

Ajinomoto Co., Inc.

Consolidated Results

First Quarter Ended June 30, 2005

This document has been translated from the original Japanese as a guide for non-Japanese investors. It contains forward-looking statements based on a number of assumptions and beliefs made by management in light of information currently available. Actual financial results may differ materially depending on a number of factors, including changing economic conditions, legislative and regulatory developments, delay in new product launches, and pricing and product initiatives of competitors.

SUMMARY OF FINANCIAL STATEMENTS (Consolidated)

First quarter results for the year ending March 31, 2006

Ajinomoto Co., Inc.

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1. Notes to preparation of these financial statements

Adoption of simplified accounting treatments:

- a) Income taxes: based on estimated actual tax rate b) Allowance for doubtful accounts: partial use of the simple method

Differences in accounting treatments applied compared to previous consolidated fiscal year: None

Changes in the scope of consolidation and companies accounted for by the equity method compared to previous consolidated fiscal year:

Consolidated subsidiaries	(Newly included)	3 (Excluded)	--
Companies accounted for by the equity method	(Newly included)	-- (Excluded)	1

2. First quarter consolidated financial results (April 1, 2005 to June 30, 2005) for the fiscal year ending March 31, 2006

1) Consolidated Operating Results

Millions of yen

	First quarter of FY ending March 31, 2006	First quarter of FY ended March 31, 2005	FY ended March 31, 2005
Net sales	261,454	264,677	1,073,010
Operating income	7,611	19,180	70,916
Ordinary income	8,614	20,267	72,199
Net income	3,459	13,016	44,817
Net income per share (¥)	¥5.36	¥20.08	¥68.79
Fully diluted earnings per share (¥)	--	--	--

2) Financial Position

Millions of yen

	As of June 30, 2005	As of June 30, 2004	As of March 31, 2005
Total assets	886,946	883,304	903,542
Shareholders' equity	469,207	437,024	467,297
Equity ratio (%)	52.9%	49.5%	51.7%
Shareholders' equity per share (¥)	¥724.01	¥674.01	¥720.64

3. Matters concerning consolidated subsidiaries and affiliates accounted for by the equity method:

Number of consolidated subsidiaries	100
Number of non-consolidated subsidiaries accounted for by the equity method	4
Number of affiliates accounted for by the equity method	13

4. Forecast for the interim period (April 1, 2005 to September 30, 2005) of FY ending March 31, 2006

Millions of yen

	6 months ending September 30, 2005
Net sales	545,000
Ordinary income	20,000
Net income	11,500
Net income per share (¥)	¥17.74

Please refer to pages 3 and 5 of this report for qualitative information on these three-month results.

1. CONSOLIDATED OPERATING RESULTS

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

Consolidated net sales for the first three months (April 1, 2005 to June 30, 2005) of the fiscal year ending March 31, 2006 decreased 1.2% (¥3.2 billion) to ¥261.4 billion. Factors causing this decrease included a drop in prices of feed-use Lysine, and a decrease in edible oils sales because of product lineup changes associated with the merger of J-OIL MILLS, INC. in July 2004. Consolidated operating income decreased 60.3% to ¥7.6 billion, and consolidated ordinary income decreased 57.5% to ¥8.6 billion. Consolidated net income for the first quarter decreased 73.4% to ¥3.4 billion. Factors influencing these profit levels included the impact of the drop in prices for feed-use Lysine, and the impact of higher raw materials costs for core products in Japan and overseas.

Domestic food products

Net sales in the domestic food products segment decreased 0.7% (¥1.0 billion) to ¥148.9 billion, and operating income decreased 10.9% (¥0.4 billion) to ¥4.0 billion.

The operating environment for this segment remained difficult in the period under review, even though supermarket sales showed signs of recovery. During the period the Ajinomoto Group (Ajinomoto) undertook a number of measures to stimulate demand and increase sales of key products.

Seasonings: Overall sales of seasonings were lower than in the previous comparable period. Although *Hon-Dashi* steadily continued to take market share, sales declined because the overall market decreased in size. Sales of umami seasoning *AJI-NO-MOTO* increased, boosted by an 'AjiPanda' campaign that began in May.

Sales of *ACTIVA*, an enzyme (transglutaminase) that improves food texture, increased significantly as sales to the domestic meat processing industry were strong.

Processed foods: Sales of soups increased, supported by steady growth in the market. Sales of mayonnaise and mayonnaise-type dressings were higher than in the previous comparable period, as a result of the introduction of *Pure Select Saralea*, designated as a "Food for Specified Health Use," and further growth in sales of *Pure Select Mayonnaise*, even though the overall market for mayonnaise products did not show any growth. Sales of the *Cook Do* line were in line with the previous comparable period, despite the impact of additional competitors to the market.

Sweeteners and nutritional foods: Sales of amino acid supplement *Amino Vital* were lower, while sales of amino acid-based sweeteners for home and restaurant use, which include key products *Pal Sweet* and *Pal Sweet Calorie Zero*, were significantly higher than in the previous first quarter period.

Frozen foods: Sales of frozen foods for home use increased overall, supported by promotional activities integrated with advertising that produced strong sales growth in the *Gyoza* products that was revised in spring. Sales of new products *Fried chicken for lunch box use* and *Fried rice with various ingredients* also contributed to the overall sales growth. Although progress was made in improving profit structure by focusing on core areas, sales for restaurant and institutional use declined.

Edible oils: In July 2004 J-OIL MILLS, INC. merged with and absorbed the operations of companies including Ajinomoto Oil Mills Co., Inc., HONEN Corporation and Yoshihara Oil Mill, Ltd., with Ajinomoto Co., Inc. (the Company) becoming the distributor of edible oils for home use and J-OIL MILLS, INC. becoming the distributor of products for commercial use, including most Ajinomoto-branded oils and meal products. Accordingly, the Company's sales of products for home use increased, while sales of products for commercial use decreased.

Coffee, Beverages, Dairy products: Sales of instant coffee, regular coffee and liquid coffee all grew steadily. Sales of beverage products were largely in line with the previous comparable period. Although sales of straight products such as *Calpis Water* and *evian* were strong, sales of functional drinks such as *Ameal S* and *KEN-CHA-OH* were weaker. Sales of chilled dairy products grew steadily, supported by good sales of *Danone Fruit Selection* and *Baby Danone*.

Overseas food products

Net sales in the overseas food products segment increased 21.2% (¥3.8 billion) to ¥22.2 billion. Operating income decreased 37.0% (¥0.3 billion) to ¥0.5 billion.

Seasonings: In Thailand, Vietnam and West African countries, sales of umami seasoning *AJI-NO-MOTO* were strong, and steady sales performance was also produced in countries such as the Philippines, China, and Peru. Sales of flavor seasonings were favorable in Thailand (with *ROSDEE*) and the Philippines (with *Ajinomoto Ginisa Flavor Mix*), with overall sales in this product segment continuing to grow.

Processed foods: Sales of canned coffee beverage *Birdy* continued to grow, as did sales of instant noodles.

Amino acids

Net sales in the amino acid segment decreased 5.6% (¥3.5 billion) to ¥60.0 billion. Operating income decreased 75.8% (¥9.5 billion) to ¥3.0 billion.

Umami seasonings for processed food manufacturers: Sales in Japan of umami seasoning *AJI-NO-MOTO* to major customers increased steadily, and sales in all overseas markets were strong. Results overall exceeded those of the previous comparable period. Sales of nucleotides also increased.

Feed-use amino acids: Overall sales declined significantly. Although Threonine sales increased, this did not fully compensate for the major fall in Lysine prices caused by a rapid increase in supply by Chinese manufacturers.

Amino Acids for pharmaceuticals and foods: Overall sales performance was lower than in the previous comparable quarter. Sales of products for pharmaceutical use in Europe and the Americas grew steadily, but sales of beverage manufacturers in Japan were sluggish.

Sweeteners: Sales to major customers were strong, and results exceeded the previous comparable period.

Pharmaceutical intermediates: Sales in Europe trended favorably, and overall results were largely in line with the previous comparable period.

Specialty chemicals: Sales of amino acid-based cosmetic *Jino* grew steadily. Sales of electronic materials were strong, with good sales of insulation film for use in MPU boards. Sales of cosmetics ingredients grew substantially in domestic markets, but weaker overseas sales meant that overall results were largely unchanged for the period.

Pharmaceuticals

Net sales in the pharmaceuticals segment decreased 7.9% (¥1.3 billion) to ¥16.1 billion. Operating income declined 42.4% (¥0.8 billion) to ¥1.0 billion.

Although sales of anti-hypertensive drug *ATELEC*, non-insulin-dependent diabetes treatment *FASTIC* and osteoporosis treatment *Actonel* grew steadily, sales of infusions such as total parenteral nutrition *PNTWIN* and electrolyte solution *SOLITA-T* were weak, and overall results declined.

Other

Net sales in this segment decreased 7.3% (¥1.1 billion) to ¥14.0 billion. Operating income decreased 33.6% (¥0.3 billion) to ¥0.6 billion.

2. FINANCIAL POSITION

Total assets at the end of the three months under review were ¥886.9 billion. This decrease of ¥16.5 billion compared to total assets as of March 31, 2005 was due mainly to a decrease in cash on hand and in banks resulting from the payment of income taxes.

Total shareholders' equity increased ¥1.9 billion to ¥469.2 billion on a consolidated basis between March 31, 2005 and June 30, 2005, and as a result the shareholders' equity ratio changed from 51.7% to 52.9%.

Information on revisions to consolidated forecasts

Based on recent trends in performance, the Company has revised its consolidated forecasts for the interim period of the fiscal year ending March 31, 2006. The previous interim forecasts were announced on May 13, 2005.

Revised consolidated forecasts for interim period of fiscal year ending March 31, 2006

Interim forecasts (April 1, 2005 to September 30, 2005)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Previous (A)	550,000	28,000	28,000	15,000
Revised (B)	545,000	20,000	20,000	11,500
Change (B) - (A)	(5,000)	(8,000)	(8,000)	(3,500)
Change in percent	(0.9%)	(28.6%)	(28.6%)	(23.3%)
Interim period ended September 30, 2004	545,633	36,215	37,647	22,073

Reasons for revision

Forecast net sales have been revised downward by ¥5.0 billion, due mainly to the impact of a major fall in prices for feed-use Lysine that resulted from a rapid increase in supply by competitors. Operating income and ordinary income have both been revised downward by ¥8.0 billion to ¥20.0 billion, due to the impact of feed-use Lysine prices as mentioned above, in addition to pressure on profit margins resulting from higher raw materials costs for core products domestically and overseas and higher oil prices, which could not be fully offset through cost cutting measures or price increases. Forecast net income for the interim period has been revised downward by ¥3.5 billion to ¥11.5 billion.

Forecasts for the full fiscal year ending March 31, 2006 are currently being prepared, and will be announced when they become available.

3. DISCLAIMER

Forecasts and forward-looking statements in this document are based on a number of assumptions and beliefs made by management in light of information currently available. Actual financial results may differ materially depending on a number of factors, including economic conditions, legislative and regulatory developments, delay in new product launches, and pricing and product initiatives of competitors.

Consolidated Balance Sheets

Millions of yen, rounded down

	As of June 30, 2005		As of March 31, 2005		Increase (Decrease)	As of June 30, 2004	
		%		%			%
ASSETS							
Current assets							
Cash on hand and in banks.....	71,773		93,929		(22,156)	67,182	
Notes & accounts receivable.....	184,981		188,010		(3,028)	184,718	
Marketable securities	799		1,285		(485)	1,929	
Inventories.....	102,285		97,459		4,825	97,249	
Deferred tax assets	10,082		10,313		(230)	8,272	
Other	25,062		24,212		849	28,902	
Allowance for doubtful accounts.....	(784)		(795)		10	(814)	
Total current assets	394,200	44.4	414,415	45.9	(20,215)	387,441	43.9
Fixed assets							
Tangible fixed assets							
Buildings and structures	258,472		252,206		6,266	239,846	
Machinery and vehicles.....	431,747		425,227		6,519	407,326	
Others	49,419		48,656		762	46,352	
Accumulated depreciation	(509,612)		(500,050)		(9,561)	(479,866)	
Land	58,222		57,861		361	62,880	
Construction in process.....	20,958		18,557		2,401	19,372	
Total tangible fixed assets	309,208	34.9	302,458	33.5	6,749	295,911	33.5
Intangible fixed assets							
Adjustment for consolidated account	26,083		27,152		(1,068)	30,681	
Other	17,632		18,268		(636)	17,398	
Total intangible fixed assets.....	43,715	4.9	45,421	5.0	(1,705)	48,079	5.4
Investment and other assets							
Investment in securities.....	117,740		119,661		(1,920)	123,587	
Long-term loans receivable.....	260		247		12	441	
Deferred tax assets	13,957		13,042		915	18,455	
Other	9,363		10,721		(1,357)	11,103	
Allowance for doubtful accounts.....	(1,501)		(2,426)		925	(1,716)	
Total investment and other assets	139,821	15.8	141,246	15.6	(1,425)	151,871	17.2
Total fixed assets.....	492,745	55.6	489,126	54.1	3,619	495,862	56.1
Total Assets	886,946	100.0	903,542	100.0	(16,595)	883,304	100.0

Consolidated Balance Sheets

Millions of yen, rounded down

	As of June 30, 2005		As of March 31, 2005		Increase (Decrease)	As of June 30, 2004	
		%		%			%
LIABILITIES							
Current liabilities							
Notes & accounts payable.....	112,570		109,140		3,429	116,993	
Short-term borrowings.....	24,807		24,305		501	38,796	
Commercial paper.....	--		--		--	5,000	
Long-term loans due to be repaid within one year	774		764		10	1,313	
Corporate bonds to be redeemed within one year	10,000		10,000		--	--	
Accrued income taxes.....	6,384		16,584		(10,200)	11,523	
Accrued bonuses	3,046		3,406		(360)	3,785	
Other	53,734		66,608		(12,873)	52,689	
Total current liabilities	211,318	23.8	230,810	25.6	(19,492)	230,101	26.0
Long-term liabilities							
Bonds.....	85,000		85,000		--	95,000	
Long-term debt.....	5,463		5,533		(70)	6,032	
Deferred tax liabilities.....	2,084		2,252		(167)	2,025	
Accrued employees' retirement benefits.....	61,916		63,275		(1,358)	67,755	
Accrued officers' severance benefits.....	1,341		1,860		(518)	1,552	
Other	23,182		22,804		378	20,757	
Total long-term liabilities	178,988	20.2	180,726	20.0	(1,737)	193,122	21.9
Total liabilities	390,307	44.0	411,537	45.6	(21,229)	423,223	47.9
MINORITY INTERESTS:							
Minority interests.....	27,431	3.1	24,707	2.7	2,724	23,055	2.6
SHAREHOLDERS' EQUITY:							
Common stock.....	79,863	9.0	79,863	8.8	--	79,863	9.0
Capital surplus	111,579	12.6	111,579	12.3	(0)	111,579	12.6
Retained earnings.....	314,637	35.5	315,981	35.0	(1,344)	288,413	32.7
Unrealized holding gains on securities	8,371	0.9	9,239	1.0	(868)	12,170	1.4
Translation adjustments	(42,926)	(4.8)	(47,116)	(5.2)	4,189	(53,061)	(6.0)
Treasury stock	(2,318)	(0.3)	(2,250)	(0.2)	(67)	(1,940)	(0.2)
Total shareholders' equity.....	469,207	52.9	467,297	51.7	1,909	437,024	49.5
Total Liabilities, Minority Interests and Shareholders' Equity.....	886,946	100.0	903,542	100.0	(16,595)	883,304	100.0

Consolidated Statements of Income

Millions of yen, rounded down

	First quarter ended June 30, 2005		First quarter ended June 30, 2004		Increase (Decrease)	FY ended March 31, 2005	
		%		%			%
Net sales	261,454	100.0	264,677	100.0	(3,223)	1,073,010	100.0
Cost of sales	193,400	74.0	189,105	71.4	4,295	760,554	70.9
Gross profit.....	68,053	26.0	75,572	28.6	(7,518)	312,455	29.1
Selling, general and administrative expenses.....	60,442	23.1	56,391	21.3	4,050	241,538	22.5
Operating income	7,611	2.9	19,180	7.2	(11,568)	70,916	6.6
Non-operating income							
Interest received.....	276		474		(198)	1,873	
Dividends received.....	346		275		71	664	
Equity in earnings of affiliates.....	1,082		737		344	3,263	
Miscellaneous income.....	1,369		1,293		76	4,174	
Total non-operating income	3,075	1.2	2,780	1.1	295	9,975	0.9
Non-operating expenses							
Interest expense.....	928		684		243	3,020	
Miscellaneous losses	1,145		1,009		135	5,672	
Total non-operating expenses.....	2,073	0.8	1,694	0.6	379	8,692	0.8
Ordinary income	8,614	3.3	20,267	7.7	(11,653)	72,199	6.7
Extraordinary income							
Gain on sales of fixed assets	23		517		(494)	12,183	
Profit on sale of investment securities	1,014		2,716		(1,701)	6,860	
Gain on sale of affiliates' stock.....	--		--		--	4,341	
Others	248		389		(141)	1,308	
Total extraordinary income	1,286	0.5	3,623	1.4	(2,336)	24,694	2.3
Extraordinary losses							
Loss on disposal of fixed assets.....	322		294		28	2,604	
Loss on impairment of fixed assets.....	--		--		--	6,075	
Loss on valuation of investment securities	--		--		--	104	
Settlement payments	--		--		--	2,048	
Retirement benefit expenses.....	--		--		--	312	
Others	331		316		15	4,010	
Total extraordinary losses.....	654	0.3	610	0.2	43	15,155	1.4
Net income before income taxes	9,246	3.5	23,280	8.8	(14,033)	81,737	7.6
Income taxes	4,805	1.8	9,268	3.5	(4,463)	34,340	3.2
Minority interests	982	0.4	995	0.4	(13)	2,580	0.2
Net income	3,459	1.3	13,016	4.9	(9,557)	44,817	4.2

Segment information by business

First quarter of the previous fiscal year, ended March 31, 2005 (April 1, 2004 to June 30, 2004)

Millions of yen, rounded down

	Domestic Food Products	Overseas Food Products	Amino Acids	Pharma- ceuticals	Other	Total	Elimination or All Company	Consolidated
Sales								
(1) Sales to third parties.....	149,741	37,378	44,866	17,526	15,164	264,677	--	264,677
(2) Intra-group sales and transfers	512	2,746	5,439	13	12,955	21,667	(21,667)	--
Total sales	150,253	40,125	50,306	17,540	28,119	286,345	(21,667)	264,677
Operating expenses	145,303	38,507	38,595	15,646	27,109	265,162	(19,665)	245,496
Operating income	4,949	1,617	11,710	1,894	1,010	21,182	(2,001)	19,180

Notes 1. Business segments are based on the management structure of the internal company system.

2. Main products for each business segment:

Business segment	Main manufactured goods
Domestic Food Products	<i>AJI-NO-MOTO</i> , <i>Hon-Dashi</i> , <i>Cook Do</i> , soups, mayonnaise, <i>Pal Sweet</i> (for domestic market), <i>Amino Vital</i> , <i>Mieki</i> (soy bean hydrolyzate), frozen foods, coffee, domestic beverages, dairy products, domestic food wholesale, etc.
Overseas Food Products	<i>AJI-NO-MOTO</i> , nucleotides, overseas instant noodles, overseas beverages, overseas services, etc.
Amino Acids	Various kinds of amino acids, aspartame, specialty chemicals, etc.
Pharmaceuticals	Pharmaceuticals, medical foods
Other	Distribution, various services, etc.

Segment information by business

First quarter of the fiscal year ending March, 2006 (April 1, 2005 to June 30, 2005)

Millions of yen, rounded down

	Domestic Food Products	Overseas Food Products	Amino Acids	Pharma- ceuticals	Other	Total	Elimination or All Company	Consolidated
Sales								
(1) Sales to third parties.....	148,940	22,252	60,061	16,145	14,054	261,454	--	261,454
(2) Intra-group sales and transfers	731	333	6,068	22	12,692	19,849	(19,849)	--
Total sales	149,672	22,585	66,130	16,168	26,746	281,304	(19,849)	261,454
Operating expenses	145,637	22,019	63,069	15,077	26,076	271,880	(18,037)	253,843
Operating income	4,034	566	3,060	1,091	670	9,423	(1,811)	7,611

Notes 1. Business segments are based on the management structure of the internal company system.

2. Main products for each business segment:

Business segment	Main products
Domestic Food Products	<i>AJI-NO-MOTO</i> , <i>Hon-Dashi</i> , <i>Cook Do</i> , soups, mayonnaise and mayonnaise-type dressings, <i>Pal Sweet</i> , delicatessen products, bakery products, <i>Amino Vital</i> , frozen foods, edible oils, coffee, beverages, chilled dairy products, etc.
Overseas Food Products	<i>AJI-NO-MOTO</i> , flavor seasonings, instant noodles, beverages, etc.
Amino Acids	<i>AJI-NO-MOTO</i> for processed food manufacturers, nucleotides, feed-use amino acids, amino acids for pharmaceuticals and foods, pharmaceutical intermediates, aspartame, specialty chemicals, etc.
Pharmaceuticals	Pharmaceuticals, medical foods
Other	Distribution, various services, etc.

3. Change of product allocations to business segments

From the current fiscal year the Company has reorganized its internal company system as part of measures included in Ajinomoto Group's new management plan. Accordingly, product allocations to business segments have been reorganized as follows in order to more appropriately disclose the state of Group operations.

- Food products exported by Ajinomoto Co., Inc. have been shifted from the 'Domestic Food Products' category to 'Overseas Foods Products'.
- Certain frozen food products have been shifted from 'Overseas Food Products' to 'Domestic Food Products'.
- Overseas *Amino Vital* and umami seasonings for processed food manufacturers have been shifted from 'Overseas Food Products' to 'Amino Acids'.
- Certain operations of overseas subsidiaries and part of other businesses have been shifted from 'Overseas Food Products' to 'Amino Acids'.
- Health food projects have reached commercialization as health food businesses, and as such have been shifted from 'All Company' to 'Domestic Food Products'.

Segment information for the previous fiscal year has been restated under the new product allocations to business segments adopted as of the current fiscal year, and is presented in the following page.

Restatements under new allocation of products to business segments

First quarter of the previous fiscal year, ended March 31, 2005 (April 1, 2004 to June 30, 2004)

Millions of yen, rounded down

	Domestic Food Products	Overseas Food Products	Amino Acids	Pharma- ceuticals	Other	Total	Elimination or All Company	Consolidated
Sales								
(1) Sales to third parties.....	150,009	18,365	63,612	17,526	15,164	264,677	--	264,677
(2) Intra-group sales and transfers	279	815	6,062	13	12,955	20,126	(20,126)	--
Total sales	150,288	19,180	69,675	17,540	28,119	284,804	(20,126)	264,677
Operating expenses	145,758	18,280	57,026	15,646	27,109	263,822	(18,325)	245,496
Operating income	4,529	899	12,648	1,894	1,010	20,982	(1,801)	19,180

Note 1. Business segments are based on the management structure of the internal company system.

2. Main products for each business segment

Business segment	Main products
Domestic Food Products	<i>AJI-NO-MOTO</i> , <i>Hon-Dashi</i> , <i>Cook Do</i> , soups, mayonnaise and mayonnaise-type dressings, <i>Pal Sweet</i> , delicatessen products, bakery products, <i>Amino Vital</i> , frozen foods, edible oils, coffee, beverages, chilled dairy products, etc.
Overseas Food Products	<i>AJI-NO-MOTO</i> , flavor seasonings, instant noodles, beverages, etc.
Amino Acids	<i>AJI-NO-MOTO</i> for processed food manufacturers, nucleotides, feed-use amino acids, amino acids for pharmaceuticals and foods, pharmaceutical intermediates, aspartame, specialty chemicals, etc.
Pharmaceuticals	Pharmaceuticals, medical foods
Other	Distribution, various services, etc.