after the March 2011 earthquake. However, manufacturers had to deal with the impact of floods in Thailand in the third quarter, the food industry faced rising costs for raw materials, and every business with overseas earnings had to cope with the negative impact of the high yen.

The Ajinomoto Group was able to produce earnings growth despite the severe business environment. This shows the underlying quality of our core business and the benefits of the restructuring we have pursued over the past several years.

There are three matters I would like to address first in this report: progress on our Medium-term Management Plan, the divestment of our shares in subsidiary Calpis Co, Ltd., (Calpis Co.), and our planned share repurchase. In addressing these three topics I hope to explain core aspects of how we are laying the foundations for global growth and R&D leadership.

Medium-term Management Plan: Towards a ”Genuine Global Company”

Having announced our current medium-term management plan in February 2011, the details of the plan have since been outlined on many occasions. However, the essence of the plan is worth repeating here, because it influences every strategic decision we make. The FY2013 Plan is an important step toward our primary goal of becoming a ”Genuine Global Company” after FY2016.

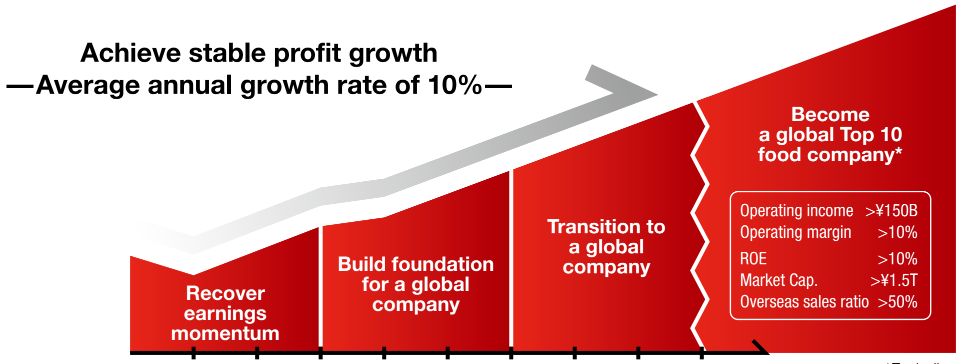
MESSAGE FROM THE CEO MASATOSHI ITO (CONT.)

By ‘genuine global’ we mean a Top 10 food company, with operating income of more than ¥150 billion, 10% plus operating margin and ROE, and an overseas sales ratio of more than 50%. To achieve this we need a foundation for strong, sustainable growth, and building this foundation is our task in the FY2013 Plan period.

We are implementing a range of specific programs to increase cost competitiveness, increase value-added products, and strengthen our business operating platforms. These initiatives are steadily producing results—including steady growth in operating income and strong growth in net income—and we are on track to achieve ROE of 8.0% in FY2013.

“Our initiatives to increase cost competitiveness and increase value-added products are steadily producing results.”

Becoming a “Genuine Global Company”



	FY10 results	FY11 results	FY13 plan	FY16
ROE	5.0%	6.9%	8%	10%
OP margin	5.7%	6.1%	~7%	8%
Operating income	¥69.4bn	¥72.6bn	¥87.0bn	¥100.0bn+
Overseas profit ratio	53%	51%	56%	

*Excluding beverage companies

Divesting Calpis to focus on core growth

On May 8, 2012, we announced our decision to sell all our shares in Calpis Co. to Asahi Group Holdings (AGH). The contract is due to close on October 1, 2012 for approximately ¥120 billion. Although some institutional investors and analysts were surprised that we would sell a profitable food & beverage-related business, the reality is that the operating profit margin of 5.3% at Calpis Co., while reasonable for the beverage industry in Japan, does not meet the Ajinomoto Group’s standard as measured against global peers. In our medium-term management plan we lifted target OP margins across the board, and in line with this we have constantly been looking for ways to increase the performance of Calpis Co. and other businesses as part of business portfolio optimization. When AGH expressed an interest in acquiring Calpis Co., our conclusion was that Calpis Co. would be able to achieve a higher level of growth as a core business within the AGH beverage group than with us. We will use the funds from this divestiture to invest for growth and pursue goals in our core seasonings, processed foods and cutting-edge biotechnology businesses.

Message from the CEO Masatoshi Ito (Cont.)

Share Repurchase

As outlined in our medium-term management plan, our policy is to consider share repurchases flexibly depending on cash flow and to pay stable and continuous dividends.

On May 8, 2012 we announced a planned share repurchase of ¥50.0 billion. We arrived at this figure after assessing FY2010 and FY2011 free cash flow after dividend. The entire amount will be funded by available cash.

Part of our rationale for this repurchase is that we wish to show our commitment to shareholder returns, having achieved significant levels of free cash flow. This repurchase also helps us achieve higher ROE, one of the indices by which we compare our performance with industry peers. As a leader in Japan's food industry we are deeply engaged in the pursuit of growth and determined to measure up to global standards of corporate performance. We aim to be a fully priced, attractive company that consistently and efficiently balances the use of capital resources to both grow and reward the shareholders who support this growth.

"As a leader in Japan's food industry we are determined to measure up to global standards of corporate performance."

Restoring growth in pharmaceuticals

Details of the Ajinomoto Group's operating performance in each business segment are provided in the MD&A, so here I will concentrate on certain strategic aspects likely to be of most interest to shareholders.

As noted above, pharmaceutical sales and operating income fell in the year under review, and we expect a further decline in the following year. Some of the causes of these declines are the expiration of some overseas patents, increased competition affecting sales of infusions and other products, and NHI drug price revisions that will again reduce sales and operating income in the year ahead.

Our strategy for turning around our pharmaceuticals performance is to launch new drugs while maximizing earnings from existing products. We have two new drugs under application for approval, and further products in the pipeline for after FY2012. With existing products, we are focusing on measures to strengthen sales of *LIVACT*® and *ELENTAL*® while decreasing product management costs and rectifying the structure of our infusions and dialysis business, which has been operating unprofitably. We are also forming new sales alliances in Southeast Asia, stripping costs from the entire value chain, and improving overall efficiency in our R&D spend.

Our target is for an operating income ratio of at least our previous 15% level. It is likely to be difficult to achieve this during the current medium-term business plan, but our strategy is designed to enable the earliest possible return to our previous high operating income ratio levels for the subsequent three years FY2014 through FY2016.

Domestic food products in Japan

Domestic food products is the largest segment of our business, accounting for around 36% of total sales in the year under review. We achieved a small increase in sales and a substantial increase in operating income for the year, the latter mainly reflecting a large reduction in selling expenses in the aftermath of the Great East Japan Earthquake.

MESSAGE FROM THE CEO MASATOSHI ITO (CONT.)

Consumer sentiment towards food in Japan has been changing since the global financial crisis in 2008, and has changed further since the earthquake. After the financial crisis we saw a moderation of consumption and a shift in demand from quantity to quality. Since the earthquake, tsunami and associated nuclear accident we have seen a renewed emphasis on food safety, security and quality, and a consumer focus on family mealtimes as a time for communication. Collectively, these changes can be seen as the development of a larger group of “advanced consumers”, and in response we have adapted our products and pricing and increased dialogue with consumers to enhance product information sharing. Our aim is to continue to grow earnings stably in Japan and maintain a strong operating income ratio from FY2012.

“We have adapted our products and pricing and increased dialogue with consumers.”

Discovering the potential of amino acids through R&D

Our global leadership and expertise in cutting-edge biotechnology is our core competence, and amino acid technology is of course the common element in the great majority of our businesses. Even after more than 100 years, the field of amino acids continues to provide fertile ground for research, and advances made by our R&D teams are contributing to developments in everything from manufacturing process efficiency through to novel healthcare and nutritional indications.

An example of this is ‘AminoIndex Technology’, created by Ajinomoto Co. as the world’s first technology to analyze and index the relative concentrations and changes in balance of approximately 40 amino acids in the blood, as a means of monitoring health status and the risk of certain illnesses. We began the AminoIndex® business in April 2011 as a health check-up service, and over the course of several years will be continuing to collect data on more than half a million people. It is currently being used in the early detection of stomach, lung, colon, prostrate and breast cancers, and from May 2012 its indications are expanding to include the early detection of cervical, uterine and ovarian cancer.

‘AminoIndex Technology’ has only been possible because of our commitment to R&D as a primary driver of growth, within the broader context of helping resolve key issues for human society in the 21st century: global sustainability, food resources and healthy living. Our activities are mainly directed at three areas: White Biotech (biotechnology to produce useful industrial materials and fermentation technologies using raw materials that do not compete with foodstuffs), Green Biotech (technologies to improve productivity and quality of plants, animals and fishery resources), and Fine Chemicals/Life Science (next-generation pharmaceuticals, healthcare and nutrition technology, and electronic materials). Progress in each of these areas offers the potential to change society significantly for the better.

We have previously stated our aim of developing lower resource fermentation technology, and through R&D we are planning specific progress in production processes for MSG, feed-use Lysine and Aspartame. We now expect the combined impact of these primary measures to contribute an additional ¥5.0 billion to earnings in FY2013 and ¥7.5 billion in FY2014 compared to FY2010. Although these figures are lower than our initial targets, mainly due to currency translation effects and delays in the introduction of technology to reduce main raw materials in MSG, we are focusing on catching up to initial targets from FY2014.

Message from the CEO Masatoshi Ito (Cont.)

M&A to generate global growth

We are taking a multifaceted approach to achieving growth, and this includes M&A. Rather than waiting for targets to come to market, our approach is to proactively identify those companies that we think would make a good strategic fit. The principal areas we are looking at are seasonings, foods and biotechnology, with the aim of acquiring businesses that have additional resources we can use to grow. For example, we have very strong capabilities in flavor, but there is much more we could do in the area of texture and aroma, which are key components of overall taste. We are only interested in acquisitions that will improve our key management indices.

New markets

To achieve our goals for growth and rank alongside our peers, we need to build our presence in more of the world's markets, through both organic and inorganic growth. Ajinomoto Co.'s sales are already strong in Southeast Asia and South America, and there is potential for much more growth. In Myanmar, for example, we are investigating resuming operations within FY2012 at a Group entity that is currently dormant.

Our next major regional target is Africa, where we see very strong opportunities to expand our business over the next decade. It takes time to build scale and profitability in new markets, and this is certainly true in the diverse countries of Africa. But I believe we have proven our ability to adapt our approach to the needs of each market. We have been in Nigeria, for example, since 1991, and our deliberate approach has seen sales increase to approximately ¥10 billion in FY2011. In fact, the momentum we have built in Nigeria highlights our ability to offer flavorsome, very reasonably priced seasoning products that become part of the daily lives of millions of families.

Toward global leadership

There are other growth opportunities for the Ajinomoto Group that I don't have space to detail here, including sweeteners, functional foods, medical foods, electronic materials and cosmetics and cosmetic ingredients, and we will be steadily pursuing these opportunities in the year ahead. The core of our business is our leadership in seasoning and our cutting-edge biotechnology platform. I believe our business performance and strategic initiatives over the past 12 months provide solid evidence of this leadership, and point to a future in which Ajinomoto Co. will be a global Top 10 company that compares favorably with any global peer.

Thank you for your support.

Masatoshi Ito
President

Six-Year Summary of Financial Data

Ajinomoto Co., Inc. and Consolidated Subsidiaries
For the years ended March 31

Attachment

Millions of yen	2012	2011	2010	2009	2008	2007
For the year						
Net sales	**¥1,197,313**	¥1,207,695	¥1,170,876	¥1,190,371	¥1,216,572	¥1,158,510
Cost of sales	**793,524**	804,716	785,578	833,123	856,974	828,050
Gross profit	**403,788**	402,978	385,298	357,247	359,597	330,459
Selling, general and administrative expenses	**331,203**	333,604	321,264	316,420	299,074	266,658
Operating income	**72,584**	69,374	64,034	40,827	60,523	63,800
Other income (expenses)	**(493)**	(20,929)	(19,242)	(37,570)	(8,673)	(8,079)
Income before income taxes and minority interests	**72,091**	48,444	44,791	3,256	51,849	55,721
Net income (loss)	**41,754**	30,400	16,646	(10,227)	28,229	30,229
Capital expenditures	**56,778**	45,772	44,117	58,293	62,780	76,386
Depreciation and amortization	**43,717**	49,825	55,382	55,192	55,189	45,138
At year-end						
Shareholders' equity*1	**¥ 605,349**	¥ 608,191	¥ 602,770	¥ 585,234	¥ 628,325	¥ 563,446
Total assets	**1,097,057**	1,077,418	1,082,238	1,057,786	1,100,709	1,061,688
Long-term debt	**106,617**	110,984	116,372	119,365	84,996	108,088
Per share (yen)						
Net income (loss)	**¥ 61.3**	¥ 43.6	¥ 23.9	¥ (14.7)	¥ 41.9	¥ 46.7
Shareholders' equity	**894.6**	871.6	863.7	838.5	899.4	870.0
Cash dividends	**16.0**	16.0	16.0	16.0	16.0	15.0
Value Indicators						
Liquidity ratios:						
Debt/equity ratio (%)*2	**21.5**	21.9	24.5	25.5	23.0	26.8
Interest coverage ratio (times)*3	**34.8**	29.3	19.1	9.0	13.3	13.3
Investment indicators:						
Price/earnings ratio (times)*4	**16.9**	19.9	38.8	—	24.1	29.0
Price/book value (times)*5	**1.2**	1.0	1.1	0.8	1.1	1.6
Return indicators:						
Return on assets (%)*6	**3.8**	2.8	1.6	(0.9)	2.6	2.9
Return on equity (%)*7	**6.9**	5.0	2.8	(1.7)	4.7	5.5
Number of employees	**28,245**	28,084	27,215	26,869	25,893	24,733

Notes: 1. Shareholders' equity for the year ended March 31, 2007, 2008, 2009 and 2010 = Net assets - minority interests
2. Debt = Short-term borrowings and current portion of long-term debt + Long-term debt
3. Interest coverage ratio = (Operating income + Interest and dividend income)/Interest expense
4. PER = Year-end share price/Net income per share
5. PBR = Year-end share price/Shareholders' equity per share
6. ROA = Net income (or loss)/Average total assets
7. ROE = Net income (or loss)/Average total shareholders' equity

Management's Discussion and Analysis

Ajinomoto Co., Inc. and Consolidated Subsidiaries
For fiscal 2011, ended March 31, 2012

Overview of Financial Strategy

The fiscal year under review began with extreme manufacturing and consumption uncertainty in Japan amid the aftermath of the March 2011 earthquake. However, although domestic sales of some the Ajinomoto Group products were negatively affected by the natural disaster, operating income in the domestic foods business actually increased substantially because of the reduction in selling expenses for the year. In October 2011, extensive flooding had an impact on our operations in Thailand. However, damage to fixed assets and inventory will be covered by insurance, partially recorded in FY2011 with the remainder to be recorded in FY2012, with the result that the flooding did not have significant financial impact on the Ajinomoto Group. Losses in Japan from the earthquake were also covered by insurance, and booking of these insurance proceeds was completed during FY2011.

Ajinomoto Co. has previously maintained an asset ratio of 60% fixed assets and 40% current assets. Over the past several years, however, this balance has improved to 50:50. ROE is steadily improving, supported by solid core business performance and the implementation of share repurchases. Although inventory assets increased in the year under review, this was due to the very low level of inventory at the end of the previous year after the earthquake. We will continue our efforts to reduce and maintain low asset inventory levels.

The financial strategy of the Ajinomoto Group for the implementation of its medium-term management plan for FY2011 through FY2013 can be categorized into three areas: investment for growth, cash flow and funding procurement, and shareholder returns.

1. Investment for growth

Under the management plan, the Ajinomoto Group has established a capital expenditure framework of a maximum of ¥180.0 billion over three years, focusing on capital expenditure that will drive growth over the medium to long term. At the end of FY2011 the Ajinomoto Group had a high level of cash on hand, partly reflecting the absence of any major acquisition during the year.

Actual capital expenditure during FY2011 was ¥56.8 billion, lower than planned expenditure of ¥62.0 billion. This was due to ongoing measures to prioritize expenditure carefully, as well as the impact of foreign currency exchange rates on recorded overseas investment amounts. Capital investment undertaken during the year included projects to expand business in growth sectors such as overseas consumer foods, where we increased production of *Sazon*® in Brazil and of *Birdy*® in Thailand. During FY2012 we intend to continue focusing on measures to strengthen our core product areas.

Our approach to M&A will continue to follow the policy outlined in our medium-term management plan. Our aim is to be the world's No. 1 seasonings maker and to develop cutting-edge global biotechnology platform. Accordingly, we will consider attractive acquisitions to our business portfolio that can help us achieve our aims.

We have a number of investment criteria that we apply to M&A and capital expenditure. Investment decisions are made after due consideration of factors such as IRR to date, net present value, investment return period, the ratio of operating income to fixed assets, and the number of years required to repay the additional funding. Investments must in principle meet these criteria, and all proposals for internal investment or lending are subject to thorough deliberations by the Investment, Loan and Examination Committee before decisions are made by the Management Committee. In addition, any business operations that continue to make losses at the operating profit level in three consecutive years will in principle be reviewed. The final decision to withdraw is taken after the business has been assessed. This standard is applied throughout the Ajinomoto Group.

Management's Discussion and Analysis (cont.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries
For fiscal 2011, ended March 31, 2012

2. Cash flow and funding procurement

During FY2011 the Company implemented a share repurchase of ¥20.0 billion. Notwithstanding, because of sound results in core business, the absence of any major acquisition and other factors we had generated free cash flow of ¥51.6 billion at the end of March 2011 and total free cash flow of approximately ¥120.0 billion over the past two years.

We aim to maintain a sound level of cash and cash equivalents. Assets are continually reviewed, and any that are not essential to business operations are liquidated. Improved liquidity management will continue to support financial performance. Ajinomoto Co. has unified treasury management for a substantial proportion of group companies in order to raise the efficiency of asset and liability management and reduce external borrowing and its costs. As a result, the Ajinomoto Group companies in Japan obtain nearly 100% of their funding requirements through group pooling. In Thailand, China, North America, Brazil and Europe, funding is secured in each region to minimize costs, and over the coming years we aim to increase the scope of this intra-regional pooling and expand the system to enable inter-regional pooling. Funding for capital investment and M&A is sourced through long-term borrowing as appropriate after taking into account retained earnings, and overall funding is based on achieving a balance of long-term borrowing and short-term borrowing, monitoring this ratio with a view to ensuring an appropriate balance between current and fixed assets. We are prepared to increase the proportion of short-term debt on a temporary basis if it seems prudent to do so. Our target for the medium-term management plan is to maintain interest-bearing debt below ¥200.0 billion. Long-term debt is spread out over multiple repayment dates.

R&D is an important driver of growth in the Ajinomoto Group. We have set an R&D budget until FY2013 of approximately ¥37.0 billion per year and are directing this funding to core areas.

3. Shareholder returns

The Company's basic principle on returns to shareholders is to ensure continuous and stable dividends, taking into consideration consolidated earnings. The Company also considers share repurchases on a flexible basis. The Company's ROE targets are for 8% in FY2013 and 10% in FY2016, and although the primary means of achieving these targets is to grow earnings, the Company views share repurchases to improve capital efficiency as an adjunct.

Our policy is to pay dividends twice a year, via 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.

For the fiscal year under review (ended March 31, 2012), the Company paid a dividend of ¥16 per share (with an interim dividend of ¥8 per share), the same level as the previous fiscal year (ended March 31, 2011). For the next fiscal year (ending March 31, 2013), we plan to maintain the dividend at the same level as the fiscal year under review at ¥16 per share, with an interim dividend payment of ¥8 per share, taking into account the principle of providing returns to shareholders through stable dividends.

Recently announced share repurchase amounts were determined after assessment of free cash flow after payment of dividends in FY2010 and FY2011. Because the scale of the repurchase is larger than in the previous initiative it is being implemented over a longer timeframe, and we believe that this may also help support the share price in the market.

Management's Discussion and Analysis (cont.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries
For fiscal 2011, ended March 31, 2012

Credit Rating

Ajinomoto Co. will continue to emphasize maintaining its solid credit ratings as one means of controlling the cost of funding global growth by ensuring favorable access to external sources of capital, including bonds and syndicated loans. We intend to maintain the D/E ratio at approximately 30% on a consolidated basis, although the ratio may be allowed to increase to approximately 50% on a short-term basis in the event of a major investment, such as M&A.

Currently, Ajinomoto Co. is rated by two credit rating agencies: Standard & Poor's (S&P) and Rating and Investment Information, Inc. (R&I).

Credit Rating Agencies	Ratings for the Company's Long-Term Debt
Standard & Poor's	AA-
Rating and Investment Information, Inc.	AA

Foreign Currency Translation

Foreign currency-denominated assets and liabilities have been translated into yen at the rates of exchange in effect at the fiscal year end date, with translation differences treated as profits or losses. Furthermore, assets, liabilities of foreign subsidiaries have been translated into yen at the rates of exchange in effect at the consolidated fiscal year end date and income and expenses at the average exchange rates for the period, with translation differences included in the foreign exchange translation adjustment and minority interests accounts of net assets.

Foreign exchanges rates can have a large influence on the Ajinomoto Group's results, and the Ajinomoto Group's operations encompass transactions in a range of currencies, including the Brazilian real and the Thai baht. Forecasting the impact of exchange rates over the medium or longer term is therefore extremely difficult, and the Ajinomoto Group has for a number of years been taking concerted steps to manage the potential impact of exchange rate movements, for example by creating a diversified manufacturing network. Our approach to risk management is based on the Ajinomoto Group-wide Foreign Exchange Risk Management Policy. This policy includes reconciliation of currency positions throughout the Group, with oversight at the board level and through other measures.

Employee Pension Fund

On April 1, 2011, the Company received approval from the Minister of Health, Labor and Welfare for exemption from the obligation to pay benefits related to future services of employees under the substitutional portion of the Ajinomoto Co. Welfare Pension Fund. The necessary applications for the return of past amounts are currently being processed, and approval is expected to be granted within FY2012. The Company estimates that if the amount to be returned is calculated as of March 31, 2012, an extraordinary gain of approximately ¥27.0 billion will be recorded.

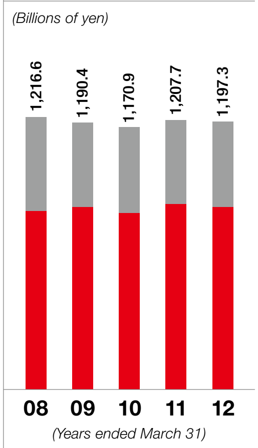
Consolidated Tax Accounting

Effective the year under review, the Company and some of its consolidated subsidiaries have adopted the consolidated taxation system.

IFRS

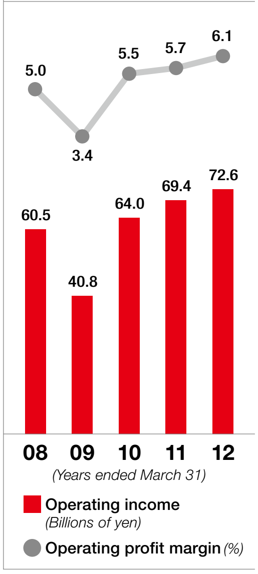
In April 2011 we established an accounting group to prepare for the adoption of International Financial Reporting Standards (IFRS) in Japan. Until FY2013 we will continue to use the current accounting standards. From FY2014 we intend to incorporate as many of the IFRS items as possible into our reporting under Japanese GAAP.

Domestic and Overseas Sales

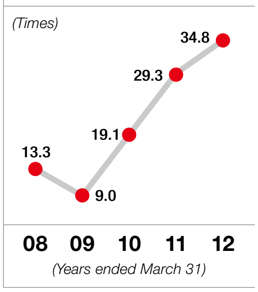


Note: Excludes interarea sales and transfers

Operating Income & Operating Profit Margin



Interest Coverage Ratio



Management's Discussion and Analysis (cont.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries
For fiscal 2011, ended March 31, 2012

Operating Environment

In the period under review, the recovery trend in the overall global economy weakened, as the Asian economy, driven by China, experienced growth but slowed towards the end of the period, Europe remained subject to instability, and the U.S. continued to grapple with high unemployment and other issues despite making a moderate recovery.

The Japanese economy is gradually recovering from the impact of the Great East Japan Earthquake, but corporate earnings worsened due to the slowdown in the global economy, the continued strength of the yen and other factors, while employment conditions remained severe.

The environment in the Japanese food industry also remained severe, with rising costs of raw materials for foods.

Within this environment, the Ajinomoto Group positioned the three-year period from 2011 as a period to focus its efforts on building a foundation to make Ajinomoto Co. 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, consolidated net sales for the fiscal year ended March 31, 2012 decreased 0.9% (¥10.3 billion) year on year to ¥1,197.3 billion, operating income increased 4.6% (¥3.2 billion) to ¥72.5 billion, and ordinary income increased 7.7% (¥5.4 billion) to ¥75.9 billion. Net income increased 37.3% (¥11.3 billion) to ¥41.7 billion.

Analysis of Statements of Operations

Note: All comparisons are with the previous fiscal year, ended March 31, 2011, unless stated otherwise.

Net Sales

Net sales decreased 0.9%, or ¥10.3 billion, year on year to ¥1,197.3 billion. By region, sales in "Japan" decreased 1.9% to ¥814.9 billion, due to a decrease in pharmaceuticals sales, despite growth in sales of seasonings and processed foods and frozen foods, and sales overseas increased 1.5% to ¥382.4 billion, driven primarily by overseas seasonings and feed-use amino acids, despite the negative impact of foreign exchange rates due to the appreciation of the yen. Sales increased 1.8% to ¥177.9 billion in "Asia," 0.5% to ¥114.0 billion in "Americas" and 2.1% to ¥90.3 billion in "Europe".

Cost of Sales and SG&A Expenses

In line with the decrease in sales, the cost of sales decreased 1.4%, or ¥11.1 billion, to ¥793.5 billion. The ratio of the cost of sales to net sales fell 0.4 percentage points to 66.3%.

Selling, general and administrative expenses decreased 0.7%, or ¥2.4 billion, from the previous fiscal year to ¥331.2 billion due to a decline in selling expenses, primarily advertising costs and sales commissions.

Costs, Expenses and Income as Percentages of Net Sales

	2012		2011		2010	
Years ended March 31	Percentage	Change	Percentage	Change	Percentage	Change
Cost of sales	66.3%	(0.3)	66.6%	(0.5)	67.1%	(2.9)
Gross profit	33.7	0.4	33.3	0.4	32.9	2.9
SG&A expenses	27.7	0.1	27.6	0.4	27.4	0.9
Operating income	6.1	0.4	5.7	0.2	5.5	2.0
Income before income taxes & minority interests	6.0	2.0	4.0	0.2	3.8	3.6
Net income	3.5	1.0	2.5	0.2	1.4	2.3

Note: Change represents change in percentage points from the previous year.

Management's Discussion and Analysis (cont.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries
For fiscal 2011, ended March 31, 2012

Operating Income

Operating income increased 4.6%, or ¥3.2 billion, from the previous fiscal year to a record high of ¥72.5 billion. By region, operating income in "Japan" increased 10.2% to ¥35.5 billion, while operating income from operations overseas decreased 0.2% to ¥37.0 billion.

The overall increase in operating income in Japan was attributable to favorable performance in the domestic food products business on contributions from seasonings, frozen foods and others, an improvement from the previous year in the amino acid business, and improved profits in the wellness business due to increased sales of fundamental foods including *Glyna*® and *Capsiate Natura*®. This offset a decline in income from specialty chemicals. In overseas regions, despite negative effects of the appreciation of the yen overall, operating income maintained at the same level with the previous fiscal year increased mainly due to contributions from feed-use amino acid Lysine. Operating income increased 1.7% to ¥21.5 billion in "Asia", 17.7% to ¥8.8 billion in "Americas", and decreased 21.3% to ¥6.5 billion in "Europe".

Other Income (Expenses)

Other income, net totaled minus ¥0.5 billion, compared to other income, net of minus ¥20.9 billion for the previous fiscal year. Key contributing items included ¥6.0 billion of insurance income, ¥5.8 billion more than in the previous year. Loss from natural disaster was ¥3.8 billion. Loss on disposal of fixed assets was ¥3.3 billion, ¥2.0 billion more than in the previous year. Impairment losses were ¥1.1 billion, ¥7.4 billion less than in the previous year. Loss on devaluation of securities was ¥0.6 billion, ¥6.8 billion less than in the previous year.

Net Income

Net income for the period under review increased 37.3%, or ¥11.3 billion, to ¥41.7 billion. Net income per share for the year was ¥61.28, compared to ¥43.56 the previous year.

Segment Information

Note: All comparisons are with the previous fiscal year, ended March 31, 2011, unless stated otherwise.

Domestic Food Products

Domestic food product sales increased 0.1%, or ¥0.5 billion, to ¥438.4 billion. Operating income increased 19.6%, or ¥5.1 billion, to ¥31.7 billion. The slight increase in sales was due to growth in sales of seasonings and foods for the retail market. The substantial increase in operating income was attributable to a reduction in selling expenses.

Seasonings and Processed Foods: In seasonings and processed foods for the retail markets, sales of the *Cook Do*® line and Chinese dashi products grew strongly, due to TV advertising and related marketing initiatives, and sales of *HON-DASHI* and consommé increased favorably. Sales of umami seasoning *AJI-NO-MOTO*® increased steadily compared to the previous fiscal year. Sales of *Knorr*® *Soup DELI*, launched last August, also contributed, as did steady sales of soups, while sales of mayonnaise and mayonnaise-type dressings and of *Kellogg's*® products decreased from the previous year.

Sales of seasonings and processed foods for the commercial market grew steadily amid a recovery in the restaurant market from the downturn due to the Great East Japan Earthquake. Sales of *ACTIVA*®, an enzyme (transglutaminase) used to enhance food texture and quality, to food processing companies and sales of savory seasonings declined from the previous year on lower sales volumes.

Delicatessen and Bakery Products: Sales of lunchboxes and prepared dish delicatessen products increased steadily from the previous year, while sales of bakery products also grew favorably.

Management's Discussion and Analysis (cont.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries
For fiscal 2011, ended March 31, 2012

Frozen Foods: Overall sales of products for the retail market increased steadily, despite the impact of the suspension of sales of some products as a result of the earthquake, due to steady sales of *Gyoza*, favorable growth in sales of *Fried rice with various ingredients* and other rice products and *Yawaraka Wakadori Kara-Age*, and sales of naturally defrosting lunchbox products such as *Ebi-yose Fry* becoming firmly established. Sales of products for restaurant and institutional use increased slightly compared to the previous fiscal year, amid the recovery in the restaurant market from downturn due to the earthquake.

Beverages: Beverage sales decreased slightly, despite steady growth in sales of core products, due to the impact of the ending of a beverage manufacturing contract.

Market Share in Main Product Areas (Household Market in Japan) FY2011

Product Area	Brand	2011	
		Market size (Billions of yen)	Ajinomoto Co. Share (Position)
Umami seasonings	*AJI-NO-MOTO®, Hi-Me®*	7.8	87% (1)
Japanese flavor seasonings	*HON-DASHI*	41.7	51% (1)
Consommé	*Ajinomoto KK Consommé*	13.0	69% (1)
Soup	*Knorr®*	85.5	39% (1)
Mayonnaise and mayonnaise-type dressings	*Pure Select®*	43.2	26% (2)
Seasonings for Chinese dishes	*Cook Do®*	34.0	37% (1)

Note: Market size is based on consumer purchase prices.

Overseas Food Products

Overseas food product sales decreased 0.6%, or ¥1.4 billion, to ¥230.5 billion mainly due to the negative impact of foreign exchange rates. Operating income decreased 19.7%, or ¥5.2 billion, to ¥21.5 billion due to the negative impact of foreign exchange rates and higher raw material prices.

Seasonings: In Asia, sales of umami seasoning *AJI-NO-MOTO®* trended steadily, while sales of flavor seasonings for home use grew favorably. In the Americas, sales of flavor seasonings for home use grew favorably in South America. In Europe and Africa, sales of *AJI-NO-MOTO®* for home use in West African countries increased substantially.

Processed Foods: In Asia, sales of instant noodles and powdered drink *Birdy® 3 in 1* increased substantially, while sales of beverages such as *Birdy®* canned coffee also trended favorably.

Umami Seasonings for Processed Food Manufacturers: Sales of *AJI-NO-MOTO®* for the food processing industry decreased both in Japan and overseas on lower sales volumes. Sales of nucleotides decreased substantially, despite growth in sales volumes, reflecting the negative impact of a decline in unit prices and foreign exchange rates.

Bioscience Products and Fine Chemicals

Bioscience products and fine chemicals sales decreased 0.1%, or ¥0.2 billion, to ¥198.0 billion. Operating income increased 40.0%, or ¥3.4 billion, to ¥12.1 billion, with contributions from amino acids for pharmaceuticals and foods and feed-use amino acids.

Management's Discussion and Analysis (cont.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries
For fiscal 2011, ended March 31, 2012

Feed-Use Amino Acids: Sales of Lysine increased substantially, on higher unit prices and an increase in sales volumes. Revenue from sales of Threonine decreased, due to a fall in unit prices, while sales of Tryptophan fell substantially from the previous year, partly as a result of a decline in sales volumes. Sales increased overall.

Market Size of Feed-Use Amino Acids and the Ajinomoto Group's Shares *(Ajinomoto Co. estimate)*
(Thousands of metric tons)

	FY2011	FY2010	FY2009	FY2008	FY2007
Lysine	1,650	1,550	1,330	1,200	1,100
Ajinomoto Group's share	20% (approx.)	20% (approx.)	23% (approx.)	25% (approx.)	30% (approx.)
Threonine	270	245	190	160	125
Ajinomoto Group's share	30% (approx.)	35% (approx.)	50% (approx.)	45% (approx.)	60% (approx.)
Tryptophan	6.0	4.8	4.5	3.1	2.5
Ajinomoto Group's share	40% (approx.)	55% (approx.)	70% (approx.)	70% (approx.)	85% (approx.)

Amino Acids for Pharmaceuticals and Foods: Sales decreased overall, despite favorable sales growth in Europe, as sales decreased in North America and declined significantly in Japan.

Sweeteners: Sales of low-calorie sweeteners for home use and the restaurant market increased steadily, but sales of powdered juice *Refresco MID*®, which contains aspartame, decreased due to the unfavorable impact of foreign exchange rates, and sales of aspartame for processed food manufacturers declined, due to the unfavorable impacts of a decrease in sales volumes and foreign exchange rates.

Pharmaceutical Fine Chemicals: Sales continued to increase favorably on strong growth in sales volumes in Europe.

Specialty Chemicals: Sales of cosmetic ingredients grew steadily both in Japan and overseas, but sales of amino acid-based cosmetics *Jino*® decreased slightly and sales of insulation film for build-up printed wiring board also decreased, resulting in a decline in overall sales.

Pharmaceuticals

Pharmaceutical sales decreased 5.7%, or ¥4.7 billion, to ¥77.9 billion. Operating income decreased 18.3%, or ¥1.4 billion, to ¥6.4 billion. The decline in overall sales was attributable to decreases in sales of self-distributed products and products sold through business tie-ups, which offset a substantial increase in royalty income. The substantial decrease in overall operating income came despite the increase in royalty income, reduction in selling expenses and other factors.

For self-distributed products, sales of *ELENTAL*®, an elemental diet, were at the same level as the previous period, but sales of *LIVACT*®, a branched-chain amino acids formula for the treatment of liver cirrhosis, declined, and sales of infusions such as *SOLITA*®*-T,* an electrolyte solution, decreased. For products sold through business tie-ups, sales of risedronate such as *ACTONEL*®, a preparation used in the treatment of osteoporosis, increased favorably. Sales of *ATELEC*®, an antihypertensive calcium channel blocker, decreased, and sales of natiglinide such as non-insulin-dependent diabetes treatment *FASTIC*® declined substantially.

Management's Discussion and Analysis (cont.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries
For fiscal 2011, ended March 31, 2012

Ajinomoto Pharmaceutical Co.'s Main Pharmaceuticals Sales by Product

(Ajinomoto Pharmaceutical Co. estimate) (Billions of yen)

Field	Main Products	Launch Date	Indication or formulation	Sales		
				2012	2011	2010
Clinical nutrition, Gastrointestinal diseases	*LIVACT®*	May 1996	Amino acid formula for treatment of liver cirrhosis	15.6	15.8	16.4
	ELENTAL®	Sept. 1981	Elemental diet	7.8	8.0	7.9
	CARBOSTAR®	June 2007	Artificial kidney dialysate	5.2	4.3	2.8
	SOLITA®-T	Feb. 1962	Electrolyte solution	4.3	4.6	5.3
	Heparin	Apr. 1972	Anticoagulant	2.3	2.4	2.4
	NIFLEC®	June 1992	Oral cleaning solution for the intestine	2.2	2.4	2.5
	PNTWIN®	Dec. 1993	Glucose, electrolyte and amino acid infusion	2.0	2.2	2.7
	LOWHEPA®	Nov. 1996	Anticoagulant	1.9	2.2	2.6
	TWINPAL®	Sept. 2004	Peripheral infusion with glucose, electrolyte and amino acids	1.5	1.6	1.7
	HYSORB®	Dec. 1998	Hemodialysis powders for use in artificial kidneys	0.3	0.9	1.6
Metabolic deseases, etc.	*ATELEC®*	Dec. 1995	Long-acting calcium channel blocker	17.0	17.4	18.8
	ACTONEL®	May 2002	Osteoporosis treatment	14.1	14.6	13.9
	FASTIC®	Aug. 1999	Fast-acting postprandial antihypoglycemic agent	3.9	5.2	5.7

**NHI (National Health Insurance) reimbursement price basis. Effect of NHI price revision implemented: April 2010 approx. -6%, April 2012 approx. -6%*

Ajinomoto Pharmaceutical Co.'s Pharmaceutical Product Pipeline

(March 31, 2012)

Field	Name	Development Status	Indication	Notes
	AJM300	Phase II	Ulcerative colitis	
	AJG501	Phase III	Ulcerative colitis	In-license (Dr. Falk Pharma)
	AJA777	Phase II	Functional dyspepsia	
	AJG522	NDA	Bowel cleansing prior to colonoscopy	In-license (Norgine)
Metabolic diseases	AJH801	Phase III	Hypertension	
	ACTONEL	NDA	Osteoporosis	Additional formulation/ Monthly administration
Other	AC-7700 (AVE8062)*	Phase III*	Solid tumor	

**Clinical studies are being conducted by Sanofi (worldwide exclusive licensee for the rights to develop, manufacture and sell the drug).*

Business Tie-Ups

Business tie-up sales decreased 0.9% (¥1.7 billion) to ¥182.8 billion. Operating income increased 1.5% (¥2.3 million) to ¥1.6 billion.

Edible Oils: Sales decreased on a decline in sales volumes.

Coffee Products: Overall coffee product sales grew slightly despite a decline in sales of liquid coffee drinks, as sales of stick-type mixed coffee increased substantially.

Other Business

Other business sales decreased 3.8%, or ¥2.7 billion, to ¥69.5 billion. Operating loss was ¥0.9 billion, a decline of ¥1.2 billion from the previous fiscal year.

Management's Discussion and Analysis (cont.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries
For fiscal 2011, ended March 31, 2012

Net Sales by Business and Region

(Figures in parentheses represent YoY change) (Billions of yen)

Years ended March 31		Japan	Asia	Americas	Europe	Total
Domestic Food Products	FY2011	423.1 (0.2)	6.0 (-0.3)	7.8 (0.7)	1.5 (0.1)	438.4 (0.6)
	FY2010	423.0	6.3	7.1	1.4	437.8
Overseas Food Products	FY2011	10.6 (-1.1)	151.1 (0.9)	44.1 (-0.5)	24.8 (-0.8)	230.5 (-1.4)
	FY2010	11.7	150.2	44.6	25.6	232.0
Bioscience Products & Fine Chemicals	FY2011	58.5 (-5.3)	13.3 (2.1)	62.2 (0.4)	64.1 (2.6)	198.0 (-0.3)
	FY2010	63.8	11.3	61.8	61.5	198.3
Pharmaceuticals	FY2011	77.9 (-4.7)	—	—	—	77.9 (-4.7)
	FY2010	82.6	—	—	—	82.6
Business Tie-Ups	FY2011	182.8 (-1.7)	—	—	—	182.8 (-1.7)
	FY2010	184.6	—	—	—	184.6
Other Business	FY2011	62.0 (-3.2)	7.5 (0.4)	0.0 (-0.1)	—	69.6 (-2.8)
	FY2010	65.2	7.1	0.1	—	72.4
Total	FY2011	814.9 (-15.9)	178.0 (3.1)	114.1 (0.5)	90.3 (1.8)	1,197.3 (-10.4)
	FY2010	830.8	174.8	113.6	88.5	1,207.7

Note: Unaudited figures; for reference only.

Liquidity and Financial Condition

Total assets as of March 31, 2012 were ¥1,097.0 billion, ¥19.6 billion more than the ¥1,077.4 billion recorded one year earlier. This increase was primarily due to an increase in inventories, notes and accounts receivable, and cash on hand and in banks, which offset a decline in the yen values of the balance sheets of overseas subsidiaries after translation.

Total interest-bearing debt was ¥130.0 billion, a ¥3.3 billion decrease from March 31, 2011.

Net assets decreased ¥0.1 billion compared to March 31, 2011, despite an increase in retained earnings, influenced by factors such as a decrease in capital surplus on the retirement of treasury stock and a change in foreign exchange translation adjustments. Shareholders' equity, which is net assets minus minority interests, was ¥605.3 billion, and the shareholders' equity ratio was 55.2%.

Balance Sheet (Excerpts)

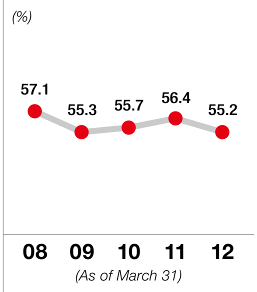
As of March 31	Millions of yen (Percentage of respective total) 2012		Millions of yen (Percentage of respective total) 2011		Thousands of U.S. dollars 2012
Total assets	1,097,057	(100.0%)	1,077,418	(100.0%)	13,378,744
Notes and accounts receivable	197,256	(18.0)	186,309	(17.3)	2,405,561
Cash and cash equivalents	146,647	(13.4)	133,744	(12.4)	1,788,378
Inventories	147,657	(13.5)	135,311	(12.6)	1,800,695
Investments and long-term advances	99,012	(9.0)	97,357	(9.0)	1,207,463
Property, plant and equipment	388,683	(35.4)	388,050	(36.0)	4,740,037
Total liabilities	446,897	(40.7)	427,127	(39.6)	5,273,385
Notes and accounts payable	113,545	(10.4)	104,226	(9.7)	133,983
Short-term borrowings	17,790	(1.6)	16,209	(1.5)	216,951
Current portion of long-term debt	4,406	(0.4)	5,316	(0.5)	53,732
Accrued income taxes	9,465	(0.8)	7,900	(0.7)	115,427
Long-term debt	104,837	(9.5)	109,272	(10.1)	1,278,500
Shareholders' equity	605,350	(55.2)	608,192	(56.4)	7,143,130

Notes: Shareholders' equity = Net assets - Minority interests

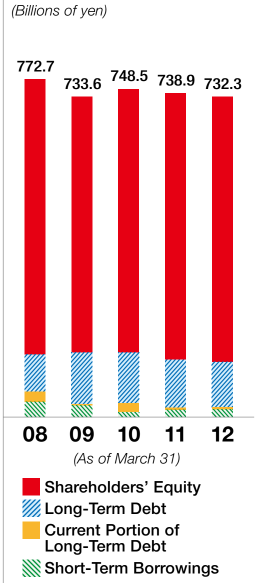
Cash Flow

Net cash provided by operating activities decreased ¥19.4 billion over the previous year to ¥93.3 billion. This decrease was mainly attributable to factors such as an outflow from working capital accompanying changes in notes and accounts receivable and inventories, which offset an increase in operating income.

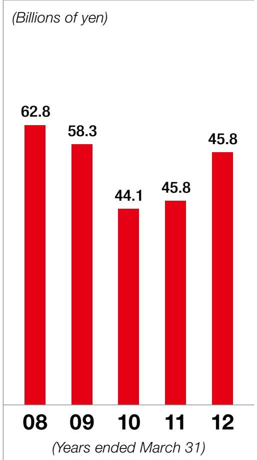
Shareholders' Equity Ratio



Total Capital



Capital Expenditure



Management's Discussion and Analysis (cont.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries
For fiscal 2011, ended March 31, 2012

Net cash used in investing activities decreased ¥4.1 billion over the previous year to ¥41.7 billion.

Net cash used in financing activities increased ¥11.5 billion to ¥37.4 billion partly due to the share repurchase.

As a result of the foregoing, cash and cash equivalents at March 31, 2012 was ¥146.6 billion, an increase of ¥12.9 billion compared to March 31, 2011.

Cash Flow Highlights

(Millions of yen)

Years ended March 31	2012	2011	2010
Net cash provided by operating activities	93,312	112,716	105,924
Net cash used in investing activities	(41,701)	(45,882)	(63,327)
Net cash provided by (used in) financing activities	(37,456)	(25,893)	(18,011)
Cash and cash equivalents at end of year	146,647	133,744	95,063

Outlook for the Fiscal Year Ending March 31, 2013

Amid the continued slowdown of the global economy triggered by the European financial crisis, the Group's operating environment is expected to remain severe on factors including unstable foreign exchange markets, continued high prices of main raw materials and fuels, the continued contraction of the Japanese food market, intensifying competition in fermentation-related business, moves to curtail healthcare costs and the NHI drug price revisions.

Given such conditions, in the fiscal year ending March 31, 2013, the second year of its medium-term business plan, Ajinomoto Co. will continue with initiatives for achieving stable growth as it seeks to become a "Genuine Global Company". In domestic food products Ajinomoto Co. will endeavor to achieve an expansion in market share and reinforce its stable profit base by strengthening its brand power and proceeding with marketing that captures changes in the consumption structure since the earthquake. In overseas food products Ajinomoto Co. will seek to achieve global growth in overseas consumers by developing new markets and improving profitability through increasing the Group's presence in existing markets. In bioscience products and fine chemicals, by pursuing innovation in fermentation technologies Ajinomoto Co. will strengthen the competitiveness of its main raw materials businesses while also increasingly focusing value-added businesses. In pharmaceuticals, Ajinomoto Co. intends to proceed with reform of the business structure, while also working to foster growth drivers through continued research and development aimed at enhancing the product pipeline.

As a result of these initiatives, Ajinomoto Co. forecasts consolidated sales for the fiscal year ending March 31, 2013 to increase 2.0% to ¥1,221.0 billion, operating income to increase 1.3% to ¥73.5 billion and ordinary income to increase 0.8% to ¥76.5 billion. Net income is forecast to increase 5.4% to ¥44.0 billion.

These forecasts are based on an assumed exchange rate of ¥80.0 to the U.S. dollar.

Operational Risk

Operational risks faced by Ajinomoto Co. that could affect its performance and financial position are outlined as follows. Future risks outlined in this document are as judged by the Group as of March 31, 2012.

Exchange Rate Risk

The Group is further establishing and strengthening its global manufacturing and supply structure. The Group operates in 26 countries and regions including Japan, with manufacturing plants at 102 sites in 15 of these countries and regions. The relative importance of overseas operations is therefore very high. In the previous fiscal year and the fiscal year under review, sales to outside parties in countries other than Japan (i.e. Asia, America and Europe) were ¥376.8 billion and ¥382.4 billion, respectively, comprising 31.2% and 31.9% of consolidated sales. Operating income derived from these regions in the same periods was ¥37.1 billion and ¥37.0 billion, comprising 53.5% and 51.0% of consolidated operating income. Ajinomoto Co. hedges these associated exchange risks with forward exchange contracts and other mechanisms, but there remains the potential for exchange rate fluctuations impacting on business results.

Management's Discussion and Analysis (cont.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries
For fiscal 2011, ended March 31, 2012

Changes in Market Conditions

In the bioscience products and fine chemicals business Ajinomoto Co. handles feed-use amino acids. The unit price for products in this market tends to be affected by changes in the grain market and by demand trends for feed-use amino acids. Ajinomoto Co. seeks to reduce and diversify such risks by handling a variety of amino acids (Lysine, Threonine and Tryptophan), while also working to stabilize and improve profitability by reducing costs related to fermentation technologies. However, the possibility remains of Group financial performance being affected by fluctuations in the grain market and demand trends.

Natural Disasters, Social Disruption, Political Changes

Building on business foundations in Japan, Ajinomoto Co. is actively pursuing development in overseas markets. Some of the risks accompanying this development are as follows, and each of the foreseeable risks outlined could impact on the Group performance if they occur.

- Unforeseen implementation of or changes to regulations, such as unfavorable taxation
- Unforeseen and unfavorable economic or political situations
- Social disruption brought about by events such as terrorism, war or epidemics
- Natural disasters such as earthquakes

Laws and Regulations

As it conducts business on a global basis, within Japan and overseas Ajinomoto Co. endeavors to comply with all laws and regulations relating to food, pharmaceuticals, the environment, recycling, permission to operate or invest, import and export rules, foreign exchange and foreign trade control, and various tax-related laws. The Group also makes every possible effort through legal means to secure its intellectual product and other rights. The possibility exists, however, that legal changes may be introduced that cannot currently be foreseen, and that risks may arise due to the diversity of interpretations of laws. Complying with any such changes may restrict the Group's operations and adversely affect financial performance.

Food Safety Issues

Ajinomoto Co. has in place strict internal procedures and policies to maintain the highest standards of product quality, including Group-wide product quality audits and a product tracing system that tracks product information at each stage from production through to logistics. The Group makes extensive efforts to maintain the 'reliability and safety' on which its business foundations are built. The possibility remains, however, that universal issues affecting product quality may arise, or that problems may arise outside of those areas controlled by the processes outlined above, and in such cases an adverse impact on Group performance may occur.

Litigation

The Group is now involved in lawsuits and other incidents in and outside of Japan. In addition, the Group has been diversifying and expanding its business in and to a larger number of countries and there thus is a possibility that the Group will be involved in unexpected new lawsuits, complaints and other incidents.

The main incidents in which the Group is currently involved include lawsuits brought in France by persons who allegedly purchased feed-use Lysine claiming damages on the ground of violation of EU competition law. With regard to these cases, the court accepted the Group's arguments with respect to part of the claims and rejected the claims of the plaintiffs. The amounts of damages claimed in the outstanding cases is close to 2,000,000 euro. These kinds of incidents entail uncertainty and it is therefore difficult to foresee the outcomes of the current and future incidents in which the Group is or might be involved. Depending on their outcomes, the Group may be subject to a negative impact.

Management's Discussion and Analysis (cont.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries
For fiscal 2011, ended March 31, 2012

Changes in Cost of Raw Materials

The prices of certain raw materials and energy resources including crude oil used by Ajinomoto Co. are liable to fluctuate according to market conditions. The number of factors influencing fluctuations in raw material prices is increasing, including poor crop harvests due to unseasonable weather resulting from global warming, higher prices of grain caused by rising demand for ethanol, and these commodities becoming subject to speculative trading. In cases where higher manufacturing costs resulting from significant price rises cannot be absorbed by reducing costs with technical developments or other reforms, or in situations where higher costs cannot be reflected in unit prices, an adverse impact on Group performance may occur.

Information Leaks

Ajinomoto Co. obtains a substantial quantity of customer information through mail-order services, marketing campaigns and other activities. To prevent the leakage or other misuse of personal data and other such information, the Group has formulated the 'Ajinomoto Group Information Security Policy', and through measures such as distributing an internal 'Information Handling Guidebook' and training programs is implementing appropriate measures to maintain information security, including the security of IT systems. However, risks such as those from hacking, unauthorized access or other information leakage remain. Furthermore, computer viruses and so forth could temporarily damage the company's computer systems. These may adversely impact the financial position and business performance of the Group.

Impact from Application of Impairment Accounting

Ajinomoto Co. owns various tangible and intangible fixed assets such as real estate used in the business and goodwill. Impairment accounting may have to be applied to these assets and impairment losses may occur, if it is estimated that the investment amount can no longer be recovered due to declines in their profitability such as declines in their market value or when cash flow can no longer be generated as expected.

Bankruptcy of Customers

Ajinomoto Co. is focusing on credit preservation, including through information gathering and credit management, in order to prevent the occurrence of uncollectible receivables. The possibility remains, however, that unforeseen bankruptcies of customers, including overseas customers, may arise, and in such cases the Group's performance and financial position may be adversely impacted.

Deferred Tax Assets, etc.

Ajinomoto Co. records deferred tax assets, etc. after careful consideration of their realizability based on projections for future taxable income and others. The possibility remains, however, that as a result of future business trends and so forth, situations may arise in which the realizability of all or part of the deferred tax assets, etc. is deemed unlikely and their amount therefore needs to be revised, and in such cases the Group's performance and financial position may be adversely impacted.

Consolidated Balance Sheets

Ajinomoto Co., Inc. and Consolidated Subsidiaries

Attachment

	March 31,		
	2012	2011	2012
	(Millions of yen)		(Thousands of U.S. dollars) (Note 3)
ASSETS			
Current assets:			
Cash and cash equivalents	¥ 146,647	¥ 133,744	$ 1,788,378
Time deposits and short-term investments *(Note 21)*	3,680	8,568	44,878
Notes and accounts receivable:			
Trade	197,256	186,309	2,405,561
Unconsolidated subsidiaries and affiliates	9,695	9,156	118,232
Allowance for doubtful receivables	(1,173)	(1,238)	(14,305)
Inventories *(Note 4)*	147,657	135,311	1,800,695
Deferred tax assets *(Note 8)*	8,329	11,204	101,573
Prepaid expenses and other current assets	30,282	33,376	369,293
Total current assets	542,375	516,432	6,614,329
Investments and long-term advances *(Note 21):*			
Investments in and advances to unconsolidated subsidiaries and affiliates	54,332	51,755	662,585
Investment securities	31,912	32,418	389,171
Other advances *(Note 6)*	12,766	13,183	155,683
Total investments and long-term advances	99,012	97,357	1,207,463
Property, plant and equipment *(Note 7):*			
Land	96,139	98,167	1,172,427
Buildings and structures	350,782	350,654	4,277,829
Machinery, equipment and other *(Note 6)*	606,467	596,443	7,395,939
	1,053,389	1,045,265	12,846,207
Accumulated depreciation and accumulated impairment losses *(Note 6)*	(664,705)	(657,215)	(8,106,159)
Property, plant and equipment, net	388,683	388,050	4,740,037
Other assets:			
Deferred tax assets *(Note 8)*	7,796	10,090	95,073
Other *(Note 6)*	59,188	65,487	721,805
Total other assets	66,985	75,578	816,890
Total assets	¥1,097,057	¥1,077,418	$13,378,744

Consolidated Balance Sheets (cont.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries

Attachment

	March 31,		
	2012	2011	2012
	(Millions of yen)		(Thousands of U.S. dollars) (Note 3)
LIABILITIES AND NET ASSETS			
Current liabilities:			
Short-term borrowings *(Notes 5 and 7)*	¥ 17,790	¥ 16,209	$ 216,951
Current portion of long-term debts *(Notes 5 and 7)*	4,406	5,316	53,732
Notes and accounts payable			
Trade	77,517	70,180	945,329
Unconsolidated subsidiaries and affiliates	35,447	33,240	432,280
Construction	581	805	7,085
Accrued income taxes *(Note 8)*	9,465	7,900	115,427
Deferred tax liabilities *(Note 8)*	2	348	24
Accrued expenses and other current liabilities *(Note 6)*	94,243	84,340	1,149,305
Total current liabilities	239,455	218,341	2,920,183
Long-term liabilities:			
Long-term debt *(Notes 5 and 7)*	104,837	109,272	1,278,500
Accrued employees' retirement benefits *(Note 9)*	62,962	58,554	767,829
Accrued officers' severance benefits	1,016	1,331	12,390
Deferred tax liabilities *(Note 8)*	14,786	15,591	180,317
Other long-term liabilities *(Note 6)*	23,838	24,035	290,707
Total long-term liabilities	207,442	208,786	2,529,780
Net assets:			
Shareholders' equity: *(Notes 10 and 11)*			
Common stock, without par value:			
Authorized: 2012 and 2011 – 1,000,000,000 shares			
Issued: 2012 – 678,980,654 shares	79,863	—	973,939
2011 – 700,032,654 shares	—	79,863	—
Capital surplus	162,381	182,716	1,980,256
Retained earnings	444,728	414,189	5,423,512
Treasury stock at cost:			
2,298,309 shares in 2012 and 2,255,060 shares in 2011	(2,219)	(2,514)	(27,061)
Total shareholders' equity	684,755	674,255	8,350,671
Accumulated other comprehensive income:			
Unrealized holding gain (loss) on securities	2,678	1,339	32,659
Unrealized gain (loss) from hedging instruments	(1)	(31)	(12)
Translation adjustments	(81,603)	(67,045)	(995,159)
Adjustment in pension liabilities of overseas subsidiaries	(478)	(327)	(5,829)
Total accumulated other comprehensive income	(79,405)	(66,064)	(968,354)
Minority interests	44,809	42,099	546,451
Total net assets	650,159	650,291	7,928,768
Contingent liabilities *(Note 17)*			
Total liabilities and net assets	¥1,097,057	¥1,077,418	$13,378,744

See accompanying notes to consolidated financial statements.

Consolidated Statements of Income

Ajinomoto Co., Inc. and Consolidated Subsidiaries

Attachment

	Year ended March 31,		
	2012	2011	2012
	(Millions of yen)		(Thousands of U.S. dollars) (Note 3)
Net sales	¥1,197,313	¥1,207,695	$14,601,378
Cost of sales	793,524	804,716	9,677,122
Gross profit	403,788	402,978	4,924,244
Selling, general and administrative expenses *(Note 12)*	331,203	333,604	4,039,061
Operating income	72,584	69,374	885,171
Other income (expenses) *(Note 13)*			
Interest expense	(2,167)	(2,440)	(26,427)
Interest and dividend income	2,821	2,171	34,402
Exchange losses	(7)	(205)	(85)
Loss on devaluation of securities	(607)	(7,416)	(7,402)
Loss on devaluation of investments in affiliates	(24)	(92)	(293)
Gain on sales of securities	526	900	6,415
Loss on impairment of fixed assets *(Note 14)*	(1,106)	(8,503)	(13,488)
Equity in earnings of affiliates	2,401	2,990	29,280
Other, net	(2,329)	(8,331)	(28,402)
	(493)	(20,929)	(6,012)
Income before income taxes and minority interests	72,091	48,444	879,159
Income taxes *(Note 8)*:			
Current	20,881	18,150	254,646
Deferred	3,631	(5,581)	44,280
	24,513	12,568	298,939
Minority interests	(5,823)	(5,475)	(71,012)
Net income *(Note 18)*	¥ 41,754	¥ 30,400	$ 509,195

See accompanying notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

Ajinomoto Co., Inc. and Consolidated Subsidiaries

	Year ended March 31,		
	2012	2011	2012
	(Millions of yen)		(Thousands of U.S. dollars) (Note 3)
Income before minority interests	¥ 47,578	¥ 35,876	$ 580,220
Other comprehensive income			
Unrealized holding gain on securities	1,227	1,677	14,963
Unrealized gain (loss) from hedging instruments	(9)	34	(110)
Translation adjustments	(14,831)	(16,713)	(180,866)
Adjustment in pension liabilities of overseas subsidiaries	(151)	5	(1,841)
Share of other comprehensive income of equity-method affiliates	(567)	(626)	(6,915)
Total other comprehensive income	(14,332)	(15,622)	(174,780)
Comprehensive income (Note 15)	¥ 33,245	¥ 20,253	$ 405,427
(Breakdown)			
Comprehensive income attributable to Ajinomoto shareholders	¥ 28,413	¥ 16,717	$ 346,500
Comprehensive income attributable to minority interests	¥ 4,831	¥ 3,536	$ 58,915

See accompanying notes to consolidated financial statements.

Consolidated Statement of Changes in Net Assets

Ajinomoto Co., Inc. and Consolidated Subsidiaries

Attachment

	Common stock	Capital surplus	Retained earnings	Treasury stock	Unrealized holding gain (loss) on securities	Unrealized gain (loss) from hedging instruments	Translation adjustments	Adjustment in pension liabilities of overseas subsidiaries	Minority interests	Total net assets
	(Millions of yen)									
Balance at March 31, 2010	¥79,863	¥182,719	¥394,672	¥ (2,437)	¥ (232)	¥(16)	¥(51,799)	¥ —	¥40,409	¥643,179
Transfer to adjustment in pension liabilities of overseas subsidiaries			332					(332)	0	—
Changes for the year ended March 31, 2011										
Cash dividends paid			(11,165)							(11,165)
Net income			30,400							30,400
Change in scope of consolidation			(50)							(50)
Purchases of treasury stock				(87)						(87)
Disposal of treasury stock		(2)		10						7
Net changes in items other than those in shareholders' equity					1,572	(15)	15,245	5	1,689	(11,993)
Total changes for the year ended March 31, 2011	—	(2)	19,184	(76)	1,572	(15)	(15,245)	5	1,689	7,112
Balance at March 31, 2011	¥79,863	¥182,716	¥414,189	¥ (2,514)	¥1,339	¥(31)	¥(67,045)	¥(327)	¥42,099	¥650,291
Changes for the year ended March 31, 2012										
Cash dividends paid			(10,995)							(10,995)
Net income			41,754							41,754
Change in scope of consolidation			(36)							(36)
Increase due to merger of non-consolidated subsidiaries			(182)							(182)
Purchases of treasury stock				(20,045)						(20,045)
Disposal of treasury stock		(20,334)		20,340						5
Net changes in items other than those in shareholders' equity					1,338	29	(14,557)	(151)	2,709	(10,630)
Total changes for the year ended March 31, 2012	—	(20,334)	30,539	294	1,338	29	(14,557)	(151)	2,709	(131)
Balance at March 31, 2012	¥79,863	¥162,381	¥444,728	¥ (2,219)	¥2,678	¥ (1)	¥(81,603)	¥(478)	¥44,809	¥650,159

Consolidated Statement of Changes in Net Assets (cont.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries

Attachment

	Common stock	Capital surplus	Retained earnings	Treasury stock	Unrealized holding gain (loss) on securities	Unrealized gain (loss) from hedging instruments	Translation adjustments	Adjustment in pension liabilities of overseas subsidiaries	Minority interests	Total net assets
	(Thousands of U.S. dollars) (Note 3)									
Balance at March 31, 2011	$973,939	$2,228,244	$5,051,085	$ (30,659)	$16,329	$(378)	$(817,622)	$(3,988)	$513,402	$7,930,378
Changes for the year ended March 31, 2012										
Cash dividends paid			(134,085)							(134,085)
Net income			509,195							509,195
Change in scope of consolidation			(439)							(439)
Increase due to merger of non-consolidated subsidiaries			(2,220)							(2,220)
Purchases of treasury stock				(244,451)						(244,451)
Disposal of treasury stock		(247,976)		248,049						61
Net changes in items other than those in shareholders' equity					16,317	354	(177,524)	(1,841)	33,037	(129,634)
Total changes for the year ended March 31, 2012	—	(247,976)	372,427	3,585	16,317	354	(177,524)	(1,841)	33,037	(1,598)
Balance at March 31, 2012	$973,939	$1,980,256	$5,423,512	$ (27,061)	$32,659	$ (12)	$(995,159)	$(5,829)	$546,451	$7,928,768

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Ajinomoto Co., Inc. and Consolidated Subsidiaries

Attachment

	Year ended March 31		
	2012	2011	2012
	(Millions of yen)		(Thousands of U.S. dollars) (Note 3)
Cash flows from operating activities			
Income before income taxes and minority interests	¥ 72,091	¥ 48,444	$ 879,159
Depreciation and amortization	43,717	49,825	533,134
Loss on impairment of fixed assets	1,106	8,503	13,488
Amortization of goodwill	4,503	4,505	54,915
Insurance income	(6,012)	(182)	(73,317)
Accrued employees' retirement benefits	4,095	6,036	49,939
Accrued officers' severance benefits	(314)	220	(3,829)
Interest and dividend income	(2,821)	(2,171)	(34,402)
Interest expense	2,167	2,440	26,427
Equity in earnings of affiliates	(2,401)	(2,990)	(29,280)
Gain on sales of securities	(526)	(900)	(6,415)
Loss on devaluation of securities	607	7,416	7,402
Changes in operating assets and liabilities: Notes and accounts receivable	(14,098)	(2,054)	(171,927)
Notes and accounts payable	10,562	5,527	128,805
Other	(12,113)	14,541	147,719
Subtotal	100,563	139,165	1,226,378
Insurance income	5,087	182	62,037
Interest and dividends received	4,166	3,521	50,805
Interest paid	(2,185)	(2,518)	(26,646)
Income taxes paid	(14,318)	(27,633)	(174,610)
Net cash provided by operating activities	93,312	112,716	1,137,951
Cash flows from investing activities			
Acquisition of property, plant and equipment	(45,401)	(40,634)	(553,671)
Proceeds from sales of property, plant and equipment	1,412	1,507	17,220
Acquisition of intangible assets, net of proceeds	(3,659)	(3,488)	(44,622)
Acquisition of investments in securities	(214)	(1,020)	(2,610)
Proceeds from sales of investments in securities	2,102	3,757	25,634
Acquisition of shares of affiliates	(1,414)	(149)	(17,244)
Other	5,473	(5,854)	66,744
Net cash used in investing activities	(41,701)	(45,882)	(508,549)
Cash flows from financing activities			
Increase (decrease) in short-term borrowings	2,122	6,922	25,878
Proceeds from long-term debt	23	52	280
Repayment of long-term debt	(5,225)	(5,956)	(63,720)
Repayment of bonds	—	(15,000)	—
Cash dividends paid	(10,997)	(11,162)	(134,110)
Acquisition of shares of treasury stock	(20,045)	(87)	(244,451)
Other	(3,333)	(661)	(40,646)
Net cash used in financing activities	(37,456)	(25,893)	(456,780)
Effect of exchange rate changes on cash and cash equivalents	(1,356)	(2,245)	(16,537)
Increase in cash and cash equivalents	12,798	38,695	156,073
Cash and cash equivalents at beginning of year	133,744	95,063	1,631,074
Increase due to inclusion of subsidiaries in consolidation	0	9	0
Decrease due to exclusion of subsidiaries in consolidation	—	(23)	—
Increase in cash and cash equivalents due to merger of nonconsolidated subsidiaries	103	—	1,256
Cash and cash equivalents at end of year	¥146,647	¥133,744	$1,788,378

See accompanying notes to consolidated financial statements.

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Notes to Consolidated Financial Statements

Ajinomoto Co., Inc. and Consolidated Subsidiaries
March 31, 2012

1. Notes regarding Significant Items for the Preparation of Consolidated Financial Statements

a. Basis of presentation

The accompanying consolidated financial statements of Ajinomoto Co., Inc. (the "Company") and its consolidated subsidiaries are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan and are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

As permitted by the Financial Instruments and Exchange Law, amounts of less than one million yen have been omitted. Consequently, the totals shown in the accompanying consolidated financial statements (both in yen and U.S. dollars) do not necessarily agree with the sum of the individual amounts.

Certain amounts in the prior years' financial statements have been reclassified to conform to the current year's presentation.

b. Scope of consolidation

(1) Number of consolidated subsidiaries:
93 companies
Names of main companies:
Knorr Foods Co., Ltd., Ajinomoto Frozen Foods Co., Inc., AJINOMOTO PHARMACEUTICALS CO., LTD., Calpis Co., Ltd., Ajinomoto Co., (Thailand) Ltd., Ajinomoto do Brasil Ind. e Com. de Alimentos Ltda., AJINOMOTO EUROLYSINE S.A.S.

(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 small, and none has total assets, net sales, net income (corresponding to the percentage of shares held), or retained earnings (corresponding to the percentage of shares held), etc. that impact the consolidated financial statements significantly.

(3) The newly established Ajinomoto Animal Nutrition Group, Inc. (AANG) and Ajinomoto North America, Inc. have been included in the scope of consolidated subsidiaries.
Ajinomoto AminoScience LLC, Ajinomoto Corporate Services LLC, Ajinomoto Heartland, LLC, and Ajinomoto Food Ingredients LLC have been excluded from the scope of consolidated subsidiaries as a result of liquidation.
Ajinomoto U.S.A., Inc. changed its name to Ajinomoto Heartland, Inc.

c. Scope of application of the equity method

(1) Number of non-consolidated subsidiaries accounted for by the equity method:
4 companies
Names of main companies:
Si Ayutthaya Real Estate Co., Ltd., Erawan Industrial Development Co., Ltd.

(2) Number of affiliated companies accounted for by the equity method:
6 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 Asahi Calpis Beverages Co., Ltd.) are immaterial to the consolidated net results; therefore, these companies do not have a material impact, and they are not included in the scope of the equity method.

d. 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 of GABAN Co., Ltd. is the end of February. Out of these companies, 13 companies prepare their financial statements as of March 31 for consolidation 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.

The fiscal year end of Nissin-Ajinomoto Alimentos Ltda. and 1 other company accounted for by the equity method is December 31. One company out of these 2 companies prepares its financial statements as of March 31 for consolidated purposes. With regard to the other company, the Company used its financial statements as of its 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 its fiscal year end to the consolidated fiscal year end.

Notes to Consolidated Financial Statements (cont.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries
March 31, 2012

e. Valuation standards and methods for significant assets

(1) Marketable securities and methods for significant assets:

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 market value is not available are stated at cost mainly determined by the moving-average method.

(2) Derivative instruments:

Derivatives are carried at fair value

However, with respect to interest rate swaps meeting the criteria for the exceptional treatment, the exceptional treatment is, in principle, applied.

(3) Inventories:

Inventories of the Company and 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 method, cost being determined by the average method.

f. Depreciation and amortization for 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 their depreciation expense mainly 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 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.

g. Accounting for significant reserves

(1) Allowance for doubtful receivables:

An allowance for doubtful receivables 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) Accrued bonuses for employees:

At certain consolidated subsidiaries, accrued bonuses for employees have been provided based on the amount to be paid to employees.

(3) Accrued 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, from the fiscal year following the respective fiscal year of recognition.

(Additional information)

On April 1, 2011, the Company received approval from the Minister of Health, Labour and Welfare of Japan for an exemption from benefit obligations for future employee service under the substitutional portion of the Ajinomoto Employees' Welfare Pension Fund. (See Note 9)

(4) Accrued officers' severance benefits:

At the Company and certain of its consolidated subsidiaries, accrued officers' severance benefits are provided at the amount required to be paid in accordance with internal rules in order to provide for payment of severance benefits to officers.

The Company abolished the system of payment of severance benefits to officers 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.

Notes to Consolidated Financial Statements (cont.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries
March 31, 2012

(5) Bonus reserve for officers:
In preparation for the payment of bonuses to officers, bonus reserve for officers included in "Accrued expenses and other current liabilities" have been provided for the amount of payment expected for the fiscal year ended March 31, 2012.

(6) Allowance for environmental measures:
In preparation for payment relating to disposal of polychlorinated biphenyl (PCB) included in "Other long-term liabilities" and other waste, an allowance for environmental measures has been provided for the amount of costs expected to be incurred.

h. 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 years. The resulting translation differences are included in minority interests and translation adjustments in net assets.

i. Hedge accounting
(1) Hedge accounting method
The Company and its consolidated subsidiaries adopt deferred hedge accounting.
The exceptional treatment is, in principle, applied with respect to interest rate swaps, in cases where criteria for the exceptional treatment are met.

(2) Hedging instruments and hedged transactions

Hedging instruments	Hedged transactions
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 fluctuation 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 the exceptional treatment is applied, evaluation of effectiveness is not conducted.

j. 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.

k. Scope of "Cash and cash equivalents" in the consolidated statement of cash flows
The category "cash and cash equivalents" covers cash on hand, demand deposits, and easily convertible short-term investments with low risk of price fluctuation that mature within three months of acquisition.

l. 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. Consumption tax refundable is included in "Prepaid expenses and other current assets," while consumption tax payable is included in "Accrued expenses and other current liabilities."

(2) Adoption of consolidated taxation system
The Company and some of its consolidated subsidiaries have adopted the consolidated taxation system, with Ajinomoto Co., Inc. as the taxable parent company.

(3) Recognition of revenue from finance lease transactions
Revenue from finance lease transactions is not recorded in sales, but recorded in interest income by allocating the corresponding amount of interest to each period.

2. Additional Information

Adoption of accounting standard for accounting changes and error corrections
Effective April, 2011, the Company has adopted the "Accounting Standard for Accounting Changes and Error Corrections" (Accounting Standards Board of Japan (ASBJ) Statement No. 24 of December 4, 2009) and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24 of December 4, 2009), for accounting changes and corrections of past errors.

Notes to Consolidated Financial Statements (cont.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries
March 31, 2012

3. U.S. Dollar Amounts

The translation of yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan and has been made, as a matter of arithmetic computation only, at ¥82=U.S.$1.00, the approximate rate of exchange in effect on March 31, 2012.

The translation should not be construed as a representation that yen have been, could have been, or could in the future be, converted into U.S. dollars at the above or any other rate.

4. Inventories

Inventories at March 31, 2012 and 2011 consisted of the following:

	2012	2011	2012
	(Millions of yen)		(Thousands of U.S. dollars)
Finished goods	¥ 96,855	¥ 87,445	$1,181,159
Work in process	7,960	7,370	97,073
Raw materials and supplies	42,842	40,495	522,463
	¥147,657	¥135,311	$1,800,695

5. Short-Term Borrowings and Long-Term Debt

Short-term borrowings at March 31, 2012 and 2011 consisted of the following:

	2012	2011	2012
	(Millions of yen)		(Thousands of U.S. dollars)
Short-term borrowings	¥17,790	¥16,209	$216,951
	¥17,790	¥16,209	$216,951

The average annual interest rate applicable to the short-term borrowings at March 31, 2012 was 1.75 %.

Long-term debt at March 31, 2012 and 2011 consisted of the following:

	2012	2011	2012
	(Millions of yen)		(Thousands of U.S. dollars)
Bonds without collateral:			
0.62% bonds due 2014	¥ 20,000	¥ 20,000	$ 243,902
0.71% bonds due 2016	15,000	15,000	182,927
1.37% bonds due 2015	14,999	14,999	182,915
1.89% bonds due 2021	19,991	19,990	243,793
Loans from banks, insurance companies and government-sponsored agencies:			
With collateral	33	44	402
Without collateral	39,220	44,555	478,293
	109,243	114,588	1,332,232
Current portion	(4,406)	(5,316)	(53,732)
	¥104,837	¥109,272	$1,278,500

The annual maturities of long-term debt subsequent to March 31, 2012 were summarized as follows:

Year ending March 31,	(Millions of yen)	(Thousands of U.S. dollars)
2012	¥ 4,406	$ 53,732
2013	3,410	41,585
2014	23,410	285,488
2015	30,001	365,866
2016 and thereafter	48,014	585,537
	¥109,241	$1,332,207

Other interest-bearing debt at March 31, 2012 and 2011 were as follows:

	2012	2011	2012
	(Millions of yen)		(Thousands of U.S. dollars)
Lease obligation (current)	¥1,233	¥ 882	$15,037
Lease obligation (non-current)	1,794	1,711	21,878
	¥3,027	¥2,593	$36,915

Notes to Consolidated Financial Statements (cont.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries
March 31, 2012

The annual maturities of lease obligations subsequent to March 31, 2012 were summarized as follows:

Year ending March 31,	(Millions of yen)	(Thousands of U.S. dollars)
2012	¥1,233	$15,037
2013	864	10,537
2014	551	6,720
2015	255	3,110
2016 and thereafter	124	1,512
	¥3,027	$36,915

6. Notes to Consolidated Balance Sheets

"Other advances" in "Investments and long-term advances" consisted of the following:

	2012	2011	2012
	(Millions of yen)		(Thousands of U.S. dollars)
Long-term loans to third parties	¥ 767	¥ 770	$ 9,354
Allowance for doubtful receivables	(1,260)	(1,252)	(15,366)
Other	13,479	13,665	164,378
Total	¥12,986	¥13,183	$158,366

"Machinery, equipment and other" consisted of the following:

	2012	2011	2012
	(Millions of yen)		(Thousands of U.S. dollars)
Machinery and vehicles	¥508,031	¥508,083	$6,195,500
Tools, furniture and fixtures	66,738	65,762	813,878
Leased assets	5,099	3,583	62,183
Construction in process	26,598	19,013	324,366
Total	¥606,467	¥596,443	$7,395,939

"Accumulated depreciation and accumulated impairment losses" consisted of the following:

	2012	2011	2012
	(Millions of yen)		(Thousands of U.S. dollars)
Buildings and structures	¥(213,132)	¥(209,127)	$(2,599,171)
Machinery and vehicles	(392,678)	(391,574)	(4,788,756)
Tools, furniture and fixtures	(56,690)	(55,340)	(691,341)
Leased assets	(2,202)	(1,172)	(26,854)
Total	¥(664,705)	¥(657,215)	$(8,106,159)

"Other" in "Other assets" consisted of the following:

	2012	2011	2012
	(Millions of yen)		(Thousands of U.S. dollars)
Goodwill	¥25,080	¥29,586	$305,854
Other	34,107	35,901	415,939
Total	¥59,188	¥65,487	$721,805

"Accrued expenses and other current liabilities" consisted of the following:

	2012	2011	2012
	(Millions of yen)		(Thousands of U.S. dollars)
Accrued bonuses for employees	¥ 6,896	¥ 6,784	$ 84,098
Bonus reserve for officers	357	360	4,354
Other	86,990	77,196	1,060,854
Total	¥94,243	¥84,340	$1,149,305

"Other long-term liabilities" consisted of the following:

	2012	2011	2012
	(Millions of yen)		(Thousands of U.S. dollars)
Allowance for environmental measures	¥ 506	¥ 574	$ 6,171
Other	23,332	23,461	284,537
Total	¥23,838	¥24,035	$290,707

Notes to Consolidated Financial Statements (cont.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries
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7. Pledged Assets

The assets pledged as collateral for the current portion of long-term debt, and long-term debt at March 31, 2012 and 2011 consisted of the following:

	2012	2011	2012
	(Millions of yen)		(Thousands of U.S. dollars)
Buildings and structures	¥217	¥238	$ 2,646
Land	499	499	6,085
Other	211	—	2,573
	¥928	¥737	$11,317

8. Income Taxes

The Company and its domestic consolidated subsidiaries are subject to a number of taxes based on income which, in the aggregate, resulted in a statutory tax rate of 40.7% for the years ended March 31, 2012 and 2011. Income taxes of the foreign consolidated subsidiaries are based generally on the tax rates applicable in their countries of incorporation.

The effective tax rates reflected in the consolidated statements of income and comprehensive income for the years ended March 31, 2012 and 2011 differ from the statutory tax rate for the following reasons:

	2012	2011
Statutory tax rate	40.7%	40.7%
Effect of:		
Amortization of goodwill	2.5	3.8
Equity in earnings of affiliates	(1.4)	(2.5)
Loss on liquidation of affiliates	—	(3.7)
Special deduction of income taxes	(2.5)	(2.1)
Different tax rates applied to income of foreign consolidated subsidiaries	(7.3)	(8.3)
Other, net	1.3	(1.9)
Effective tax rates	34.0%	25.9%

The significant components of deferred tax assets and liabilities at March 31, 2012 and 2011 were as follows:

	2012	2011	2012
	(Millions of yen)		(Thousands of U.S. dollars)
Deferred tax assets:			
Loss on devaluation of securities	¥ 2,928	¥ 3,216	$ 35,707
Loss on devaluation of inventories	797	1,089	9,720
Property, plant and equipment	2,211	2,505	26,963
Accrued retirement benefits for employees	23,394	23,971	285,293
Accrued expenses	1,872	2,703	22,829
Accrued bonuses for employees	5,050	5,326	61,585
Unrealized profit	2,995	3,154	36,524
Accrued enterprise tax	674	802	8,220
Loss on impairment of fixed assets	8,093	10,565	98,695
Allowance for doubtful receivables	304	629	3,707
Net operating loss	11,265	6,469	137,378
Asset retirement obligations	222	272	2,707
Other	2,957	2,929	36,061
Gross deferred tax assets	62,767	63,636	765,451
Valuation allowance	(21,570)	(16,512)	(263,049)
Total deferred tax assets	41,196	47,123	502,390
Deferred tax liabilities:			
Reserves under Special Taxation Measures Law	7,718	8,957	94,122
Unrealized gain on land	15,774	18,048	192,366
Other	16,362	14,760	199,537
Total deferred tax liabilities	39,859	41,768	486,085
Net deferred tax assets	¥ 1,337	¥ 5,355	$ 16,305

Adjustment of amounts of deferred tax assets and deferred tax liabilities due to changes in tax rate for income and other taxes

In line with the promulgation on December 2, 2012 of the "Act on Partial Revision of the Income Tax Act, etc. to Address Changes in the Socio-Economic Structure" (Act No.114) and "Special Act for Securing Funds for Reconstruction following the Great East Japan Earthquake" (Act No.117)", the corporate tax rate imposed on the Company and its domestic consolidated subsidiaries shall be amended from the fiscal year beginning April 1, 2012. As a result, the normal effective statutory tax rate, which is used in the calculation of deferred tax assets and deferred tax liabilities, has changed from 40.7% in the previous fiscal year to 38.0% for those deferred tax assets and liabilities expected to be realized in the period from April 1, 2012 to March 31, 2015, and 35.6% thereafter.

Notes to Consolidated Financial Statements (cont.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries
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The effect of this change was to reduce deferred tax assets (net of deferred tax liabilities) by ¥530 million ($6,463 thousand), and to reduce "Income taxes-deferred," "Minority interests" (Consolidated Statement of Income) and "Minority interests" (Consolidated Balance Sheets) by ¥353 million ($4,305 thousand), ¥53 million ($646 thousand) and ¥53 million ($646 thousand), respectively, while increasing "Unrealized holding gain on securities," by ¥176 million ($2,146 thousand) as of and for the year ended March 31, 2012.

9. Retirement Benefit Plans

The Company and its domestic consolidated subsidiaries have defined benefit plans, i.e., welfare pension fund plans and lump-sum payment plans, covering substantially all employees who are entitled to lump-sum or annuity payments, the amounts of which are determined by reference to their basic rates of pay, length of service, and the conditions under which termination occurs. Certain consolidated subsidiaries have defined contribution plans in addition to defined benefit plans.

On April 1, 2011, the Company received approval from the Minister of Health, Labour and Welfare of Japan for an exemption from the obligation to pay benefits related to future services of employees under the substitutable portion of the Ajinomoto Employee's Welfare Pension Fund.

The following table sets forth the funded and accrued status of the plans and the amounts recognized in the consolidated balance sheets at March 31, 2012 and 2011 for the Company's and the consolidated subsidiaries' defined benefit plans:

	2012	2011	2012
	(Millions of yen)		(Thousands of U.S. dollars)
Retirement benefit obligation	¥(267,443)	¥(276,532)	$(3,261,500)
Plan assets at fair value	184,432	184,329	2,249,171
Unfunded retirement benefit obligation	(83,010)	(92,202)	(1,012,317)
Unrecognized actuarial gain or loss	34,131	39,738	416,232
Unrecognized prior service cost	(13,080)	(5,207)	(159,512)
Prepaid pension cost	1,002	882	12,220
Accrued retirement benefits for employees	¥ (62,962)	¥ (58,554)	$ (767,829)

The government-sponsored portion of the benefits under the welfare pension fund plans has been included in the amounts shown in the above table.

The amount to be returned (minimum reserve) to the government under the substitutional portion of the Ajinomoto Employee's Welfare Pension Fund, as estimated at March 31, 2012, is ¥22,842 million ($278,561 thousand), and assuming the return of the (minimum reserve dated to past employee service) is done as of that date, the estimated gain generated based on Article 44-2 of the Practical Guidelines for Retirement Benefits Accounting (Interim Report) (Japan Institute of Certified Public Accountants Report No. 13) would be ¥27,135 million ($330,915 thousand).

The components of retirement benefit expenses for the years ended March 31, 2012 and 2011 were outlined as follows:

	2012	2011	2012
	(Millions of yen)		(Thousands of U.S. dollars)
Service cost	¥ 6,349	¥ 6,328	$ 77,427
Interest cost	6,335	6,673	77,256
Expected return on plan assets	(4,691)	(4,764)	(57,207)
Amortization of prior service cost	(3,256)	(2,172)	(39,707)
Amortization of actuarial gain or loss	9,411	9,826	114,768
Other	474	734	5,780
Total	¥14,623	¥16,627	$178,329

The assumptions used in accounting for the above plans were as follows:

	As of March 31,	
	2012	2011
Discount rate	Mainly 2.5%	Mainly 2.5%
Expected rate of return on plan assets	Mainly 2.5%	Mainly 2.5%

10. Shareholders' Equity

The Corporation Law of Japan provides that an amount equal to 10% of the amount to be distributed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the common stock account. Such distributions can be made at any time by resolution of the shareholders or by the Board of Directors if certain conditions are met, but neither the capital reserve nor the legal reserve is available for distributions.

Notes to Consolidated Financial Statements (cont.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries
March 31, 2012

11. Dividends

Dividends paid for the years ended March 31, 2012 and 2011 were outlined as follows:

Year ended March 31, 2012							
		Total amount of dividends		Dividends per share			
Resolution	Type of shares	Millions of yen	Thousands of U.S. dollars	Yen	U.S. dollars	Record date	Effective date
Annual general meeting of the shareholders on June 29, 2011	Common stock	¥5,582	$68,073	¥8	$0.098	March 31, 2011	June 30, 2011
Meeting of the Board of Directors on November 4, 2011	Common stock	¥5,413	$66,012	¥8	$0.098	September 30, 2011	December 2, 2011

Year ended March 31, 2011					
		Total amount of dividends	Dividends per share		
Resolution	Type of shares	Millions of yen	Yen	Record date	Effective date
Annual general meeting of the shareholders on June 29, 2010	Common stock	¥5,582	¥8	March 31, 2010	June 30, 2010
Meeting of the Board of Directors on November 4, 2010	Common stock	¥5,582	¥8	September 30, 2010	December 2, 2010

The following dividends have a record date during the year ended March 31, 2012 but an effective date during the year ending March 31, 2013:

		Total amount of dividends		Dividends per share			
Resolution	Type of shares	Millions of yen	Thousands of U.S. dollars	Yen	U.S. dollars	Record date	Effective date
Annual general meeting of the shareholders on June 28, 2012	Common stock	¥5,413	$66,012	¥8	$0.098	March 31, 2012	June 29, 2012

12. Selling, General and Administrative Expenses

Selling, general and administrative expenses consisted of the following:

	2012	2011	2012
	(Millions of yen)		(Thousands of U.S. dollars)
Transportation expenses	¥ 34,265	¥ 33,450	$ 417,866
Advertising expenses	32,571	33,628	397,207
Sales commissions	61,331	62,089	747,939
Salaries	45,238	42,981	551,683
Provision for accrued bonuses	18,888	17,898	230,341
Retirement benefit expenses	8,971	9,484	109,402
Depreciation and amortization	10,395	10,543	126,768
Research and development expenses	34,836	36,906	424,829
Amortization of goodwill	4,503	4,505	54,915
Other	80,201	82,115	978,061
Total	¥331,203	¥333,604	$4,039,061

Inventories as of March 31, 2012 and 2011 were written down due to lower profitability and unrealized losses on inventories included in cost of sales were ¥901 million ($10,988 thousand) and ¥229 million, respectively.

Research and development expenses included in manufacturing costs and selling, general and administrative expenses for the years ended March 31, 2012 and 2011 were ¥34,836 million ($424,829 thousand) and ¥36,906 million, respectively.

13. Other Income (Expenses)

"Interest and dividend income" consisted of the following:

	2012	2011	2012
	(Millions of yen)		(Thousands of U.S. dollars)
Interest income	¥1,847	¥1,232	$ 22,524
Dividend income	974	939	11,878
Insurance income	6,012	182	73,317
Total	¥8,833	¥2,353	$107,720

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries
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"Gain on sales of securities" consisted of the following:

	2012	2011	2012
	(Millions of yen)		(Thousands of U.S. dollars)
Gain on sale of investment securities	¥554	¥912	$6,756
Loss on sale of investment securities	(27)	(12)	(329)
Total	¥526	¥900	$6,415

"Other, net" consisted of the following:

	2012	2011	2012
	(Millions of yen)		(Thousands of U.S. dollars)
Rental income	¥ 757	¥ 789	$ 9,232
Loss from natural disaster	(3,759)	(3,231)	(45,841)
Other	673	(5,889)	8,207
Total	¥(2,329)	¥(8,331)	$(28,402)

14. Impairment Loss

The impairment losses for the years ended March 31, 2012 and 2011 were outlined as follows:

Year ended March 31, 2012

The main assets with respect to which impairment losses were recorded in the fiscal year are as follows. In addition to these, other impairment losses of ¥702 million ($8,561 thousand) were also recorded.

Location	Use	Classification
Kamisu, Ibaraki Prefecture, Japan	Idle asset	Land

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 idle assets in Kamisu, Ibaraki Prefecture, Japan, the Company reduced the book value to an amount proportionate to the price at which part of the land was sold during the fiscal year, as the market value had fallen compared to the book value. The impairment loss recorded was ¥404 million ($4,927 thousand).

Year ended March 31, 2011

The main assets with respect to which impairment losses were recorded in the fiscal year ended March 31, 2011 were as follows. In addition to these, other impairment losses of ¥633 million were also recorded.

Location	Use	Classification
Saga, Saga Prefecture, Japan	Manufacturing facility	Buildings and structures, Machinery and vehicles, Other
Brazil	Manufacturing facility	Buildings and structures, Machinery and vehicles, Other

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 shared-use facilities such as utilities relating to manufacturing facilities for sweeteners and amino acids for pharmaceuticals and foods in Saga, Saga Prefecture, Japan, the Company reduced the book value to the recoverable amount, as the level of capacity utilization is significantly low and at the present time the likelihood of future recoverability of initially projected income is low. As such, the Company recorded an impairment loss of ¥1,643 million, the breakdown of which is as follows: "Buildings and structures"—¥705 million; "Machinery and vehicles"—¥935 million; and "Other"—¥2 million. The recoverable amount was determined through measurement of the value in use, which is calculated by discounting expected future cash flows at a rate of 4.4%.

With respect to the manufacturing facilities used for feed-use amino acids business in Brazil, these operations have continued to post losses, impacted by factors including a deterioration in export profits due to a stronger Brazilian real and the cost of fuels and materials rising significantly above initial projections. Given this fact, and because at the present time the likelihood of future recovery of initially projected income is low, the Company reduced the book value to the recoverable amount. As such, the Company recorded an impairment loss of ¥6,226 million, the breakdown of which is as follows: "Buildings and structures"—¥3,810 million; "Machinery and vehicles"—¥1,544 million; and "Other"—¥871 million. The recoverable amount was determined through measurement of the value in use, which is calculated by discounting expected future cash flows at a rate of 12.7%, taking into consideration the current situation in Brazilian financial markets.

Notes to Consolidated Financial Statements (cont.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries
March 31, 2012

15. Consolidated Statement of Comprehensive Income

Fiscal year ended March 31, 2012 (April 1, 2011 – March 31, 2012)

Reclassification adjustments and tax effects relating to other comprehensive income

	(Millions of yen)	(Thousands of U.S. dollars)
Unrealized holding gain on securities:		
Amount arising during the year	¥ 1,294	$ 15,780
Reclassification adjustments	261	3,183
Before tax effect	1,555	18,963
Tax effect	(328)	(4,000)
Unrealized holding gain on securities	1,227	14,963
Unrealized gain from hedging instruments:		
Amount arising during the year	(21)	(256)
Reclassification adjustments	6	73
Before tax effect	(15)	(183)
Tax effect	5	61
Unrealized gain from hedging instruments	(9)	(110)
Translation adjustments:		
Amount arising during the year	(14,831)	(180,866)
Reclassification adjustments	—	—
Before tax effect	(14,831)	(180,866)
Tax effect	—	—
Translation adjustments	(14,831)	(180,866)
Adjustment in pension liabilities of overseas subsidiaries:		
Amount arising during the year	(264)	(3,220)
Before tax effect	(264)	(3,220)
Tax effect	112	1,366
Adjustment in pension liabilities of overseas subsidiaries	(151)	(1,841)
Share of other comprehensive income of equity-method affiliates:		
Amount arising during the year	(555)	(6,768)
Reclassification adjustments	(11)	(134)
Before tax effect	(567)	(6,915)
Tax effect	—	—
Share of other comprehensive income of equity-method affiliates	(567)	(6,915)
Total other comprehensive income	¥(14,332)	$(174,780)

16. Lease Transactions

a) Lessees' Accounting

The following pro forma amounts represent the acquisition costs, accumulated depreciation and net book value of the leased assets at March 31, 2012 and 2011, which would have been reflected in the consolidated balance sheets if finance lease accounting had been applied to the finance leases currently accounted for as operating leases:

	March 31, 2012							
	Acquisition costs	Accumulated depreciation	Accumulated impairment loss	Net book value	Acquisition costs	Accumulated depreciation	Accumulated impairment loss	Net book value
	(Millions of yen)				(Thousands of U.S. dollars)			
Buildings and structures	¥1,533	¥ 98	¥1,352	¥ 82	$18,695	$ 1,195	$16,488	$1,000
Machinery, equipment and other	1,927	1,351	162	413	23,500	16,476	1,976	5,037
Total	¥3,461	¥1,450	¥1,515	¥496	$42,207	$17,683	$18,476	$6,049

	March 31, 2011			
	Acquisition costs	Accumulated depreciation	Accumulated impairment loss	Net book value
	(Millions of yen)			
Buildings and structures	¥ 1,533	¥ 98	¥1,352	¥ 82
Machinery, equipment and other	9,132	6,811	127	2,193
Total	¥10,666	¥6,909	¥1,479	¥2,276

Lease payments relating to finance leases accounted for as operating leases in the accompanying consolidated financial statements amounted to ¥1,323 million ($16,134 thousand) and ¥1,483 million, which were equal to the depreciation of the leased assets computed by the straight-line method over the respective lease terms, for the years ended March 31, 2012 and 2011, respectively. The reversals of impairment loss applicable the above lease payments for the years ended March 31, 2012 and 2011 amounted to ¥73 million ($890 thousand) and ¥80 million, respectively.

Notes to Consolidated Financial Statements (cont.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries
March 31, 2012

Future minimum lease payments (including the interest portion thereon) subsequent to March 31, 2012 for finance leases accounted for as operating leases were summarized as follows:

Year ending March 31,	(Millions of yen)	(Thousands of U.S. dollars)
2013	¥ 265	$ 3,232
2014 and thereafter	1,101	13,427
Total	1,367	16,671
Accumulated impairment loss on leased assets	¥ 871	$10,622

Future minimum lease payments subsequent to March 31, 2012 for operating leases were summarized as follows:

Year ending March 31,	(Millions of yen)	(Thousands of U.S. dollars)
2013	¥2,151	$26,232
2014 and thereafter	1,044	12,732
Total	¥3,196	$38,976

b) Lessors' Accounting

The following amounts represent the acquisition costs, accumulated depreciation and net book value of the leased assets relating to finance leases accounted for as operating leases at March 31, 2012 and 2011:

	March 31, 2012					
	Acquisition costs	Accumulated depreciation	Net book value	Acquisition costs	Accumulated depreciation	Net book value
	(Millions of yen)			(Thousands of U.S. dollars)		
Machinery, equipment and other	¥15	¥14	¥0	$183	$171	$0

	March 31, 2011		
	Acquisition costs	Accumulated depreciation	Net book value
	(Millions of yen)		
Machinery, equipment and other	¥15	¥12	¥2

Lease income relating to finance leases accounted for as operating leases in the accompanying consolidated financial statements amounted to ¥2 million ($24 thousand) and ¥4 million for the years ended March 31, 2012 and 2011, respectively. Depreciation of the assets leased under finance leases accounted for as operating leases amounted to ¥2 million ($24 thousand) and ¥4 million for the years ended March 31, 2012 and 2011, respectively.

Future minimum lease income (including the interest portion thereon) subsequent to March 31, 2012 for the finance leases accounted for as operating leases were summarized as follows:

Year ending March 31,	(Millions of yen)	(Thousands of U.S. dollars)
2013	¥0	$0
2014 and thereafter	—	—
Total	¥0	$0

Future minimum lease income subsequent to March 31, 2012 for operating leases were summarized as follows:

Year ending March 31,	(Millions of yen)	(Thousands of U.S. dollars)
2013	¥174	$2,122
2014 and thereafter	236	2,878
Total	¥410	$5,000

17. Contingent Liabilities

At March 31, 2012 and 2011, the Company and its consolidated subsidiaries had the following contingent liabilities:

	2012	2011	2012
	(Millions of yen)		(Thousands of U.S. dollars)
As endorser of documentary export bills and trade notes receivable discounted with banks	¥493	¥472	$6,012
As guarantor of indebtedness of unconsolidated subsidiaries, affiliates and employees			
New Season Foods	205	174	2,500
Itoham Betagro Foods	76	78	927
Kyodo Ace Butsuryu	1	2	12
Ajinomoto de Mexico S. de R.L.. de C.V.	4	—	49
Employees	35	49	427
	¥323	¥304	$3,939

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries
March 31, 2012

18. Amounts Per Share

Amounts per share as of and for the years ended March 31, 2012 and 2011 were as follows:

	2012	2011	2012
	(Yen)		(U.S. dollars)
Net income	¥61.27	¥43.5	$0.747
Cash dividends	16.0	16.0	0.195
Net assets	894.58	871.6	10.910

Net income per share is computed based on the net income available for distribution to shareholders of common stock and the weighted average number of shares of common stock outstanding during the year, and amounts per share of net assets are computed based on the net assets excluding minority interests and the number of shares of common stock outstanding at the year end.

Cash dividends per share represent the cash dividends proposed by the Board of Directors as applicable to the respective years together with the interim cash dividends paid.

19. Related Party Transactions

For the year ended March 31, 2012

Attribute	Name	Domicile	Capitalization (Millions of yen)	Nature of operation	Equity ownership by the Company	Relationship Operational relationship	Nature of transaction	Trading amount (Millions of yen) (Thousands of U.S. dollars)	Account	Balance at year end (Millions of yen) (Thousands of U.S. dollars)
Affiliate	Ajinomoto General Foods, Inc.	Shinjuku-ku, Tokyo	¥3,862	Beverages	50.0% Direct	Purchasing goods and resale. Interlocking and secondment of directors	Purchasing goods	¥138,237 $1,685,817	Account payable	¥23,809 $290,354

For the year ended March 31, 2011

Attribute	Name	Domicile	Capitalization (Millions of yen)	Nature of operation	Equity ownership by the Company	Relationship Operational relationship	Nature of transaction	Trading amount (Millions of yen)	Account	Balance at year end (Millions of yen)
Affiliate	Ajinomoto General Foods, Inc.	Shinjuku-ku, Tokyo	¥3,862	Beverages	50.0% Direct	Purchasing goods and resale. Interlocking and secondment of directors	Purchasing goods	¥137,342	Account payable	¥22,191

20. Financial Instruments

a. Status of financial instruments

(1) Policy for Financial instruments

The Company and its consolidated subsidiaries undertake fund procurement using commercial paper, bond issuances, borrowings from financial institutions and other methods, aiming to balance direct and indirect financing with long-term and short-term financing needs while considering procurement costs and risk diversification. With respect to cash management, funds are allocated only to saving and other financial instruments with low risk. Derivative transactions are undertaken only for the purposes of hedging risks outlined below, and as a matter of policy, are not undertaken for speculative purposes.

(2) Characteristics and risks of financial instruments

Trade notes and accounts receivable form part of the customer credit risk faced by the Company. Foreign currency-denominated notes and accounts receivable are also subject to risk from foreign exchange rates fluctuations, but this risk is mainly hedged through the adoption of forward foreign exchange contracts. Investment securities primarily comprise stock in transaction partner companies, and are subject to the risk of changes in stock market prices.

Trade notes and accounts payable are mainly settled within one year. Foreign currency denominated trade notes and accounts payable are subject to risk from foreign exchange rates fluctuations, but this risk is mainly hedged through the adoption of forward foreign exchange contracts. A certain amount of borrowing is undertaken using floating interest rates and is therefore subject to risk from movements in interest rates, but this is hedged through the adoption of interest-rate swaps.

Derivative transactions undertaken include forward foreign exchange contracts and currency swaps to hedge the risk associated with foreign currency-denominated payables and receivables, and interest rate swaps are undertaken to hedge interest rate risks associated with borrowings, lending to Group companies and other such activities.

Hedge accounting details with regard to hedging instruments, hedged transactions, hedging policy and assessment of hedge effectiveness are outlined in "Hedge Accounting" in the previous section, "1. Notes regarding Significant Items for the Preparation of Consolidated Financial Statements."

Notes to Consolidated Financial Statements (cont.)

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(3) System for financial instruments risk management

1) Credit risk management (risks of transaction partners failing to honor contracts, etc.)

Each business and sales management division within the Company conducts periodic monitoring of key transaction partners to assess risks associated with notes and accounts receivable. In addition to monitoring due dates and amounts outstanding, the Company assesses the financial status of transaction partners with the aim of identifying and minimizing any heightened risks. The same system of risk management is used at consolidated subsidiaries.

In managing the risks of derivative positions, counterparty risk is minimized by entering into transactions only with financial institutions with high credit ratings.

The Company's maximum potential exposure to credit risk is shown in the balance sheet as of March 31, 2012.

2) Market risk management (risk of changes in exchange rates, interest rates, etc.)

In managing foreign currency denominated accounts payable and receivable, the Company and certain consolidated subsidiaries assess exchange rate movement risk by currency on a monthly basis, and hedge such risks through forward foreign exchange contracts and currency swaps. Given the nature of the foreign exchange market, forward foreign exchange contracts are in principle limited to a six-month period, applicable to foreign currency denominated assets or liabilities for which planned transactions are deemed certain to take place. The Company and certain consolidated subsidiaries also undertake interest-rate swaps for the purpose of controlling risk associated with movements in interest rates on borrowings.

Investment securities are periodically assessed with respect to market value and the financial status of the issuing entity (transaction partner), and the merits or otherwise of holding such securities are continually reviewed, taking into account the Company's relationship with respective transaction partners.

Derivative transactions are undertaken by the finance division, based on a system that places limits on transaction authorizations and amounts. The performance of transactions is periodically reported to directors responsible for the finance division and to the management committee. Transaction management at consolidated subsidiaries is undertaken in the same manner.

3) Funding procurement liquidity risk management (risk of being unable to meet due dates)

The Company and main domestic consolidated subsidiaries have adopted a cash management system for the purposes of reducing consolidated interest-bearing debt and reducing liquidity risk. The system is managed in such a way as to ensure that available liquidity, including the unused portion of commitment lines established by the Company, is maintained at a certain level. Main overseas consolidated subsidiaries maintain a similar level of liquidity on a company-by-company basis.

(4) Supplementary explanation on fair value of financial instruments

The fair value of financial instruments is based on market price for items having a market price. For items not having market price, the fair value is calculated based on reasonable estimates. As a number of variables are incorporated in such estimates, the fair values arrived at are subject to change as a result of the use of different assumptions in the calculations. Furthermore, with respect to the contract prices of derivative transactions in "Note 22. Derivative Transactions," the amounts do not indicate the market risk relating to the derivative transactions.

b. Fair value of financial instruments

The book values, fair values and any differences as of March 31, 2012 were as follows:

	Book value in consolidated financial statements	Estimated fair value	Difference	Book value in consolidated financial statements	Estimated fair value	Difference
	(Millions of yen)			(Thousands of U.S. dollars)		
(1) Cash and cash equivalents	¥149,913	¥149,913	¥ —	$1,828,207	$1,828,207	$ —
(2) Notes and accounts receivable	206,952	206,952	—	2,523,805	2,523,805	—
(3) Marketable securities and Investment securities						
Investments in stock of subsidiaries and affiliates	19,311	10,774	(8,537)	235,550	131,390	(104,110)
Other marketable securities	29,565	29,565	—	360,549	360,549	—
Total assets	¥405,742	¥397,025	¥(8,537)	$4,948,073	$4,843,963	$(104,110)
(1) Notes and accounts payable	¥112,965	¥112,965	¥ —	$1,377,622	$1,377,622	$ —
(2) Short-term borrowings	17,790	17,790	—	216,951	216,951	—
(3) Current portion of long-term debt	4,406	4,406	—	53,732	53,732	—
(4) Corporate bonds	69,990	72,154	2,163	853,537	879,927	26,378
(5) Long-term debt	34,847	36,669	1,821	424,963	447,183	22,207
Total liabilities	¥240,000	¥243,985	¥ 3,985	$2,926,829	$2,975,427	$ 48,598
Derivative transactions*	¥ 917	¥ 917	¥ —	$ 11,183	$ 11,183	$ —

**The assets or liabilities arising from derivative transactions are shown as a net amount.*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries
March 31, 2012

The book values, fair values and any differences as of March 31, 2011 were as follows:

	Book value in consolidated financial statements	Estimated fair value	Difference
	(Millions of yen)		
(1) Cash and cash equivalents	¥141,801	¥141,801	¥ —
(2) Notes and accounts receivable	195,465	195,465	—
(3) Marketable securities and Investment securities			
Investments in stock of subsidiaries and affiliates	18,907	10,547	(8,359)
Other marketable securities	29,635	29,635	—
Total assets	¥385,810	¥377,450	¥(8,359)
(1) Notes and accounts payable	¥103,420	¥103,420	¥ —
(2) Short-term borrowings	16,209	16,209	—
(3) Current portion of long-term debt	5,316	5,316	—
(4) Corporate bonds	69,989	71,438	1,448
(5) Long-term debt	39,282	40,967	1,684
Total liabilities	¥234,218	¥237,350	¥ 3,132
Derivative transactions*	¥ 708	¥ 708	¥ —

**The assets or liabilities arising from derivative transactions are shown as a net amount.*

Note 1: Method of calculating fair value of financial instruments, and notes relating to investment securities and derivative transactions.

ASSETS

(1) Cash and cash equivalents, and (2) Notes and accounts receivable

These items are recorded at book value, as the short settlement period means that fair value and book value are effectively the same.

(3) Marketable securities and investment securities

The fair value of equities is based on prices at listing exchanges. The fair value of bonds is based on prices at listing exchanges or transaction prices disclosed by financial institutions. For notes relating to marketable securities according to holding purpose of such securities, please refer to “Note 21. Securities.”

LIABILITIES

(1) Notes and accounts payable, (2) Short-term borrowings, and (3) Current portion of long-term debt

These items are recorded at book value, as the short settlement period means that fair value and book value are effectively the same.

(4) Corporate bonds

The fair value of bonds issued by the Company is based on market price for those items having a market price. The fair value of items without a market price is calculated based on the current total amount of principal and interest, discounted for the remaining period of each bond and adjusted for credit risk.

(5) Long-term debt

The fair value of long-term debt with fixed interest rates is calculated based on the current total amount of principal and interest, discounted by the expected interest rate if the debt were refinanced at current rates. The book value is used for the fair value of long-term debt with floating interest rates, as the fair value of such debt is almost identical to its book value, because it reflects market rates over the short term.

Derivative transactions

Interest-rate swaps for which the exceptional method is applied are recorded at fair value including the fair value of the underlying long-term debt, as such swaps are treated as a single item incorporating the hedged long-term debt. For information relating to derivative transactions, please refer to “Note 22. Derivative Transactions.”

Note 2: Financial instruments as of March 31, 2012 for which the appraisal of fair value is recognized as being extremely difficult.

	Amount recorded on consolidated balance sheet	Amount recorded on consolidated balance sheet
	(Millions of yen)	(Thousands of U.S. dollars)
Investments in stock of subsidiaries and affiliates		
Unlisted shares	¥33,267	$405,695
Other securities		
Unlisted shares	2,243	27,354
Unlisted domestic bonds	0	0
Money management funds, etc.	518	6,317
Total	¥36,028	$439,366

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries
March 31, 2012

These are items that do not have a market value and for which estimating future cash flows would incur excessive costs. Accordingly, appraising the fair value of such items is recognized as being extremely difficult, and they are excluded from “Assets (3) Marketable securities and investment securities. ”

c. Planned redemptions after March 31, 2012 for monetary claims and marketable securities with maturities

	2013	2014 and thereafter	2013	2014 and thereafter
	(Millions of yen)		(Thousands of U.S. dollars)	
Cash and cash equivalents	¥149,913	—	$1,828,207	—
Notes and accounts receivable	206,952	—	2,523,805	—
Investment securities				
“Other marketable securities” with maturities	—	—	—	—

d. Planned amount of repayments after March 31, 2012 date of corporate bonds and long-term debt

	Corporate bonds	Long-term debt	Corporate bonds	Long-term debt
Year ending	(Millions of yen)		(Thousands of U.S. dollars)	
2013	¥ —	¥ 4,406	$ —	$ 53,732
2014	20,000	3,410	243,902	41,585
2015	15,000	3,410	182,927	41,585
2016	15,000	15,002	182,927	182,951
2017	—	—	—	—
2018 and thereafter	20,000	13,023	243,902	158,817

21. Securities

a) Information regarding marketable securities classified as other securities with fair value at March 31, 2012 and 2011 was as follows:

	March 31, 2012					
	Carrying value	Acquisition cost	Unrealized gain (loss)	Carrying value	Acquisition cost	Unrealized gain (loss)
	(Millions of yen)			(Thousands of U.S. dollars)		
Securities whose carrying value exceeds their acquisition cost:						
Stocks	¥23,049	¥17,666	¥ 5,383	$281,085	$215,439	$65,646
Bonds						
Government bonds	—	—	—	—	—	—
Corporate bonds	—	—	—	—	—	—
Other bonds	—	—	—	—	—	—
Other	—	—	—	—	—	—
Subtotal	23,049	17,666	5,383	281,085	215,439	65,646
Securities whose acquisition cost exceeds their carrying value:						
Stocks	6,515	9,393	(2,877)	79,451	114,549	(35,085)
Bonds						
Government bonds	—	—	—	—	—	—
Corporate bonds	—	—	—	—	—	—
Other bonds	—	—	—	—	—	—
Other	—	—	—	—	—	—
Subtotal	6,515	9,393	(2,877)	79,451	114,549	(35,085)
Total	¥29,565	¥27,059	¥ 2,505	$360,549	$329,988	$30,549

	March 31, 2011		
	Carrying value	Acquisition cost	Unrealized gain (loss)
	(Millions of yen)		
Securities whose carrying value exceeds their acquisition cost:			
Stocks	¥13,306	¥ 8,358	¥ 4,947
Other	—	—	—
Subtotal	13,306	8,358	4,947
Securities whose acquisition cost exceeds their carrying value:			
Stocks	16,329	19,322	(2,993)
Subtotal	16,329	19,322	(2,993)
Total	¥29,635	¥27,681	¥ 1,954

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Ajinomoto Co., Inc. and Consolidated Subsidiaries
March 31, 2012

b) Sales of securities classified as other securities for the years ended March 31, 2012 and 2011 were summarized as follows:

	March 31, 2012					
	Proceeds from sales	Gains on sales	Losses on sales	Proceeds from sales	Gains on sales	Losses on sales
	(Millions of yen)			(Thousands of U.S. dollars)		
Stocks	¥1,319	¥370	¥22	$16,085	$4,512	$268
Bonds						
Government bonds	—	—	—	—	—	—
Corporate bonds	—	—	—	—	—	—
Other bonds	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total	¥1,319	¥370	¥22	$16,805	$4,512	$268

	March 31, 2011		
	Proceeds from sales	Gains on sales	Losses on sales
	(Millions of yen)		
Stocks	¥3,470	¥692	¥—
Bonds			
Government bonds	0	—	0
Corporate bonds	—	—	—
Other bonds	—	—	—
Other	—	—	—
Total	¥3,470	¥692	¥ 0

c) Securities recognized as impaired for the year ended March 31, 2012
Impairment of ¥602 million ($7,341 thousand) has been recognized on other securities.

Securities recognized as impaired for the year ended March 31, 2011
Impairment of ¥7,409 million has been recognized on other securities.

22. Derivative Transactions

a) Summarized below were the notional amounts and the estimated fair value of the derivatives positions for which hedge accounting is not applied outstanding at March 31, 2012 and 2011:

1) Currency-related transactions

	March 31, 2012					
	Notional amount	Fair value	Unrealized gain (loss)	Notional amount	Fair value	Unrealized gain (loss)
	(Millions of yen)			(Thousands of U.S. dollars)		
Forward foreign exchange contracts:						
Sell:						
USD	¥15,217	¥183	¥183	$185,573	$ 2,232	$ 2,232
Euro	2,164	(34)	(34)	26,390	(415)	(415)
HKD	518	(23)	(23)	6,317	(280)	(280)
JPY	444	12	12	5,415	146	146
THB	14	(1)	(1)	171	(12)	(12)
Buy:						
USD	1,472	53	53	17,951	646	646
Euro	44	0	0	537	0	0
JPY	1,017	(50)	(50)	12,402	(610)	(610)
HKD	0	(0)	(0)	0	(0)	(0)
THB	197	0	0	2,402	0	0
CNY	248	0	0	3,024	0	0
Currency swaps						
Receive/JPY and pay/USD	1,045	5	5	12,744	61	61
Receive/THB and pay/JPY	16,029	710	710	195,476	8,659	8,659
Receive/THB and pay/USD	397	7	7	4,841	85	85
Total	¥38,812	¥866	¥866	$473,317	$10,561	$10,561

Notes to Consolidated Financial Statements (cont.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries
March 31, 2012

	March 31, 2011		
	Notional amount	Fair value	Unrealized gain (loss)
	(Millions of yen)		
Forward foreign exchange contracts:			
Sell:			
USD	¥13,314	¥ 73	¥ 73
Euro	3,641	(146)	(146)
HKD	326	3	3
JPY	370	(7)	(7)
THB	7	0	0
Buy:			
USD	2,891	(9)	(9)
Euro	9	0	0
JPY	1,672	4	4
CAD	32	0	0
HKD	2	0	0
THB	163	1	1
Currency swaps			
Receive/JPY and pay/USD	1,045	4	4
Receive/THB and pay/JPY	10,656	51	51
Total	¥34,134	¥ (22)	¥ (22)

2) Interest-related transactions

	March 31, 2012					
	Notional amount	Fair value	Unrealized gain (loss)	Notional amount	Fair value	Unrealized gain (loss)
	(Millions of yen)			(Thousands of U.S. dollars)		
Interest-rate swaps:						
Pay/fixed and receive/floating	¥1,479	¥(37)	¥(37)	$18,037	$ (451)	$ (451)
Currency swaps:						
Receive/JPY and pay/USD	443	87	87	5,402	1,061	1,061
Total	¥1,923	¥ 50	¥ 50	$23,451	$ 610	$ 610

	March 31, 2011		
	Notional amount	Fair value	Unrealized gain (loss)
	(Millions of yen)		
Interest-rate swaps:			
Pay/fixed and receive/floating	¥1,635	¥ (85)	¥ (85)
Currency swaps:			
Receive/JPY and pay/USD	3,348	816	816
Total	¥4,984	¥730	¥730

b) Summarized below were the notional amounts and the estimated fair value of the derivatives positions for which hedge accounting is applied outstanding at March 31, 2012 and 2011:

1) Interest-related transactions

	March 31, 2012			
	Notional amount	Fair value	Notional amount	Fair value
	(Millions of yen)		(Thousands of U.S. dollars)	
Exceptional treatment is applied with respect to interest-rate swaps for long-term debt:				
Pay/fixed and receive/floating	¥11,200	¥(94)	$136,585	$(1,146)
Receive/fixed and pay/floating	33	34	402	415
Total	¥11,233	¥(60)	$136,988	$ (732)

Notes to Consolidated Financial Statements (cont.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries
March 31, 2012

	March 31, 2011	
	Notional amount	Fair value
	(Millions of yen)	
Exceptional treatment is applied with respect to interest-rate swaps for long-term debt:		
Pay/fixed and receive/floating	¥14,600	¥(116)
Receive/fixed and pay/floating	44	0
Total	¥14,644	¥(116)

2) Currency-related transactions
No applicable items.

23. Business Combination

Fiscal year ended March 31, 2012
Common control transactions, etc.

a. Summary of transaction

(1) Business and operations subject to consolidation
Business: The Company's feed-use amino acid business
Details of operations: Control and supervision of part of the Company's feed-use amino acid business and related feed-use amino acid business conducted through the holding of shares in companies involved in the animal nutrition business.

(2) Date of business combination
November 1, 2011

(3) Legal form of business combination
The separation is an absorption-type separation in which the Company will separate part of its business, and AANG, a wholly-owned subsidiary of the Company, will absorb the business as the succeeding company.

(4) Name of entity after combination
Ajinomoto Animal Nutrition Group, Inc. (a consolidated subsidiary of the Company)

(5) Other matters relating to the transaction
Transferring operations of the Company's feed-use amino acid business to AANG will enable the Company to enhance its sensitivity to the increasingly global and dynamic changes in the business environment. At the same time, having AANG oversee such businesses will enable the Company to achieve flexible decision-making and create an efficient operational structure. The separation will also enable the Company to focus on reinforcing its competitiveness.

b. Overview of accounting treatment used
The business combination has been treated as a common control transaction, based on the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21 of December 26, 2008) and "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10 of December 26, 2008).

24. Segment Information

Segment information
Fiscal year ended March 31, 2012

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.

Notes to Consolidated Financial Statements (cont.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries
March 31, 2012

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

Reporting Segments	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®*, etc.
	Delicatessen and Bakery Products	Lunch boxes and prepared dish, 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	Seasonings	*AJI-NO-MOTO®*, *Ros Dee®* (flavor seasoning), *Masako®* (flavor seasoning), *Sazón®* (flavor seasoning), etc.
	Processed Foods	*YumYum®* (instant noodles), *VONO®* (noodle soup) *Birdy®* (canned coffee beverage), *Birdy® 3in1* (powdered drink), etc.
	Umami Seasonings for Processed Food Manufacturers	*AJI-NO-MOTO®*, etc. 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 for Pharmaceuticals and Foods	Arginine, Glutamine, Valine, Leucine, Isoleucine, and other amino acids
	Sweeteners	*PAL SWEET®*, Aspartame, *Refresco MID®* (powdered juice mix), etc.
	Pharmaceutical Fine Chemicals	Pharmaceutical fine chemicals
	Specialty Chemicals	*Amisoft®*, *Jino®* (series of cosmetics), Insulation film for build-up printed wiring boards, 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.

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, " except for valuation of inventories and allocations, etc. to inventory of cost variances in the standard cost system adopted by the Company. The Company's inventories in each business segment are stated, except in certain cases, at their values before reducing the book value based on declines in profitability. Meanwhile, the Company's cost variances in each business segment are the figures before allocation to inventory.

Reporting segment income figures are on an operating income basis.

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

(Changes to method of calculation of income or loss for reporting segments)

In response to changes to internal administrative systems at the Company, effective the first-quarter of the fiscal year ended March 31, 2012 changes were made to the method used to calculate income or loss by reporting segment. The main points of the change were: the discontinuation of the system under which quasi-royalties/quasi-commissions were borne by each reporting segment in accordance with its sales; the change in the method that the reporting segments use to record the amount allocated to inventory with respect to cost variances under the standard cost accounting system adopted by the Company and the adjustment amount with respect to reporting segments for recording adjustments to valuation of inventory at the Company; the allocation to each reporting segment, proportionally to sales, total assets and number of employees, of shared company-wide expenses including expenses associated with the Company's administrative divisions and expenses associated with some research facilities.

A restatement of the figures for last year based on the new calculation method is presented in "Fiscal year ended March 31, 2011 (April 1, 2010 – March 31, 2011), 3. Information on sales and income or loss by reporting segment, Information on figures for other items."

Notes to Consolidated Financial Statements (cont.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries
March 31, 2012

Attachment

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

	Fiscal year ended March 31, 2012 Millions of yen							
	Reporting segments							
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharma-ceuticals	Business Tie-ups	Other Business*1	Adjustment Amount*2	Consolidated
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 and amortization	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

	Thousands of U.S .dollars							
	Reporting segments							
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharma-ceuticals	Business Tie-ups	Other Business*1	Adjustment Amount*2	Consolidated
Sales								
(1) Sales to third parties	$5,346,622	$2,811,476	$2,414,890	$950,268	$2,229,634	$ 848,463	$ —	$14,601,378
(2) Intra-group sales and transfers	58,280	82,573	69,500	1,244	3,622	826,573	(1,041,841)	—
Total sales	5,404,902	2,894,049	2,484,402	951,524	2,233,268	1,675,049	(1,041,841)	14,601,378
Segment income	386,646	262,744	148,280	79,122	19,732	(11,354)	—	885,171
Segment assets	3,655,963	2,803,451	2,828,012	842,805	715,573	929,305	1,603,598	13,378,744
Other								
Depreciation and amortization	157,451	104,500	129,256	44,646	—	26,585	70,671	533,134
Increase in tangible and intangible fixed assets	$ 149,768	$ 292,939	$ 151,500	$ 39,427	$ —	$ 24,451	$ 34,305	$ 692,415

Notes

1. Other business includes the wellness business, the packaging business, the logistics business and other service businesses.
2. The adjustment amounts are as follows:
   1.) The adjustments of ¥131,495 million ($1,603,598 thousand) for segment assets mainly includes 'Corporate' assets of ¥231,210 million ($2,819,634 thousand) and intersegment offsetting of receivables against payables of negative ¥100,195 million ($1,221,890 thousand). '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.) The adjustments of ¥5,795 million ($70,671 thousand) for depreciation and amortization is for depreciation of 'Corporate' assets.
   3.) The adjustments of ¥2,813 million ($34,305 thousand) for increases in tangible fixed assets and intangible fixed assets is for acquisitions of 'Corporate' tangible and intangible fixed assets.

Notes to Consolidated Financial Statements (cont.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries
March 31, 2012

Attachment

	Fiscal year ended March 31, 2011							
	Millions of yen							
	Reporting segments							
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharma-ceuticals	Business Tie-ups	Other Business*1	Adjustment Amount*2	Consolidated*3
Sales								
(1) Sales to third parties	¥437,838	¥231,990	¥198,291	¥82,645	¥184,574	¥ 72,354	¥ —	¥1,207,695
(2) Intra-group sales and transfers	6,471	6,752	5,924	126	218	62,843	(82,337)	—
Total sales	444,310	238,742	204,216	82,771	184,793	135,197	(82,337)	1,207,695
Segment income	26,506	26,837	8,685	7,940	1,594	(2,190)	—	69,374
Segment assets	298,373	214,291	228,467	68,933	54,975	72,920	139,456	1,077,418
Other								
Depreciation	13,670	9,969	13,780	3,593	—	2,398	6,413	49,825
Increase in tangible and intangible fixed assets	¥ 10,787	¥ 17,325	¥ 10,061	¥ 2,984	¥ —	¥ 1,736	¥ 2,887	¥ 45,783

Notes

1. Other business includes the wellness business, the packaging business, the logistics business and other service businesses.

2. The adjustment amounts are as follows:

1.) The adjustments of ¥139,456 million for segment assets mainly includes 'Corporate' assets of ¥239,281 million and intersegment offsetting of receivables against payables of negative ¥97,947 million. '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.) The adjustments of ¥6,413 million for depreciation is for depreciation of 'Corporate' assets.

3.) The adjustments of ¥2,887 million for increases in tangible fixed assets and intangible fixed assets is for acquisitions of 'Corporate' tangible and intangible fixed assets.

3. Segment income is restated based on the new calculation method. For details on the changes in the calculation method, please see "Methods of calculating amounts for net sales, income or loss, assets and other items by reporting segment (Changes to method of calculation of income or loss for reporting segments)."

b. Related information

Information by geographical area

As of and for the fiscal year ended March 31, 2012

(1) Sales

Attachment

	Millions of yen				
	Japan	Asia	America	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%

	Thousands of U.S. dollars				
	Japan	Asia	America	Europe	Total
Sales	$9,658,780	$2,419,939	$1,426,573	$1,096,061	$14,601,378
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				
	Japan	Asia	America	Europe	Total
Tangible fixed assets	¥222,011	¥71,591	¥43,434	¥51,647	¥388,683

	Thousands of U.S .dollars				
	Japan	Asia	America	Europe	Total
Tangible fixed assets	$2,707,451	$873,061	$529,683	$629,841	$4,740,037

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Notes to Consolidated Financial Statements (cont.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries
March 31, 2012

As of and for the fiscal year ended March 31, 2011

(1) Sales

	Millions of yen				
	Japan	Asia	America	Europe	Total
Sales	¥803,680	¥195,675	¥118,260	¥90,078	¥1,207,695
Percentage of total consolidated sales	66.5%	16.2%	9.8%	7.5%	100.0%

(2) Tangible fixed assets

	Millions of yen				
	Japan	Asia	America	Europe	Total
Tangible fixed assets	¥226,259	¥62,253	¥44,524	¥55,014	¥388,050

c. Impairment losses on fixed assets by reporting segment

As of and for the fiscal year ended March 31, 2012

	Millions of yen							
	Reporting segments							
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharma-ceuticals	Business Tie-ups	Other Business	Adjustment Amount	Total
Impairment losses	¥411	—	—	¥129	—	¥161	¥404	¥1,106

	Thousands of U.S. dollars							
	Reporting segments							
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharma-ceuticals	Business Tie-ups	Other Business	Adjustment Amount	Total
Impairment losses	$5,012	—	—	$1,573	—	$1,963	$4,927	$13,488

As of and for the fiscal year ended March 31, 2011

	Millions of yen							
	Reporting segments							
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharma-ceuticals	Business Tie-ups	Other Business	Adjustment Amount	Total
Impairment losses	¥431	—	¥8,072	—	—	—	—	¥8,503

d. Amortization of goodwill and outstanding balance by reporting segment

As of and for the fiscal year ended March 31, 2012

	Millions of yen							
	Reporting segments							
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharma-ceuticals	Business Tie-ups	Other Business	Adjustment Amount	Total
Amortization	¥ 2,673	¥ 148	¥36	¥1,646	—	—	—	¥ 4,505
Outstanding balance	¥21,868	¥2,046	¥68	¥1,097	—	—	—	¥25,080

	Thousands of U.S. dollars							
	Reporting segments							
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharma-ceuticals	Business Tie-ups	Other Business	Adjustment Amount	Total
Amortization	$ 32,598	$ 1,805	$439	$20,073	—	—	—	$ 54,939
Outstanding balance	$266,683	$24,951	$829	$13,378	—	—	—	$305,854

Notes to Consolidated Financial Statements (cont.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries
March 31, 2012

As of and for the fiscal year ended March 31, 2011

	Millions of yen							
	Reporting segments							
	Domestic Food Products	Overseas Food Products	Bioscience Products and Fine Chemicals	Pharma-ceuticals	Business Tie-ups	Other Business	Adjustment Amount	Total
Amortization	¥ 2,673	¥ 148	¥ 36	¥1,646	—	—	—	¥ 4,505
Outstanding balance	¥24,541	¥2,195	¥104	¥2,744	—	—	—	¥29,586

e. Gains on negative goodwill by reporting segment
Fiscal year ended March 31, 2012
No applicable items.

Fiscal year ended March 31, 2011
No applicable items.

25. Loss on Disaster

A loss was recorded as a result of the Great East Japan Earthquake on March 11, 2011.

The outline and breakdown of details is as follows. The impairment loss includes an estimated amount, which is calculated based on an approximate calculation.

a. Damage to facilities

Damage was suffered to buildings and facilities of the Company and its subsidiaries, in particular Ajinomoto Logistics Corporation Sendai Low-Temperature Logistics Center and the Ajinomoto Pharmaceuticals Co., Ltd. Fukushima Plant. As such the Company recorded a loss of ¥819 million.

b. Damage to inventories

Inventories in distribution centers and manufacturing facilities of the Company and its subsidiaries mainly in the Tohoku and Kanto region, also suffered damage as a result of falling, etc., caused by the earthquake and tsunami. As such, the Company recorded a loss of ¥1,487 million. A valuation loss was recorded with regard to inventories at the Company's Kawasaki Logistics Center. This was rationally estimated from book inventories in accordance with estimate of damage calculated by examining the actual damages.

c. Other

The Company also recorded a loss of ¥924 million pertaining to the payment of expenses that could not be recognized as operating costs and related expenses, such as fixed costs for plants at which operations are suspended.

Of the losses recorded due to damage, with regards to those losses relating to fixed assets and inventory and expenses for clean-up, the Company has property insurance (including an earthquake coverage clause) for a total amount in excess of the amount of damages.

26. Significant Subsequent Events

1. Sale of shares of specified subsidiary

The Company resolved at a Board of Directors meeting on May 8, 2012 to sell all outstanding shares of its consolidated subsidiary Calpis Co., Ltd. (Calpis; specified subsidiary as stipulated in Article 19, paragraph 10 of the Cabinet Office Order on Disclosure of Corporate Information, etc.) to Asahi Group Holdings, Ltd. (Asahi).

(1) Reason for sale of shares

Under its FY2011-2013 Medium-Term Management Plan, Ajinomoto 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."

Ajinomoto Group 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.

Ajinomoto became the largest shareholder in Calpis 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, Ajinomoto carefully considered a formal proposal from Asahi in January 2012 to purchase Calpis's shares.

Asahi expressed its desire to grow Calpis's business as a key component of its drive to develop the beverage business as a core group business, citing a strong appreciation for the Calpis brand and Calpis's technology for utilizing lactobacillus and microorganisms, its corporate culture and history spanning more than 90 years, and its outstanding human resources.

Moreover, Calpis and Asahi group company Asahi Soft Drinks Co., Ltd. have been building mutual trust through their joint venture in vending machine beverages.

After due consideration of these issues, Ajinomoto decided that selling its shares in Calpis to Asahi would contribute to Ajinomoto's plan to concentrate on core businesses, and would further optimize growth at Calpis over the long term.

Ajinomoto therefore decided to conclude the contract.

Notes to Consolidated Financial Statements (cont.)

Ajinomoto Co., Inc. and Consolidated Subsidiaries
March 31, 2012

(2) Overview of Calpis

1) 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 sale

1) Planned closing date	October 1, 2012
2) Number of shares to be sold	73,936,871 shares
3) Planned sale price	Approximately JPY 120 billion* ($1,463,415 thousand)
4) Ajinomoto's ownership ratio after sale	–% (100% before sale)

**The sale price is subject to adjustment according to the situation with respect to dividends from retained earnings paid to Ajinomoto by Calpis up to the date of the transfer of shares (closing date) and with respect to Calpis Group cash and deposits, working capital and so forth at the time of closing.*

(4) Segment to which Calpis belongs in "Segment Information": Domestic Food Products

2. Share repurchase based on the Articles of Incorporation pursuant to Article 165-2 of the Corporation Law

The Company passed a resolution at the Board of Directors meeting on May 8, 2012 related to a share repurchase plan based on Article 156 of the Corporation Law as applied pursuant to Article 165-3 of the same law, as outlined below.

(1) Reason for conducting the share repurchase plan

The purpose is to increase the level of shareholder returns and improve capital efficiency.

(2) Details of the repurchase

1) Class of shares	Common stock
2) Total number of shares to be repurchased	50 million (maximum) (7.39 percent of total shares outstanding, excluding treasury stock)
3) Total amount to be paid for repurchase	¥50.0 billion (maximum) ($609,756 thousand)
4) Period of share repurchase	May 9, 2012 to January 21, 2013
5) Method of repurchase	Purchase in the market through a trust bank
6) Other	Ajinomoto plans to retire all of the shares repurchased under this program by resolution of the Board of Directors, pursuant to Article 178 of the Corporation Law.

For reference (as of March 31, 2012):

Total number of common stock outstanding (excluding treasury stock): 676,682,345 shares

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Independent Auditor's Report

The Board of Directors and Shareholders
Ajinomoto Co., Ltd.

We have audited the accompanying consolidated financial statements of Ajinomoto Co., Ltd. and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2012, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Ajinomoto Co., Ltd. and consolidated subsidiaries at March 31, 2012, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Emphasis of Matter

1. As described in Note 26, the Company passed a resolution at the Board of Directors meeting on May 8, 2012 to sell all outstanding shares of its consolidated subsidiary Calpis Co., Ltd. to Asahi Group Holdings, Ltd.

2. As described in Note 26, the Company passed a resolution at the Board of Directors meeting on May 8, 2012 related to a share repurchase plan.

Our opinion is not qualified in respect of these matters.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 3.

Ernst & Young ShinNihon LLC

June 28, 2012

A member firm of Ernst & Young Global Limited

Major Subsidiaries and Affiliates (1/2)

(As of March 31, 2012)

■ Consolidated subsidiaries
■ Affiliated companies accounted for under the equity method

Japan

COMPANY NAME	COUNTRY	CAPITAL STOCK (THOUSANDS)		VOTING RIGHTS*	MAJOR BUSINESS
■ Ajinomoto Frozen Foods Co., Inc.	Japan	JPY	9,537,650	100.0	Frozen Foods
■ AJINOMOTO LOGISTICS CORPORATION	Japan	JPY	1,930,240	89.4 (1.1)	Logistics
■ Ajinomoto Pharmaceuticals Co., Ltd.	Japan	JPY	4,650,000	100.0	Pharmaceuticals
■ Ajinomoto Treasury Management, Inc.	Japan	JPY	500,000	100.0	Service, etc.
■ Calpis Co., Ltd	Japan	JPY	13,056,750	100.0	Beverages
■ GABAN Co., Ltd.	Japan	JPY	2,827,868	55.4	Domestic Seasonings and Processed Foods
■ Knorr Foods Co., Ltd.	Japan	JPY	4,000,000	100.0	Domestic Seasonings and Processed Foods
■ Ajinomoto Animal Nutrition Group, Inc.	Japan	JPY	500,000	100.0	Feed-Use Amino Acid
■ Ajinomoto General Foods, Inc. (equity method)	Japan	JPY	3,862,697	50.0	Beverages
■ J-OIL MILLS, INC. (equity method)	Japan	JPY	10,000,000	27.3	Edible Oils

Asia

COMPANY NAME	COUNTRY	CAPITAL STOCK (THOUSANDS)		VOTING RIGHTS*	MAJOR BUSINESS
■ Ajinomoto (China) Co., Ltd.	China	USD	104,108	100.0	Overseas Food Products
■ HENAN AJINOMOTO AMINO ACID CO., LTD.	China	USD	6,000	100.0 (100.0)	Amino Acids for Pharmaceuticals and Foods
■ Lianyungang Ajinomoto Frozen Foods Co., Ltd.	China	USD	5,800	100.0 (100.0)	Frozen Foods
■ Lianyungang Ajinomoto Ruyi Foods Co., Ltd.	China	USD	5,500	90.0 (90.0)	Frozen Foods
■ Shanghai Ajinomoto Amino Acid Co., Ltd.	China	USD	12,000	61.0 (59.0)	Amino Acids for Pharmaceuticals and Foods
■ Shanghai Ajinomoto Seasoning Co., Ltd.	China	USD	27,827	100.0 (99.0)	Overseas Food Products
■ Xiamen Ajinomoto Life Ideal Foods Co., Ltd.	China	USD	7,000	51.0 (51.0)	Frozen Foods
■ PT Ajinex International	Indonesia	USD	44,000	95.0	Umami Seasonings for Processed Food mfrs.
■ PT Ajinomoto Calpis Beverage Indonesia	Indonesia	USD	22,920	100.0 (95.9)	Beverages
■ PT Ajinomoto Indonesia**	Indonesia	USD	8,000	50.0	Overseas Food Products
■ Ajinomoto (Malaysia) Berhad	Malaysia	MYR	60,798	50.1	Overseas Food Products
■ AJINOMOTO PHILIPPINES CORPORATION	Philippines	PHP	665,444	95.0	Overseas Food Products
■ Ace Pack Co., (Thailand) Ltd.	Thailand	THB	277,500	100.0 (94.6)	Packaging
■ Ajinomoto Betagro Frozen Foods (Thailand) Co., Ltd.	Thailand	THB	764,000	50.0 (50.0)	Frozen Foods
■ Ajinomoto Betagro Specality Foods (Thailand) Co., Ltd.	Thailand	THB	390,000	51.0 (51.0)	Frozen Foods
■ Ajinomoto Calpis Beverage (Thailand) Co., Ltd.	Thailand	THB	660,000	100.0 (100.0)	Beverages
■ Ajinomoto Co., (Thailand) Ltd.	Thailand	THB	796,362	78.7 (4.5)	Overseas Food Products
■ Ajinomoto Frozen Foods (Thailand) Co., Ltd.	Thailand	THB	105,000	100.0 (100.0)	Frozen Foods
■ Fuji Ace Co., Ltd.	Thailand	THB	500,000	51.0 (51.0)	Packaging
■ Ajinomoto Vietnam Co., Ltd.	Vietnam	USD	50,255	100.0	Overseas Food Products

Notes: * Numbers in parentheses indicate indirect equity ownership.
** This company is classified as a subsidiary as it is under the substantial control of Ajinomoto Co., Inc.

Major Subsidiaries and Affiliates (2/2)

(As of March 31, 2012)

■ Consolidated subsidiaries
■ Affiliated companies accounted for under the equity method

America

COMPANY NAME	COUNTRY	CAPITAL STOCK (THOUSANDS)		VOTING RIGHTS*	MAJOR BUSINESS
■ Ajinomoto do Brasil Ind. e Com. de Alimentos Ltda.	Brazil	BRL	913,298	100.0	Feed-Use Amino Acids and Umami Seasonings for Processed Food mfrs.
■ Ajinomoto del Perú S.A.	Peru	PEN	45,282	99.6	Overseas Food Products
■ Ajinomoto Frozen Foods U.S.A., Inc.	United States	USD	15,030	100.0 (100.0)	Frozen Foods
■ Ajinomoto Heartland, Inc.	United States	USD	750	100.0 (100.0)	Feed-Use Amino Acids
■ AJINOMOTO NORTH AMERICA, INC.	United States	USD	750	100.0	Amino Acids for Pharmaceuticals and Foods
■ Calpis U.S.A., Inc.	United States	USD	9,000	100.0 (100.0)	Beverages
■ Nissin-Ajinomoto Alimentos Ltda.	Brazil	BRL	12,689	50.0	Overseas Food Products

Europe

COMPANY NAME	COUNTRY	CAPITAL STOCK (THOUSANDS)		VOTING RIGHTS*	MAJOR BUSINESS
■ S.A. Ajinomoto OmniChem N.V.	Belgium	EUR	21,320	100.0 (0.0)	Pharmaceutical Fine Chemicals
■ Ajinomoto Sweeteners Europe S.A.S.	France	EUR	51,000	100.0 (0.0)	Sweeteners
■ AJINOMOTO FOODS EUROPE S.A.S.	France	EUR	42,609	100.0 (0.0)	Overseas Food Products
■ AJINOMOTO EUROLYSINE S.A.S.	France	EUR	26,865	100.0 (0.0)	Feed-Use Amino Acids
■ Ajinomoto Poland Sp. z o.o.	Poland	PLN	39,510	100.0 (100.0)	Overseas Food Products
■ ZAO “AJINOMOTO-GENETIKA Research Institute”	Russia	RUB	468,151	100.0	Service, etc.
■ West African Seasoning Co., Ltd.	Nigeria	NGN	2,623,714	100.0	Overseas Food Products

Notes: * Numbers in parentheses indicate indirect equity ownership.
** This company is classified as a subsidiary as it is under the substantial control of Ajinomoto Co., Inc.

Investor Information (1/2)

(As of March 31, 2012)

Ajinomoto Co., Inc.

Established: May 20, 1909

Number of employees: 28,245 (consolidated basis)
3,300 (non-consolidated basis)

Fiscal year: April 1 — March 31
Annual shareholders' meeting held in June

Common stock
Authorized: 1,000,000,000 shares

Issued: 678,980,654 shares

Paid-in capital: ¥79,863 million

Listings: Tokyo Stock Exchange and Osaka Securities Exchange (Ticker Code: 2802)

Shareholder registrar: Mitsubishi UFJ Trust and Banking Corporation

Independent auditor: Ernst & Young ShinNihon

Number of shareholders: 70,546

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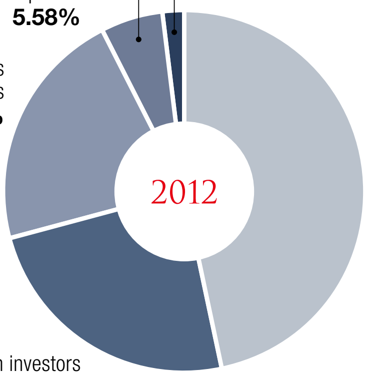
Distribution of Shareholders

(By number of shares)



Major Shareholders

Name of shareholders	Number of Shares (Thousands)	Equity Position (%)
The Master Trust Bank of Japan, Ltd. (trust account)	49,545	7.30
Japan Trustee Services Bank, Ltd. (trust account)	39,703	5.85
The Dai-ichi Life Insurance Company, Limited	26,199	3.86
Nippon Life Insurance Company	25,706	3.79
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	20,149	2.97
Nipponkoa Insurance Co., Ltd.	16,097	2.37
SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS	14,284	2.10
Meiji Yasuda Life Insurance Company	12,624	1.86
Mitsubishi UFJ Trust and Banking Corporation	11,548	1.70
Mizuho Corporate Bank, Ltd.	10,036	1.48

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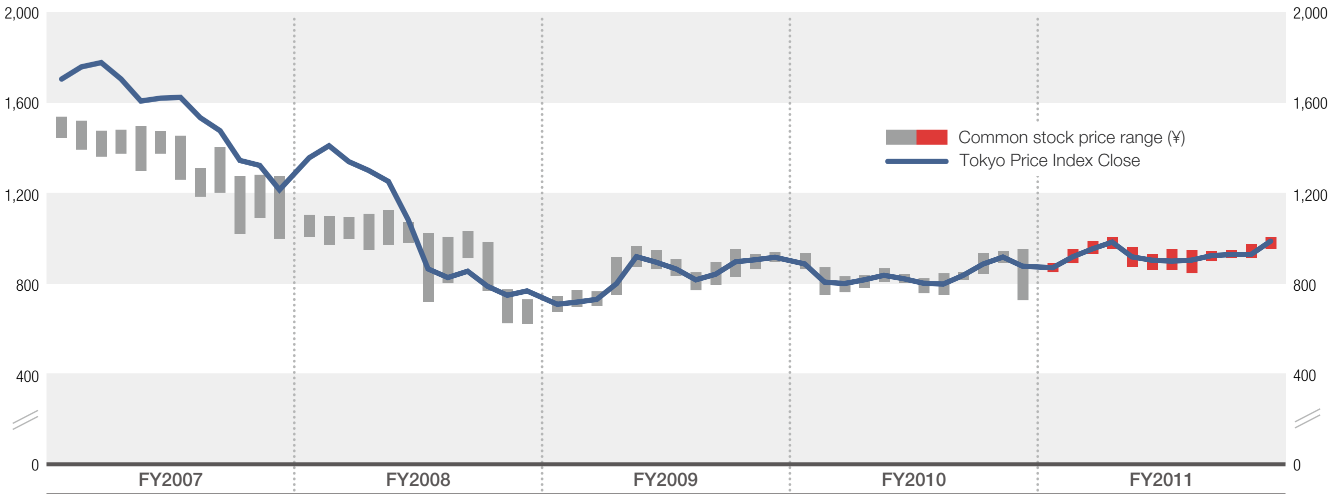
INVESTOR INFORMATION (2/2)

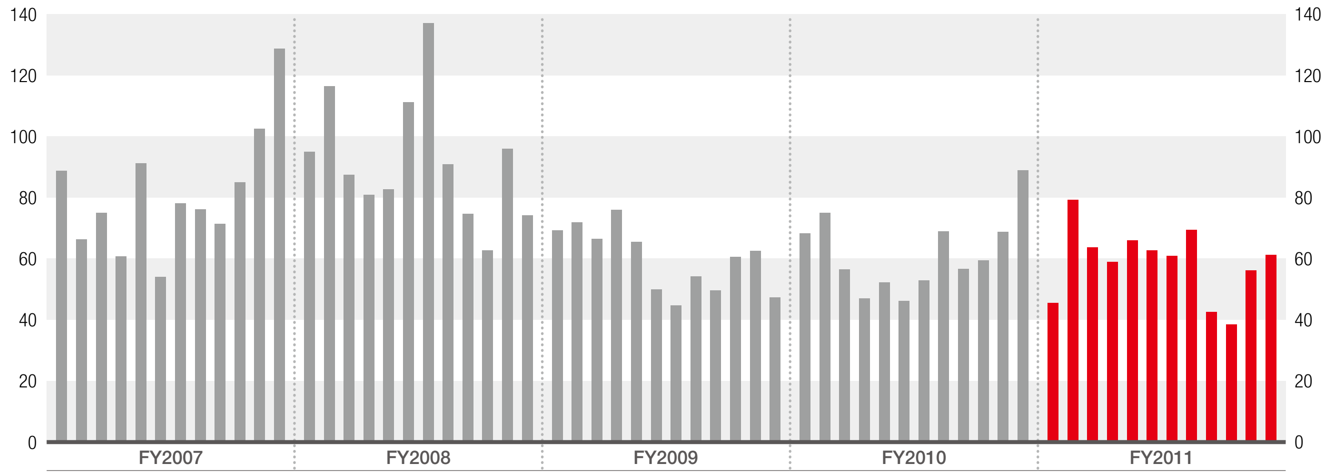
(As of March 31, 2012)

MONTHLY STOCK PRICE RANGE (¥)



Note: Fiscal years beginning April and ending March the following calendar year.

MONTHLY TRADING VOLUME (million shares)



Note: Fiscal years beginning April and ending March the following calendar year.

RELATED LINKS

Ajinomoto Group Home: www.ajinomoto.com

Investor Relations: www.ajinomoto.com/ir/index.html

- *Management Strategy*
- *Financial Data*
- *IR Library*
  (Annual Reports, Investors' Guides, Fact Sheets, Press Releases, etc.)
- *Stock Information*

Corporate Brochure

CSR Report